

Financial Statements and Report of  
Independent Certified Public  
Accountants

**Vassar College**

June 30, 2020 and 2019

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Trustees of  
Vassar College

We have audited the accompanying financial statements of Vassar College (the “College”), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management’s responsibility for the financial statements**

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

**Auditor’s responsibility**

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vassar College as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

New York, New York  
October 23, 2020

Vassar College

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,819,582	\$ 27,035,268
Accounts receivable, net	7,708,214	7,307,482
Contributions receivable, net	13,081,971	15,414,431
Prepaid and other assets	4,394,792	4,773,625
Deposits held by bond trustees	28,481,632	6,126,509
Investments	1,124,142,410	1,124,863,945
Beneficial interests in outside trusts	8,574,052	8,804,184
Land, buildings, and equipment, net	463,836,370	470,359,111
	<hr/>	<hr/>
Total assets	\$ 1,663,039,023	\$ 1,664,684,555
	<hr/>	<hr/>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 22,501,414	\$ 24,509,756
Deferred revenue and students' deposits	3,870,594	2,599,864
Present value of beneficiary payments due	11,334,771	11,635,999
Deposits held for others	1,146,885	1,165,433
Long-term debt, net	269,929,969	247,220,054
Accrued pension obligation	29,435,842	19,840,268
Asset retirement obligation	12,547,530	12,059,108
Accrued postretirement benefit obligation	32,509,332	28,411,750
Refundable government loan funds	1,017,305	1,662,704
	<hr/>	<hr/>
Total liabilities	384,293,642	349,104,936
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Without donor restrictions	261,041,062	292,934,612
With donor restrictions	1,017,704,319	1,022,645,007
	<hr/>	<hr/>
Total net assets	1,278,745,381	1,315,579,619
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Total liabilities and net assets	\$ 1,663,039,023	\$ 1,664,684,555
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The accompanying notes are an integral part of these financial statements.

Vassar College

STATEMENT OF ACTIVITIES

Year ended June 30, 2020

With summarized comparative totals for 2019

	2020				2020 Total	2019 Total
	Without donor restrictions	With donor restrictions		Total		
		Program and time restricted	Amounts held in perpetuity			
<b>Operating revenue</b>						
Student tuition, fees, room and board, net	\$ 107,579,804	\$ -	\$ -	\$ -	\$ 107,579,804	\$ 106,349,980
Endowment return used in support of operations	15,964,669	40,793,631	-	40,793,631	56,758,300	54,720,933
Government grants	3,493,612	-	-	-	3,493,612	1,135,136
Private gifts and grants	7,843,230	9,221,506	269,525	9,491,031	17,334,261	19,315,280
Other revenue	1,617,723	-	-	-	1,617,723	2,527,266
Auxiliary enterprises	3,254,276	-	-	-	3,254,276	4,343,497
Net assets released from restrictions	40,026,053	(40,026,053)	-	(40,026,053)	-	-
Total operating revenue	179,779,367	9,989,084	269,525	10,258,609	190,037,976	188,392,092
<b>Operating expenses</b>						
Instruction	82,703,684	-	-	-	82,703,684	82,828,182
Research	2,370,908	-	-	-	2,370,908	2,691,514
Academic support	28,368,212	-	-	-	28,368,212	26,870,230
Student services	23,685,470	-	-	-	23,685,470	22,705,385
Institutional support	39,839,390	-	-	-	39,839,390	40,820,282
Auxiliary enterprises	19,973,687	-	-	-	19,973,687	24,298,643
Total operating expenses	196,941,351	-	-	-	196,941,351	200,214,236
Change in net assets from operations	(17,161,984)	9,989,084	269,525	10,258,609	(6,903,375)	(11,822,144)
<b>Nonoperating activities</b>						
Private gifts and other additions	3,601,327	4,601,149	10,892,451	15,493,600	19,094,927	44,933,847
Net investment return	4,793,291	15,369,084	(2,235)	15,366,849	20,160,140	67,425,140
Appropriation of endowment net assets for operations	(15,964,669)	(40,793,631)	(8,330)	(40,801,961)	(56,766,630)	(54,728,220)
Loss on disposal of fixed assets	(4,000)	-	-	-	(4,000)	(41,672)
Redesignations, transfers and other nonoperating activity	(2,689,032)	2,845,876	(295,229)	2,550,647	(138,385)	278,443
Adjustment for pension liability	(9,438,854)	-	-	-	(9,438,854)	(7,844,531)
Postretirement benefits changes other than net periodic benefits cost	(2,838,061)	-	-	-	(2,838,061)	(3,437,027)
Net assets released from restrictions	7,808,432	(8,100,478)	292,046	(7,808,432)	-	-
Change in net assets from nonoperating activities	(14,731,566)	(26,078,000)	10,878,703	(15,199,297)	(29,930,863)	46,585,980
Change in net assets	(31,893,550)	(16,088,916)	11,148,228	(4,940,688)	(36,834,238)	34,763,836
<b>Net assets, beginning of year</b>	292,934,612	591,344,659	431,300,348	1,022,645,007	1,315,579,619	1,280,815,783
<b>Net assets, end of year</b>	\$ 261,041,062	\$ 575,255,743	\$ 442,448,576	\$ 1,017,704,319	\$ 1,278,745,381	\$ 1,315,579,619

The accompanying notes are an integral part of this financial statement.

**Vassar College**  
**STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2019**

	2019				2019 Total
	Without donor restrictions	With donor restrictions		Total	
		Program and time restricted	Amounts held in perpetuity		
<b>Operating revenue</b>					
Student tuition, fees, room and board, net	\$ 106,349,980	\$ -	\$ -	\$ -	\$ 106,349,980
Endowment return used in support of operations	16,395,245	38,325,688	-	38,325,688	54,720,933
Government grants	1,135,136	-	-	-	1,135,136
Private gifts and grants	12,975,012	6,340,268	-	6,340,268	19,315,280
Other revenue	2,527,266	-	-	-	2,527,266
Auxiliary enterprises	4,343,497	-	-	-	4,343,497
Net assets released from restrictions	31,824,858	(31,824,858)	-	(31,824,858)	-
<b>Total operating revenue</b>	<b>175,550,994</b>	<b>12,841,098</b>	<b>-</b>	<b>12,841,098</b>	<b>188,392,092</b>
<b>Operating expenses</b>					
Instruction	82,828,182	-	-	-	82,828,182
Research	2,691,514	-	-	-	2,691,514
Academic support	26,870,230	-	-	-	26,870,230
Student services	22,705,385	-	-	-	22,705,385
Institutional support	40,820,282	-	-	-	40,820,282
Auxiliary enterprises	24,298,643	-	-	-	24,298,643
<b>Total operating expenses</b>	<b>200,214,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,214,236</b>
<b>Change in net assets from operations</b>	<b>(24,663,242)</b>	<b>12,841,098</b>	<b>-</b>	<b>12,841,098</b>	<b>(11,822,144)</b>
<b>Nonoperating activities</b>					
Private gifts and other additions	10,386,764	28,003,879	6,543,204	34,547,083	44,933,847
Net investment return	16,934,264	50,564,057	(73,181)	50,490,876	67,425,140
Appropriation of endowment net assets for operations	(16,395,245)	(38,325,688)	(7,287)	(38,332,975)	(54,728,220)
Loss on disposal of fixed assets	(41,672)	-	-	-	(41,672)
Other nonoperating activity	7,893	(297,191)	567,741	270,550	278,443
Adjustment for pension liability	(7,844,531)	-	-	-	(7,844,531)
Postretirement benefits changes other than net periodic benefits cost	(3,437,027)	-	-	-	(3,437,027)
Net assets released from restrictions and other transfers	3,284,554	(3,505,603)	221,049	(3,284,554)	-
<b>Change in net assets from nonoperating activities</b>	<b>2,895,000</b>	<b>36,439,454</b>	<b>7,251,526</b>	<b>43,690,980</b>	<b>46,585,980</b>
<b>Change in net assets</b>	<b>(21,768,242)</b>	<b>49,280,552</b>	<b>7,251,526</b>	<b>56,532,078</b>	<b>34,763,836</b>
<b>Net assets, beginning of year</b>	<b>314,702,854</b>	<b>542,064,107</b>	<b>424,048,822</b>	<b>966,112,929</b>	<b>1,280,815,783</b>
<b>Net assets, end of year</b>	<b>\$ 292,934,612</b>	<b>\$ 591,344,659</b>	<b>\$ 431,300,348</b>	<b>\$ 1,022,645,007</b>	<b>\$ 1,315,579,619</b>

The accompanying notes are an integral part of this financial statement.

