

# OBERLIN COLLEGE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



OBERLIN

COLLEGE & CONSERVATORY

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## **Independent Auditor's Report**

Board of Trustees  
Oberlin College

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Oberlin College, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oberlin College as of June 30, 2021 and 2020, 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.

*RSM VS LLP*

Cleveland, Ohio  
February 8, 2022

**Oberlin College**

**Consolidated Statements of Financial Position**

**June 30, 2021 and 2020**

**(Dollars in Thousands)**

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 56,281	\$ 35,161
Accounts receivable, net	2,145	5,303
Pledges receivable	2,309	6,636
Other current assets	2,592	2,245
<b>Total current assets</b>	<b>63,327</b>	<b>49,345</b>
Other assets:		
Pledges receivable, net	9,151	9,834
Student loans, net	7,181	7,953
Other long-term receivables	7,705	9,781
<b>Total other assets</b>	<b>24,037</b>	<b>27,568</b>
Long-term investments:		
Assets restricted to investment in land, buildings and equipment	4,941	4,937
Endowment funds	1,273,002	937,050
Sinking fund	9,474	5,120
Annuity and life income funds	48,561	39,327
Funds held in trust by others	22,459	17,884
<b>Total long-term investments</b>	<b>1,358,437</b>	<b>1,004,318</b>
Property, plant and equipment:		
Land, buildings and equipment	807,294	792,216
Construction in progress	14,830	3,186
Less: accumulated depreciation	(464,373)	(439,133)
<b>Total property, plant and equipment</b>	<b>357,751</b>	<b>356,269</b>
<b>Total assets</b>	<b>\$ 1,803,552</b>	<b>\$ 1,437,500</b>

See notes to consolidated financial statements.

**Oberlin College**

**Consolidated Statements of Financial Position**  
**June 30, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 16,573	\$ 9,557
Bonds and loans payable	901	4,238
Deposits and agency funds	10,786	11,705
Other current liabilities	16,072	4,822
<b>Total current liabilities</b>	<b>44,332</b>	<b>30,322</b>
Other liabilities:		
Accrued postretirement benefit obligation	18,339	20,667
Annuity obligations	16,216	14,430
Federal student loan funds	2,084	3,155
Loans payable	25,482	29,085
Other non-current liabilities	59,271	63,893
Bonds payable, net	164,502	164,773
<b>Total liabilities</b>	<b>330,226</b>	<b>326,325</b>
<b>Net Assets</b>		
Without donor restrictions:		
Current operations	(39,036)	(42,551)
Non-operating	(15,878)	(21,619)
Legal contingency	(31,615)	(31,615)
Designated for specific purposes	11,457	8,642
Plant and facility funds	63,572	62,717
Amortized contributions for long-lived assets	77,016	80,477
Sinking fund	9,474	5,120
Board designated endowment funds	185,757	138,094
<b>Total without donor restrictions</b>	<b>260,747</b>	<b>199,265</b>
With donor restrictions:		
Donor designated for specific purposes	45,306	43,267
Annuity and life income funds	20,887	16,285
Student loan funds	6,563	6,151
Unexpended plant and facility funds	24,898	23,302
Funds held in trust by others	22,459	17,884
Endowment funds	1,092,466	805,021
<b>Total with donor restrictions</b>	<b>1,212,579</b>	<b>911,910</b>
<b>Total net assets</b>	<b>1,473,326</b>	<b>1,111,175</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,803,552</b>	<b>\$ 1,437,500</b>

See notes to consolidated financial statements.

**Oberlin College**

**Consolidated Statement of Activities**  
**Year Ended June 30, 2021**  
**(Dollars in Thousands)**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues:			
Student income (net of student aid totaling \$67,085)	\$ 100,766	\$ -	\$ 100,766
Auxiliary services, other	1,628	-	1,628
Government grants and contributions	-	5,014	5,014
Private gifts and grants	10,869	5,620	16,489
Investment earnings	30,499	28,171	58,670
Other sources	3,025	1,085	4,110
Net assets released from restrictions	35,333	(30,737)	4,596
<b>Total operating revenues</b>	<b>182,120</b>	<b>9,153</b>	<b>191,273</b>
Operating expenses:			
Instruction and research	80,619	-	80,619
Academic support	26,884	-	26,884
Student services	18,261	-	18,261
Institutional support	26,480	-	26,480
Auxiliary services, student and other	29,860	-	29,860
<b>Total operating expenses</b>	<b>182,104</b>	<b>-</b>	<b>182,104</b>
<b>Change in net assets from operating activities</b>	<b>16</b>	<b>9,153</b>	<b>9,169</b>
Non-operating activities:			
Investment earnings, net	4,277	12,085	16,362
Unrealized gains	52,627	280,535	333,162
Contributions, net	542	2,880	3,422
Change in annuities	(1,054)	(2,727)	(3,781)
Post-retirement benefit obligation adjustment	3,769	-	3,769
Change in fair value of swap contracts	5,741	-	5,741
Gain on new market tax credit	833	-	833
Redesignated funds and other	(1,807)	(123)	(1,930)
Net assets released from restrictions	(3,462)	(1,134)	(4,596)
<b>Change in net assets from non-operating activities</b>	<b>61,466</b>	<b>291,516</b>	<b>352,982</b>
<b>Change in net assets</b>	<b>61,482</b>	<b>300,669</b>	<b>362,151</b>
Net assets at beginning of year	199,265	911,910	1,111,175
Net assets at end of year	<u>\$ 260,747</u>	<u>\$ 1,212,579</u>	<u>\$ 1,473,326</u>

See notes to consolidated financial statements.

**Oberlin College**

**Consolidated Statement of Activities**  
**Year Ended June 30, 2020**  
**(Dollars in Thousands)**

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues:			
Student income (net of student aid totaling \$75,766)	\$ 117,245	\$ -	\$ 117,245
Auxiliary services, other	4,590		4,590
Government grants and contributions	-	2,848	2,848
Private gifts and grants	6,475	6,303	12,778
Investment earnings	13,814	25,559	39,373
Other sources	5,417	636	6,053
Net assets released from restrictions	34,388	(29,559)	4,829
<b>Total operating revenues</b>	<b>181,929</b>	<b>5,787</b>	<b>187,716</b>
Operating expenses:			
Instruction and research	84,615	-	84,615
Academic support	23,763	-	23,763
Student services	16,064	-	16,064
Institutional support	23,990	-	23,990
Auxiliary services, student and other	33,142	-	33,142
<b>Total operating expenses</b>	<b>181,574</b>	<b>-</b>	<b>181,574</b>
<b>Change in net assets from operating activities</b>	<b>355</b>	<b>5,787</b>	<b>6,142</b>
Non-operating activities:			
Investment earnings, net	8,874	15,855	24,729
Unrealized losses	(9,795)	(10,634)	(20,429)
Contributions, net	514	22,772	23,286
Change in annuities	(1,250)	(312)	(1,562)
Post-retirement benefit obligation adjustment	2,093		2,093
Change in fair value of swap contracts	(8,715)		(8,715)
Non-recurring bond defeasance charge	104		104
Redesignated funds and other	(9,300)	7,559	(1,741)
Net assets released from restrictions	(3,279)	(1,550)	(4,829)
<b>Change in net assets from non-operating activities</b>	<b>(20,754)</b>	<b>33,690</b>	<b>12,936</b>
<b>Change in net assets</b>	<b>(20,399)</b>	<b>39,477</b>	<b>19,078</b>
Net assets at beginning of year	219,664	872,433	1,092,097
Net assets at end of year	<u>\$ 199,265</u>	<u>\$ 911,910</u>	<u>\$ 1,111,175</u>

See notes to consolidated financial statements.



