COLLEGE OF
Saint Benedict

Inspired Learning. *Inspiring Lives.*

Independent Auditor's Report and Financial Statements

June 30, 2024 and 2023

College of Saint Benedict
Contents
June 30, 2024 and 2023

College of Saint Benedict
Highlights
June 30, 2024 and 2023

	2024	2023
Student Body		
Fall FTE, Campus	1,436	1,454
Fall FTE, CE		-
Applications, Acceptances, Enrollments and Graduates		
Applications	1,998	1,682
Acceptances	1,691	1,482
Percent accepted	84.6%	88.1%
Enrolled	379	328
Percent enrolled to accepted	22.4%	22.1%
ACT	24	24
Graduates	337	399
Faculty and Staff		
Total employment (FTE)	395	390
Total faculty (FTE)	126	121
Number of full-time faculty	118	117
Tenured faculty	74	83
Tuition and Fees Per Student		
Tuition	$ 52,700	$ 50,950
Room (average double room)	5,980	5,858
Board	6,180	6,064
Technology fee	314	306
Health fee	352	344
Campus center fee	518	508
Total tuition and fees per student	$ 66,044	$ 64,030
Financial Aid		
Grants/scholarships		
College	$ 39,788,047	$ 38,493,406
MPCC/special/endowed	4,714,321	4,020,737
Tuition waivers	1,673,049	2,070,928
Federal	2,003,898	1,807,444
State	3,007,799	2,593,825
Private	1,532,886	1,844,650
Total grants/scholarships	52,720,000	50,830,990
Loans	13,465,326	13,279,215
Student employment	2,740,256	2,838,739
Total financial aid	$ 68,925,582	$ 66,948,944
Percent of Students Receiving Financial Aid	100%	100%
Endowment (at fair value)		
Net assets with donor restrictions that are permanent in nature	$ 83,867,282	$ 79,915,382
Net assets with donor restrictions that are temporary in nature	34,515,845	26,802,725
Underwater endowments	(10,854)	(15,738)
Board-designated net assets (without donor restrictions)	11,317,416	10,491,550
Funds held in trust in perpetuity	888,891	840,513
Total endowment	$ 130,578,580	$ 118,034,432
Total return	11.5%	(10.9)%
Private Gifts and Grants		
Without donor restrictions	$ 1,573,550	$ 3,959,740
With donor restrictions	5,604,036	11,606,009
Total gifts and grants	$ 7,177,586	$ 15,565,749

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Independent Auditor's Report

Board of Directors
College of Saint Benedict
Saint Joseph, Minnesota

Opinion

We have audited the financial statements of College of Saint Benedict (College), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Supplementary Information

The "Highlights" on page 1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

Indianapolis, Indiana
November 7, 2024

College of St. Benedict
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 25,531,469	$ 26,514,107
Receivables		
Student receivables, net of allowance for credit losses of $65,000	532,226	568,591
Other	1,162,152	2,606,331
Inventories	340,062	369,612
Short-term investments	6,633,900	7,163,853
Funds held by trustees, including unspent bond proceeds	2,340,482	2,267,920
Prepaid expenses and other	2,317,063	2,208,301
Student loan receivables, net of allowance for credit losses of $266,000	708,586	1,225,744
Contributions receivable, net	3,876,439	5,719,438
Long-term investments	133,478,060	119,929,403
Beneficial interest in trusts	1,344,507	1,289,862
Right of use asset	311,703	485,332
Property and equipment	102,080,199	106,024,444
Total assets	$ 280,656,848	$ 276,372,938
LIABILITIES		
Accounts payable	$ 932,319	$ 921,903
Accrued payroll and benefits	3,750,633	3,639,037
Other liabilities	647,648	705,460
Refundable advance	1,222,214	1,059,893
Funds held for others	121,530	295,163
Operating lease liability	311,703	485,332
Annuities payable	356,807	382,660
Government grants repayable - Federal Perkins Loan Program	1,460,505	1,891,811
Bonds payable and mortgage note payable, net	36,188,616	38,082,002
Asset retirement obligation	1,683,142	1,657,332
Total liabilities	46,675,117	49,120,593
NET ASSETS		
Without donor restrictions	103,641,847	107,382,903
With donor restrictions	130,339,884	119,869,442
Total net assets	233,981,731	227,252,345
Total liabilities and net assets	$ 280,656,848	$ 276,372,938

College of Saint Benedict
Statement of Activities
Year Ended June 30, 2024 with Comparative Totals for 2023

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Operating Revenue, Gains and Other Support				
Net tuition and fees	$ 31,283,809	$ -	$ 31,283,809	$ 31,826,509
Sales and services of auxiliary enterprises				
Residence halls	8,220,630	-	8,220,630	8,280,376
Food services	6,724,145	-	6,724,145	6,582,260
Other auxiliaries	2,173,536	-	2,173,536	2,247,486
Government grants				
Federal	1,238,783	-	1,238,783	1,438,325
State	250,000	-	250,000	265,828
Private gifts and grants	573,550	2,797,468	3,371,018	5,078,894
Contributions of nonfinancial assets	94,500	-	94,500	1,370,000
Long-term investment income and gains allocated to operations	494,713	3,692,158	4,186,871	4,085,183
Other investment income	954,681	52,544	1,007,225	364,095
Net gains on other investments	473,891	159,568	633,459	361,668
Other sources	744,925	6,084	751,009	905,543
	53,227,163	6,707,822	59,934,985	62,806,167
Net assets released from restrictions	6,945,496	(6,945,496)	-	-
Total operating revenues, gains and other support	60,172,659	(237,674)	59,934,985	62,806,167
Operating Expenses				
Program expenses				
Instruction	23,040,678	-	23,040,678	22,813,306
Academic support	7,315,651	-	7,315,651	7,106,502
Student services	10,189,152	-	10,189,152	9,790,553
Auxiliary enterprises				
Residence halls	4,279,341	-	4,279,341	4,317,143
Food services	5,613,075	-	5,613,075	5,295,493
Other auxiliaries	2,472,968	-	2,472,968	2,633,336
Support expenses				
Institutional support	9,548,909	-	9,548,909	9,488,722
Fundraising	2,973,649	-	2,973,649	2,853,427
Total operating expenses	65,433,423	-	65,433,423	64,298,482
Change in Net Assets Before Other Changes	(5,260,764)	(237,674)	(5,498,438)	(1,492,315)
Other Changes				
Long-term investment return in excess of amounts allocated to operations	834,689	7,927,615	8,762,304	6,532,768
Private gifts and grants	1,000,000	2,806,568	3,806,568	10,486,855
Gain (loss) on disposal of equipment	(314,981)	-	(314,981)	735,235
Insurance proceeds	-	-	-	2,586,920
Adjustment of actuarial and asset retirement liabilities	-	(26,067)	(26,067)	172,179
Change in Net Assets	(3,741,056)	10,470,442	6,729,386	19,021,642
Net Assets, Beginning of Year	107,382,903	119,869,442	227,252,345	208,230,703
Net Assets, End of Year	$ 103,641,847	$ 130,339,884	$ 233,981,731	$ 227,252,345