Vassar College

STATEMENTS OF CASH FLOWS

Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (36,834,238)	\$ 34,763,836
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation, accretion, and amortization	18,908,600	19,713,469
Loss on disposal of fixed assets	4,000	224,179
Investment income on life income and annuity agreements	(1,057,887)	(1,444,621)
Nonoperating contributions	(19,775,993)	(45,089,832)
Gifts in kind	(483,065)	(1,195,814)
Realized and unrealized gains on investments	(17,938,675)	(63,448,393)
Changes in assets and liabilities that provide (use) cash		
Accounts receivable, net	(675,307)	798,134
Contributions receivable, net	2,332,460	708,356
Prepaid and other assets	378,833	(4,784,963)
Accounts payable and accrued expenses	(2,008,342)	3,871,905
Deferred revenue and students' deposits	1,270,730	(707,299)
Present value of beneficiary payments	931,805	724,261
Deposits held for others	(18,548)	(24,302)
Accrued pension obligation	9,595,574	8,058,803
Asset retirement obligation	488,422	466,574
Accrued postretirement benefit obligation	4,097,582	4,272,982
Net cash used in operating activities	<u>(40,784,049)</u>	<u>(43,092,727)</u>
<b>Cash flows from investing activities</b>		
Purchases of land, buildings, and equipment	(11,970,401)	(10,067,430)
Proceeds from sale of fixed assets	-	680,610
Net loans repaid by students	274,575	242,733
Purchases of investments	(196,260,628)	(169,894,339)
Proceeds from sales and maturities of investments	214,696,669	191,357,695
Net cash provided by investing activities	<u>6,740,215</u>	<u>12,310,212</u>
<b>Cash flows from financing activities</b>		
Proceeds from contributions for		
Investment in endowment	16,506,498	20,601,951
Investment in long-lived assets	2,753,596	24,021,615
Investment subject to life income agreements	515,899	466,267
Investment income on life income and annuity agreements	1,057,887	1,444,621
Payments to beneficiaries	(1,233,033)	(1,209,311)
Deposits held by bond trustees	(22,355,123)	(9,058)
Change in refundable government loan funds	(645,398)	(767,372)
Issuance of long-term debt	23,827,822	-
Payments on long-term debt	(600,000)	(585,000)
Net cash provided by financing activities	<u>19,828,148</u>	<u>43,972,770</u>
Net change in cash and cash equivalents	(14,215,686)	13,190,255
<b>Cash and cash equivalents, beginning of year</b>	<u>27,035,268</u>	<u>13,845,013</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 12,819,582</u>	<u>\$ 27,035,268</u>
<b>Supplemental data:</b>		
Interest paid	<u>\$ 11,659,927</u>	<u>\$ 11,069,448</u>
<b>Noncash investing activities:</b>		
Purchases of capital assets included in accounts payable	<u>\$ -</u>	<u>\$ 116,952</u>

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



Vassar College

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

**NOTE 1 - ORGANIZATION**

The mission of Vassar College (“Vassar” or the “College”) is to make accessible “the means of a thorough, well-proportioned and liberal education” that promotes analytical, informed, and independent thinking and sound judgement; encourages articulate expression; and nurtures intellectual curiosity, creativity, respectful debate and engaged citizenship. Vassar supports a high standard of engagement in teaching and learning, scholarship and artistic endeavor; a broad and deep curriculum; and a residential campus that fosters a learning community. Founded in 1861 to provide women an education equal to that once available only to men, Vassar is now open to all and strives to pursue diversity, inclusion, and equity as essential components of a rich intellectual and cultural environment in which all members, including those from underrepresented and marginalized groups, are valued and empowered to thrive.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), have been prepared to focus on the College as a whole and to present balances and transactions according to the existence or absence of donor imposed restrictions.

***Classification of Net Assets***

Resources are reported for accounting purposes in the following classes of net assets based on the existence or absence of donor imposed restrictions:

*Without Donor Restrictions* - Net assets that are not subject to donor imposed stipulations but may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

*With Donor Restrictions* - Net assets whose use by the College is subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire following the passage of time. Also included in this category are net assets subject to donor imposed stipulations that they be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets. Such assets primarily include the College’s donor-restricted endowment funds.

***Statement of Activities Measure of Operations***

The statement of activities reports the change in net assets from operating and nonoperating activities. Operating revenue consists of those items attributable to the College’s education programs, grants for research conducted by academic departments, private gifts that are not endowed or related to the acquisition of capital expenditures, and other revenue, as well as auxiliary enterprise activities.

Nonoperating activities include investment return on short and long-term investments, contributions received other than for current operations, pension and postretirement benefit liability adjustments other than net periodic benefit cost, changes and related income on deferred gifts, and miscellaneous items not related to the College’s academic or research activities. To the extent nonoperating contributions, investment income and gains are used for operations, they are reclassified as appropriation of endowment net assets for operations on the statement of activities.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**Revenue Recognition**

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), the College recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified student fees, auxiliary enterprises and other revenue, as revenue categories subject to the principles of ASC 606. The College recognizes contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

**Student Tuition, Fees, Room and Board, Net**

Student tuition, fees, room and board, net, include revenues generated from tuition and auxiliary enterprises and are recorded at established rates, net of financial aid and scholarships provided directly to students. Auxiliary enterprises include a variety of services, such as housing and dining services, that enhance the quality of student life on campus.

Other auxiliary service enterprise revenue, which includes college retail operations, cash dining, catering, intercollegiate athletics, and graphic arts, are displayed separately. Expenses associated with auxiliary enterprise activities are reported as a single total and include an allocated portion of the cost of operating and maintaining College plant assets, interest, and depreciation.

**Government and Private Grants, Contracts and Gifts**

The College recognizes revenue from grants, contracts and gifts in accordance with Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, including unconditional promises to give reported as contributions receivable, which are considered to be unconditional are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted using an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor imposed restrictions, if any, on the contributions. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions on the statement of activities. Restricted contributions received and expended for the restricted purpose in the same fiscal year are recorded as part of net assets without donor restrictions.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Contributions of land, buildings, or equipment are reported as nonoperating support without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long lived assets are reported as increases in net assets with donor restrictions until the assets are acquired and placed into service.

Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met.

***Cash and Cash Equivalents***

Cash and cash equivalents include operating funds that are short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents are reported at cost, which approximates fair value.

***Receivables***

The College extends credit to students in the form of accounts receivable and loans for educational purposes.