**Oberlin College**

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**  
**(Dollars in Thousands)**

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 362,151	\$ 19,078
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	25,240	23,055
Change in fair market value of interest rate swap arrangements	(5,741)	8,715
Net amortization of deferred financing costs	79	(443)
Gain on new market tax credit	(833)	-
Contributions restricted for long-term investments	(8,432)	(16,608)
Earnings restricted for long-term investment	(373)	(332)
Net realized and unrealized gains on long-term investments	(406,694)	(43,673)
Changes in assets and liabilities:		
Accounts receivable	3,158	(297)
Pledges receivable	5,010	(6,643)
Other current and non-current assets	(347)	93
Accounts payable, accrued expenses and other liabilities	4,281	6,531
Deposits and agency funds	(919)	5,519
Accrued postretirement benefit obligation	(2,328)	(727)
Net adjustment of annuity obligations	1,786	(445)
<b>Net cash used in operating activities</b>	<b>(23,962)</b>	<b>(6,177)</b>
Cash flows from investing activities:		
Purchases of plant and equipment	(18,429)	(14,318)
Proceeds from student loans collected	772	1,821
Purchases of investments	(244,535)	(387,161)
Proceeds from sales and maturities of investments	302,850	413,309
<b>Net cash provided by investing activities</b>	<b>40,658</b>	<b>13,651</b>
Cash flows from financing activities:		
Proceeds from contributions for:		
Investment in endowment	6,944	14,423
Investment in long-lived assets	742	232
Investment in life income agreements	746	1,953
Earnings restricted for long-term investment	373	332
Payments on bonds and loans payable	(4,381)	(89,292)
Payments on short-term debt	-	(5,000)
Proceeds from issuance of long-term debt	-	82,065
<b>Net cash provided by financing activities</b>	<b>4,424</b>	<b>4,713</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,120</b>	<b>12,187</b>
Cash and cash equivalents:		
Beginning	35,161	22,974
Ending	<u>\$ 56,281</u>	<u>\$ 35,161</u>
Supplemental disclosures of noncash transactions		
Plant and equipment included in accounts payable	<u>\$ 8,293</u>	<u>\$ -</u>

See notes to consolidated financial statements.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 1. Organization and Summary of Significant Accounting Policies

**General:** Oberlin College is an independent, coeducational institution consisting of two major divisions. The College of Arts and Sciences offers a balanced curriculum in the humanities, social sciences and natural sciences. The Conservatory of Music offers pre-professional training in music performance, composition, education, technology, theory and history.

**Basis of presentation and accounting:** The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States and accordingly they are presented on the accrual basis of accounting, focusing on the institution as a whole. These statements also reflect the assets, liabilities and operating activities of the College's wholly-owned entities, Apollo Theater, LLC and Apollo Theater Holdings, Inc. (collectively known as the Apollo Theater Project) and College Properties of Northern Ohio, Inc. (Gateway Complex Project), with the elimination of inter-company transactions and balances. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified as follows:

Net assets without donor restrictions are net assets that are free of donor imposed restrictions as well as net assets designated by the governing board.

Net assets with donor restrictions include net assets from gifts subject to donor-imposed stipulations and cumulative earnings and gains, both realized and unrealized, that may or will be met by Board appropriation, the College satisfying the purpose restriction and/or the passage of time. These net assets are used to support general instruction, scholarships, professorships, research, library operations and capital acquisitions.

Also included in net assets with donor restrictions are net assets subject to donor-imposed restrictions that the corpus be maintained permanently by the College. The Board of Trustees has specifically resolved that in the absence of explicit donor stipulations to the contrary, an amount equal to the aggregate fair value of (a) each permanent endowment fund of the College at the time it became an endowment fund, (b) each subsequent donation to the fund at the time it is made, and (c) each accumulation made pursuant to a direction in the applicable gift instrument at the time the accumulation is added to the fund is deemed to be the amount that must be retained permanently consistent with applicable law. In general, the donors of these assets permit the use of all or part of the cumulative earnings and gain, both realized and unrealized, on related investments for general or specific purposes. These net assets consist primarily of amounts whose income supports general instruction, scholarships, professorships and library funds.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e., the donor-restricted purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Investment return is distributed for operations on a unit share basis as authorized by the Board of Trustees, and is reflected in investment earnings and gains and net assets released from restrictions in the consolidated statement of activities.

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

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**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair market value. Contributions to be received after one year are stated at their net present value using an annual discount rate commensurate with the risks involved (7.0% for those intentions established prior to June 30, 2014 and 5.0% post July 1, 2014). Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectable contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution and nature of fund-raising activity. Based on prior history, no allowance is recorded at June 30, 2021 and 2020.

Income and realized net gains or losses on long-term investments are reported as increases or decreases, respectively, in net assets with donor restrictions if the terms of the gift require that they be added or subtracted from the principal of a permanent endowment fund or as funds held in trust by others; or, if the terms of the gift or state law impose restrictions on the use of the income. In all other cases, they are reported as increases or decreases in net assets with donor restrictions until the earnings have been appropriated for expenditure and any related purpose restriction is met.

**Accounts receivable, net:** The College uses the allowance method for accounts receivable. Management estimates the allowance and reserve based upon its assessment of historical collections and outstanding receivables. The allowance for doubtful accounts at June 30, 2021 and 2020 was \$2,051 and \$2,398, respectively.

**Long-term investments:** The College classifies its investments into the following categories:

**Cash and cash equivalents:** The College invests in cash and cash equivalents, short-term investments and other securities with quoted prices in active markets. Typical liquidity for these investments is daily.

**Collateral cash:** Cash overlay pools are used to provide the margin necessary to support the futures contracts. The size of the margin pool varies depending on the notional value of the future contracts. Futures contracts are used in the fixed income and equity categories to maintain investment policy allocation and/or gain investment exposure to specific markets. Typical liquidity for these investments is daily.

**Fixed income:** Fixed income investments include investments in government securities and corporate bonds via separate accounts, limited partnerships, commingled vehicles, and futures contracts. Typical liquidity for these investments is daily and monthly.

**Funds held in trust by others:** These investments represent resources neither in the possession nor under the control of the College, but rather held and administered by outside trustees, with the College paid income or a residual interest from the assets of such funds. The fair value of these funds is based on the College's proportionate interest in the fair market value of the trusts as determined by the trustee.

**Gift annuities and trusts and investments restricted for plant facilities:** These investments consist of annuity and life income funds and assets restricted to investment in land, buildings and equipment. The College invests in equities and fixed income securities with quoted prices in active markets.

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

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**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

**Hedge funds:** Hedge funds seek to generate high long-term real returns and reduce volatility by exploiting market inefficiencies. Returns are achieved using various strategies including market neutral, long/short equity, credit, event driven, and global macro strategies. Typical liquidity for these investments is quarterly, annually, or greater than one year, with over 50% of the net asset value being accessible within one quarter.

**Private equity and Venture Capital:** These investments include buyouts, distressed debt, growth equity, private credit and venture capital limited partnerships. The College diversifies these investments by geography, sectors and stage. These investments are generally illiquid. Private credit limited partnerships are expected to generate and distribute interest cash flows throughout the vehicle's life, while other types of funds will make distributions as the underlying portfolio companies are sold in the market. On average the underlying investments in the limited partnership funds would be fully liquidated over the next four to 12 years.

**Real assets:** Real assets include commodities, energy, natural resource equities, real estate, Treasury Inflation-Protected Securities (TIPS) and Real Estate Investment Trusts (REITs). Real asset investments are made both via liquid public markets (commodities, natural resource equities, REITs and TIPS) and via illiquid private equity structured funds (private real estate and private energy). The private real estate and private energy funds are not redeemable. As these funds age in duration, distributions are received as the underlying portfolio companies are sold in the market. The underlying companies within the private funds would be fully liquidated over the next eight to 12 years.

**Developed markets equity and emerging markets equity:** The College invests in public equity securities in various geographical areas including the U.S. as well as developed and emerging markets. Public equity securities are owned either directly by the College or indirectly through investments in limited partnerships, limited liability companies, commingled vehicles and futures contracts. Fund liquidity is daily, monthly, quarterly and annually, with approximately 70% of the net asset value being accessible within one quarter or less.

**Interest rate swaps:** The College has entered into interest rate swap agreements to reduce the costs of and exposure to significant, unanticipated fluctuations caused by interest-rate volatility on certain variable rate debt. The College's goal is to lower (whenever possible) the cost of its borrowed funds. In accordance with the *Accounting for Derivative Instruments* and *Hedging Activities* Topics of the ASC, the College recognizes its derivative financial instruments as either assets or liabilities at fair value in the consolidated statements of financial position. The fair value of the interest rate swaps is based on projected London InterBank Offered Rate (LIBOR) for the duration of the swap, values that, while observable in the market, are subject to adjustment due to pricing considerations for the specific instrument and the resulting fair values.

