OBERLIN COLLEGE

ANNUAL FINANCIAL INFORMATION REPORT
For the Fiscal Year Ended June 30, 2021

OBERLIN

COLLEGE & CONSERVATORY

This Annual Financial Information Report ("Annual Report") pertains to the operations of the Oberlin College, an Ohio nonprofit corporation (the "College"), for the Fiscal Year ended June 30, 2021. This Annual Report is being filed to satisfy the College's obligations to provide annual financial information and operating data in compliance with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated under the Securities Exchange Act of 1934. Specifically, the information in this Annual Report is provided in accordance with the continuing disclosure undertakings entered into by the College pursuant to the Rule in connection with the following outstanding obligations of the College:

> *$52,395,000 State of Ohio (Ohio Higher Educational Facility Commission) Higher Educational Facility Revenue Bonds (Oberlin College 2013 Project)*, dated September 12, 2013. Final maturity is October 1, 2038.
>
> *$39,765,000 State of Ohio (Ohio Higher Educational Facilities Commission) Higher Educational Facility Revenue Bonds (Oberlin College 2017 Project)*, dated April 12, 2017. Final maturity is October 1, 2047.
>
> *$82,065,000 Taxable Refunding Bonds, Series 2019*, dated August 1, 2019. Final maturity is August 1, 2049.

The College's applicable base CUSIP numbers are 67756D and 674241 **(Corporate CUSIP)**.

Questions regarding information contained in this Annual Report should be directed to: Rebecca Vazquez-Skillings, Vice President for Finance and Administration, Oberlin College, Cox Administration Building, 70 N. Professor Street, Oberlin, Ohio 44074; telephone: (440) 775-8460.

This Annual Report is dated March 30, 2022.

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REGARDING THIS ANNUAL FINANCIAL INFORMATION REPORT

This Annual Financial Information Report ("Annual Report") does not constitute an offering of any security of the Oberlin College, (the "College").

The information herein is subject to change without notice. The delivery of this Annual Report shall not create any implication that there has been no change in the affairs of the College since the date hereof.

While the College or its representatives have reviewed this Annual Report for accuracy, no other federal, state, municipal, or other governmental entity, agency, or instrumentality (including, but not limited to, the Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB")) has passed, or been asked to pass, upon the accuracy or adequacy of this Annual Report and the information contained herein.

This Annual Report, which includes all appendices and exhibits hereto, has been prepared by the College pursuant to the continuing disclosure undertakings entered into by the College in compliance with Rule 15c2-12 (the "Rule"), promulgated under the Securities Exchange Act of 1934, for certain outstanding obligations of the College. Certain information contained herein may not be required to be supplied under the Rule, and the College is under no obligation to continue to provide any such additional information in the future.

This Annual Report is not sufficient to base an investment decision on but should be read in conjunction with the original offering document and all subsequent updates. Other relevant information may exist for the fiscal year to which this Annual Report pertains, and matters may have occurred or become known during or since that period that an investor would consider to be important when making an investment decision. The inclusion of certain information, if any, that may pertain to events that have occurred subsequent to the fiscal year to which this Annual Report pertains is provided solely for convenience, and any such information is not intended to suggest that other such information not so included is any less material or important to an investor.

All financial and other information presented in this Annual Report has been provided by the College from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the College. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future, and no representation is made as to the materiality or completeness of that information.

Insofar as the statements contained in this Annual Report involve matters of opinion, projections, or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

Certain information in this Annual Report may be attributed to the Ohio Municipal Advisory Council ("OMAC"). OMAC compiles information from official and other sources. OMAC believes the information that it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Annual Report to confirm that any such information attributed to it is information provided by OMAC or for any other purpose.

Any CUSIP numbers contained herein have been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence, a division of S&P Global Inc. CUSIP is a registered trademark of the ABA. Any such CUSIP numbers are provided solely for convenience. The College is not responsible for the selection or use of any such CUSIP numbers and does not undertake any responsibility for their accuracy now or at any time in the future. CUSIP numbers are subject to being changed as a result of subsequent actions and events.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the "Revised Code") or uncodified, or to the provisions of the Ohio Constitution or the College's resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Annual Report, "State" or "Ohio" means the State of Ohio. "Fiscal Year" or "fiscal year" means the 12-month period ending June 30, and reference to a particular Fiscal Year (such as "Fiscal Year 2021") means the Fiscal Year ending on June 30 in that year.

Additional information concerning this Annual Report is available from Rebecca Vazquez-Skillings, Vice President for Finance and Administration, Oberlin College, Cox Administration Building, 70 N. Professor Street, Oberlin, Ohio 44074; telephone: (440) 775-8460.