The College records an allowance for doubtful accounts (credit losses) for long-term receivables, including Perkins loans and other student loans. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment, the level of delinquent loans, review of the default rate by category in comparison to prior years, the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on actual collections. The College's Perkins loan receivable represents the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the Federal Government in certain nonrepayment situations. In these situations, the Federal portion of the loan balance is guaranteed. Management believes that its allowance for credit losses at the end of the fiscal year is adequate to absorb credit risk inherent in the portfolio.

***Fair Value Measurements***

U.S. GAAP defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The College categorizes assets and liabilities into a three-tiered hierarchy based on the valuation methodology employed. The hierarchy categories are defined as follows:

- Level 1 - Valuation is based upon quoted prices in active markets that the College has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets.
- Level 2 - Valuation is based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuation is based on unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**Investments**

Investments are reported at fair value with realized and unrealized gains and losses included in the statement of activities. Certain alternative investments are recognized at the net asset value ("NAV") per ownership interest as a practical expedient to estimate fair value. Realized gains and losses on the sale of the College's investments are based upon the average cost of the investment. All investment transactions are recorded on a trade date basis.

**Endowment Funds and Spending Policy**

Included in investments are assets of the College's endowment and similar funds. These institutional funds are invested in long-term vehicles and strategies to produce investment return to support the operations of the College. Investment guidelines are set under the direction of the Investments Committee of the Board of Trustees with the objective to enhance the real fair value of the portfolio while providing a relatively predictable and growing stream of revenue to the College's operating budget. The majority of the endowment and similar funds are unitized and invested in a consolidated investment pool. Nonconsolidated endowed funds are invested separately. Funds are added to or withdrawn from the pool at the unit fair value of the fund at the beginning of the quarter in which the transaction occurred.

The College utilizes a "total return" policy for endowment spending. This approach considers current yield (primarily interest and dividends), as well as the net appreciation in the fair value of investments when determining a spending amount. Under this policy, the Board of Trustees establishes a spending rate, which is then applied to the average fair value of investments.

Annually, as part of the College's operating and capital budget plans, the Board approves a spending rate for endowment units. The guideline is to adjust per unit spending annually based on the one year change in the Higher Education Price Index, lagged one year, provided that the resulting rate does not exceed 5.5% nor fall below 4.5% for the trailing 12 quarter average fair value of the fund, lagged one year. For fiscal year 2018-2019, the Board approved, and the College spent, a total draw on financial assets of up to \$54,728,220, of which \$3,160,556 represented a supplemental draw from board-designated quasi-endowment above per unit spending. For fiscal year 2019-2020, the Board approved, and the College spent, \$56,766,630, of which \$2,611,826 represented a supplemental draw from board-designated quasi-endowment above per unit spending.

**Beneficial Interest in Outside Trusts**

The College is the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of Vassar. The College has legally enforceable rights or claims to such assets, including the right to income generated. The fair value of these interests and the net realized and unrealized gains or losses are recorded as part of net assets with donor restrictions category as restricted by the donors.

**Land, Buildings, and Equipment**

Land, buildings, and equipment are recorded at cost, or if donated, at estimated fair value at the date of donation. Depreciation is computed on a straight line basis over the estimated useful lives of the assets.

Works of art, historical treasures, and similar assets have been recognized at their estimated fair value based upon appraisals or similar valuations at the date of acquisition or donation. Proceeds from sales of collection items are reflected on the statement of activities as changes in the appropriate net asset class, depending on the existence and type of donor imposed restrictions, if any.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

When an asset retirement obligation is identified, the College records the fair value of the obligation as a liability. Over time, the liability is accreted to its estimated settlement value. Upon settlement of the liability, the College will recognize a gain or loss for any difference between the settlement amount and the liability recorded. The fair value of the obligation is also capitalized as part of land, buildings, and equipment and then amortized over the estimated remaining useful life of the associated asset.

***Deferred Gift Arrangements***

The College's deferred gift arrangements with donors consist of irrevocable charitable remainder trusts, charitable gift annuities, and pooled income funds for which the College is the remainder beneficiary. Assets held under these arrangements are included in investments and recorded at fair value. The fair value of these assets included in investments at June 30, 2020 and 2019 totaled \$21,938,259 and \$23,230,049, respectively. Contribution revenue is recognized at the dates the trusts are established, net of the liabilities recorded for the present value of beneficiary payments to be made to the donors and/or other stipulated beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits. The College recognizes its interest in the assets received as contribution revenue, at the fair value of the assets received net of a discount for future interest based on the life expectancy of the donor, calculated using the Annuity 2012 mortality table. The liability for the present value of deferred gifts is based upon actuarial estimates and assumptions regarding the duration of the arrangements and the assumed discount rate. Discount rates range from 0.06% to 2.80% and are established as of the date of the gift. Circumstances affecting these assumptions can change the estimate of this liability in future periods. At June 30, 2020 and 2019, the present value of beneficiary payments totaled \$11,334,771 and \$11,635,999, respectively, of which \$7,067,812 and \$7,084,109, respectively, relates to the College's charitable gift annuity program.

***Discount and Bond Premium***

Long-term debt is recorded net of the discount or premium. Amortization of this discount or premium is recorded using the straight-line method. Net amortization expense amounted to \$396,508 and \$34,305 for the fiscal years ended June 30, 2020 and 2019, respectively.

***Bond Issuance Costs***

Bond issuance costs are capitalized and amortized over the term of the related bond, using the straight-line method. Bond issuance costs totaled \$1,946,285 and \$1,631,485, net of amortization, at June 30, 2020 and 2019, respectively, and are included in the long-term debt balance on the accompanying statements of financial position. Amortization expense amounted to \$332,901 and \$27,570 for the fiscal years ended June 30, 2020 and 2019, respectively.

***Workers' Compensation***

The College recognizes a worker's compensation liability for future payments for current and prior years' claims. The liability is based on estimated claims payable and claims incurred but not reported discounted to present value at 4.0%. As of June 30, 2020 and 2019, the workers' compensation liability is \$2,783,951 and \$3,110,961, respectively, and is recorded within accounts payable and accrued expenses on the accompanying statements of financial position.

***Expenses***

Expenses are recognized by the College as incurred and reported as decreases in net assets without donor restrictions. Expenses paid in advance and not yet incurred are reported as prepaid expenses until the applicable period.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

The costs of program and supporting activities have been summarized on a functional basis on the statement of activities. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple areas have been allocated based upon reasonable ratios determined by management. Expenses associated with the operation and maintenance of the College's plant assets, including interest and depreciation, are allocated on the basis of square footage utilized by the functional categories. Expenses associated with fundraising activities of the College totaled \$6,346,503 and \$6,555,150 in 2020 and 2019, respectively, and are included in institutional support in the accompanying statements of activities.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also effect the reported amounts of revenues and expenses during the reporting period. The College's significant estimates include the valuation of certain investments, the realizable amount of contributions receivable, valuation of asset retirement obligations, and valuation of its pension and postretirement benefit obligations. Actual results could differ from those estimates.

***Risks and Uncertainties***

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risk in the near-term could materially affect the amounts reported in the accompanying financial statements.

Contributions and the actuarial present value of accumulated plan benefits for the pension and postretirement obligations are estimated based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term could be material to the accompanying financial statements.

***Tax Status***

The College generally does not provide for income taxes since it is a tax exempt organization under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). U.S. GAAP permits an organization to recognize the benefit and requires accrual of an uncertain tax position only when the position is "more likely than not" to be sustained in the event of examination by tax authorities. Tax positions deemed to meet the "more likely than not" threshold are recorded as a tax expense in the current year. The College has analyzed all open tax years and believes it has no significant uncertain tax positions.