College of Saint Benedict
Statement of Activities
Year Ended June 30, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenue, Gains and Other Support			
Net tuition and fees	$ 31,826,509	$ -	$ 31,826,509
Sales and services of auxiliary enterprises			
Residence halls	8,280,376	-	8,280,376
Food services	6,582,260	-	6,582,260
Other auxiliaries	2,247,486	-	2,247,486
Government grants			
Federal	1,438,325	-	1,438,325
State	265,828	-	265,828
Private gifts and grants	596,029	4,482,865	5,078,894
Contribution of nonfinancial assets	-	1,370,000	1,370,000
Long-term investment income and gains allocated to operations	480,304	3,604,879	4,085,183
Other investment income	334,475	29,620	364,095
Net gains on other investments	215,101	146,567	361,668
Other sources	889,809	15,734	905,543
	53,156,502	9,649,665	62,806,167
Net assets released from restrictions	7,342,680	(7,342,680)	-
Total operating revenues, gains and other support	60,499,182	2,306,985	62,806,167
Operating Expenses			
Program expenses			
Instruction	22,813,306	-	22,813,306
Academic support	7,106,502	-	7,106,502
Student services	9,790,553	-	9,790,553
Auxiliary enterprises			
Residence halls	4,317,143	-	4,317,143
Food services	5,295,493	-	5,295,493
Other auxiliaries	2,633,336	-	2,633,336
Support expenses			
Institutional support	9,488,722	-	9,488,722
Fundraising	2,853,427	-	2,853,427
Total operating expenses	64,298,482	-	64,298,482
Change in Net Assets Before Other Changes	(3,799,300)	2,306,985	(1,492,315)
Other Changes			
Long-term investment return in excess of amounts allocated to operations	801,610	5,731,158	6,532,768
Private gifts and grants	3,363,711	7,123,144	10,486,855
Gain on disposal of equipment	735,235	-	735,235
Insurance proceeds	2,586,920	-	2,586,920
Adjustment of actuarial liability	-	172,179	172,179
Change in Net Assets	3,688,176	15,333,466	19,021,642
Net Assets, Beginning of Year	103,694,727	104,535,976	208,230,703
Net Assets, End of Year	$ 107,382,903	$ 119,869,442	$ 227,252,345

College of Saint Benedict
Statement of Functional Expenses
Year Ended June 30, 2024 with Comparative Totals for 2023

	Program			Support Services				
	Program	Auxiliary	Total Program	Institutional Support	Fundraising	Total Support Services	Total	2023 Total
Salaries and wages	$ 18,315,979	$ 3,314,280	$ 21,630,259	$ 3,421,338	$ 1,698,732	$ 5,120,070	$ 26,750,329	$ 26,436,342
Employee benefits	4,591,972	925,653	5,517,625	1,141,082	383,409	1,524,491	7,042,116	7,405,744
Payroll taxes	1,349,637	203,838	1,553,475	281,952	135,552	417,504	1,970,979	2,022,380
Professional services	220,311	-	220,311	404,514	144,195	548,709	769,020	732,590
Advertising and promotion	189,106	4,275	193,381	384,600	129,646	514,246	707,627	645,998
Office expenses	391,251	109,918	501,169	128,105	30,631	158,736	659,905	1,159,340
Information technology	1,763,834	35,105	1,798,939	10,662	103,750	114,412	1,913,351	1,562,282
Occupancy	2,795,840	1,810,303	4,606,143	850,179	-	850,179	5,456,322	5,371,777
Travel	1,069,859	17,498	1,087,357	41,060	47,813	88,873	1,176,230	1,038,799
Conferences, conventions and meetings	407,903	139,283	547,186	168,627	257,025	425,652	972,838	465,324
Interest	921,780	184,734	1,106,514	296,527	-	296,527	1,403,041	1,473,704
Insurance	27,180	334,111	361,291	466,193	12,945	479,138	840,429	721,692
Training and development	152,805	52,801	205,606	331,159	25,025	356,184	561,790	465,754
Bookstore costs of goods sold	-	794,435	794,435	-	-	-	794,435	840,410
Cost of direct benefit to donors	-	-	-	90,829	4,926	95,755	95,755	20,396
Student programming	3,449,539	2,186,282	5,635,821	-	-	-	5,635,821	5,617,800
Repairs and maintenance	84,852	1,252,051	1,336,903	493,136	-	493,136	1,830,039	1,295,826
Depreciation and amortization	4,813,633	924,526	5,738,159	894,247	-	894,247	6,632,406	6,781,901
Bad debt expense	-	-	-	37,749	-	37,749	37,749	13,167
Other	-	76,291	76,291	106,950	-	106,950	183,241	227,256
Total	$ 40,545,481	$ 12,365,384	$ 52,910,865	$ 9,548,909	$ 2,973,649	$ 12,522,558	$ 65,433,423	
2023 Total	$ 39,710,361	$ 12,245,972	$ 51,956,333	$ 9,488,722	$ 2,853,427	$ 12,342,149		$ 64,298,482

College of Saint Benedict
Statement of Functional Expenses
Year Ended June 30, 2023