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Faculty and Employees

Excluding students and temporary help, the College has approximately 808 full-time-equivalent ("FTE") employees as shown in the table below. The table includes both those faculty actively teaching as well as those whose sabbatical and other leaves of absence are covered by College funds as of June 30, 2021.

Group	FTE
Faculty	290
Administrative Professional	332
Other	186
Total	**808**

Over the past five years, the overall student faculty ratio has averaged 9:1. The percentage of the tenured faculty is 80% and an additional 15% are tenure track, which is comparable to other Consortium on Financing Higher Education (COFHE) member colleges.

Administrative assistants, service employees, carpenters and security personnel numbering 185 employees ("FTE") are covered by collective bargaining agreements with the College. Administrative assistants are members of the Oberlin College Office and Professional Employees bargaining unit, which is affiliated with the Office and Professional Employees International Union (OPEIU). Their current contract expires on June 30, 2022. Service employees are organized as and are affiliated with Region 2 United Auto Workers (UAW). Their contract expires September 30, 2023. As part of an overall strategy for financial resiliency, the College elected to outsource dining and custodial services affecting nearly 110 UAW employees in Fiscal Year 2020. The carpenters are organized under an agreement with the Northeast Ohio District Council of Carpenters of the United Brotherhood of Carpenters and Joiners of America. Their contract expires April 30, 2024. Security personnel are organized through a local association, the Oberlin College Security Association, affiliated with the OPEIU, and their contract expires on June 30, 2023. The College enjoys a good working relationship with all of the bargaining units.

Student Enrollment and Applications

During the past five years, the College's undergraduate Fall headcount has ranged between 2,895 and 2,647. The headcount for Fall 2021 was 2,942 students. In the near term, the College plans for relatively consistent enrollment levels with some modest enrollment growth through improved retention and revenue growth resulting from the rebalancing of the College of Arts and Sciences and Conservatory enrollments.

Academic Year	Enrollment Fall Headcount	FTE
2016-17	2,895	2,886
2017-18	2,827	2,812
2018-19	2,785	2,775
2019-20	2,846	2,833
2020-21	2,647	2,634

The following table shows various freshman admission statistics for the Fall semester of the years indicated. A student may apply to the College of Arts and Sciences or to the Conservatory, or to both. Students applying to both divisions are termed "double degree" students.

Historical Record of Freshman
Admissions Statistics for Fall Enrollment

COLLEGE OF ARTS AND SCIENCES

Academic Year	Applications	Admitted No.	Admitted % of Applications	Enrolled No.	Enrolled % of Admitted	Double Degree	Average SAT Score	
							Verbal	Math
2016-17	7,257	2,093	28.8%	658	31.4%	35	688	676
2017-18	6,366	2,344	36.8	644	27.5	36	687	682
2018-19	6,269	2,473	39.4	713	28.8	46	693	690
2019-20	6,264	2,518	40.2	697	27.7	47	697	695
2020-21	7,919	2,999	37.9	579	19.3	33	695	678

CONSERVATORY OF MUSIC

Academic Year	Applications	Admitted No.	Admitted % of Applications	Enrolled No.	Enrolled % of Admitted	Double Degree	Average SAT Score	
							Verbal	Math
2016-17	1,261	399	31.6%	139	34.8%	35	639	622
2017-18	1,396	388	27.8	120	30.9	36	667	642
2018-19	1,256	412	32.8	138	33.5	46	679	657
2019-20	1,444	420	29.1	148	35.2	47	658	637
2020-21	1,386	417	30.1	134	32.1	33	663	644

The table below presents basic admissions information for first-time matriculants in the Fall semester for the two divisions on a combined basis. Since musical talent is the over-riding factor for admission to the Conservatory, the SAT data presented are for the College of Arts and Sciences only.

Enrollment Statistics — Both Divisions

Academic Year	Applications	Admitted No.	Admitted % of Applications	Enrolled No.	Enrolled % of Admitted	Average SAT Score
2016-17	8,518	2,388	28.0%	762	31.9%	1,345
2017-18	7,762	2,617	33.7	728	27.8	1,359
2018-19	7,525	2,885	38.3	805	27.9	1,375
2019-20	7,708	2,938	38.1	798	27.2	1,374
2020-21	9,305	3,416	36.7	699	20.5	1,359

Double degree students are counted in both divisions separately, but the combined table includes double degree students only once in terms of admitted and enrolled student numbers.

For Fall 2020, the College brought 699 new undergraduates (first-year and transfer students) to campus across both divisions.

The number of first-year Arts and Sciences applications for Fall 2020 totaled 7,919 submitted Common Applications, QuestBridge Applications and Coalition Applications. This is the highest total number of applications received in the College's history and a 26% increase over the prior year. The previous record high of 7,257 applications occurred in 2016.