The fair market value of interest swap arrangements is the estimated amount that the College would receive (or would be required to pay) to terminate these contracts as of the fiscal year end. The swap arrangements currently carry no collateral requirement. The estimated cumulative fair value gain is included in long-term investments in the consolidated statements of financial position. The estimated cumulative fair value (loss) is included within other non-current liabilities in the consolidated statements of financial position. Changes in the fair value of these contracts are recorded as other non-operating items in the consolidated statement of activities. These agreements were entered into in order to manage interest rate exposures and qualify as fair value hedges.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

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

Due to the nature of alternative investments and the use of some limited partnerships and commingled vehicles in traditional asset classes (public equities and fixed income), the College contractually agrees to liquidity restrictions. The College, in response to this risk, closely monitors the liquidity of the portfolio. As of June 30, 2021, the following liquidity characteristics applied to the College's pooled endowment and board-designated endowment funds:

<u>Liquid within</u>	<u>% of Endowment</u>
1 year	49%
3 years	5%
Illiquid	46%

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

**Property, plant and equipment:** Property, plant and equipment are stated at cost less accumulated depreciation.

**Depreciation:** Depreciation of the property, plant and equipment owned by the College and its subsidiaries has been computed using the mid-year convention and depreciated straight-line under the following depreciation guidelines:

Buildings and additions	40 years
Building improvements and renovations	20 years
Library books and materials	15 years
Furniture and equipment	10 years

Using these guidelines, depreciation expense for years ended June 30, 2021 and 2020 was:

	2021	2020
Educational and general properties	\$ 16,210	\$ 14,183
Library books and materials	2,424	2,403
Auxiliary properties	6,606	6,469
	<u>\$ 25,240</u>	<u>\$ 23,055</u>

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

**Release of restrictions on net assets for acquisition of land, building and equipment:** Capital gifts to acquire or construct a long-lived asset are recorded as a donor restricted gift until the related asset is placed in service, at which time, the capital gift is released from net assets with donor restrictions to net assets without donor restrictions and subsequently amortized into operations over the estimated useful life of the acquired or constructed asset. This amortization, which amounted to \$4,596 in fiscal year 2021 and \$4,829 in fiscal year 2020, is recorded as a transfer between the non-operating and operating sections of the change in net assets without donor restrictions on the consolidated statement of activities.

**Collections and works of art:** The College has elected not to capitalize contributed collections. All works of art and collections are held for public exhibition, education or research; are protected, kept unencumbered, cared for, and preserved; and are subject to policies governing their use. Recognizing works of art as an asset of the institution would result in a material increase in property, plant and equipment and a corresponding increase in net assets in the consolidated statements of financial position.

**Bequests:** The College follows the policy of designating bequests without donor restrictions as additions to board-designated funds or plant and facility funds.

**Split interest agreements:** The College is party to various split interest agreements, including perpetual trusts held by third parties, irrevocable charitable remainder trusts, charitable gift annuities, and pooled life income funds. Assets are invested by the College or by third-party trustees. Payments are made to donors and/or other beneficiaries in accordance with the respective agreements. Contribution revenues for split-interest agreements are recognized at the dates the agreements are established. Revenues are recorded at fair value, net of the present value of the estimated future payments to be made to donors and/or other beneficiaries. The present value of payments to beneficiaries under split-interest agreements has been calculated using an annual discount rate of 7.0% for those agreements entered into prior to June 30, 2014 and 5.0% post July 1, 2014.

**Revenue recognition:** The College recognizes revenue from exchange transactions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*.

Revenue from student tuition and fees and room and board primarily relates to undergraduate and graduate programs offered at the College and is recognized ratably over each academic term. Tuition and fees collected that are applicable to a future academic term are reported as other current liabilities. Payment for each semester's tuition and fees must be made prior to enrollment, unless other payment arrangements are made. The College does, in certain instances, provide financing to students that allow for payments in excess of one year; however, the financing component is not deemed to be significant.

Student aid represents tuition reductions awarded to students to reduce the overall cost for tuition and fees. Scholarships are given to students in the course of providing educational services and the amounts, as well as the individual recipients, are determined by the College. Scholarships are reported as a reduction to tuition revenues, as the College does not receive any goods or services in exchange for the discount.

Revenue from auxiliary enterprises is recognized when goods or services are provided.



## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### **Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

The College utilized the portfolio approach to apply Topic 606 to tuition and fees revenue and auxiliary enterprise revenue. The College has elected the practical expedient with respect to performance obligations under its contracts with students as all such contracts have original terms of less than one year.

**Cash flow information:** For financial statement purposes, the College considers all investments (not held for long-term investment) with original maturities of three months or less as cash equivalents. Cash payments for interest amounted to \$7,946 in 2021 and \$7,449 in 2020. There is no capitalized interest for either year. Interest expense, reflected in the consolidated statement of activities, was \$8,512 and \$8,693 for years ended June 30, 2021 and 2020, respectively. In addition, the College includes debt issuance costs as additional interest expense and amortizes those costs using the straight-line method over the term of the loan.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows.

**Use of estimates in the preparation of financial statements:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 income, revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tax status:** The College is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). The College generates minor amounts of unrelated business income, annually files Form 990T and pays taxes on such income. The College recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the College, the continued tax-exempt status of bonds issued by the College and various positions related to potential sources of unrelated taxable income. The College believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. As of June 30, 2021, the College's income tax years from 2016 and thereafter remain subject to examination by the Internal Revenue Service, as well as various state and local taxing authorities.

**Adoption of recently issued accounting pronouncements:** The College adopted the following Accounting Standards Updates (ASUs) for the year ended June 30, 2021:

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

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**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months, along with additional qualitative and quantitative disclosures. Leases will be classified as either financing or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. This ASU was originally effective for the College's fiscal year ended June 30, 2020; however, the College determined to defer the adoption of Topic 842 until fiscal year ended June 30, 2021 as a result of the issuance of ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) – *Effective Dates for Certain Entities* in June 2020. The adoption of this standard did not have a material effect on the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Changes to Disclosure Requirements for Fair Value Measurement*. The objective of this statement is to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The adoption of this standard did not have a material effect on the consolidated financial statements.

**Recently issued accounting pronouncements:** In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU was issued to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. This ASU is required to be applied retrospectively and is effective for fiscal years beginning after June 15, 2021.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform* (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides temporary optional guidance to ease the potential burden in accounting for reference rate reform. The new guidance provides optional expedients and exceptions for applying generally accepted accounting principles to contract modifications, subject to meeting certain criteria that reference LIBOR or another reference rate expected to be discontinued. The ASU is intended to help stakeholders during the global market-wide reference rate transition period. The new standard may be applied for a limited time through December 31, 2022.

The College is currently evaluating the impact of the adoption of these new standards on their consolidated financial statements.

**Reclassification:** Certain June 30, 2020 data have been reclassified to conform to the June 30, 2021 presentation.

**Subsequent events:** The College has evaluated subsequent events for potential recognition and/or disclosure through February 8, 2022, the date the financial statements were available to be issued.

# Oberlin College

## Notes to Consolidated Financial Statements (Dollars in Thousands)

### Note 2. Endowment and Other Long-Term Investments

**Uniform Prudent Management of Institutional Funds Act:** The College has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the 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. Pooled endowment assets are comprised of Board-designated and donor restricted endowment funds. The following table reflects the College's change in the general pooled endowment assets for the year ended:

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, July 1, 2020	\$ 138,094	\$ 798,482	\$ 936,576
Realized gains	33,792	36,688	70,480
Unrealized gains	48,528	270,887	319,415
Investment return	82,320	307,575	389,895
Contributions and transfers, net	(2,690)	9,001	6,311
Endowment distributions	(30,499)	(29,895)	(60,394)
Endowment assets, June 30, 2021	\$ 187,225	\$ 1,085,163	\$ 1,272,388

  

	June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets, July 1, 2019	\$ 155,756	\$ 768,849	\$ 924,605
Realized gains	21,898	40,127	62,025
Unrealized losses	(9,145)	(8,603)	(17,748)
Investment return	12,753	31,524	44,277
Contributions and transfers, net	(16,601)	24,892	8,291
Endowment distributions	(13,814)	(26,783)	(40,597)
Endowment assets, June 30, 2020	\$ 138,094	\$ 798,482	\$ 936,576

**Endowment investment and spending policy:** The College's endowment consists of donor restricted endowment funds and unrestricted board-designated or quasi endowment funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### **Note 2. Endowment and Other Long-Term Investments (Continued)**

The College has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) to require the 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 permanent endowments: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanent endowments is classified as donor restricted in accordance with UPMIFA and donor stipulations. Also in accordance with the College's interpretation of UPMIFA and absent specific donor restrictions on an endowed fund, the Board may appropriate the realized and unrealized net appreciation in the fair value of the assets of that fund for uses and purposes of the fund.