	Program			Support Services			
	Program	Auxiliary	Total Program	Institutional Support	Fundraising	Total Support Services	Total
Salaries and wages	$ 18,160,784	$ 3,185,937	$ 21,346,721	$ 3,495,796	$ 1,593,825	$ 5,089,621	$ 26,436,342
Employee benefits	4,555,181	870,787	5,425,968	1,636,111	343,665	1,979,776	7,405,744
Payroll taxes	1,389,300	243,724	1,633,024	267,428	121,928	389,356	2,022,380
Professional services	40,055	-	40,055	539,463	153,072	692,535	732,590
Advertising and promotion	152,444	10,658	163,102	480,735	2,161	482,896	645,998
Office expenses	495,357	385,048	880,405	148,421	130,514	278,935	1,159,340
Information technology	1,360,238	31,770	1,392,008	86,696	83,578	170,274	1,562,282
Occupancy	2,653,786	1,913,239	4,567,025	804,752	-	804,752	5,371,777
Travel	929,333	14,359	943,692	37,040	58,067	95,107	1,038,799
Conferences, conventions and meetings	36,252	213	36,465	67,326	361,533	428,859	465,324
Interest	958,328	207,200	1,165,528	308,176	-	308,176	1,473,704
Insurance	30,807	283,313	314,120	390,687	16,885	407,572	721,692
Training and development	208,305	51,609	259,914	177,974	27,866	205,840	465,754
Bookstore costs of goods sold	-	840,410	840,410	-	-	-	840,410
Cost of direct benefit to donors	-	-	-	3,903	16,493	20,396	20,396
Student programming	3,581,367	2,092,593	5,673,960	-	(56,160)	(56,160)	5,617,800
Repairs and maintenance	119,523	1,055,741	1,175,264	120,562	-	120,562	1,295,826
Depreciation and amortization	4,917,097	954,319	5,871,416	910,485	-	910,485	6,781,901
Bad debt expense	-	-	-	13,167	-	13,167	13,167
Other	122,204	105,052	227,256	-	-	-	227,256
Total	$ 39,710,361	$ 12,245,972	$ 51,956,333	$ 9,488,722	$ 2,853,427	$ 12,342,149	$ 64,298,482

College of Saint Benedict
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	$ 6,729,386	$ 19,021,642
Items not requiring (providing) cash		
Depreciation, amortization and accretion	6,901,817	7,056,035
Gains on investments	(12,891,100)	(10,604,618)
Actuarial adjustment of annuities payable	34,559	18,261
Loan cancellations and write-offs	16,802	-
Contributions restricted for plant and long-term investment	(2,806,568)	(7,066,323)
(Gain) loss on disposal of equipment	314,981	(624,826)
Changes in		
Student receivables	36,365	(160,541)
Other receivables	1,444,179	(2,206,620)
Contributions receivable	1,842,999	(401,748)
Inventories	29,550	25,744
Prepaid expenses	(108,762)	(398,748)
Accounts payable	120,403	47,221
Accrued payroll and benefits	111,596	(561,003)
Other liabilities	(57,812)	146,038
Refundable advance	162,321	(410,347)
Funds held for others	(173,633)	(295,359)
Net cash provided by operating activities	1,707,083	3,584,808
Investing Activities		
Purchases of property, plant and equipment	(4,480,535)	(3,504,901)
Proceeds from sales of property, plant and equipment	1,030,419	625,620
Net change in money market accounts	(72,562)	(95,541)
Purchases of investments	(41,301,688)	(66,182,553)
Sales and maturities of investments	41,119,439	64,319,302
Loan payments from students	500,356	487,654
Net cash used in investing activities	(3,204,571)	(4,350,419)
Financing Activities		
Contributions received restricted for plant and long-term investment	2,806,568	7,123,144
Payment of principal on bonds payable, mortgage and notes payable	(1,800,000)	(1,735,204)
Decrease in refundable government grants	(431,306)	(584,783)
Payment of annuity obligations	(60,412)	(78,487)
Net cash provided by financing activities	514,850	4,724,670
Net Increase (Decrease) in Cash and Cash Equivalents	(982,638)	3,959,059
Cash and Cash Equivalents, Beginning of Year	26,514,107	22,555,048
Cash and Cash Equivalents, End of Year	$ 25,531,469	$ 26,514,107
Supplemental Cash Flows Information		
Interest paid, net of amount capitalized	$ 1,040,453	$ 1,087,210
Capital related items included in accounts payable	102,897	212,884

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

College of Saint Benedict (the College) is a liberal arts higher education institution. The College, an all-female institution, operates in coordination with St. John's University, an all-male institution, sharing academic programs, facilities and staff, including a common president and chief operating officer for both institutions. The College's primary sources of support include student tuition and fees, private contributions and investment return.

The College is an affiliated organization of the Sisters of the Order of Saint Benedict of St. Joseph, Minnesota (the Order). The Order is the founding organization of the College of Saint Benedict. Certain members of the Order are employees of the College and certain members of the Board of Trustees of the College are also members of the Order.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The College considers all liquid investments, except for those held for long-term investment, with original maturities of three months or less to be cash equivalents. Certain cash held by the College is restricted for the Federal Perkins Loan Program and is considered to be cash and cash equivalents. At June 30, 2024 and 2023, cash equivalents consisted primarily of money market accounts.

At June 30, 2024, the College's cash accounts exceeded federally insured limits by approximately $14,086,000.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and realized and unrealized gains and losses on investments.

The College also invests in certain real estate, venture capital, private equity and hedge funds, natural resource and distressed debt funds, which are primarily held through limited partnerships. As discussed later in these notes, the College uses net asset value as a practical expedient to estimate the fair value of these funds. Because these investments are not readily marketable and may be subject to withdrawal restrictions, their estimated value is subject to uncertainty and therefore, may materially differ from the value that would have been used had a ready market for such investment existed.

The College invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

The College maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated annually to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Student Receivables

Student receivables are stated at the amount of consideration from students and others, of which the College has an unconditional right to receive plus any accrued and unpaid fees, less an estimate made for credit losses. A student receivable is considered to be delinquent if any portion of the receivable balance is outstanding for more than 90 days after the billing date. A service charge is charged on student receivables that are outstanding for more than 30 days after the billing date. Delinquent receivables are written off when deemed uncollectible.

Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts, as well as evaluating existing economic conditions adjusted for current conditions and reasonable and supportable forecasts. Student receivables are written off when deemed uncollectible. Recoveries of student accounts previously written off are recorded when received. Receivables are generally unsecured.

Student Loan Receivables

Student loans receivable consists primarily of loans under the Perkins Federal Loan (Perkins) program. Under the program, the College is required to match a certain level of government advances to provide loans to qualifying students. Generally, Perkins loans carry a fixed rate of interest rates and are payable over a ten-year period. Related government advances of $1,460,505 and $1,891,811 are included in the statements of financial position at June 30, 2024 and 2023, respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

	Years
Land and improvements	10
Buildings	15 to 50
Furniture and equipment	4 to 10
Software	3
Library books	20
Utility distribution system	20

The College capitalizes interest costs as a component of construction in progress, based on interest costs of borrowing specifically for the project, net of interest earned on investments acquired with the proceeds of the borrowing. No interest was capitalized during 2024 or 2023.

Long-Lived Asset Impairment

The College evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Net Assets

Net assets with donor restrictions are those whose use by the College has been limited by donors to a specific time period of purpose or to be maintained by the College in perpetuity.

Tuition and Fees and Auxiliary Revenue

Tuition revenue is recognized over the term of the semester as the College provides services to students. Revenue is reported at the amount of consideration which the College expects to be entitled in exchange for providing tuition and auxiliary services. The College determines the transaction price based on standard charges for goods and services provided, reduced by discount provided for scholarships and other price concessions provided to students.

Contributions

Contributions are provided to the College either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions.

The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the College overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Contributed Services

Contributed services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Inventory

Inventories consist of bookstore and food service items. Costs of inventories are determined using the first-in, first-out (FIFO) method. FIFO inventories are stated at the lower of cost or net realizable value.

Deferred Revenue

Revenue from fees for summer courses and programs is deferred and recognized over the periods to which the fees relate. Students are typically billed for courses and programs prior to the start of the course or program.

Government Grants

Support funded by grants is recognized as the College performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Deferred Debt Acquisition Costs

The acquisition costs of bond issuances are deferred and amortized over the term of the related indebtedness. The unamortized balance is included as a reduction to long-term debt on the statements of financial position.

Income Taxes

The College is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the College is subject to federal income tax on any unrelated business taxable income. The College files tax returns in the U.S. federal jurisdiction.

Leases

The College determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right of use (ROU) assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The College determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The College uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the College uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to the College's secured-debt yields corresponding to the lease commencement date.

The lease term may include options to extend or to terminate the lease that the College is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The College allocates the consideration to the lease and nonlease components using their relative standalone values. In addition, for certain equipment leases, the College applies a portfolio approach to effectively account for the operations lease ROU assets and liabilities.

The College has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories.

Subsequent Events

Subsequent events have been evaluated through November 7, 2024, which is the date the financial statements were issued.

Note 2. Revenue From Contracts With Students

Tuition revenues consisted primarily of tuition, net of scholarships, and fees derived from courses taught by the College. Tuition revenue is recognized pro-rata over the applicable period of instruction. A contract is entered into with a student and covers a course or semester. Revenue recognition occurs once a student starts attending a course. Auxiliary revenues includes housing, meal plans with unlimited number of meals, and fee revenues that were recognized over the period the services were provided. Auxiliary revenues also includes revenues from sales and services such as books and merchandise, as well as sales from the College's cafeteria for individuals without meal plans or meal plans including specific meal restrictions, as revenue occurred or services were performed as these services were transferred at a point in time. Other source revenues include fine arts programming, transportation, information technology and other fee revenues that were recognized as revenue occurred or services were performed as these services were transferred at a point in time.

The College's net tuition and fees are comprised of the following components at June 30:

	2024	2023
Tuition and fees	$ 76,147,630	$ 74,798,527
Scholarships and grants	(44,863,821)	(42,972,018)
	$ 31,283,809	$ 31,826,509

Performance Obligations

The College has identified performance obligations associated with the provision of its educational instruction and other educational services, housing services, and other academic related services and used the output measure for recognition as the period of time over which the services are provided to students. The College has also identified performance obligations such as book sales or certain merchandise sales and other ancillary activities and recognized revenue at the point in time goods or services are provided to its customers. The College maintains an institutional tuition refund policy, which provides for all or a portion of tuition to be refunded if a student withdraws during certain limited, stated refund periods. If a student withdraws at a time when only a portion, or none of the tuition is refundable, then in accordance with its revenue recognition policy, the College continued to recognize the tuition that is not refunded pro-rata over the applicable period of instruction. The College does not record revenue on amounts that may be refunded. However, for students that take out financial aid to pay their tuition and for which a return of such money to the Department of Education under Title IV is required as a result of his or her withdrawal, the College reassessed collectability for these students each semester for the estimated revenue that will be returned and recognized the revenue in future periods when payment was received, if any. The College's education programs have starting and ending dates that do not significantly differ from its fiscal year-end. Therefore, at the end of each fiscal year, all tuition and fees revenues from these programs were recognized.

Transaction Price

Because all of its performance obligations relate to contracts with a duration of less than one year, the College has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. There are no significant unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

The College determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid in accordance with the College's policies for granting certain merit-based aid. At June 30, 2024, 2023 and 2022, the College has receivables from students totaling $532,226, $568,591 and $408,050, respectively.

Contract Assets and Liabilities

The College's receivables represent unconditional rights to consideration from its contracts with students; accordingly, students are not billed until they start attending a course and the revenue recognition process has commenced. Once a student is invoiced, which is usually after the add/drop period, payment is due immediately unless some alternative payment plan is established by the student in limited circumstances. Included in each invoice to the student are all educational related items including tuition, net of scholarships, housing, educational materials, fees, etc. The College does not have any contract assets outside of receivables. The College's contract liabilities are primarily student deposits and balances to be applied to future tuition amounts in the statements of financial position. Student balances and deposits in any period represent the excess of tuition, fees and other student payments received as compared to amounts recognized as revenue on the statements of activities and are reflected as liabilities in the accompanying statements of financial position. At June 30, 2024 , 2023 and 2022, the College has a liability for deposits and balances to be applied to tuition amounts within the next year of $1,222,214, $1,059,893 and $1,470,240, respectively, which is included in refundable advances on the statements of financial position. During 2024 and 2023, $1,059,893 and $1,470,240 was recognized as revenue on the statements of activities of the July 1, 2023 and 2022 contract liability balance, respectively.