The College of Arts and Sciences considered 358 early-decision candidates for Fall 2020 (compared to 384 the prior year). Approximately 37% of the first-year Arts and Sciences class enrolled from the early program (215 students), with the comparable percentage in the past five years ranging from 36% to 39%. Including incoming gap year students, 42% of the class was accounted for before the Regular Decision round.

Despite the larger application numbers, the pandemic impacted final enrolling numbers for Fall 2020. Shortly after mailing decision letters in March 2020, the campus shut down and recruitment efforts moved to a virtual setting. Admitted students were given the opportunity to engage with current students, faculty and staff in an online format, which had the added benefit of enabling the College to connect with a larger percentage of the admitted pool. The result was a smaller first-year class but with solid academic indicators, adding talent to the Conservatory and bringing strong diversity to the College. The College welcomed 699 new undergraduates in Fall 2020 with more students requesting time off (104 versus 27 in the previous year).

Matriculating students presented a similar academic profile to the prior year and also supported many of the College's institutional goals: 30% students of color, 88 recruited athletes, 44 first generation college students and 37 students with a parental legacy connection.

The Conservatory considered 1,443 applicants for Fall 2020, undergraduate and graduate combined. Prior to the onset of the pandemic, the Conservatory continued to trend upward in application numbers, rising above 1,500 in the prior three years, leading to an historic high in Fall 2019.

The following table shows the geographic distribution of incoming freshmen for the years indicated.

Geographical Distribution of New Students
(Fall of Academic Year Shown)

Region	2016-17	2017-18	2018-19	2019-20	2020-21
New England	12%	12%	11%	11%	11%
Mid-Atlantic	30	28	26	25	25
South	8	9	9	9	11
Midwest	19	20	20	20	20
Southwest	3	3	4	4	4
West	18	17	18	18	17
Foreign Countries	10	11	12	13	12
	100%	100%	100%	100%	100%

In recent years, 85% to 87% of the College's entering first-time matriculants graduate from the College within six years. The College has historically experienced strong retention rates, and the College is focusing on retention work that reinforces the College's efforts to identify students at risk of departing and intervening earlier to provide support. The College expects this work to eventually bring retention rates back to levels experienced in Fiscal Year 2016 and prior.

The College has successfully launched a number of initiatives to promote student success and retention, including first year seminars, the experiential learning initiative, the Sophomore Opportunities and Academic Resources (SOAR) program, the Peer Advising Leaders (PAL) program, residential education communities and themed Career Communities. The College expects these programs to have a strong impact on student success and retention over the coming years.

The onset of the pandemic saw a significant increase in the number of students requesting time off – 104 students in Fall 2020 as compared to 27 in the previous year. The College expects retention rates to return to previous levels as operations normalize.

First-year to second-year undergraduate retention as follows:

Academic Year	Retention Rate
2016-17	88.6%
2017-18	91.3
2018-19	89.0
2019-20	91.2
2020-21	83.0

Tuition

The College's tuition and fees were $57,654 for the 2020-21 academic year, an increase of 3% over the 2019-20 academic year. A similar increase was approved for the 2021-22 academic year. The table below shows annual student fee data for the last five academic years.

Summary of Standard Student Charges

Academic Year	Tuition	Fees	Board	Room	Total
2016-17	$51,324	$678	$6,732	$7,278	$66,012
2017-18	52,762	698	7,990	7,872	69,322
2018-19	54,346	706	8,230	8,108	71,390
2019-20	55,976	842	8,476	8,350	73,644
2020-21	57,654	850	8,734	8,600	75,838

Financial Aid

The College has a commitment to meeting the full, evaluated financial need of its students with scholarship grants, employment earnings, and student loans. Net student income, comprised of tuition and fees, room and board, net of student financial aid, is the largest component of the College's unrestricted operating revenues, totaling $100.8 million in Fiscal Year 2021. Compared to revenue of $117.2 million in Fiscal Year 2020, net student revenue decreased $16.4 million. This is a result of the College's response to the pandemic. In Fiscal Year 2021, the College implemented a 3-semester model which de-densified the campus by having two thirds of the student body on campus each semester. As a result, net student revenue as well as related expenses from the Summer 2021 term will be recognized in Fiscal Year 2022.

In Fiscal Year 2021, the discount rate increased from 46.8% last year to 48.8% this year (calculated as the percentage of total student aid to total tuition and fees). Tuition rates increased 3.0% in Fiscal Year 2021, which is the same as Fiscal Year 2020. Total student financial aid decreased by $8.7 million in Fiscal Year 2021, decreasing from $75.8 million in Fiscal Year 2020 to $67.1 million this year, the result of the implementation of the 3-semester model in response to the pandemic.