The College's investment policies are designed to ensure the achievement of a rate of return that adequately supports the College's mission while minimizing risk to the greatest extent possible. The College seeks to minimize downside volatility and other risks while maximizing returns. The objective is to achieve a total return that exceeds a weighted average of individual asset class benchmarks as defined. Oberlin College's Endowment Spending Policy is set by the College's Board of Trustees. The Board of Trustees takes great care in developing the broad objectives and specific spending methodology, giving consideration to a number of factors, including preservation of the College's endowment for perpetuity, economic conditions and the possible impact of inflation and deflation, the College's historical total return on endowment, the expected total returns and the related investment policies and targeted allocations to achieve the expected returns, and the other financial resources of the College. The broad objectives of the Endowment Spending Policy are to increase the real value of the endowment, to provide a dependable stream of current earnings distribution from the endowment pool to the College, to release earnings at a rate sustainable over the long term, and to seek to provide predictability and stability of endowment spending essential for long range planning. These broad objectives, and the Board's frequent evaluation of the factors noted above, allow the College to establish its specific spending methodology. The College's specific spending methodology involves applying a targeted long-term spending rate applied to the 36-month weighted average as adjusted by board-imposed spending collars and also by a maximum spending rate applied to current market value. The actual payout rate for each fiscal year is approved annually by the Board of Trustees.

On occasion, unfavorable market fluctuations cause the fair value of assets associated with individual donor restricted endowment funds to fall below the level that the donor requires the College to retain as a fund of perpetual duration or the historical value of the original gift. For the year ended June 30, 2021, no deficiencies of this nature exist in the donor-restricted endowment funds. For the year ended June 30, 2020, deficiencies of this nature exist in 19 donor-restricted endowment funds, which together have an original gift value of \$7,171, a current fair value of \$7,108 and a deficiency of \$63. These deficiencies are reported in net assets with donor restrictions and resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain purposes that was deemed prudent by the Board of Trustees.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 2. Endowment and Other Long-Term Investments (Continued)

Investments in marketable equity and debt securities with readily determinable fair values are stated at the quoted market value based on the last trade price. The College has a substantial allocation to alternative investments, including hedge funds, private equity or real assets depending on the legal structure and investment strategy of the underlying manager. Nearly all of the valuations reported by alternative investment managers rely upon third-party administrators to objectively value positions and calculate net asset value. Asset managers in private equity structured funds internally calculate values according to agreed upon procedures and provide audited financial statements at calendar year end. Alternative investments are not readily marketable; therefore, the estimated fair value is subject to uncertainty and may differ from the value that would have been used had a ready market for such investments existed. The investment managers for these investments report their audited financial information as of December 31<sup>st</sup> of each calendar year. These investments are valued by the College as of June 30th at their estimated fair value based on the most recent unaudited quarterly financial reports provided by investment managers.

Investments are exposed to various risks including interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment account balances and the amounts reported in the consolidated statements of financial position.

The College utilizes derivative financial instruments in pursuing its endowment investment objectives. Futures contracts are used to maintain asset class exposures in accordance with the College's asset allocation policy, as well as to obtain exposure to movements in equity prices. Futures contracts provide reduced counterparty risk to the endowment since futures are exchange-traded, and the exchange's clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default. The College uses a third-party advisor and has established policies and procedures to actively monitor and manage the market, credit and counter-party risks associated with these contracts. These financial instruments are valued at their notional exposure, net of leverage, as reflected in the following table (summarized by long-term investment asset class):

	2021	2020
U.S. equity futures	\$ 53,026	\$ 29,504
Emerging markets futures	-	5,963
Total notional	53,026	35,467
Collateral cash	53,205	35,656
Net leverage	\$ (179)	\$ (189)

Net realized and unrealized gains (losses) in market value of investments are reflected in the consolidated statement of activities.

The College is obligated to contribute \$124,299 and \$132,752 of additional investments at June 30, 2021 and 2020, respectively. These commitments will be satisfied over a five-year period from the maturities, and redemptions of existing investments of a similar nature.

**Oberlin College****Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)****Note 2. Endowment and Other Long-Term Investments (Continued)**

Long-term investments as reflected in the consolidated statements of financial position are detailed as follows:

	Fair Value	
	June 30,	
	2021	2020
General investment pool:		
Cash and cash equivalents	\$ 70,686	\$ 56,364
Developed markets equity	347,041	233,590
Emerging markets equity	62,490	47,561
Hedge funds	259,877	234,712
Private equity	179,720	158,941
Venture capital	303,221	165,061
Real assets	49,353	40,347
Total general investment pool	1,272,388	936,576
Non-pooled endowment:		
Cash and cash equivalents	32	39
Developed markets	543	396
Fixed income	39	39
Total separately invested funds	614	474
Total endowment	1,273,002	937,050
Sinking fund:		
Cash and cash equivalents	895	202
Developed markets equity	1,969	1,248
Emerging markets equity	369	327
Hedge funds	2,103	1,303
Private equity	1,507	890
Venture capital	1,893	924
Real assets	738	226
Total sinking fund	9,474	5,120



**Oberlin College**

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

**Note 2. Endowment and Other Long-Term Investments (Continued)**

	Fair Value	
	June 30,	
	2021	2020
Annuity and life income funds:		
Pooled income fund trusts:		
Cash and cash equivalents	\$ 77	\$ 65
Fixed income	1,346	1,214
International equity	163	143
Real assets	355	293
U.S. equity	402	344
Total pooled income fund trusts	<u>2,343</u>	<u>2,059</u>
Gift annuity pool:		
Cash and cash equivalents	20	170
Emerging markets equity	1,132	913
Fixed income	5,559	4,623
International equity	3,336	2,745
Real assets	3,088	2,472
U.S. equity	6,930	5,639
Total gift annuity pool	<u>20,065</u>	<u>16,562</u>
Annuity trusts and unitrusts:		
Cash and cash equivalents	643	764
Emerging markets equity	1,480	1,163
Fixed income	6,401	5,419
International equity	4,402	3,425
Real assets	3,982	2,964
U.S. equity	9,245	6,971
Total separately invested funds	<u>26,153</u>	<u>20,706</u>
Total annuity and trusts	<u>48,561</u>	<u>39,327</u>
Assets restricted to investment in land, buildings and equipment:		
Cash and cash equivalents	4	-
Fixed income	4	4
Real assets	4,933	4,933
Total assets restricted to investment in land, buildings and equipment	<u>4,941</u>	<u>4,937</u>
Funds held in trust by others	<u>22,459</u>	<u>17,884</u>
Total assets for long-term investments	<u>\$ 1,358,437</u>	<u>\$ 1,004,318</u>

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 2. Endowment and Other Long-Term Investments (Continued)

An analysis of investment earnings is as follows for the year ended June 30:

	2021	2020
Investment earnings allocated to operations	\$ 58,670	\$ 39,373
Investment earnings in non-operating	16,362	24,729
Unrealized gains (losses)	333,162	(20,429)
Total	<u>\$ 408,194</u>	<u>\$ 43,673</u>
Realized gains on sale of investments	\$ 70,917	\$ 59,853
Unrealized gains (losses) on investments	333,162	(20,429)
Interest and dividends, net	4,115	4,249
Total	<u>\$ 408,194</u>	<u>\$ 43,673</u>

#### Note 3. Fair Value of Financial Instruments

The College follows FASB Topic 820, Fair Value Measurements, for its financial instruments measured at fair value on a recurring basis. Topic 820 provides a framework for measuring fair value, expands disclosure about fair value measurements, and establishes a three-level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements:

Level 1 - Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

Level 2 - Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active.

Level 3 - Uses inputs that are unobservable and are supported by little or no market activity, and reflects the use of significant management judgment. These values are generally determined using pricing models for which assumptions utilize management's estimates of market participant assumptions.