Disaggregation of Revenue

The composition of contract revenue with students for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Tuition and fees, net of scholarships and grants	$ 31,283,809	$ 31,826,509
Sales and services of auxiliary enterprises		
Residence halls	8,220,630	8,280,376
Food services	6,724,145	6,582,260
Other auxiliaries	2,173,536	2,247,486
Other sources	751,009	905,543
	$ 49,153,129	$ 49,842,174

The timing of revenue recognition for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Timing of revenue recognition		
Services transferred over time	$ 39,763,826	$ 40,389,560
Sales and services at a point in time	9,389,303	9,452,614
	$ 49,153,129	$ 49,842,174

Note 3. Contributions Receivable

Contributions receivable consisted of the following at June 30:

	With Donor Restrictions	
	2024	2023
Due within one year	$ 1,304,970	$ 2,633,192
Due in one to five years	2,930,840	3,504,078
Due in more than five years	-	50,000
	4,235,810	6,187,270
Unamortized discount	(253,476)	(313,150)
Allowance for uncollectible contributions	(105,895)	(154,682)
	$ 3,876,439	$ 5,719,438

Discount rates ranged from 1.31% to 5.33% and 1.88% to 4.13% for 2024 and 2023, respectively.

Note 4. Student Loans Receivable

At June 30, 2024 and 2023, student loans consisted of the following:

	2024	2023
Federal government programs	$ 974,586	$ 1,491,744
Less: allowance for credit losses	(266,000)	(266,000)
Student loans receivable, net	$ 708,586	$ 1,225,744

Note 5. Investments

The College's investments are as follows:

	2024	2023
Short-term investments		
Intermediate term fund	$ 3,932,367	$ 3,753,020
Certificates of deposit (cost basis)	2,701,533	3,410,833
	6,633,900	7,163,853
Funds held by trustees, including unspent bond proceeds		
U.S. Government and agency securities	2,306,679	2,103,320
Commercial paper	33,803	164,600
	2,340,482	2,267,920
Long-term investments		
Mutual funds		
Other U.S. equity funds	4,128,709	413,811
Domestic fixed income funds	5,565,029	4,568,816
Privately managed funds		
U.S. equity funds	27,461,873	29,481,068
Global equity funds	57,105,834	51,903,061
Fixed income funds	5,905,145	4,021,675
Private partnerships	21,714,137	17,865,940
Real estate funds	3,401,415	3,298,288
Hedge funds	8,195,918	8,376,744
	133,478,060	119,929,403
	$ 142,452,442	$ 129,361,176

The following schedules summarize the long-term investment return and its classification in the statements of activities.

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income, net of expenses	$ 53,712	$ 59,008	$ 112,720
Net realized and unrealized gains	1,275,690	11,560,765	12,836,455
Total return on investments	1,329,402	11,619,773	12,949,175
Long-term investment return designated for current operations	(494,713)	(3,692,158)	(4,186,871)
Long-term investment return in excess of amounts designated for current operations	$ 834,689	$ 7,927,615	$ 8,762,304

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income, net of expenses	$ 64,663	$ 63,220	$ 127,883
Net realized and unrealized gains	1,217,251	9,272,817	10,490,068
Total return on investments	1,281,914	9,336,037	10,617,951
Long-term investment return designated for current operations	(480,304)	(3,604,879)	(4,085,183)
Long-term investment return in excess of amounts designated for current operations	$ 801,610	$ 5,731,158	$ 6,532,768

Privately Managed Funds

The fair value of privately managed funds has been estimated using the net asset value per share of the investments. Privately managed funds held at June 30 consist of the following:

	Fair Value			Redemption Notice
	2024	2023	Redemption Frequency	Period
Privately managed funds				
Intermediate term funds	$ 3,932,367	$ 3,753,020	Weekly	Notice prior to Wednesday
U.S. equity funds	27,461,873	29,481,068	Daily	5 days
Global equity funds	57,105,834	51,903,061	Monthly/Quarterly	30 days
Fixed income funds	5,905,145	4,021,675	Daily	1 day
Private partnerships	21,714,137	17,865,940	Annually	Hold 3 years, then up to 1/10 annually in April
Real estate funds	3,401,415	3,298,288	Illiquid	30 days
Hedge fund of funds	8,195,918	8,376,744	Quarterly	45 days

There were $6,410,391 and $6,870,113 of unfunded commitments or remaining life for the private partnership funds noted above as of June 30, 2024 and 2023, respectively.

Intermediate term funds: The objective of this fund is to produce a total return in excess of its benchmark, the Merrill Lynch 1-3 Year Treasury Index and to generate a higher current yield than short-term money market investments in a manner that mitigates the chances of a negative total return over any 12-month period.

U.S. equity funds: The objective of this fund is to maintain significantly less volatility than the U.S. equity market while delivering market-like returns over a full market cycle.

Fixed income funds: The objective of this fund is to maintain significantly less volatility while delivering fixed returns in the form of periodic payments.

Global equity funds (a): The Emerging Market Equity Strategy aims to achieve long-term capital growth from investing in companies that derive the majority of their profits from the emerging economies.

Global equity funds (b): The fund's investment objective is to generate long-term capital appreciation by investing in a long-only concentrated portfolio of global equity securities.

Private partnerships: Private investment and long-term holding company with ownership in a diversified portfolio of established profitable and growing businesses.

Real estate funds: These funds are divided between core- and value-added investment strategies and invest in a variety of property types in a diversified way, including underlying investments in office, storage, data and retail.

Hedge fund of funds: The fund is investing predominantly in limited partnerships and similar pooled investment vehicles managed by independent portfolio managers that employ diverse, alternative investment strategies across a variety of asset classes.