Endowment and Annuity and Life Income Funds

The total endowment of the College consists of the General Investment Pool, non-pooled investments, funds held in trust as well as annuity and life income funds. The annuity and life income funds consist of pooled income fund trusts, the Gift Annuity Pool, annuity trusts and unitrusts. The General Investment Pool is a unitized investment pool containing substantially all of the College's endowment assets, which are commingled for investment purposes (the "Endowment"). The College maintains a diversified investment portfolio that includes allocations to traditional asset classes (equities, fixed income, etc.) and alternative asset classes (hedge funds, private equity, real estate, etc.). As of June 30, 2021, the General Investment Pool had a net market value of $1,273.0 million compared to a net market value of $937.0 million at June 30, 2020. The College's total net return for Fiscal Year 2021 was 42.8% versus a total net return of 4.9% for Fiscal Year 2020.

The table below summarizes the net market value of the College's total endowment, as defined above, for the last five fiscal years (in thousands).

Fiscal Year	**2021**	**2020**	**2019**	**2018**	**2017**
Endowment Market Value	$1,273,002	$937,050	$925,043	$887,392	$820,333
Annual Return %	42.8%	4.9%	8.0%	12.4%	13.5%

Per the Oberlin College Investment Policy Statement, up to 7.5% of the Endowment may be allocated to a single asset manager pursuing an active investment strategy in a liquid vehicle and a maximum of 5.0% of the Endowment may be allocated to a single investment manager or vehicle with limited transparency, liquidity constraints, or a higher expected risk profile (e.g., hedge funds, private equity).

For additional information about the allocation of the College's Endowment, see note 2 of the College's audited financial statements, attached to this report. The College's Investment Committee oversees the design, structure and prudent professional management of the Endowment in accordance with the Board-approved Investment Policy. The Investment Committee reserves to itself the exclusive right to review the Investment Policy and will communicate any material changes to the Board, auditors and legal counsel on a regular basis. The Investment Committee is responsible for regularly reporting on investments to the full Board.

The College's Chief Investment Officer ("CIO") assists in establishing investment policy, reviewing and selecting investment managers, and monitoring and evaluating investment performance. The CIO communicates to the Investment Committee any significant changes in investment management organizations' personnel and strategies. The CIO is responsible for recommending the allocation of new funds in accordance with the current Investment Policy.

The College made a strategic decision to reduce the endowment draw for operations by 0.1% per year beginning in Fiscal Year 2017, resulting in an approved payout rate for operations of 4.5% in Fiscal Year 2021. Due to the uncertainties surrounding the global pandemic, the Board of Trustees approved an extraordinary withdrawal of up to $31.2 million to subsidize operations in Fiscal Year 2021. The actual extraordinary withdrawal was $18.5 million.

Gifts and Grants

In September 2012, the College launched the public phase of a capital campaign, "Oberlin Illuminate," with a target goal of $250 million. Oberlin Illuminate aims were to broaden access to an Oberlin education, strengthen the campus community, enrich the academic program, make the College more competitive, and better position the College's students for success after they graduate. The campaign concluded on June 30, 2016 and raised $317.9 million, 127% of its goal. More than 71 gifts of $1 million or more generated in excess of $185 million in the campaign.

While the varying size of bequests can cause fluctuations in unrestricted giving from year to year, annual fund unrestricted giving has consistently ranged from $5.6 million to $16.4 million during the past five fiscal years.

Comparative Summary of Gifts Received per Fiscal Year
(in thousands)

Fiscal Year	2021	2020	2019	2018	2017
Unrestricted Gifts	$16,425	$9,837	$5,568	$5,621	$6,284
Temporary Restricted	6,520	7,138	13,674	13,622	18,675
Permanently Restricted	6,939	15,264	13,973	7,875	8,211
Total Gifts Received	$29,884	$32,239	$33,215	$27,118	$33,170

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Financial Operations

The following Statements of Financial Position and Statements of Activities show the financial results of operations for the College for the Fiscal Years 2021, 2020, 2019, 2018 and 2017. This information is derived from the audited financial statements of the College.

Copies of the audited financial statements for Fiscal Year 2021 are included in this Annual Report. The financial statements 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 Apollo Theater Project and Gateway Center, with the elimination of intercompany transactions and balances.