***Reclassification***

Certain information in the fiscal 2019 financial statements has been reclassified to conform to the fiscal 2020 presentation. There were no changes in assets, liabilities, revenues, expenses or changes in net assets as previously reflected in the 2019 financial statements.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**NOTE 3 - CONTRIBUTIONS RECEIVABLE, NET**

Contributions receivable, net, consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Unconditional promises expected to be collected in		
Less than one year	\$ 8,207,699	\$ 6,351,314
One to five years	4,661,732	9,084,140
Thereafter	<u>579,649</u>	<u>611,449</u>
	13,449,080	16,046,903
Less present value discounts (rates between 0.39% and 6.00%)	(183,789)	(455,001)
Allowance for uncollectible pledges	<u>(183,320)</u>	<u>(177,471)</u>
	<u>\$ 13,081,971</u>	<u>\$ 15,414,431</u>

Conditional pledges and bequest intentions totaling approximately \$108,000,000 have been excluded from these amounts and are not recorded in the accompanying financial statements.

**NOTE 4 - STUDENT LOANS RECEIVABLE AND REFUNDABLE GOVERNMENT LOAN FUNDS**

Student loans receivable are carried at unpaid principal balances, which are believed to represent net realizable value. These loans have mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. At June 30, 2020 and 2019, student loans receivables totaled \$2,381,161 and \$2,537,883, respectively, net of reserves for loans to students estimated to be uncollectible totaling of \$99,140 and \$198,014, respectively, and are included in accounts receivable on the accompanying statements of financial position.

Amounts received from the federal government to fund a portion of the student loans are ultimately refundable to the federal government and are classified as refundable government loan funds in the statement of financial position. At June 30, 2020 and 2019, advances refundable to the U.S. government totaled \$1,017,305 and \$1,662,704, respectively.

Amounts due under the Federal Perkins Loan program are almost fully guaranteed by the government and, therefore, no reserves are placed on any past due balances. At June 30, 2020 and 2019, the following amounts were past due under student loan program:

	In default < 240 days (monthly installments) or 270 days (other installment	In default < 240 days (monthly installments) or 270 days (other installment and < 2 years	In default > 2 years, up to 5 years	In default > 5 years	Total past due
June 30, 2020	<u>\$ 90,655</u>	<u>\$ 83,550</u>	<u>\$ 46,181</u>	<u>\$ 134,868</u>	<u>\$ 355,254</u>
June 30, 2019	<u>\$ 81,689</u>	<u>\$ 29,830</u>	<u>\$ 55,915</u>	<u>\$ 196,196</u>	<u>\$ 363,630</u>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**NOTE 5 - INVESTMENTS**

The College's investment objective is to earn average annual returns sufficient to support regular spending appropriations, and compensate for the impact of inflation over time. The asset allocation for the endowment, which employs multiple managers organized into several asset classes, is designed to achieve this return objective on average over the long-term at an appropriate level of risk. Short-term investments are intended to provide liquidity for operating and nonoperating activities. Fixed income investments are intended to provide income, liquidity, and diversification benefits. Equity investments, real estate, oil and gas partnerships, venture capital/private placements, institutional mutual funds, and balanced funds are intended to provide growth, income, and diversification benefits.

The fair value of the College's investments has been determined in the following manner:

Investments	Investments fair value
Short-term investments consisting principally of money market instruments, certificates of deposit, commercial paper, and cash management funds	At quoted fair value or amortized cost
Equity securities, fixed income, mutual funds, shares in real estate investment trusts, and other publicly traded securities	At quoted fair value
Privately held partnerships, including alternative investments such as private equity and hedge fund limited partnerships	Net asset value as determined by the general partner

The values of publicly traded fixed income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of nonpublicly traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted fair values of the underlying securities. Alternative investments, which consist of hedge funds, real estate, oil and gas partnerships, venture capital and private partnerships, are valued using current estimates of fair value based upon the NAV per ownership interest of the funds determined by the general partner or investment manager for the respective funds. These valuations consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sale prices of investments, and other pertinent information. NAV is used as a practical expedient to estimate the fair value of the College's interest in these funds, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. The College has assessed the NAV provided by the external managers and believes the amounts reported represent a reasonable estimate of fair value.



**Vassar College**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2020 and 2019**

The following tables summarize the valuation of the College's investment portfolio by asset class, excluding beneficial interests in outside trusts, under the fair value hierarchy levels as of June 30:

	2020			
	Investments measured at NAV	Level 1	Level 3	Total
Short-term investments	\$ -	\$ 40,651,516	\$ -	\$ 40,651,516
Fixed-income	-	138,094,138	-	138,094,138
Marketable real estate	-	3,281,762	560,000	3,841,762
Equity investments				
U.S. stocks	-	118,841,724	-	118,841,724
International stocks	-	11,431,855	-	11,431,855
Hedge funds	278,008,140	-	-	278,008,140
Real estate, oil, and gas partnerships	55,163,124	-	9,264,436	64,427,560
Venture capital/private partnerships	468,845,715	-	-	468,845,715
	<b>\$ 802,016,979</b>	<b>\$ 312,300,995</b>	<b>\$ 9,824,436</b>	<b>\$ 1,124,142,410</b>
	2019			
	Investments measured at NAV	Level 1	Level 3	Total
Short-term investments	\$ -	\$ 30,893,896	\$ -	\$ 30,893,896
Fixed-income	-	146,296,393	-	146,296,393
Marketable real estate	-	3,493,362	232,727	3,726,089
Equity investments				
U.S. stocks	-	144,502,090	-	144,502,090
International stocks	-	17,328,895	-	17,328,895
Hedge funds	265,364,868	-	-	265,364,868
Real estate, oil, and gas partnerships	62,813,578	-	8,234,203	71,047,781
Venture capital/private partnerships	445,703,933	-	-	445,703,933
	<b>\$ 773,882,379</b>	<b>\$ 342,514,636</b>	<b>\$ 8,466,930</b>	<b>\$ 1,124,863,945</b>

The College had no Level 2 investments at June 30, 2020 and 2019.

There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2020 and 2019.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

The following table presents a reconciliation of Level 3 investments measured at fair value for the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance, July 1,	\$ 8,466,930	\$ 8,124,682
Purchases	1,536,279	1,610,531
Sales	(1,782,718)	(2,282,334)
Investment return	<u>1,603,945</u>	<u>1,014,051</u>
Balance, June 30,	<u>\$ 9,824,436</u>	<u>\$ 8,466,930</u>

**Liquidity**

Hedge funds and certain equity investments are redeemable with the funds or limited partnerships at NAV under the terms of the subscription agreement and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly, or annual redemption frequency typically require notice periods ranging from 15 to 90 days. Investment fair values are detailed below by their redemption frequency as of June 30, 2020.

	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annual</u>	<u>Illiquid</u>	<u>Total</u>
Short-term investments	\$ 40,651,516	\$ -	\$ -	\$ -	\$ -	\$ 40,651,516
Fixed-income	138,094,138	-	-	-	-	138,094,138
Marketable real estate	3,281,762	-	-	-	560,000	3,841,762
Equity investments						
U.S. stocks	118,841,724	-	-	-	-	118,841,724
International stocks	11,431,855	-	-	-	-	11,431,855
Hedge funds	-	-	79,980,866	180,787,598	17,239,676	278,008,140
Real estate, oil and gas partnerships	-	-	-	-	64,427,560	64,427,560
Venture capital/private partnerships	-	<u>56,115,881</u>	<u>65,592,217</u>	<u>26,331,571</u>	<u>320,806,046</u>	<u>468,845,715</u>
	<u>\$ 312,300,995</u>	<u>\$ 56,115,881</u>	<u>\$ 145,573,083</u>	<u>\$ 207,119,169</u>	<u>\$ 403,033,282</u>	<u>\$ 1,124,142,410</u>

Investments with a redemption frequency of illiquid includes lock-ups with expiration dates, restricted shares, side pockets, gates or funds in liquidation which have suspended normal liquidity terms, as well as private equity and real asset funds where the College has no liquidity terms until the investments are sold by the respective fund manager. The estimated life of the real assets and venture capital/private placement funds range from 7 to 15 years. At June 30, 2020, the College's remaining outstanding commitments on investments totaled \$160,196,471 and are expected to be funded from existing investments included within the endowment.