Note 6. Beneficial Interest in Trusts

The College is the beneficiary of charitable remainder trusts administered by outside parties from which the College will not receive a distribution until the death of the named beneficiaries. The estimated value of the expected residual benefit (which represents the fair value of the trust assets, less the present value of the estimated future payments to income beneficiaries based on applicable mortality tables) of these trusts was $536,443 and $524,383 at June 30, 2024 and 2023, respectively.

The College is also the beneficiary under a perpetual trust administered by an outside party. Under the term of the trust, the College has the irrevocable right to receive income earned on the trust assets in perpetuity, but never receives the assets held in trusts. The estimated value of the expected future cash flows is $808,064 and $765,479, which represents the fair value of the trust assets at June 30, 2024 and 2023, respectively.

Note 7. Property and Equipment

The College's property and equipment are as follows:

	2024	2023
Land and improvements	$ 11,996,771	$ 11,801,694
Buildings	148,412,485	148,949,386
Furniture and equipment	33,239,236	31,655,215
Library books	4,046,088	3,992,750
Software	1,630,129	1,630,129
Construction in progress	2,978,424	1,340,071
	202,303,133	199,369,245
Accumulated depreciation	(100,222,934)	(93,344,801)
	$ 102,080,199	$ 106,024,444

At June 30, 2024, the following construction projects were in progress:

	Costs-to-Date	Estimated Total Costs	Funding Plan
Building envelope	$ 1,504,448	$ 5,743,000	R&R/Insurance*
Furniture/equipment	41,070	82,000	R&R*
Infrastructure	1,020,809	1,403,000	R&R*
Renovations	412,097	496,000	R&R*
	$ 2,978,424	$ 7,724,000	

* - Repairs and replacements

Note 8. Annuities Payable

The College has been the recipient of several gift annuities, which require future payments to donors or their named beneficiaries. The College has recorded a liability in the amount of $356,807 and $382,660 at June 30, 2024 and 2023, respectively, which represents the present value of the future annuity obligations. The liability has been determined using Internal Revenue Service annuity tables.

Note 9. Long-Term Debt

Long-term debt consists of the following:

	2024	2023
Minnesota Higher Education Facilities Authority		
Revenue Bonds Series 7-T	$ -	$ 495,000
Revenue Bonds Series 8-K	29,110,000	30,080,000
Revenue Refunding Bond Series 2017	5,245,000	5,580,000
	34,355,000	36,155,000
Unamortized premium	2,073,976	2,186,920
Deferred debt acquisition costs, net	(240,360)	(259,918)
	$ 36,188,616	$ 38,082,002

The College has loans outstanding with the Minnesota Higher Education Facilities Authority (the Authority) in connection with bonds issued by the Authority:

Revenue Bonds Series 7-T: In January 2013, the Minnesota Higher Education Facilities Authority issued Revenue Bonds Series 7-T on behalf of the College totaling $5,235,000. The bonds are secured by the full faith and credit of the College and certain reserves. The Series 7-T Bonds refunded the Series 5-W Bonds in full. Interest at 2.6% is payable semiannually on March 1 and September 1. The bonds mature in annual principal installments ranging from $425,000 to $495,000 on March 1 through 2024. The Series 7-T Bonds are subject to various restrictive covenants, which include the requirement that the College meet a revenue/expenditure test and maintain a certain level of board-designated (without donor restriction) endowment net assets. The College's ability to incur additional long-term debt may be limited.

Revenue Bonds Series 8-K: In April 2016, the Minnesota Higher Education Facilities Authority issued Revenue Bond Series 8-K on behalf of the College totaling $34,360,000. The bonds are secured by the full faith and credit of the College and certain reserves. The Series 8-K Bonds, together with other College funds, are to be used for the purchase and renovation of several campus buildings as well as upgrades and other improvements to the physical plant. Interest ranging from 3% to 5% is payable semi-annually on March 1 and September 1. The bonds mature in annual principal installments ranging from $790,000 to $1,355,000 on March 1 through 2031, with payments of $7,715,000 and $11,830,000 due on March 1, 2037 and 2043, respectively. The Series 8-K Bonds are subject to various restrictive covenants, which include the requirement that the College meet a revenue/expenditure test and maintain a certain level of unrestricted board designated endowment net assets. The College's ability to incur additional long-term debt may be limited.

Revenue Refunding Bond Series 2017: In December 2017, the Minnesota Higher Education Facilities Authority issued Revenue Refunding Bond, Series 2017 on behalf of the College totaling $7,080,000. The College used the bond proceeds, together with other College funds to refund on a current refunding basis the remaining outstanding principal plus interest to the March 1, 2018 redemption date of the Authority's Revenue Bonds, Series 6-V and refund on an advance refunding basis the remaining outstanding principal plus interest to the March 1, 2020 redemption date of the Revenue Bonds, Series 7-M and pay certain issuance costs. The bonds are secured by a pledge of the loan repayments, which are a general obligation of the College. Interest rates range from 3% to 4% and is payable semi-annually on March 1 and September 1. The bonds mature in annual principal installments ranging from $460,000 to $1,525,000 on March 1 through 2032. The Series 2017 Bonds are subject to various restrictive covenants, which include the requirement that the College meet a revenue/expense test and maintain a certain level of unrestricted board designated endowment net assets. The College's ability to insure additional long-term debt may be limited.

The future maturities of long-term debt is as follows:

2025	$ 1,370,000
2026	1,435,000
2027	1,495,000
2028	1,570,000
2029	1,645,000
Thereafter	26,840,000
	$ 34,355,000

Note 10. Leases

The College has leases for fitness and information technology equipment that expire in various years through 2026. The College has no material related-party leases, and the College's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Operating lease costs and cash paid for leases was $210,299 and $206,275 for the years ended June 30, 2024 and 2023. For the years ended June 30, 2024 and 2023, the College's weighted-average discount rate was 6.96%. The weighted-average lease term was 1.7 and 2.7 years for the years ended June 30, 2024 and 2023, respectively.

Future minimum lease payments at June 30, 2024, are as follows:

	Operating Leases
2025	$ 181,405
2026	142,072
Total future undiscounted lease payments	323,477
Less interest	(11,774)
	$ 311,703

Note 11. Contributed Nonfinancial Assets

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included:

	2024	2023
Donated art - without donor restrictions	$ 94,500	$ -
Donated property - with donor restrictions	-	1,370,000
	$ 94,500	$ 1,370,000

The nonfinancial assets listed above were recognized within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Art

Contributed art is included in property and equipment. In valuing the contributed art, the College recorded fair value based on the appraised value of the art. The art received during the period was not restricted for use.