Oberlin College
Statements of Financial Position
For the years ended June 30, 2021, 2020, 2019, 2018 and 2017
(dollars in thousands)

	2021	2020	2019	2018	2017
ASSETS					
Current Assets					
Cash and cash equivalents	$ 56,281	$ 35,161	$ 22,974	$ 16,908	$ 21,944
Accounts receivable, net	2,145	5,303	5,006	4,066	4,615
Pledges	2,309	6,636	3,125	4,491	6,792
Other current assets	2,592	2,245	2,162	3,064	2,722
Total current assets	$ 63,327	$ 49,345	$ 33,267	$ 28,529	$ 36,073
Other Assets					
Pledges, net	$ 9,151	$ 9,834	$ 6,702	$ 17,704	$ 19,419
Student loans, net	7,181	7,953	9,774	11,675	12,099
Other long-term receivables	7,705	9,781	9,781	14,221	14,221
Other non-current assets	-	-	4,268	4,461	4,651
Total other assets	$ 24,037	$ 31,660	$ 30,525	$ 48,061	$ 50,390
Long-Term Investments					
Assets restricted to investment in land, buildings and equipment	$ 4,941	$ 4,937	$ 10,831	$ 19,293	$ 30,605
Endowment funds	1,273,001	937,050	925,043	887,392	820,333
Sinking fund	9,475	5,120	-	-	-
Annuity and life income funds	48,561	39,327	41,206	41,200	41,337
Funds held in trust by others	22,459	17,884	18,427	18,555	17,866
Total long-term investments	$ 1,358,437	$ 1,004,318	$ 995,507	$ 966,440	$ 910,141
Property, Plant and Equipment					
Land, buildings and equipment	$ 807,294	$ 792,216	$ 772,336	$ 722,994	$ 704,085
Construction in progress	14,830	3,186	4,656	28,519	12,366
Less: accumulated depreciation	(464,373)	(439,133)	(416,078)	(393,437)	(371,498)
Total property, plant and equipment	$ 357,751	$ 352,177	$ 360,914	$ 358,076	$ 344,953
TOTAL ASSETS	$ 1,803,552	$ 1,437,500	$ 1,420,213	$ 1,401,106	$ 1,341,557

The Notes to Financial Statements are an integral part of these statements.

Oberlin College
Statements of Financial Position
For the years ended June 30, 2021, 2020, 2019, 2018 and 2017
(dollars in thousands)

	2021	2020	2019	2018	2017
LIABILITIES and NET ASSETS					
Current Liabilities					
Accounts payable	$ 16,573	$ 9,557	$ 11,685	$ 14,807	$ 11,995
Bonds and loans payable	901	4,238	3,180	3,070	2,340
Deposits and agency funds	10,786	11,705	6,186	5,170	5,340
Other current liabilities	16,072	4,822	8,986	5,844	14,524
Total current liabilities	$ 44,332	$ 30,322	$ 30,037	$ 28,891	$ 34,199
Other Liabilities					
Accrued postretirement benefit obligation	18,339	20,667	21,394	20,848	21,187
Annuity obligations	16,216	14,430	14,875	15,141	15,791
Federal student loan funds	2,084	3,155	5,202	5,202	6,231
Loans payable	25,481	29,085	30,013	38,267	39,213
Other non-current liabilities	59,272	63,893	54,022	18,589	20,989
Bonds payable, net	164,502	164,773	172,573	180,883	184,812
Total liabilities	$ 330,226	$ 326,325	$ 328,116	$ 307,821	$ 322,422
Net Assets					
Without donor restrictions -					
Current operations	$ (39,036)	$ (42,551)	$ (44,811)	$ (36,006)	$ (36,112)
Non-operating	(15,878)	(21,619)	(12,904)	(8,889)	(12,857)
Legal contingency	(31,615)	(31,615)	(31,615)	-	-
Designated for specific purposes	11,456	8,642	9,057	8,608	8,246
Plant and facility funds	63,572	62,717	60,425	46,907	45,441
Amortized contributions for long-lived assets	77,016	80,477	83,756	63,499	-
Sinking fund	9,475	5,120	-	-	65,498
Endowment funds	185,757	138,094	155,756	155,900	142,558
Total without donor restrictions	$ 260,747	$ 199,265	$ 219,664	$ 230,019	$ 212,774
With donor restrictions -					
Donor designated for specific purposes	$ 45,306	$ 43,267	$ 35,168	$ 37,009	$ 38,812
Annuity and life income funds	20,887	16,285	17,302	17,461	17,234
Student loan funds	6,563	6,151	5,710	5,954	5,605
Unexpended plant and facility funds	24,898	23,302	23,339	44,418	43,715
Funds held in trust by others	22,459	17,884	18,427	18,555	17,866
Endowment funds	1,092,466	805,021	772,487	739,869	683,129
Total with donor restrictions	$ 1,212,579	$ 911,910	$ 872,433	$ 863,266	$ 806,361
Total net assets	$ 1,473,326	$ 1,111,175	$ 1,092,097	$ 1,093,285	$ 1,019,135
TOTAL LIABILITIES and NET ASSETS	$ 1,803,552	$ 1,437,500	$ 1,420,213	$ 1,401,106	$ 1,341,557

The Notes to Financial Statements are an integral part of these statements.