The College also holds investments in private equity funds, real estate and real estate funds, hedge funds and other investments that are not publicly traded but are valued as a practical expedient using a net asset value per unit, or its equivalent. The College records its portion of these funds at the reported net asset value of its ownership interest in partner capital as reported by the general partner or fund manager, and as such, these investments are separately reported in the fair value hierarchy table. Due to the inherent uncertainty of valuation, the estimated fair values may differ from values that would have been used had a readily available market value for the investments existed, and such differences could be material.

# Oberlin College

## Notes to Consolidated Financial Statements (Dollars in Thousands)

### Note 3. Fair Value of Financial Instruments (Continued)

The following table sets forth by level the College's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2021 and 2020. The financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The College's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the three levels.

	June 30, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Long-term investments:					
Developed markets equity	\$ 43,063	\$ -	\$ -	\$ 253,464	\$ 296,527
Emerging markets equity	-	-	-	62,859	62,859
Fixed income	39	-	-	-	39
Hedge funds	2,882	-	-	259,098	261,980
Private equity	-	-	-	181,227	181,227
Venture capital	589	-	-	304,525	305,114
Real assets	66	-	-	50,025	50,091
Interests in gift annuities and trusts	20,065	-	28,496	-	48,561
Investments restricted for plant facilities	4,941	-	-	-	4,941
Interests in funds held in trust by others	-	-	22,459	-	22,459
	<u>\$ 71,645</u>	<u>\$ -</u>	<u>\$ 50,955</u>	<u>\$ 1,111,198</u>	<u>1,233,798</u>
Cash and cash equivalents					71,613
U.S. equity futures					53,026
Total investments					<u>\$ 1,358,437</u>
	June 30, 2020				
	Level 1	Level 2	Level 3	NAV	Total
Long-term investments:					
Developed markets equity	\$ 30,013	\$ -	\$ -	\$ 175,717	\$ 205,730
Emerging markets equity	58	-	-	41,867	41,925
Fixed income	39	-	-	-	39
Hedge funds	2,031	-	-	233,984	236,015
Private equity	22,102	-	-	137,729	159,831
Venture capital	114	-	-	165,871	165,985
Real assets	-	-	-	40,573	40,573
Interests in gift annuities and trusts	16,562	-	22,765	-	39,327
Investments restricted for plant facilities	4,937	-	-	-	4,937
Interests in funds held in trust by others	-	-	17,884	-	17,884
	<u>\$ 75,856</u>	<u>\$ -</u>	<u>\$ 40,649</u>	<u>\$ 795,741</u>	<u>912,246</u>
Cash and cash equivalents					56,605
U.S. equity futures					29,504
Emerging markets futures					5,963
Total investments					<u>\$ 1,004,318</u>

# Oberlin College

## Notes to Consolidated Financial Statements (Dollars in Thousands)

### Note 3. Fair Value of Financial Instruments (Continued)

The nature and risk of investments carried at net asset value as of June 30, 2021 and 2020 are as follows:

	Fair Value at June 30, 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Developed markets equity	\$ 253,464	\$ -	Quarterly	30 - 60 days
Emerging markets equity	62,859	-	Monthly, Quarterly, Annually	90 - 180 days
Hedge funds	259,098	-	Quarterly, Annually, >1 Year	45 - 366 days
Private equity	181,227	53,222	Illiquid	Not applicable
Venture capital	304,525	57,186	Illiquid	Not applicable
Real assets	50,025	13,891	Illiquid	Not applicable
	<u>\$ 1,111,198</u>	<u>\$ 124,299</u>		
	Fair Value at June 30, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Developed markets equity	\$ 175,717	\$ -	Quarterly	30 - 60 days
Emerging markets equity	41,867	-	Monthly, Quarterly, Annually	90 - 180 days
Hedge funds	233,984	-	Quarterly, Annually, >1 Year	45 - 366 days
Private equity	137,729	64,681	Illiquid	Not applicable
Venture capital	165,871	51,843	Illiquid	Not applicable
Real assets	40,573	16,228	Illiquid	Not applicable
	<u>\$ 795,741</u>	<u>\$ 132,752</u>		

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows:

	Balance at June 30, 2020	Contributions	Withdrawals	Change in FV	Balance at June 30, 2021
Interests in gift annuities and trusts	\$ 22,765	\$ 2,214	\$ (1,475)	\$ 4,992	\$ 28,496
Interests in funds held in trust by others	17,884	1,267	-	3,308	22,459
	<u>\$ 40,649</u>	<u>\$ 3,481</u>	<u>\$ (1,475)</u>	<u>\$ 8,300</u>	<u>\$ 50,955</u>
	Balance at June 30, 2019	Contributions	Withdrawals	Change in FV	Balance at June 30, 2020
Interests in gift annuities and trusts	\$ 24,496	\$ 885	\$ (1,892)	\$ (724)	\$ 22,765
Interests in funds held in trust by others	18,427	(232)	-	(311)	17,884
	<u>\$ 42,923</u>	<u>\$ 653</u>	<u>\$ (1,892)</u>	<u>\$ (1,035)</u>	<u>\$ 40,649</u>

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 4. Pledges Receivable

Unconditional promises to give and bequests in probate are included in the financial statements as pledges receivable, and as revenue within the appropriate net asset category. Promises to give that are to be received after one year are recorded after discounting to the present value of the future cash flows. Pledges of \$3,779 and \$5,184, due within one year, that are restricted for long-term purposes have been classified as non-current pledges on the consolidated statements of financial position at June 30, 2021 and 2020, respectively.

Unconditional promises to give are expected to be realized in the following periods:

	2021	2020
In one year or less	\$ 6,088	\$ 11,820
Between one year and five years	2,726	2,293
Greater than five years	6,606	6,276
Less discount	(3,960)	(3,919)
	<u>\$ 11,460</u>	<u>\$ 16,470</u>

#### Note 5. Student Loans, Net

Student loans receivable are carried at face value, less an allowance for doubtful accounts of \$1,383 at June 30, 2021 and 2020. The interest rate on federal student loans was 5.0% for the years ended June 30, 2021 and 2020. Maturity dates range up to 10 years.

The College participates with the U.S. Department of Education in the Federal Perkins Loan Program for the purpose of granting low interest loans to students demonstrating financial need. After a student's graduation or withdrawal, Perkins loans are to be repaid over a maximum of ten years. Perkins funds are ultimately refundable to the US Government to the extent funds are available from the program. Consequently, these funds are shown as a liability of \$2,084 and \$3,155 at June 30, 2021 and 2020, respectively. Under Federal law, the authority for schools to make new Perkins Loans ended on September 30, 2017 with the final loan disbursement permitted through June 30, 2018.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 6. Bonds Payable and Subsequent Events

Bonds payable, net of bond premium, bond discount and deferred financing costs, at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Ohio Higher Educational Facility Commission:		
Revenue Bonds dated September 12, 2013, maturing annually October 1, 2017 through 2038 in amounts ranging from \$910 to \$5,610 with an interest rate of 3% to 5%, plus unamortized bond premium of \$1,670 and \$1,861 and less unamortized deferred financing cost of \$292 and \$325 at June 30, 2021 and 2020, respectively	\$ 43,019	\$ 43,176
Revenue Bonds dated April 12, 2017, maturing annually October 1, 2018 through 2047 in amounts ranging from \$650 to \$10,955 with an interest rate of 2% to 5%, plus unamortized bond premium of \$2,720 and \$2,879 and less unamortized deferred financing cost of \$388 and \$411 at June 30, 2021 and 2020, respectively	40,061	40,198
Taxable Refunding Bonds dated August 1, 2019, maturing on August 1, 2049 in the amount of \$82,065, with an interest rate of 3.685%, less unamortized deferred financing cost of \$643 and \$666 at June 30, 2021 and 2020, respectively	81,422	81,399
Total bonds payable, net of bond premium, bond discount and deferred financing costs	<u>\$ 164,502</u>	<u>\$ 164,773</u>

In August 2019, the College issued \$82,065 taxable refunding bonds to refinance the Series 2009 Bonds, the Series 2014A Bonds and the Series 2014B Bonds. Payments due under the agreement represent the principal and interest due on the bonds, and repayment of the bonds is guaranteed by the College. The Series 2019 Bond matures with a balloon payment due on August 1, 2049.