Property

Contributed property is included in property and equipment. In valuing the contributed property, the College recorded fair value based on the appraised value of the property. The property received during the period was restricted for chemistry research fellows and was not sold prior to year-end.

Note 12. Net Assets

Net Assets Without Donor Restrictions

Net assets without restrictions are:

	2024	2023
Available for operations	$ 4,940,886	$ 5,141,132
Board-designated endowment	11,317,416	10,491,550
Board-designated reserves	22,064,308	25,090,655
Contractual limitations - debt service	4,620,231	4,534,428
Investment in property and equipment	60,699,006	62,125,138
	$ 103,641,847	$ 107,382,903

Net Assets With Donor Restrictions

Net assets with restrictions are available for the following purposes or periods:

	2024	2023
Subject to expenditure for specified purpose		
Unexpended gifts	$ 5,208,024	$ 4,768,508
Subject to the passage of time		
Contributions receivable	1,327,883	2,243,591
Future interest in life estate	455,616	449,350
	1,783,499	2,692,941
Endowments		
Subject to appropriation and expenditure when a specified event occurs	34,515,845	26,802,725
Subject to College endowment spending policy	83,856,428	79,899,644
Funds held in trust	888,891	840,513
	119,261,164	107,542,882
Amounts to be held in perpetuity		
Annuities	1,538,641	1,389,264
Contributions receivable	2,548,556	3,475,847
	4,087,197	4,865,111
	$ 130,339,884	$ 119,869,442

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2024	2023
Unexpended gifts	$ 3,839,911	$ 3,737,801
Donor-restricted endowment	3,066,538	3,604,879
Annuities	39,047	-
	$ 6,945,496	$ 7,342,680

Note 13. Endowment

The College's endowment consists of numerous individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The College's Board of Trustees is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as net assets with donor restrictions (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The remaining portion of donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA. When reviewing its donor-restricted endowment funds, the College considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The College has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the College and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the College
7. Investment policies of the College

The composition of net assets by type of endowment fund at June 30, 2024 and 2023, was:

	2024		
	Without Donor Restriction	With Donor Restrictions	Total
Board-designated endowment funds	$ 11,317,416	$ -	$ 11,317,416
Donor-restricted endowment funds			
Temporary in nature	-	34,515,845	34,515,845
Amounts to be held in perpetuity	-	84,745,319	84,745,319
Total pooled endowment funds	$ 11,317,416	$ 119,261,164	$ 130,578,580

	2023		
	Without Donor Restriction	With Donor Restrictions	Total
Board-designated endowment funds	$ 10,491,550	$ -	$ 10,491,550
Donor-restricted endowment funds			
Temporary in nature	-	26,802,725	26,802,725
Amounts to be held in perpetuity	-	80,740,157	80,740,157
Total pooled endowment funds	$ 10,491,550	$ 107,542,882	$ 118,034,432

Changes in endowment net assets for the years ended June 30, 2024 and 2023 were:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets July 1, 2022	$ 9,758,213	$ 93,231,291	$ 102,989,504
Investment return	1,150,483	9,340,193	10,490,676
Contributions received	63,158	8,446,011	8,509,169
Appropriation of endowment net assets for expenditure	(480,304)	(3,474,613)	(3,954,917)
Endowment net assets June 30, 2023	10,491,550	107,542,882	118,034,432
Investment return	1,287,513	11,453,662	12,741,175
Contributions received	33,067	3,725,236	3,758,303
Other changes	-	(433,125)	(433,125)
Appropriation of endowment net assets for expenditure	(494,714)	(3,027,491)	(3,522,205)
Endowment net assets June 30, 2024	$ 11,317,416	$ 119,261,164	$ 130,578,580

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the College is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. The College has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures under law. At June 30, 2024 and 2023, underwater endowment funds consisted of the following:

	2024	2023
Original gift value	$ 89,812	$ 106,312
Fair value	78,958	90,574
Balance of underwater endowment funds	$ 10,854	$ 15,738

These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions and continued appropriation for certain purposes that were deemed prudent by the governing body. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in net assets with donor restrictions.

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the College must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the College's policies, endowment assets are invested in a manner that is intended to produce results that exceed spending plus inflation while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the College relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The College has a policy of appropriating for expenditure each year the prior year's distribution plus 3.0%. If that rate falls below 4.0% or exceeds 6.0% of the average fair value of the endowment funds measured over a 12 quarter period, the spending will be reset to 5% of the average fair value. In establishing this policy, the College considered the long-term expected return on its endowment. Accordingly, over the long-term, the College expects the current spending policy to allow its endowment to grow at an average of 4.0% to 6.0% annually. This is consistent with the College's objective to maintain the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 14. Fair Value Measurements and Disclosures

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques used during the year ended June 30, 2024.

Investments

U.S. Government and Agency Securities and Commercial Paper: Investments in U.S. Government and agency securities and commercial paper for which quoted prices are not readily available. The fair values are estimated using Level 2 inputs based on multiple sources of information, which may include market data and/or quoted market prices from either markets that are not active or are for the same or similar assets in active markets.

Mutual Funds: Where quoted market prices are available in an active market, publicly traded U.S. equity small cap, other U.S. equity, global equity, debt securities and domestic fixed income funds are classified within Level 1 of the valuation hierarchy.

Privately Managed Funds: As a practical expedient, fair value of the intermediate term fund and privately managed funds is determined using the net asset value (NAV) (or its equivalent) supplied by the respective fund managers. Privately managed funds are therefore classified within the Investments Measured at NAV of the valuation hierarchy.

Fair value determinations for privately managed funds measured at NAV are the responsibility of the Business Office. The Business Office utilizes the valuation provided by the fund managers to generate fair value estimates on a monthly or quarterly basis and challenges the reasonableness of assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States.