Oberlin College
Statements of Activities
For the years ended June 30, 2021, 2020, 2019, 2018 and 2017
(dollars in thousands)

	2021	2020	2019	2018	2017
Operating Revenues					
Tuition and fees	$ 137,500	$ 161,894	$ 156,976	$ 154,232	$ 154,167
Room and board	30,351	31,117	35,170	33,957	33,079
Student aid	(67,085)	(75,766)	(71,224)	(65,981)	(64,464)
Net student income	100,766	117,245	120,922	122,208	122,782
Auxiliary services, other	1,628	4,590	6,393	6,166	5,904
Government grants and contributions	5,014	2,848	1,975	2,476	2,149
Private gifts and grants	16,438	12,778	11,208	12,145	12,312
Investment earnings and gain	58,670	39,373	38,578	39,338	37,198
Other sources	4,161	6,053	5,087	3,261	4,361
Net assets released from restrictions	4,596	4,829	5,386	4,151	-
Total operating revenues	$ 191,273	$ 187,716	$ 189,549	$ 189,745	$ 184,706
Operating Expenses					
Instruction and research	$ 80,618	$ 84,615	$ 87,829	$ 87,229	$ 90,173
Academic support	26,884	23,763	24,874	24,200	23,579
Student services	18,261	16,064	16,715	15,754	15,527
Institutional support	26,480	23,990	24,842	24,202	25,636
Auxiliary services, student and other	29,861	33,142	33,710	33,265	31,410
Total operating expenses before restructuring costs	$ 182,104	$ 181,574	$ 187,970	$ 184,650	$ 186,325
Restructuring costs				1,900	
Total operating expenses	$ 182,104	$ 181,574	$ 187,970	$ 186,550	$ 186,325
Change in net assets from operating activities	$ 9,169	$ 6,142	$ 1,579	$ 3,195	$ (1,619)
Non-operating Activities					
Investment earnings/(losses)	$ 16,362	$ 24,729	24,611	$ 12,423	$ (561)
Unrealized gains/(losses)	333,162	(20,429)	7,744	50,808	66,752
Capital and deferred gifts	3,422	23,286	9,633	8,481	11,036
Change in annuity obligations	(1,809)	445	266	648	(749)
Payments to beneficiaries	(1,972)	(2,007)	(1,939)	(1,980)	(1,957)
Post-retirement benefit obligation adjustment	3,769	2,093	(412)	507	215
Change in fair value of swap contracts	5,741	(8,715)	(4,015)	3,970	5,885
Legal Contingency	-	-	(31,615)	-	-
Non-recurring bond defeasance charge	833	104	-	-	(759)
Redesignated funds and other	(1,930)	(1,741)	(1,654)	249	(1,051)
Net assets released from restrictions	(4,596)	(4,829)	(5,386)	(4,151)	-
Change in net assets from non-operating activities	$ 352,982	$ 12,936	$ (2,767)	$ 70,955	$ 78,811
Change in net assets	362,151	19,078	(1,188)	74,150	77,192
Net assets at beginning of year	$ 1,111,175	$ 1,092,097	1,093,285	$ 1,019,135	$ 941,943
Net assets at end of year	$ 1,473,326	$ 1,111,175	$ 1,092,097	$ 1,093,285	$ 1,019,135

The Notes to Financial Statements are an integral part of these statements.

Budgeting Process and Current Budgets

The College's operating and capital budgets are reviewed regularly by the administration of the College and the Board. Each Fall a multi-year financial forecast is prepared that includes assumptions about the general economic climate, the College's competitive position, the growth rate for major revenue and expenditure categories, and the financial implications of changes that are anticipated in existing policies or practices. The specific planning assumptions for the following fiscal year represent the basic budget guidelines.

The operating budget is developed in the early Spring each year and presented to the Board for approval at its June meeting. Major capital projects, generally those spanning more than one fiscal year, are approved on a rolling basis. The annual capital budget includes capital maintenance and divisional capital equipment approved by the Board in December.

Projections of operating results are presented at each meeting of the Board. The audited financial report for the prior fiscal year is generally approved at the December Board meeting.

The Fiscal Year 2022 operating budget assumed the return to a 2-semester model. The budget is set to break even, largely reflecting strong enrollment, a reduction in expenses, the benefit of federal funding and the recognition of net revenue carried over from the 3-semester model implemented in Fiscal Year 2021 as a result of the pandemic. An extraordinary withdrawal from the endowment is not anticipated for Fiscal Year 2022.

Outstanding Debt of the College

The table below includes the current outstanding long-term indebtedness of the College as of December 31, 2021.