In April 2017, the Ohio Higher Educational Facility Commission (the Commission) issued Higher Educational Facility Revenue Bonds on behalf of the College in the original principal amount of \$39,765 plus a bond premium of \$3,455. A portion of these bonds (par value \$15,725) was used for an advance refunding of the outstanding principal of the October 2009 Revenue Bonds. The remaining funds were utilized to support campus capital improvement projects. The College entered into a lease agreement with the Commission on the properties financed with proceeds of the bonds. Payments due under the lease agreement represent the principal and interest due on the bonds. As disclosed in the subsequent events footnote, the College refinanced a portion of the principle under a new 2021 bond issuance.

In September 2013, the Commission issued Higher Educational Facility Revenue Bonds on behalf of the College in the original principal amount of \$52,395 plus a bond premium of \$3,298. A portion of these bonds was used for a refunding of the outstanding principal of the September 2003 Revenue Bonds. The remaining funds were utilized to support construction of the new Austin E. Knowlton Athletics Complex and improvements to the Central Heating Plant. The College has entered into a lease agreement with the Commission on the properties financed with proceeds of the bonds. Payments due under the lease agreement represent the principal and interest due on the bonds. As disclosed in the subsequent events footnote, the College refinanced a portion of the principle under a new 2021 bond issuance.



## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 6. Bonds Payable and Subsequent Events (Continued)

In July 2021, the College issued \$80,625 taxable refunding bonds to finance the first phase of the College's Sustainable Infrastructure Program (SIP). The bonds received certification by the Climate Bonds Initiative, and is the second Certified Client Bond offering amount of U.S. colleges and universities. The funds will be used to convert buildings throughout the College campus to geothermal heating and cooling. Interest only payments are due under the agreement. These Series 2021A bonds mature with a balloon payment due on October 1, 2051.

In July 2021, the College issued \$30,350 taxable refunding bonds to refinance a portion of the principal of the Series 2013 and Series 2017 Bonds. Interest only payments are due under the agreement. These Series 2021B Bonds mature with a balloon payment due on October 1, 2051.

The maturities schedule presented below includes the impact of the additional debt associated with the subsequent refinance.

Future principal payments on the College's outstanding bonds at June 30, 2021 are as follows:

2022	\$	-
2023		-
2024		-
2025		-
2026		1,765
Thereafter		256,670
	\$	<u>258,435</u>

#### Note 7. Loans Payable

The College has two unsecured bank lines of credit with two banks. The first is a demand line of credit without a stated maturity that has a maximum principal amount of \$30,000, accrues interest at 30-day LIBOR plus 115 basis points (1.15%) and 10 basis points (0.10%) on the portion of the line that is not encumbered. The second line of credit in the amount of \$10,000 expires July 21, 2022, it bears interest at 30-day LIBOR plus 65 basis points (0.65%) and accrues interest at 15 basis points (0.15%) on the portion of the line that is not encumbered. The balance outstanding on these lines of credit is \$0 for both years.

During fiscal year 2014, the College secured a maximum commitment unsecured term note in the amount of \$18,000 from a local bank for construction purposes as part of the Gateway Complex Project, effective July 1, 2014 and terminating July 1, 2024. Interest accrues at 3-month LIBOR plus 70 basis points (0.70%). According to the terms of the note, the College made interest only payments between the closing date and July 1, 2017. Effective October 1, 2017, the notional amount of the term note amortizes by \$180 per quarter with a final balloon payment due on the termination date. The balance outstanding on this term note at June 30, 2021 and 2020 was \$15,300 and \$16,020, respectively. At June 30, 2021 and 2020, \$720 is reflected within other current liabilities and the remainder is reflected within loans payable on the consolidated statements of financial position.

Future principal payments on the College's maximum commitment term note at June 30, 2021 are as follows:

2022	\$	720
2023		720
2024		720
2025		13,140
	\$	<u>15,300</u>

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 8. Interest Rate Swap Arrangements

The College entered into an interest rate swap arrangement in October 2007 with an initial notional amount of \$77,870, terminating October 1, 2048. This interest rate swap arrangement was amended and restated and fixed the notional amount at \$40,000, matching the 2008 bond issuance, effective April 18, 2008. Under the terms of this amended swap arrangement, the College receives monthly interest payments based on 68% of 3-month LIBOR and makes monthly interest payments at a fixed interest rate of 3.565%. The net settlement amount expensed was \$5,183 and \$993 for the year ended June 30, 2021 and 2020, respectively. As disclosed in the subsequent events footnote, the College terminated the swap under the new 2021 bond issuance.

The College entered into an interest rate swap arrangement in June 2014 with an initial notional amount of \$18,000, effective July 1, 2016 and terminating June 27, 2024. Under the terms of this swap arrangement, the College will make monthly interest payments at a fixed interest rate of 3.99%. The net settlement amount expensed was \$558 and \$223 for the year ended June 30, 2021 and 2020, respectively. The notional amount of the swap arrangement will amortize by \$180 per quarter beginning fiscal year 2018 with a final balloon payment due on the termination date.

The fair market value of these arrangements, which are included in other non-current liabilities on the consolidated statements of financial position and is classified as Level 2 of the fair value hierarchy at June 30, are as follows:

	2021	2020
Interest rate swap arrangement effective April 18, 2008	\$ (14,584)	\$ (19,767)
Interest rate swap arrangement effective July 1, 2016	(1,294)	(1,852)
Total fair market value of interest rate swap arrangements	<u>\$ (15,878)</u>	<u>\$ (21,619)</u>

#### Note 9. Long-Term Receivables and Loans Payable

**Gateway Complex Project:** During fiscal year 2014, the College began development of the Gateway Complex Project. The project involves the acquisition, rehabilitation, and redevelopment of the Oberlin Inn to be known as the Gateway Complex. The property is held in College Properties of Northern Ohio, Inc., a wholly owned subsidiary and supporting nonprofit organization of the College. The project includes the construction of a new hotel with a conference center, retail space, and a wing for the College's Admissions operations and additional academic space at a cost of approximately \$40,000. The project contains a fundraising component, utilizes Federal New Market Tax Credit funding as well as funds to be advanced by the College. The College secured a maximum commitment term note in the amount of \$18,000 from a local bank (Note 7) and finalized three tax credit issues in connection with the project. The Hotel at Oberlin opened in 2016 and the remainder of the project was completed in the spring of 2017.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 9. Long-Term Receivables and Loans Payable (Continued)

To facilitate the first Federal New Market Tax Credit structure, on December 31, 2013, the College loaned \$2,076 in the form of a note to DVCI XVIII QEI, LLC ("QEI"), an unrelated entity. The note bears interest at the rate of 1.0524% per annum and is payable quarterly. The note matures December 31, 2038 with interest only payments to be paid quarterly until December 31, 2020 at which time principal and interest payments will be due in the amount of \$32 per quarter. At June 30, 2020 the College had a loan receivable in the amount of \$2,076 from QEI. QEI under similar terms made a loan to DVCI XVIII CDE, LLC ("CDE") an unrelated entity and CDE subsequently made a loan of \$2,076 under similar terms to CPNO as part of the two loans described in the following paragraph. On January 14, 2021, as part of the unwind of the Federal New Market Tax Credit structure, CDE assigned the note to QEI and QEI subsequently assigned the note to the College in the amount of \$2,076. The result of these assignments is that at June 30, 2021 CPNO owed the College \$2,076 and as a result the amount is eliminated in consolidation.

College Properties of Northern Ohio, Inc. received two loans, one in the amount of \$2,076 and one in the amount of \$834 from CDE. The proceeds of the loans were used to purchase the Oberlin Inn property from the College. The loans bear interest at the rate of 1.0% per annum and are payable quarterly. The loans mature December 31, 2038 with interest only payments to be paid quarterly until December 31, 2020 at which time principal and interest payments will be due in the amount of \$44 per quarter. These loans are included in loans payable on the consolidated statements of financial position at June 30, 2020. On January 14, 2021, the Federal NMTC structure, as noted above, was unwound and the \$2,076 loan was assigned from CDE to QEI and then assigned to the College. At the same time the \$834 loan being held by CDE was purchased by the College in the amount \$1, resulting in a gain to the College of \$833. The result of the assignments and the purchase is that at June 30, 2021 the College had the receivable described in the preceding paragraph and the \$834 receivable described in this paragraph from CPNO which are eliminated in consolidation.