**Vassar College**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2020 and 2019**

**NOTE 6 - BENEFICIAL INTEREST IN OUTSIDE TRUSTS**

The College has a beneficial interest in several perpetual trusts. At June 30, 2020 and 2019, the College's proportionate share in the fair value of such assets totaled \$8,574,052 and \$8,804,184, respectively. Such interests are reported as net assets with donor restrictions and are classified as Level 3 within the fair value hierarchy. The following table summarizes the changes in fair values associated with these Level 3 assets for the years ended June 30, 2020 and 2019.

	2020	2019
Balance, July 1,	\$ 8,804,184	\$ 8,851,768
Distributions	(486,022)	(445,180)
Investment return	255,890	397,596
Balance, June 30,	\$ 8,574,052	\$ 8,804,184

**NOTE 7 - ENDOWMENT**

The College endowment consists of approximately 900 individual donor-restricted endowment funds and 100 board-designated quasi endowment funds for a variety of purposes. Pledges receivable and deferred gift arrangements that have been restricted for endowment are not considered to be part of the endowment until the funds are received. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") governs the management and investment of donor-restricted endowment funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment, and expenditure of donor restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure. The Board of Trustees has interpreted its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not for Profit Corporation Law, including NYPMIFA, to include the preservation of intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds.

As a result of this interpretation, the College classifies as net assets with donor restrictions: (a) the original value of gifts donated to a true endowment fund; (b) the original value of subsequent gifts to a true endowment fund; and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In addition, unspent earnings related to donor-restricted endowment funds are classified as net assets with donor restrictions until the amounts are expended by the College in a manner consistent with the donor's intent and appropriated for expenditure by the Board of Trustees. The remaining portion of the endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions.

The College considers the following factors in making a determination to appropriate or accumulate endowment funds: (i) the duration and preservation of the fund; (ii) the purposes of the College and its donor-restricted endowment fund; (iii) general economic conditions; (iv) the possible effect of inflation and deflation; (v) the expected total return from income and the appreciation of endowment investments; (vi) other resources of the College; and (vii) the investment policies of the College.

Endowment net asset composition, excluding pledges and beneficial interests in outside trusts, and changes in endowment net assets, consists of the following at June 30:

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

	2020				
	Without donor restriction	With donor restrictions			Total
		Program and time restricted	Amounts Held in perpetuity	Total	
Board-designated quasi endowment funds	\$ 154,751,042	\$ -	\$ -	\$ -	\$ 154,751,042
Donor-restricted endowment funds	-	517,358,495	425,866,113	943,224,608	943,224,608
<b>Total endowment funds at June 30, 2020</b>	<b>\$ 154,751,042</b>	<b>\$ 517,358,495</b>	<b>\$ 425,866,113</b>	<b>\$ 943,224,608</b>	<b>\$ 1,097,975,650</b>

	2020				
	Without donor restriction	With donor restrictions			Total
		Program and time restricted	Amounts Held in perpetuity	Total	
Net endowment assets at June 30, 2019	\$ 159,636,589	\$ 545,942,295	\$ 411,800,622	\$ 957,742,917	\$ 1,117,379,506
Gifts received	2,587,368	-	13,188,653	13,188,653	15,776,021
Operating gifts designated	115,787	(37,975)	435,577	397,602	513,389
Other transfers and redesignations	3,429,773	(3,369,492)	122,319	(3,247,173)	182,599
Investment return, net	4,946,193	15,617,298	327,273	15,944,571	20,890,765
Appropriation of endowment assets for expenditure	(15,964,668)	(40,793,631)	(8,330)	(40,801,962)	(56,766,630)
<b>Net endowment assets at June 30, 2020</b>	<b>\$ 154,751,042</b>	<b>\$ 517,358,495</b>	<b>\$ 425,866,113</b>	<b>\$ 943,224,608</b>	<b>\$ 1,097,975,650</b>

	2019				
	Without donor restriction	With donor restrictions			Total
		Program and time restricted	Amounts Held in perpetuity	Total	
Board-designated quasi endowment funds	\$ 159,636,589	\$ -	\$ -	\$ -	\$ 159,636,589
Donor-restricted endowment funds	-	545,942,295	411,800,622	957,742,917	957,742,917
<b>Total endowment funds at June 30, 2019</b>	<b>\$ 159,636,589</b>	<b>\$ 545,942,295</b>	<b>\$ 411,800,622</b>	<b>\$ 957,742,917</b>	<b>\$ 1,117,379,506</b>

	2019				
	Without donor restriction	With donor restrictions			Total
		Program and time restricted	Amounts Held in perpetuity	Total	
Net endowment assets at June 30, 2018	\$ 156,816,244	\$ 528,789,200	\$ 397,225,880	\$ 926,015,080	\$ 1,082,831,324
Gifts received	2,348,982	4,729,200	13,984,532	18,713,732	21,062,714
Transfers and gifts designated	430,098	178,167	597,497	775,664	1,205,762
Investment return, net	16,436,510	50,571,416	-	50,571,416	67,007,926
Appropriation of endowment assets for expenditure	(16,395,245)	(38,325,688)	(7,287)	(38,332,975)	(54,728,220)
<b>Net endowment assets at June 30, 2019</b>	<b>\$ 159,636,589</b>	<b>\$ 545,942,295</b>	<b>\$ 411,800,622</b>	<b>\$ 957,742,917</b>	<b>\$ 1,117,379,506</b>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**NOTE 8 - AVAILABLE RESOURCES AND LIQUIDITY**

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The College has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities and a line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing activities of instruction, research and public service as well as the conduct of services undertaken to support those activities. Student notes receivables are not included in the analysis as principal and interest on these loans are used solely to make new loans, and are therefore, not available to meet current operating needs.

As of June 30, 2020 and 2019, the following tables present the total financial assets held by the College and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets due within one-year:		
Cash and cash equivalents	\$ 12,819,582	\$ 27,035,268
Accounts receivable	5,327,053	1,109,961
Contributions receivable due within one year	8,207,699	6,351,314
Subsequent year's endowment return used in support of operations	57,489,271	56,141,630
Investments	<u>1,124,142,410</u>	<u>1,124,863,945</u>
	<u>1,207,986,015</u>	<u>1,215,502,118</u>
Less:		
Amounts unavailable for general expenditures within one-year due to:		
Donor-restricted gifts for plant and endowment	5,954,616	24,718,764
Donor-restricted pledges	7,742,904	5,962,707
Unappropriated accumulated endowment gains	517,358,495	545,942,295
Restricted by donors in perpetuity	425,866,113	411,800,622
Other investment	<u>26,166,760</u>	<u>7,484,439</u>
	<u>983,088,888</u>	<u>995,908,827</u>
Total financial assets available to management for general expenditure before amounts subject to the Board's approval	<u>224,897,127</u>	<u>219,593,291</u>
Amounts available to management subject to the Board's approval:		
Board-designated for quasi-endowment	<u>154,751,042</u>	<u>159,636,589</u>
Total financial assets available to management for general expenditure within one-year	<u>\$ 70,146,085</u>	<u>\$ 59,956,702</u>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**NOTE 9 - LAND, BUILDINGS, AND EQUIPMENT, NET**

The following is a summary of the College's property and equipment as of June 30:

	<u>Lives</u>	<u>2020</u>	<u>2019</u>
Land	-	\$ 2,125,873	\$ 2,125,873
Land improvements	50 years	39,378,195	38,692,981
Buildings and improvements	10 to 50 years	601,109,858	597,726,675
Equipment (including computers)	4 - 7 years	97,677,786	94,523,936
Library books	4 years	62,190,503	61,540,290
Art works and collectibles	-	62,872,721	62,271,090
Construction in progress	-	<u>7,877,534</u>	<u>3,937,814</u>
		873,232,470	860,818,659
Less accumulated depreciation		<u>(409,396,100)</u>	<u>(390,459,548)</u>
		<u>\$ 463,836,370</u>	<u>\$ 470,359,111</u>

Depreciation for the years ended June 30, 2020 and 2019 totaled \$18,972,207 and \$19,720,204, respectively.