	Original Issue	Principal Outstanding	Maturity Date
Series 2013 Bonds	$52,395,000	$30,765,000	10/01/2038
Series 2017 Bonds	39,765,000	34,630,000	10/01/2047
Note Payable	18,000,000	14,940,000	07/01/2024
Series 2019 Bonds	82,065,000	82,065,000	08/01/2049
Series 2021A Bonds	80,625,000	80,625,000	10/01/2051
Series 2021B Bonds	30,350,000	30,350,000	10/01/2051
Total		$273,375,000	

During Fiscal Year 2021, the College also had two unsecured lines of credit with banks in the amounts of $10,000,000 and $30,000,000 each. There was no outstanding balance under those lines of credit at June 30, 2021.

The following table shows the debt service, as of December 31, 2021, on the bonds:

Fiscal Year	**Principal**	**Interest**	**Total Debt Service**
2022	$360,000.00	$8,847,994.43	$9,207,994.43
2023	720,000.00	9,860,760.28	10,580,760.28
2024	720,000.00	9,832,032.28	10,552,032.28
2025	13,140,000.00	9,338,269.78	22,478,269.78
2026	1,765,000.00	9,250,454.28	11,015,454.28
2027	1,850,000.00	9,164,829.28	11,014,829.28
2028	1,935,000.00	9,079,904.28	11,014,904.28
2029	2,025,000.00	8,989,716.78	11,014,716.78
2030	1,035,000.00	8,927,429.28	9,962,429.28
2031	5,950,000.00	8,763,154.28	14,713,154.28
2032	6,240,000.00	8,468,248.03	14,708,248.03
2033	6,530,000.00	8,172,241.78	14,702,241.78
2034	6,840,000.00	7,851,391.78	14,691,391.78
2035	1,295,000.00	7,648,016.78	8,943,016.78
2036	1,360,000.00	7,581,641.78	8,941,641.78
2037	1,430,000.00	7,511,891.78	8,941,891.78
2038	4,395,000.00	7,366,266.78	11,761,266.78
2039	4,615,000.00	7,141,016.78	11,756,016.78
2040	1,660,000.00	6,984,141.78	8,644,141.78
2041	1,750,000.00	6,898,891.78	8,648,891.78
2042	1,835,000.00	6,809,266.78	8,644,266.78
2043	1,930,000.00	6,715,141.78	8,645,141.78
2044	2,020,000.00	6,626,491.78	8,646,491.78
2045	2,100,000.00	6,544,091.78	8,644,091.78
2046	2,190,000.00	6,458,291.78	8,648,291.78
2047	2,275,000.00	6,368,991.78	8,643,991.78
2048	2,370,000.00	6,276,091.78	8,646,091.78
2049	-	6,228,691.78	6,228,691.78
2050	82,065,000.00	4,716,644.14	86,781,644.14
2051	-	3,204,596.50	3,204,596.50
2052	110,975,000.00	1,602,298.25	112,577,298.25
	$ 273,375,000.00	$ 229,228,892.13	$ 502,603,892.13

For more information on the College’s outstanding debt, see Note 5 to the College’s audited financial statements attached to this Annual Report.

Debt Related Derivatives

The College has a synthetic fixed rate swap and a basis swap with one counterparty totaling $77.87 million notional. The net combined termination value of these swaps at June 30, 2021 is $(14.6 million) to the College. There are no collateral posting requirements until the rating of a party falls below A- or A3. The swaps could be terminated by either party with a downgrade of the other party's rating below BBB- or Baa3. The College terminated this swap in July 2021 from proceeds of the 2021 bond issue further described below.

The College also has a synthetic fixed rate swap with a different counterparty relating to the Gateway construction loan. The swap is effective July 1, 2016 and the termination value of this swap at June 30, 2021 is $(1.3 million) to the College.

Debt Outlook and Future Capital Plans

The College has an ongoing capital improvement program consisting of new construction and renovation of existing facilities. Capital improvements are expected to be funded from a variety of sources including gifts, debt financing, and College funds. Two major capital projects, with the majority of the funding raised through the "Oberlin Illuminate" campaign were completed in third quarter 2018. Post-campaign capital spending has focused on maintenance and enhancement of existing facilities.

In July 2021, the College issued $80.6 million of Series 2021A taxable bonds to finance the first phase of the College's Sustainable Infrastructure Program (SIP). The bonds received certification by the Climate Bonds Initiative. The funds will be used to convert buildings throughout the College campus to geothermal heating and cooling. Also, in July 2021, the College issued $30.4 million of Series 2021B taxable bonds to refinance a portion of the principal of the Series 2013 and Series 2017 Bonds as well as the termination payment for an interest rate swap.

The College is currently considering the issuance of debt in the next fiscal year to fund the final phase of the SIP, support additional student housing, and to refinance existing debt. The exact amount and timing of the borrowing has not been determined, nor has it been approved by the Board. The College customarily evaluates market opportunities for refinancing existing debt to capture savings or to minimize certain risks associated with the overall debt portfolio.