Beneficial Interest in Trusts

The fair value of charitable remainder trusts is estimated using a discounted cash flow model. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

The fair value of perpetual trusts is estimated as the present value of the future distributions expected to be received over the term of the agreement, which approximates the fair value of the underlying investments of the trust, which primarily are marketable securities. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

		2024 Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by trustees, including unspent bond proceeds				
U.S. Government and agency securities	$ 2,306,679	$ -	$ 2,306,679	$ -
Commercial paper	33,803	-	33,803	-
Long-term investments - mutual funds				
Other U.S. equity funds	4,128,709	4,128,709	-	-
Domestic fixed income funds	5,565,029	5,565,029	-	-
Total investments classified within the fair value hierarchy	12,034,220	$ 9,693,738	$ 2,340,482	$ -
Investments carried at net asset value (A)	127,716,689			
Certificates of deposit - cost basis	2,701,533			
Total investments	$ 142,452,442			
Beneficial interest in trusts	$ 1,344,507	$ -	$ -	$ 1,344,507

	2023 Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by trustees, including unspent bond proceeds				
U.S. government and agency securities	$ 2,103,320	$ -	$ 2,103,320	$ -
Commercial paper	164,600	-	164,600	-
Long-term investments - mutual funds				
Other U.S. equity funds	413,811	413,811	-	-
Domestic fixed income funds	4,568,816	4,568,816	-	-
Total investments classified within the fair value hierarchy	7,250,547	$ 4,982,627	$ 2,267,920	$ -
Investments carried at net asset value (A)	118,699,796			
Certificates of deposit - cost basis	3,410,833			
Total investments	$ 129,361,176			
Beneficial interest in trusts	$ 1,289,862	$ -	$ -	$ 1,289,862

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

Unobservable (Level 3) Inputs

The fair value of the beneficial interest in trusts is estimated at the present value of the estimated expected future benefits to be received and was $1,344,507 and $1,289,862 at June 30, 2024 and 2023, respectively. The fair value of the interest in trusts is based on unobservable inputs such as the College's proportionate share of the fair value of the assets of each trust.

Note 15. Asset Retirement Obligation

Accounting principles generally accepted in the United States of America require that an asset retirement obligation (ARO) associated with the retirement of a tangible long-lived asset be recognized as a liability in the period in which it is incurred or becomes determinable (as defined by the standard) even when the timing and/or method of settlement may be conditional on a future event. The College's conditional asset retirement obligations primarily relate to asbestos contained in buildings that the College owns. Environmental regulations require the College to handle and dispose of asbestos in a special manner if a building undergoes major renovations or is demolished.

A summary of changes in asset retirement obligations for the years ended June 30, 2024 and 2023, is included in the table below.

	2024	2023
Balance, beginning of the year	$ 1,657,332	$ 1,630,489
Accretion expense and other adjustments	25,810	26,843
Balance, end of year	$ 1,683,142	$ 1,657,332

Note 16. Related Party Transactions and Coordinate Effort

The College and Saint John’s University operate under a Financial Principals agreement wherein academic expenses are shared between the two institutions. Academic expenses are shared based on an annually agreed-upon percentage. Shared administrative costs under the agreement are split evenly, or occasionally on an alternative agreed-upon basis. Certain other programs are split based upon focus on each of the individual institutions. The amount receivable from Saint John’s University was $467,904 and $1,540,507 at June 30, 2024 and 2023, respectively.

Note 17. Pension and Other Postretirement Benefit Plans

The College has certain defined contribution pension plans covering academic and nonacademic personnel. Contributions for employees are determined on a percentage of annual salary. The cost of the retirement plans is paid currently and approximated $1,829,600 and $1,734,600 for the years ended June 30, 2024 and 2023, respectively.

Note 18. Self-Insurance

The College sponsors a self-insurance plan for its employees’ health insurance. The College is responsible for a maximum of $215,000 per year for each employee. Amounts in excess of the $215,000 cap are reimbursed through specific stop loss coverage. Those amounts in excess of 125% of overall expected annual claims are also protected by aggregate stop loss coverage in the amount of $5,214,415. Accrued liabilities include a reserve of $342,917 and $430,683 for the years ended June 30, 2024 and 2023, respectively, representing an estimate of amounts due and payable on existing claims for which the College is self-insured and which are expected to be settled currently.

Note 19. Liquidity and Availability

The College’s endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The College manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The College has liquidity operating procedures to maintain current financial assets, less current liabilities. Short-term operating funds are managed weekly to ensure maximum short-term returns while maintaining operating expense payments. The College budgets to add funds to unrestricted undesignated net assets on an annual basis. Future cash flows are estimated and reserves monitored annually. During the years ended June 30, 2024 and 2023, the level of liquidity and reserves was managed within the operating procedure requirements.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 and 2023 comprise the following:

	2024	2023
Cash and cash equivalents	$ 25,531,469	$ 26,514,107
Student receivables	532,226	568,591
Other receivables	1,162,152	2,606,331
Redeemable investments	136,710,545	123,794,968
Funds held by trustees, including unspent bond proceeds	2,340,482	2,267,920
Contributions receivable due within one year, net	1,304,970	2,633,192
Total liquid financial assets	167,581,844	158,385,109
Less:		
Donor-imposed restrictions		
Restricted funds, less beneficial interest in trusts	5,857,774	5,317,260
Endowments	119,261,164	107,542,882
Total donor-imposed restrictions	125,118,938	112,860,142
Board-designated endowment	11,317,416	10,491,550
Board-designated reserves	22,064,308	25,090,655
Total board-designated	33,381,724	35,582,205
Funds held by trustees, including unspent bond proceeds	2,340,482	2,267,920
Financial assets available to meet cash needs for general expenditures within one year	$ 6,740,700	$ 7,674,842

Revision

An immaterial revision was made to the 2023 amount of the total liquid financial assets. This revision did not have a significant impact on financial assets available to meet cash needs for general expenditures within one year.

Note 20. Significant Estimates and Concentrations

Contributions

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Approximately 43% of all private gifts and grants were received from three donors in 2024 and 54% were received from two donors in 2023. In addition, approximately 59% and 60% of gross contributions receivable as of June 30, 2024 and 2023 were due from one donor.

Litigation

The College is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the College. Events could occur that would change this estimate materially in the near term.