The College's Board of Trustees approved a capital budget of \$6,000,000 for construction projects in fiscal year 2021.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE 10 - LONG TERM DEBT

Long term debt consists of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Dormitory Authority of the State of New York Revenue Bonds, Series 2010, maturing in 2049, with interest of 5%. The bonds are unsecured general obligations of the College. <sup>(a)</sup>	\$ -	\$ 50,000,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2013A, maturing in 2049, with interest ranging from 4% to 5%. The bonds are unsecured general obligations of the College. <sup>(b)</sup>	87,085,000	87,085,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2017, maturing in 2046, with interest ranging from 4% to 5%. The bonds are unsecured general obligations of the College. <sup>(c)</sup>	100,910,000	101,510,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2020, maturing in 2049, with interest ranging from 4% to 5%. The bonds are unsecured general obligations of the College. <sup>(d)</sup>	<u>59,095,000</u>	<u>-</u>
	247,090,000	238,595,000
Add net premium received on bond issuance	24,786,254	9,269,196
Less bond issuance costs	<u>(1,946,285)</u>	<u>(644,142)</u>
	<u>\$ 269,929,969</u>	<u>\$ 247,220,054</u>

- a. On March 31, 2010, the College entered into an agreement with the Dormitory Authority of the State of New York, which provided for the issuance of \$50,000,000 Vassar College Revenue Bonds, Series 2010. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus. During 2020, the Series 2010 Bonds were extinguished using a portion of the proceeds from the Series 2020 Bond, as further discussed below. A loss on debt extinguishment of \$454,300 was recognized and is included in other nonoperating activity on the accompanying 2020 statement of activities
- b. On June 6, 2013, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of \$87,085,000 Vassar College Revenue Bonds, Series 2013A. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.
- c. On April 25, 2017, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of \$102,095,000 Vassar College Revenue Bonds, Series 2017. A portion of the proceeds were deposited into bond trustee escrow accounts to extinguish the then outstanding Vassar College Revenue Series 2007 Bonds. A portion of the proceeds was also received by the College to pay certain costs associated with the issuance.
- d. On April 2, 2020, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of \$59,095,000 Vassar College Revenue Bonds, Series 2020. A portion of the proceeds were deposited into bond trustee escrow accounts to extinguish the then outstanding Vassar College Revenue Series 2010 Bonds. A portion of the proceeds was also received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Maturities of bonds for the fiscal years after June 30, 2020 are as follows:

2021	\$ 625,000
2022	925,000
2023	1,425,000
2024	1,660,000
2025	1,715,000
Thereafter	<u>240,740,000</u>
	<u>\$ 247,090,000</u>

Interest expense for the years ended June 30, 2020 and 2019 totaled \$11,062,101 and \$11,020,018, respectively.

The Dormitory Authority of the State of New York and the Dutchess County Local Development Corporation require the College to establish certain reserve funds, which are included in the caption “deposits held by bond trustees” on the accompanying statements of financial position. These funds are invested in cash and cash equivalents and fixed income securities where the fair value is based on quoted market prices and are considered to be Level 1 in the fair value hierarchy.

***Line of Credit***

The College maintains a revolving line of credit for \$10,000,000 of which \$8,500,000 is available for working capital and \$1,500,000 can be used for the issuance of letters of credit. As of June 30, 2020, the College had a letter of credit issued on its behalf in the amount of \$1,324,000. As of June 30, 2020 and 2019, the College had not drawn on the designated working capital portion of the revolving line of credit.

**NOTE 11 - EMPLOYEE BENEFITS - RETIREMENT PLANS**

Retirement benefits for substantially all full-time employees are provided under a defined contribution plan with Teachers Insurance and Annuity Association (“TIAA”) and Fidelity Investments (“Fidelity”). In accordance with current plan documents, all employees who have completed one year of service at the College are eligible to participate in the Plan. The College makes contributions to TIAA and Fidelity based on eligible employees’ earnings and age. Employer contributions to the plan by the College on behalf of eligible employees for the years ended June 30, 2020 and 2019 totaled \$7,256,551 and \$7,018,000, respectively.

Retirement benefits for nonacademic employees, excluding secretarial, clerical, technical and supervisory staff, are provided under the Vassar College Defined Benefit Pension Plan.



**Vassar College**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2020 and 2019**

The following tables and associated disclosures set forth information related to the Vassar College Defined Benefit Pension Plan:

	2020	2019
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 55,934,376	\$ 45,964,397
Service cost	1,683,795	1,373,629
Interest cost	1,632,860	1,795,052
Plan amendments	-	2,661,351
Benefits paid	(1,783,430)	(1,711,788)
Actuarial loss	7,971,969	5,851,735
Benefit obligation at end of year	\$ 65,439,570	\$ 55,934,376
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 36,094,108	\$ 34,182,932
Actual return on plan assets	(221,950)	2,055,964
Employer contribution	1,915,000	1,567,000
Benefits paid	(1,783,430)	(1,711,788)
Fair value of plan assets at end of year	36,003,728	36,094,108
Funded status at June 30 - amount recognized in statement of financial position	\$ (29,435,842)	\$ (19,840,268)
Amounts recognized in unrestricted net assets		
Net prior service cost	\$ 3,781,677	\$ 4,243,787
Net actuarial loss	\$ 26,477,845	\$ 16,576,881

The estimated net prior service cost and net actuarial loss for the defined benefit pension plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year are \$1,496,538 and \$462,110, respectively.

Based on the current funding level, the College anticipates making a contribution for fiscal year 2021 to the plan in the amount of \$2,685,000.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Components of net periodic benefit cost for the years ended June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Service cost	\$ 1,683,795	\$ 1,373,629
Interest cost	1,632,860	1,795,052
Expected return on plan assets	(2,524,874)	(2,369,698)
Amortization of		
Prior service cost	462,110	541,905
Actuarial net loss	<u>817,829</u>	<u>440,384</u>
Net periodic benefit cost	<u>\$ 2,071,720</u>	<u>\$ 1,781,272</u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended June 30 are as follows:

	<u>2020</u>	<u>2019</u>
New prior service credit	\$ -	\$ (2,661,351)
Net actuarial gain	(10,718,793)	(6,165,469)
Amortization of		
Prior service cost	462,110	541,905
Actuarial net loss	<u>817,829</u>	<u>440,384</u>
Total recognized in nonoperating activities	<u>\$ (9,438,854)</u>	<u>\$ (7,844,531)</u>

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position at June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Year-end benefit obligation		
Discount rate	2.50 %	3.36 %
Net periodic benefit cost		
Discount rate	3.36 %	4.04 %
Expected return on plan assets	7.00 %	7.00 %