Certain Litigation

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.

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Audited Financial Statements for Fiscal Year Ending June 30, 2021

(Attached)

Oberlin College

Financial Report
June 30, 2021

Contents

RSM

RSM US LLP

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 US LLP

Cleveland, Ohio
February 8, 2022

Oberlin College

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

		2021		2020
Assets				
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
Total current assets		63,327		49,345
Other assets:				
Pledges receivable, net		9,151		9,834
Student loans, net		7,181		7,953
Other long-term receivables		7,705		9,781
Total other assets		24,037		27,568
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
Total long-term investments		1,358,437		1,004,318
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)
Total property, plant and equipment		357,751		356,269
Total assets	$	1,803,552	$	1,437,500

See notes to consolidated financial statements.

Oberlin College

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

	2021	2020
Liabilities and Net Assets		
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
Total current liabilities	44,332	30,322
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
Total liabilities	330,226	326,325
Net Assets		
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
Total without donor restrictions	260,747	199,265
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
Total with donor restrictions	1,212,579	911,910
Total net assets	1,473,326	1,111,175
Total liabilities and net assets	$ 1,803,552	$ 1,437,500

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
Total operating revenues	182,120	9,153	191,273
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
Total operating expenses	182,104	-	182,104
Change in net assets from operating activities	16	9,153	9,169
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)
Change in net assets from non-operating activities	61,466	291,516	352,982
Change in net assets	61,482	300,669	362,151
Net assets at beginning of year	199,265	911,910	1,111,175
Net assets at end of year	$ 260,747	$ 1,212,579	$ 1,473,326

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
Total operating revenues	181,929	5,787	187,716
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
Total operating expenses	181,574	-	181,574
Change in net assets from operating activities	355	5,787	6,142
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)
Change in net assets from non-operating activities	(20,754)	33,690	12,936
Change in net assets	(20,399)	39,477	19,078
Net assets at beginning of year	219,664	872,433	1,092,097
Net assets at end of year	$ 199,265	$ 911,910	$ 1,111,175

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)
Net cash used in operating activities	(23,962)	(6,177)
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
Net cash provided by investing activities	40,658	13,651
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
Net cash provided by financing activities	4,424	4,713
Net increase in cash and cash equivalents	21,120	12,187
Cash and cash equivalents:		
Beginning	35,161	22,974
Ending	$ 56,281	$ 35,161
Supplemental disclosures of noncash transactions		
Plant and equipment included in accounts payable	$ 8,293	$ -

See notes to consolidated financial statements.

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.

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.

G**ift 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.

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.

(Dollars in Thousands)

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:

Liquid within	% of Endowment
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
	$ 25,240	$ 23,055

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.

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:

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.

(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.

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.

(Dollars in Thousands)

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 31st 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.

(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

(Dollars in Thousands)

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

	Fair Value June 30, 2021	Fair Value June 30, 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	2,343	2,059
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	20,065	16,562
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	26,153	20,706
Total annuity and trusts	48,561	39,327
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	4,941	4,937
Funds held in trust by others	22,459	17,884
Total assets for long-term investments	$ 1,358,437	$ 1,004,318

(Dollars in Thousands)

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	$ 408,194	$ 43,673
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	$ 408,194	$ 43,673

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.

(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
	$ 71,645	$ -	$ 50,955	$ 1,111,198	1,233,798
Cash and cash equivalents					71,613
U.S. equity futures					53,026
Total investments					$ 1,358,437

	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
	$ 75,856	$ -	$ 40,649	$ 795,741	912,246
Cash and cash equivalents					56,605
U.S. equity futures					29,504
Emerging markets futures					5,963
Total investments					$ 1,004,318

(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
	$ 1,111,198	$ 124,299		

	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
	$ 795,741	$ 132,752		

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
	$ 40,649	$ 3,481	$ (1,475)	$ 8,300	$ 50,955

	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
	$ 42,923	$ 653	$ (1,892)	$ (1,035)	$ 40,649

(Dollars in Thousands)

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)
	$ 11,460	$ 16,470

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.

(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	$ 164,502	$ 164,773

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.

(Dollars in Thousands)

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
	$ 258,435

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
	$ 15,300

(Dollars in Thousands)

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	$ (15,878)	$ (21,619)

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.

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.

(Dollars in Thousands)

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
	$ 11,083

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:

(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	$ 18,339	$ 20,667

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.

(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	$ 2,019	$ 2,207

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.

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.

(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.

(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.

(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
	70,204	66,569
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
	1,087,245	798,957
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
	55,130	46,384
Total net assets with donor restrictions	$ 1,212,579	$ 911,910

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
	$ 1,092,467	$ 805,021

(Dollars in Thousands)

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	$ 31,871	$ 31,109

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.