To facilitate the second Federal New Market Tax Credit structure, on September 23, 2014, the College loaned a total of \$4,175 in the form of a note to Chase NMTC Oberlin Gateway Investment Fund, LLC, an unrelated entity. The note bears interest at the rate of 1.0000% per annum and is payable quarterly. The note matures September 23, 2044 with interest only payments to be paid quarterly until December 15, 2021 at which time principal and interest payments will be due in the amount of \$51 per quarter. The related notes receivable balance is included in other long-term receivables on the consolidated statements of financial position.

College Properties of Northern Ohio, Inc. received two loans totaling \$2,700 from CNMC SUB-CDE 48, LLC, an unrelated entity, and two loans totaling \$3,395 from DVCI CDE XVI, LLC, an unrelated entity. The proceeds of the loans were used for the Gateway Complex Project. The loans bear interest at the rate of 0.8183% per annum and are payable quarterly. The loans mature September 23, 2044 with interest only payments to be paid quarterly until December 5, 2021 at which time principal and interest payments will be due in the amount of \$32 and \$41 per quarter, respectively. These loans are included in loans payable on the consolidated statements of financial position.

To facilitate the third Federal New Market Tax Credit structure, on March 3, 2016, the College loaned a total of \$3,530 in the form of a note to Chase NMTC Oberlin Gateway 2 Investment Fund, LLC, an unrelated entity. The note bears interest at the rate of 1.0000% per annum and is payable quarterly. The note matures March 3, 2046 with interest only payments to be paid quarterly until June 15, 2023 at which time principal and interest payments will be due in the amount of \$43 per quarter. The related notes receivable balance is included in other long-term receivables on the consolidated statements of financial position.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 9. Long-Term Receivables and Loans Payable (Continued)

College Properties of Northern Ohio, Inc. received two loans totaling \$4,988 from Western Reserve DF Affiliate IX, LLC, an unrelated entity. The proceeds of the loans will be used for the Gateway Complex Project. The loans bear interest at the rate of 1.2342% per annum and are payable quarterly. The loans mature March 3, 2046 with interest only payments to be paid quarterly until June 5, 2023 at which time principal and interest payments will be due in the amount of \$44 and \$18 per quarter, respectively. These loans are included in loans payable on the consolidated statements of financial position.

Future principal payments on loans held by College Properties of Northern Ohio, Inc. at June 30, 2021 are as follows:

2022	\$	181
2023		290
2024		435
2025		439
2026		443
Thereafter		9,295
	\$	<u>11,083</u>

#### Note 10. Postretirement Benefits

The College sponsors an unfunded defined benefit postretirement health care plan that covers substantially all regular status employees. The plan pays stated percentages of most necessary medical expenses incurred by retirees, after subtracting payments by Medicare or other providers and after a stated deductible has been met. Employees hired after June 30, 1996 become eligible to participate in the plan if they retire from the College after reaching age 52, with 10 years of service. The plan is contributory, with retiree contributions adjusted annually. In 2017, the College supplemented this existing plan with a non-contributory stipend plan, whereby retirees instead receive a retiree health stipend that is intended to be equivalent to the College's expected annual contribution to the existing plan, allowing our retirees to utilize the stipend to pay premiums toward another retiree healthcare insurance plan providing either more or less coverage. Effective January 2020, the College moved to an Employer Group Waiver Plan (EGWP) design for Medicare eligible retirees.

The accounting for these postretirement healthcare benefits at June 30, 2021 anticipated future cost-sharing changes to the existing plan consistent with the College's policy stating that annual minimum retiree contributions will be set at an amount equal to 44% of the College's estimated cost before considering the contribution.

The weighted average assumptions used to determine net benefit obligation for the years ended June 30, 2021 and 2020 are as follows:

**Oberlin College**

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

**Note 10. Postretirement Benefits (Continued)**

	2021	2020
Discount rate	7.00%	7.00%
Health care trend rates – (Pre-65)		
Trend for next year	6.20%	7.20%
Ultimate trend	4.50%	4.50%
Year ultimate trend reached	2032	2028
Health care trend rates – (Post-65)		
Trend for next year	6.50%	-21.75%
Ultimate trend	4.50%	4.50%
Year ultimate trend reached	2032	2028
Measurement date	June 30, 2021	June 30, 2020

The effects of a one percent change in the assumed health care cost trend rate in each year are summarized in the following table. With the change in design effective January 1, 2021, changes in health care cost trend rates have an opposite effect on benefit obligation change than the prior design. The change will have a delayed effect on the change in service cost and interest cost, since they are measured at the beginning of the year and benefit obligation is measured at the end of the year.

	2021	2020
Effect of an increase:		
On benefit obligation, end of year	\$ 438	\$ 256
On service cost and interest cost for year	\$ 48	\$ 24
Effect of a decrease:		
On benefit obligation, end of year	\$ (486)	\$ (330)
On service cost and interest cost for year	\$ (51)	\$ (32)

The following table reflects the change in accrued postretirement health care cost liability for the years ended June 30, 2021 and 2020:

	2021	2020
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 20,667	\$ 21,394
Service cost	541	657
Interest cost	1,390	1,442
Plan amendments	1,844	-
Actuarial loss	(5,535)	(1,984)
Benefits paid	(568)	(842)
Benefit obligation at end of year	<u>\$ 18,339</u>	<u>\$ 20,667</u>

In 2021, the mortality improvement scale used to calculate the benefit obligation for the College's defined benefit postretirement health care plan was updated to the MP-2020 mortality improvement scale from the MP-2019 mortality improvement scale used in 2020. The College believes that the updated mortality rates are the best estimate of future experience.

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

#### Note 10. Postretirement Benefits (Continued)

Net periodic postretirement health care cost for the years ended June 30, 2021 and 2020 included the following components:

	2021	2020
Net periodic postretirement benefit cost:		
Service cost – benefits attributed to service during the period	\$ 541	\$ 657
Interest cost on accumulated postretirement benefit obligation	1,390	1,442
Net amortization and deferral	88	(143)
Net loss	-	251
Net periodic postretirement benefit cost	<u>\$ 2,019</u>	<u>\$ 2,207</u>

The estimated future benefit claims expected to be paid in each of the next ten fiscal years are:

	Total Claims	Medicare Reimbursement	Net Claims
2022	\$ 1,554	\$ -	\$ 1,554
2023	1,619	-	1,619
2024	1,693	-	1,693
2025	1,785	-	1,785
2026	1,814	-	1,814
2027-2031	9,031	-	9,031

Medicare reimbursements reflected above are based on the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Assuming retiree contributions of 44% to the existing plan, the College expects to contribute \$870 toward expected net claims of \$1,554 in fiscal year 2022. Medicare reimbursements ceased, effective for claims under the plan design effective January 1, 2020.

#### Note 11. Retirement Plan

The College has a contributory defined contribution retirement plan with TIAA. The College makes contributions based on a percentage of an eligible employee's earnings. Contributions for each of the years ended June 30, 2021 and 2020 were \$6,350.

#### Note 12 Conditional Asset Retirement Obligation

The College recognizes the costs associated with the retirement of assets, which primarily are for the future remediation and removal of asbestos from College-owned property. Such costs are not material to the College, given the dates of construction for its buildings. However, the College has recorded an accrual for these costs of approximately \$2,781 and \$2,595 at June 30, 2021 and 2020, respectively, within other non-current liabilities on the consolidated statements of financial position.



## **Oberlin College**

### **Notes to Consolidated Financial Statements (Dollars in Thousands)**

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#### **Note 13 Commitments and Contingencies**

At June 30, 2021, the College has outstanding commitments on various construction projects totaling approximately \$15,192.

The College is involved in litigation and is subject to certain claims that arise in the normal course of operations. Any liabilities required to be recorded under generally accepted accounting principles are reflected within other non-current liabilities on the consolidated statements of financial position. In the opinion of management, with the exception of the Gibson matter noted below, the ultimate disposition of such litigation and claims will not have a material adverse effect on the College's operations or financial position.

On November 7, 2017, Gibson Bros., Inc., David Gibson, and Allyn W. Gibson (the "Plaintiffs") filed an eight-count complaint in the Lorain County (Ohio) Court of Common Pleas against the College and the Vice President and its Dean of Students (together, the "College"). The matter is captioned Gibson Bros., Inc., et al. v. Oberlin College, et al., No. 17CV193761 (Lorain Cty. C.P.). On June 7, 2019, the jury returned a verdict in favor of Plaintiffs and awarded Plaintiffs a total of \$11,075 in compensatory damages. On June 13, 2019, the jury awarded Plaintiffs a total of \$33,223 in punitive damages, for a total verdict of \$44,298.

On June 27, 2019, the Court applied Ohio's statutory damages caps and entered judgment in favor of Plaintiffs for \$25,049, which includes \$5,175 in compensatory damages and \$19,874 in punitive damages. On July 17, 2019, the Court awarded Plaintiffs \$6,272 in attorneys' fees and \$294 in litigation expenses, for a total judgment against the College of \$31,615. On July 30, 2019, and in compliance with the Court's July 24, 2019 ruling on the College's motion to stay execution of the judgment, the College posted an appeal bond for \$36,368. The amount of the bond includes three years of post-judgment interest at the statutory rate of 5%.

On October 8, 2019, the College filed a notice to appeal the judgment to the Ninth District Court of Appeals in Akron, Ohio, and stated its intent to ask the Ninth District to enter judgment in favor of the College or, alternatively, to order a new trial and/or reduce the amount of the judgment. On October 18, 2019, Plaintiffs filed a notice of cross appeal and conditional cross appeal in which, among other possible issues, they stated their intent to ask the Ninth District to find that the application of Ohio's statutory damages caps to this case violated Plaintiffs' constitutional rights. This appeal is still pending in the Ninth District Court.

The College has overlapping umbrella and excess insurance policies. Insurance coverage will not be determined until the appeals are exhausted or the matter is otherwise resolved. As required by financial accounting standards, the College has recorded a liability of \$31,615 at June 30, 2019 which is included in other non-current liabilities on the consolidated statements of financial position.

# Oberlin College

## Notes to Consolidated Financial Statements (Dollars in Thousands)

### Note 14. Functional Expenses

Expenses classified by natural and functional classification, for the year ended June 30, are summarized as follows:

2021						
	Instruction and Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Operating expenses:						
Salaries and benefits	\$ 55,193	\$ 9,606	\$ 9,823	\$ 14,917	\$ 4,275	\$ 93,814
Supplies and services	1,689	760	926	1,172	9,643	14,190
Building costs	1,486	4,012	4,159	2,999	10,714	23,370
Fees	2,315	1,889	842	6,348	1,223	12,617
Other	554	781	2,049	682	295	4,361
Interest	6,775	47	49	94	1,547	8,512
Depreciation	12,607	9,789	413	268	2,163	25,240
Total operating expenses	\$ 80,619	\$ 26,884	\$ 18,261	\$ 26,480	\$ 29,860	\$ 182,104
2020						
	Instruction and Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Operating expenses:						
Salaries and benefits	\$ 60,751	\$ 12,875	\$ 11,412	\$ 15,832	\$ 4,418	\$ 105,288
Supplies and services	5,690	1,412	1,418	1,516	7,209	17,245
Building costs	1,983	199	16	1,947	10,185	14,330
Fees	1,040	1,624	627	3,714	853	7,858
Other	1,676	920	2,144	86	279	5,105
Interest	4,171	14	73	706	3,729	8,693
Depreciation	9,304	6,719	374	189	6,469	23,055
Total operating expenses	\$ 84,615	\$ 23,763	\$ 16,064	\$ 23,990	\$ 33,142	\$ 181,574

Fundraising expenses of \$6,282 and \$4,994 are included in the functional expense category of institutional support at June 30, 2021 and 2020, respectively. The College charges all costs that are directly attributable to a specific functional area to those functional areas. Costs attributable to more than one function are allocated using a variety of cost allocation techniques, such as the functional use of various buildings and total building square footage.

**Oberlin College****Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)****Note 15. Liquidity and Availability**

The table below represents financial assets available for general expenditures within one year of June 30:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 56,281	\$ 35,161
Accounts receivable, net	2,145	5,303
Pledges, net	11,460	16,470
Student loans, net	7,181	7,953
Investments	1,358,437	1,004,318
Total financial assets as of June 30,	1,435,504	1,069,205
Less amounts not available to meet cash needs for general expenditure within one year:		
Contractional or donor restrictions:		
Restricted in perpetuity	379,367	361,628
Accumulated endowment earnings	763,008	483,713
Restricted by time or purpose	70,204	66,569
Federal student loan funds	2,084	3,155
Board designated endowment funds	187,225	138,094
Board designated funds	20,931	13,762
Financial assets available to meet cash needs for general expenditures within one year	12,685	2,284
Liquidity resources:		
Budgeted appropriation of endowment funds	40,826	39,878
Anticipated receipt of pledge payments for general operations	6,088	5,113
Line of credit	40,000	40,000
Total financial assets and liquidity resources available within one year	\$ 99,599	\$ 87,275

Upon maturity, annuities not designated by the annuitant for a specific purpose will be designated by the board, usually to support unrestricted operations. At June 30, 2020, those net assets totaled \$8,642.

The College regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

**Oberlin College**

**Notes to Consolidated Financial Statements**  
**(Dollars in Thousands)**

**Note 16. Net Assets With Donor Restrictions**

Net assets with donor restrictions are comprised of the following at June 30:

	2021	2020
Subject to expenditure for the following specified purposes:		
Academic/administrative support	\$ 30,969	\$ 28,181
Plant facilities and equipment	28,099	24,814
Scholarship and prizes	5,820	4,660
Lectureships	1,342	1,149
Library operations/acquisitions	225	177
Funds held in trust	178	140
Professorships	53	53
Other	3,518	7,395
	<u>70,204</u>	<u>66,569</u>
Endowments, subject to spending policy and appropriation:		
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	324,237	315,244
Accumulated endowment earnings	763,008	483,713
	<u>1,087,245</u>	<u>798,957</u>
Other net assets restricted in perpetuity:		
Split interest agreements	20,887	16,285
Student loan funds	6,563	6,151
Trusts held by others	22,459	17,884
Endowment contributions receivable	5,221	6,064
	<u>55,130</u>	<u>46,384</u>
Total net assets with donor restrictions	<u>\$ 1,212,579</u>	<u>\$ 911,910</u>

Endowments are restricted for the following purposes at June 30:

	2021	2020
Academic/administrative support	\$ 502,223	\$ 381,194
Scholarship and prizes	397,195	284,665
Professorships	127,042	92,297
Plant facilities and equipment	25,997	18,891
Library operations/acquisitions	19,090	13,827
Lectureships	7,041	5,117
Endowment contributions receivable	5,221	6,064
Other	8,658	2,966
	<u>\$ 1,092,467</u>	<u>\$ 805,021</u>

## Oberlin College

### Notes to Consolidated Financial Statements (Dollars in Thousands)

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#### Note 16. Net Assets With Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows as of June 30:

	2021	2020
Satisfaction of purpose or time restrictions:		
Scholarship and prizes	\$ 13,961	\$ 13,893
Professorships	5,134	4,196
Academic/administrative support	4,819	6,894
Government grants	4,322	2,006
Amortized contributions for long-lived assets	1,368	1,550
Plant; facilities and equipment	1,134	1,396
Funds held in trust	826	894
Other	183	59
Lectureships	101	119
Library operations/acquisitions	23	102
Total net assets released from donor restrictions	<u>\$ 31,871</u>	<u>\$ 31,109</u>

#### Note 17. COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and subsequently declared the COVID-19 outbreak a global pandemic in March 2020. The pandemic has adversely affected domestic and global economic activity and the full impact continues to evolve as of the date of this report. The extent to which the pandemic impacts the College will depend on uncertain future development which cannot be predicted.

During the year ended June 30, 2020, the College was awarded \$1,457 from the U.S. Department of Education/Higher Education Emergency Relief Fund (HEERF). This money was awarded to provide economic relief to support the costs of remote learning, grants to students, technology and other purposes related to the disruption of campus operations due to the COVID-19 pandemic. As of June 30, 2020, the College recognized HEERF revenue of \$473 which is included in government grants and contributions in the accompanying consolidated statements of activities.

During the year ended June 30, 2021, the College was awarded an additional \$4,411 for the U.S. Department of Education/Higher Education Emergency Relief Fund (HEERF). This money was awarded to provide economic relief to support the costs of remote learning, grants to students, technology and other purposes related to the disruption of campus operations due to the COVID-19 pandemic. As of June 30, 2021, the College recognized HEERF revenue of \$4,445 which is included in government grants and contributions in the accompanying consolidated statement of activities.