The expected long-term rate of return assumption represents the expected average rate of return or earnings on funds invested or to be invested to provide for the benefits included in the benefit obligations. This assumption is based on a number of factors, including historical market index returns, the anticipated long-term asset allocation of the plan, historical plan return data, plan expenses, and the potential to outperform market index returns.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

The estimated future benefit payments to participants from the defined benefit pension plan for the fiscal years ended June 30 are as follows:

2021	\$ 2,389,414
2022	2,541,887
2023	2,661,340
2024	2,811,889
2025	2,944,988
2026 - 2029	<u>15,867,638</u>
	<u>\$ 29,217,156</u>

**Defined Benefit Plan Investment Policy**

The Investment Committee of the Board of Trustees (the "Committee") directs the investment of the assets within the defined benefit pension plan (the "Plan"). The Committee has established a formal investment policy for the Plan, the goal of which is to generate a long-term real rate of return of 5.5% - 6.0%, while sustaining moderate levels of risk. Target weightings for asset classes in the investment policy have been established based upon long-term expected real rates of return and correlation of returns as developed by the Plan's investment manager. These target weightings, bounded by allowable ranges, are expected to allow the Plan assets to meet its objectives over the long-term with respect to investment return, volatility, and liquidity.

Target weightings for Plan assets are 60% equities, 30% fixed income, and 10% real estate. As of June 30, 2020 and 2019, actual weightings approximated the targets.

The Plan's assets are shown below at fair value by investment class and hierarchy, as of June 30, 2020 and 2019:

	2020			
	Investments measured at NAV	Level 1	Level 2	Total
Common/collective trusts	\$ -	\$ -	\$ 13,515,827	\$ 13,515,827
Mutual funds	-	22,485,728	-	22,485,728
Other	<u>2,173</u>	<u>-</u>	<u>-</u>	<u>2,173</u>
	<u>\$ 2,173</u>	<u>\$ 22,485,728</u>	<u>\$ 13,515,827</u>	<u>\$ 36,003,728</u>
	2019			
	Investments measured at NAV	Level 1	Level 2	Total
Common/collective trusts	\$ -	\$ -	\$ 13,462,928	\$ 13,462,928
Mutual funds	-	22,626,399	-	22,626,399
Other	<u>4,781</u>	<u>-</u>	<u>-</u>	<u>4,781</u>
	<u>\$ 4,781</u>	<u>\$ 22,626,399</u>	<u>\$ 13,462,928</u>	<u>\$ 36,094,108</u>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

**NOTE 12 - EMPLOYEE BENEFITS - POSTRETIREMENT HEALTH INSURANCE**

The College provides postretirement medical benefits for certain retirees and employees. The cost of postretirement benefits is accrued as earned during an employee's service with the College.

The following table presents the postretirement medical plan's funded status and amounts recognized in the financial statements. The calculations were based upon data as of June 30, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 28,411,750	\$ 24,138,768
Service cost	1,277,101	1,096,659
Interest cost	819,906	881,872
Plan participants' contributions	73,830	98,547
Benefits paid	(911,316)	(918,859)
Actuarial loss	<u>2,838,061</u>	<u>3,114,763</u>
Benefit obligation at end of year	<u>32,509,332</u>	<u>28,411,750</u>
Change in plan asset		
Fair value of plan assets at beginning of year	-	-
Retiree drug subsidy receipts	-	-
Employer contributions	837,486	820,312
Plan participants' contributions	73,830	98,547
Benefits paid	<u>(911,316)</u>	<u>(918,859)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Funded status at June 30 - amount recognized in statement of financial position	<u>\$ (32,509,332)</u>	<u>\$ (28,411,750)</u>
	<u>2020</u>	<u>2019</u>
Amounts recognized in net assets without donor restrictions		
Net actuarial (gain) loss	<u>\$ (1,605,360)</u>	<u>\$ 1,232,701</u>
Components of net periodic benefit cost		
Service cost	1,277,101	1,096,659
Interest cost	819,906	881,872
Amortization of		
Prior service credit	-	-
Actuarial net gain	<u>-</u>	<u>(322,264)</u>
Net postretirement benefit cost	<u>\$ 2,097,007</u>	<u>\$ 1,656,267</u>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Other changes in benefit obligations recognized in net assets without donor restrictions for the years ended June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Net actuarial gain	\$ (2,838,061)	\$ (3,114,763)
Amortization of		
Prior service credit	-	-
Actuarial net loss	-	(322,264)
	<u>                    </u>	<u>                    </u>
Total recognized in nonoperating activities	<u>\$ (2,838,061)</u>	<u>\$ (3,437,027)</u>

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position are as follows:

	<u>2020</u>	<u>2019</u>
Year end benefit obligation		
Discount rate	2.45 %	3.32 %
Net periodic benefit cost		
Discount rate	3.32 %	4.02 %

Based on the current funding level, the College anticipates making a contribution for fiscal year 2021 to the plan in the amount of \$1,272,948.

The estimated future benefit payments from the postretirement health insurance plan for the fiscal years ended June 30 are as follows:

2021	\$ 1,272,948
2022	1,313,858
2023	1,350,915
2024	1,371,342
2025	1,420,526
2026 - 2030	<u>7,634,969</u>
	<u>\$ 14,364,558</u>

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan. Assumed health care cost trends are 5.72% and 6.01% as of June 30, 2020 and 2019, respectively, decreasing annually to an ultimate trend rate of 4.50% by 2037.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

A one percentage point change in the assumed healthcare cost trend rates would have the following effects at June 30:

	<u>2020</u>	<u>2019</u>
Effect of 1% increase in healthcare cost trend rate		
Change in aggregate of current service cost and interest cost	\$ 396,117	\$ 418,160
Change in accumulated postretirement benefit obligation	4,657,651	3,279,840
Effect of 1% decrease in healthcare cost trend rate		
Change in aggregate of current service cost and interest cost	\$ (388,073)	\$ (330,877)
Change in accumulated postretirement benefit obligation	(3,852,620)	(2,728,525)

**NOTE 13 - STUDENT TUITION, FEES, ROOM AND BOARD, NET**

The College has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing and meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed when a course or term begins, and paid within thirty days of the bill date.

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various parking facilities and vending machines across campuses. Generally, this other fees revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

In the following table, revenue is disaggregated by type of service provided:

	<u>For the year ended June 30, 2020</u>		
	<u>Tuition and fees</u>	<u>Room and board</u>	<u>Total</u>
Revenues	\$ 148,880,271	\$ 27,738,027	\$ 176,618,298
Less: Student aid	<u>(58,195,950)</u>	<u>(10,842,544)</u>	<u>(69,038,494)</u>
Student tuition, fees, room and board, net	<u>\$ 90,684,321</u>	<u>\$ 16,895,483</u>	<u>\$ 107,579,804</u>

	<u>For the year ended June 30, 2019</u>		
	<u>Tuition and fees</u>	<u>Room and board</u>	<u>Total</u>
Revenues	\$ 143,871,514	\$ 31,743,034	\$ 175,614,548
Less: Student aid	<u>(56,744,720)</u>	<u>(12,519,848)</u>	<u>(69,264,568)</u>
Student tuition, fees, room and board, net	<u>\$ 87,126,794</u>	<u>\$ 19,223,186</u>	<u>\$ 106,349,980</u>

The College has taken a portfolio approach in determining whether student aid should apply across tuition and fees, housing, and meals. In general, the College awards student aid based on the students expected ability to contribute toward the total cost of attendance including tuition, fees, room and board, and other expenses. Accordingly, student aid has been applied against all student services revenues.

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

Deferred revenue at June 30, 2020 and 2019 totaled \$3,870,594 and \$2,599,864, respectively, and represents the College's performance obligation to transfer future enrollment and instructional services to students. For the years ended June 30, 2020 and 2019, the College recognized revenue of \$2,599,864 and \$3,307,163, respectively, from amounts that were included in deferred revenues at the beginning of the year. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The College has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

**NOTE 14 - RESTRICTED NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS**

The College's donor-restricted net assets consist of the following at June 30:

	2020		2019	
	Program and time restrictions	Amounts held in perpetuity	Program and time restrictions	Amounts held in perpetuity
Instruction	\$ 209,169,217	\$ 111,865,063	\$ 216,809,067	\$ 109,608,277
Scholarships	224,009,579	184,140,262	232,245,706	176,703,680
Student services	24,324,782	15,119,006	23,289,381	14,106,554
Academic support	42,045,175	29,202,595	43,317,448	27,540,247
Institutional support	28,788,191	77,658,163	28,922,301	77,028,048
Other	36,491,730	7,762,052	37,597,809	4,082,336
Annuities and trusts	2,477,560	12,586,789	2,853,272	13,129,449
Pledges	7,949,509	4,114,646	6,309,675	9,104,757
<b>Total</b>	<b>\$ 575,255,743</b>	<b>\$ 442,448,576</b>	<b>\$ 591,344,659</b>	<b>\$ 431,303,348</b>

Net assets with donor restrictions at June 30, 2020 and 2019 includes \$517,358,495 and \$545,942,295, respectively, of appreciation on donor-restricted endowment funds available principally to support instruction, scholarships, student services, academic support, and institutional support costs.

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors are as follows for the years ended June 30:

	2020	2019
Instruction	\$ 15,303,790	\$ 11,683,313
Scholarships	17,563,441	15,983,263
Student services	1,299,196	475,942
Academic support	3,362,732	1,687,267
Institutional support	2,605,040	1,760,704
Other	7,700,286	3,518,923
	<b>\$ 47,834,485</b>	<b>\$ 35,109,412</b>

Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

NOTE 15 - COMMITMENTS AND CONTINGENCIES

*Operating Leases*

At June 30, 2020, minimum annual commitments under operating leases are as follows:

Fiscal year ending June 30.

2021	\$ 279,316
2022	251,620
2023	258,240
2024	273,735
2025	<u>290,159</u>
	<u>\$ 1,353,070</u>

The College is subject to various litigation incidental to its business activities. Management and its counsel believe that existing insurance policies are sufficient and that pending litigation will not have a material adverse effect on the College's financial position, changes in net assets or cash flows.

A provision for amounts due to government agencies for costs which may be disallowed upon examination by government auditors has not been included in the accompanying financial statements. Management believes that the effect of such disallowances, if any, would not have a material effect on the financial position, changes in net assets or cash flows of the College.

NOTE 16 - NATURAL CLASSIFICATION OF EXPENSES

Operating expenses presented by natural classification are as follows for the fiscal years ended June 30, 2020 and 2019:

	Instruction	Research	Academic support	Student services	Institutional support	Auxiliary enterprise	Operations and maintenance	2020 Total
Salaries and wages	\$ 39,229,815	\$ 536,353	\$ 11,081,600	\$ 8,659,834	\$ 13,979,141	\$ 4,288,552	\$ 9,173,291	\$ 86,948,586
Payroll taxes and fringe benefits	14,223,546	160,026	4,199,085	3,348,306	4,912,039	4,882,841	3,891,759	35,617,602
Depreciation, accretion and amortization	8,186,962	233,913	2,806,958	2,339,132	3,937,539	1,988,262	-	19,492,767
Interest	4,654,435	132,984	1,595,806	1,329,838	2,238,640	1,130,363	-	11,082,065
Utilities	1,915,577	54,731	658,279	547,308	921,302	515,523	-	4,612,720
Professional service fees	715,844	76,420	1,436,014	850,066	3,469,660	5,211,173	670,874	12,430,050
Conferences meetings and travel	991,907	186,987	625,097	1,112,963	1,297,137	39,659	185,623	4,439,374
Information technology	31,692	-	2,926,499	29,857	92,567	49	22,897	3,103,560
Other operating	4,859,285	763,934	332,146	3,212,560	5,194,429	-	4,852,274	19,214,628
Operations and maintenance	7,894,621	225,561	2,706,727	2,255,606	3,796,937	1,917,265	(18,796,718)	-
Total operating expenses	<u>\$ 82,703,684</u>	<u>\$ 2,370,908</u>	<u>\$ 28,368,212</u>	<u>\$ 23,685,470</u>	<u>\$ 39,839,390</u>	<u>\$ 19,973,687</u>	<u>\$ -</u>	<u>\$ 196,941,351</u>



Vassar College

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

	Instruction	Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprise	Operations and Maintenance	2019 Total
Salaries and wages	\$ 37,710,967	\$ 452,508	\$ 10,555,570	\$ 8,578,776	\$ 12,785,349	\$ 5,364,478	\$ 9,840,506	\$ 85,288,154
Payroll taxes and fringe benefits	13,688,473	95,434	3,818,621	3,110,327	5,770,696	4,827,752	3,472,632	34,783,935
Depreciation, accretion and amortization	8,343,592	271,061	2,706,777	2,287,278	4,112,098	2,447,413	-	20,168,219
Interest	4,574,173	148,602	1,483,883	1,253,934	2,254,431	1,345,650	-	11,060,673
Utilities	1,995,355	64,824	647,776	546,998	983,401	585,294	-	4,823,647
Professional service fees	890,559	115,590	1,268,151	993,228	3,118,253	6,272,003	1,428,243	14,086,027
Conferences meetings and travel	985,438	216,128	933,177	1,397,928	1,976,518	113,277	165,606	5,788,072
Information technology	42,313	13,525	2,494,275	140,218	77,574	5,130	27,141	2,800,176
Other operating	6,219,595	1,041,673	244,153	2,100,065	5,613,046	818,789	5,316,578	21,353,899
Operations and maintenance	8,377,717	272,169	2,717,847	2,296,633	4,128,916	2,518,856	(20,250,706)	61,434
Total operating expenses	<u>\$ 82,828,182</u>	<u>\$ 2,691,514</u>	<u>\$ 26,870,230</u>	<u>\$ 22,705,385</u>	<u>\$ 40,820,282</u>	<u>\$ 24,298,643</u>	<u>\$ -</u>	<u>\$ 200,214,236</u>

**NOTE 17 – IMPACT OF COVID-19**

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) emerged globally, and in March 2020 the World Health Organization declared the spread of COVID-19 a worldwide pandemic. As a result, the College's campus was closed in March 2020 and moved the remainder of the spring 2020 semester to virtual learning. Students received refunds and future statement credits for their unused housing, meal plans, and other mandatory fees through the end of the semester, resulting in lost revenue of \$6,472,768, which would have been included in student tuition, fees, room and board, net on the statement of activities for the fiscal year ending June 30, 2020. The impact of the revenue loss was lessened by the expense reductions which included cancelled travel and events, lower utilities, and other operating expense constraints.

The COVID-19 pandemic continues to have significant effects on higher education, global markets, supply chains, businesses, and communities. Specific to the College, COVID-19 has impacted various parts of its 2020 operations and financial results and may impact portions of its 2021 operations and financial results, including, but not limited to, declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology and safety protocols, or potential shortages of personnel. Management believes that the College is taking appropriate actions to mitigate the negative impact.

**NOTE 18 - SUBSEQUENT EVENTS**

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2020 and through October 23, 2020, the date on which the financial statements were issued. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements.