

# OBERLIN COLLEGE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025



OBERLIN

COLLEGE & CONSERVATORY

2024-2025

Financial Report

We are pleased to present Oberlin College’s Annual Financial Report for the year ended June 30, 2025. This report includes our independent auditor’s report, audited consolidated financial statements and related footnotes to the statements.

To provide the users of these financial statements with a better understanding of the College's financial position and operations, we include an overview of the institution’s financial condition and operating results for the year. We also look ahead to 2026 and note items of significance that have occurred in the first part of the new fiscal year.

These statements include the consolidation of College Properties of Northern Ohio which includes the Gateway Complex Project. A discussion of this project can be found in the related footnotes to our audited consolidated financial statements.

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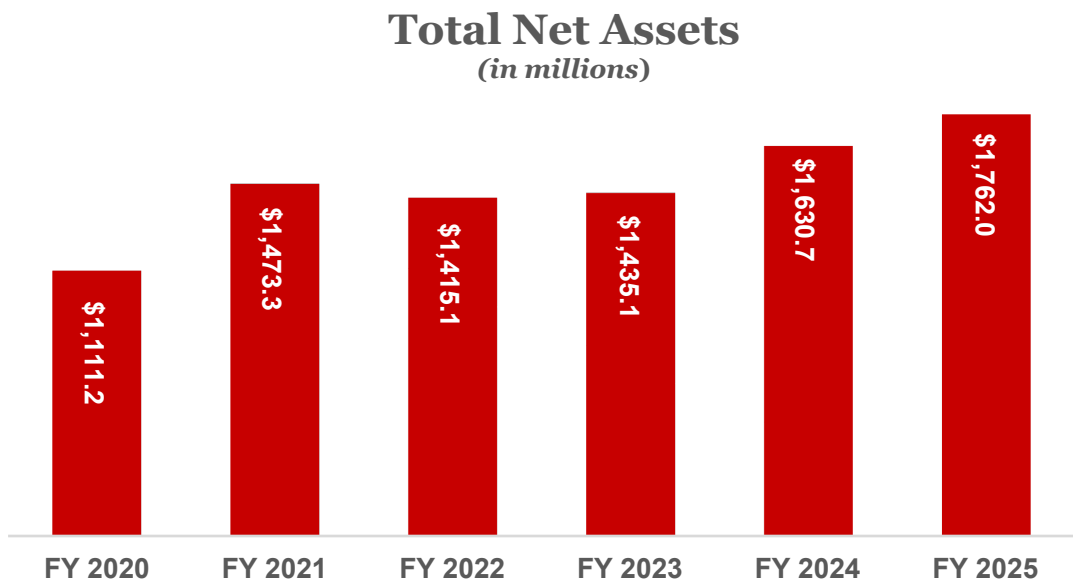
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# Financial Condition

## Total Assets & Total Net Assets

Oberlin's total assets on June 30, 2025, were \$2,235.6 million, an increase of \$115.2 million, or 5.4%, from the previous fiscal year's \$2,120.4 million. Total liabilities as of June 30, 2025, were \$473.5 million, a decrease of \$16.2 million from the prior year's \$489.7 million. Total net assets for the College were \$1,762.0 million, compared to \$1,630.7 million as of June 30, 2024, an increase of 8.1%. The following chart reflects the total net assets of Oberlin College on June 30, 2025, and for the previous five fiscal years.



The majority of the College's net assets are within its endowed funds and plant funds. The increases and decreases in the College's total assets, as well as total net assets, are primarily the result of investment returns and the spending of cumulative earnings of the College's endowed funds.

## Endowed Funds

Like most private liberal arts schools, the endowment is the financial cornerstone of the College. Nearly all of Oberlin's 1,830 endowed funds are invested within the General Investment Pool. The College's Pooled Endowment was \$1,480.8 million on June 30, 2025, versus \$1,270.5 million on June 30, 2024, an increase of \$210.3 million. The change in the total value from year to year is the result of changes in the market values of our pooled investments and the many donor-designated and board-designated gifts received from generous alumni and friends during the fiscal year, offset by the distribution of cumulative investment earnings. Such distributions of investment earnings from our endowment provide long-term funding for student financial aid, support faculty compensation and fund academic programs. Distributions totaled \$40.8 million in fiscal year 2025 and \$44.8 million in fiscal year 2024 for restricted and unrestricted operations. Capital and deferred gifts totaled \$112.0 million in fiscal year 2025, of which \$110.9 million were donor-restricted endowed gifts. In fiscal year 2024, capital and deferred gifts totaled \$9.0 million in fiscal year 2025, of which \$6.8 million were donor-restricted endowed gifts. In fiscal year 2025, the College's total net investment return for the General Investment Pool was 12.1% as compared to a total net return in fiscal year 2024 of 8.5%

Over the past 20 years, the pooled endowment has grown from \$678.3 million to \$1,480.8 million. Oberlin College's spending and investment policies have provided substantial levels of financial support for operations. The annual

distributions are critical in supporting our academic mission while preserving the endowments purchasing power for future generations.

Oberlin College's endowment has a highly diversified portfolio with allocations to hedge funds, private equity and real assets, which include venture capital, private real estate, private energy and other alternative investments. Our allocations to alternative investments have been higher than many other endowments our size. Historically, our relatively higher allocations have both increased investment returns and decreased volatility.

The following is the College's long-term strategic target and actual endowment portfolio allocation for the year ending June 30, 2025. The College's Investment Office staff adjusts our actual portfolio allocations in response to market conditions as directed by our Board of Trustee's Investment Committee.

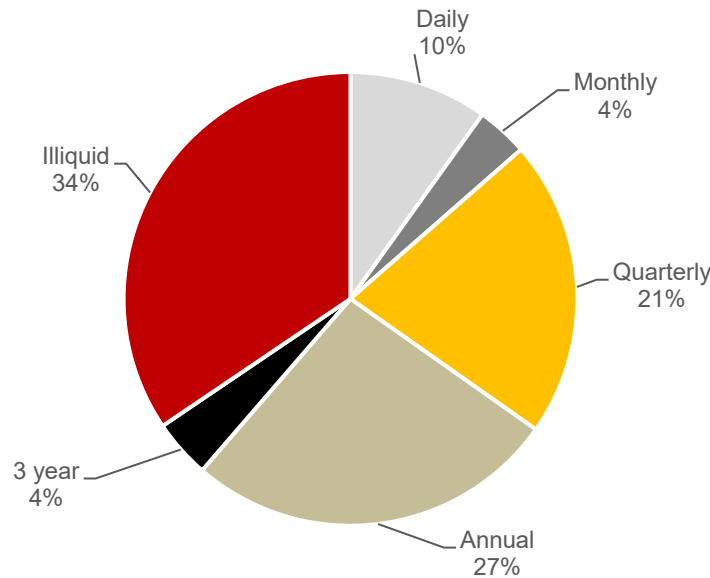
Actual investment balances on June 30, 2025 and 2024 are reflected in Footnote 2 to the financial statements. It should be noted that the College's Investment Office often rebalances endowment portfolio allocations at quarter end, which can result in higher than targeted levels of cash and larger investment proceeds receivable balances.

<b>Asset Allocation</b>	<b>Strategic Target</b>	<b>Actual</b>
<b>Cash and cash Equivalents</b>	<b>4.0%</b>	<b>8.7%</b>
<b>Fixed Income</b>	<b>3.0%</b>	<b>2.6%</b>
Developed Markets Equity	27.0%	29.5%
Emerging Markets Equity	9.0%	9.2%
<b>Total Equity</b>	<b>36.0%</b>	<b>38.7%</b>
Absolute Return	20.0%	16.0%
Private Equity	15.0%	10.4%
Venture Capital	17.0%	20.9%
Real Assets	5.0%	2.8%
<b>Total Alternatives</b>	<b>57.0%</b>	<b>50.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Liquidity

The Investment Committee has increased liquidity in the endowment in recent years to avoid the risk of being forced to sell securities in highly distressed markets. The following chart depicts the total investment liquidity of the \$975.7 million General Investment Pool (GIP), which includes the sinking fund. The GIP has ample monthly and quarterly liquidity to meet projected cash needs for the next couple years.

## Total Investment Liquidity as of June 30, 2025



## Plant Funds

The second largest component of the College's total net assets is net assets related to plant facilities totaling \$126.5 million on June 30, 2025, as compared to \$116.4 million on June 30, 2024. Plant related funds are reflected in net assets without donor restrictions and net assets with donor restrictions, including cumulative gifts received over the years in support of investment in plant. Gifts designated by donors were \$.6 million for the year ended June 30, 2025 as compared to \$.8 million for the year ended June 30, 2024. Plant related funds consist primarily of the College's property, plant and equipment assets, at cost, net of accumulated depreciation and capital-related debt.

The College capitalized \$227.0 million in land, buildings, and equipment assets during the fiscal year ended June 30, 2025. Capital expenditures in fiscal 2025 were primarily directed toward the completion of the Sustainable Infrastructure Program (SIP) and the Woodland Street Student Housing project, along with numerous other building improvements, equipment purchases, and library acquisitions. The SIP is a multi-year, campus-wide initiative designed to replace Oberlin's century-old steam heating infrastructure with a modern hot water system. The work, placed into service in FY2025, enables Oberlin College to achieve carbon neutrality through a large-scale geothermal system that provides both heating and cooling, while enhancing comfort for students and faculty throughout the year. The Woodland Street Student Housing project, also completed and placed into service in FY2025, is a sustainable, net-zero-ready facility encompassing more than 125,000 square feet across four stories, adding 402 student beds to campus. The building features two sound-controlled music practice rooms, full kitchens, meeting and study spaces on each floor, a two-story community lounge connected to an active courtyard, and 250 parking spaces equipped with electric vehicle charging stations.

## Debt

The College has \$408.0 million of net outstanding bonded debt on June 30, 2025. Effective and responsible debt portfolio management enables Oberlin to execute major strategic initiatives while preserving working capital. The Oberlin College Board of Trustees' Budget and Finance Committee and finance staff oversee the management of our long-term debt, optimizing our debt portfolio.

Oberlin's prudent debt portfolio management is designed to achieve the following objectives:

- Ensure that an appropriate mix of funding sources is used.
- Limit the overall debt to a level that, when combined with the College's strategic initiatives, will help preserve strong credit ratings over the long term.
- Achieve a low risk-adjusted cost of capital while balancing that effort appropriately with the College's exposure to market shifts.
- Manage working capital, short-term investments and debt service requirements in a coordinated manner to optimize overall funding and investment return strategies.

During fiscal year 2020, the College elected to establish a sinking fund to generate the necessary funds for future debt retirement. On June 30, 2025, the sinking fund value was \$8.1 million as compared to \$4.7 million at June 30, 2024. During fiscal year 2023, the College utilized funds from the sinking fund to pay off the principle loan balance of \$14.2 million for the Gateway Complex Project.

## **Operating Results for Fiscal Year 2025**

Oberlin College's Consolidated Statement of Activities presents the results of operations of the College and the net income or loss of its subsidiary. Oberlin experienced an unconsolidated unrestricted deficit of \$3.7 million from college operations before consolidation in fiscal year 2025, as compared to \$12.1 million operating surplus in the prior fiscal year. The College's subsidiary, College Properties of Northern Ohio, Inc., had an accounting loss of \$2.1 million, which is primarily due to depreciation and interest expenses. In summary, the College's consolidated Statement of Activities reflects an unrestricted operating net deficit of \$5.8 million.

## **Results of Unconsolidated Operating Surplus**

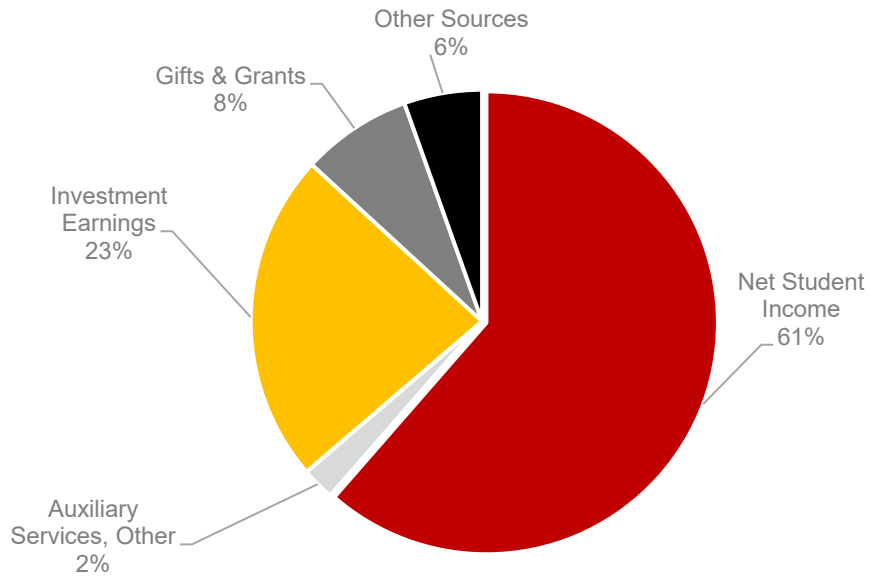
As noted above, Oberlin College had an unconsolidated unrestricted operating deficit of \$3.7 million for fiscal year 2025. For the ten-year period ended June 30, 2025, Oberlin has generated a cumulative unconsolidated operating surplus of \$63.8 million, excluding restructuring charges of \$1.9 million and \$8.4 million recorded in 2018 and 2016, respectively. It should also be noted that Oberlin has accomplished these surpluses while fully funding its depreciation each year, using the funded depreciation as a source for capital maintenance, equipment replacement and other capital investments.

## **Operating Revenues**

Oberlin's consolidated total operating revenues were \$226.5 million for the year ended June 30, 2025, as compared to the prior year's \$229.6 million. The following chart depicts the various sources of operating revenue for the College and the relative percentages of each source to total operating revenues.

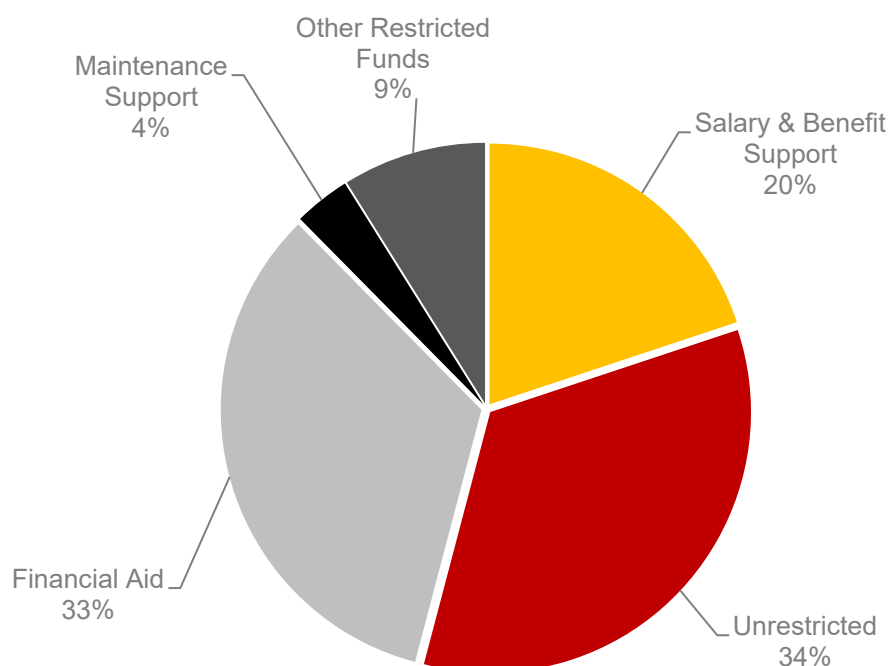
Net student income, comprised of tuition and fees, room and board, net of student financial aid, is the largest component of Oberlin's operating revenues. In 2025, net student income decreased slightly to \$139.1 million as compared to \$140.2 million in the previous year. The ungraduated Fall 2024 headcount of 2,886 was down slightly from the total ungraduated Fall 2023 headcount of 2,950. Tuition rates increased 4.25% in 2025 and 2024. Total student financial aid increased 7.7% in fiscal 2025 to \$111.1 million compared to fiscal year 2024 at \$103.1 million.

## Consolidated Operating Revenue by Source Fiscal Year Ended June 30, 2025



Earnings from endowment used in support of unrestricted operations are the second largest component of the College's unrestricted operating revenues. In fiscal year 2025, \$16.7 million of unrestricted operating support was provided in accordance with the College's endowment spending policy. This level of support compares to \$16.5 million in fiscal year 2024. Oberlin's endowment spending policy strives to increase the real value of the endowment, provide a dependable stream of support to the College's annual operating budget, and achieve earnings at a sustainable rate over the long-term while seeking to provide predictability and stability of endowment spending essential for long-range planning. 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.

## Endowment Payout Distribution by Category Fiscal Year Ended June 30, 2025



The total fiscal year 2025 operating distribution of \$49.0 million equates to a spending rate of 4.1% of the 36-month weighted average of our general investment pool or 4.0% of the market value as of June 30, 2024. This compares to \$48.1 million distributed in fiscal year 2024, which equated to a spending rate of 4.1% of the 36-month weighted average, and 4.0% of the beginning market value of our general investment pool. Footnotes 1 and 2 to our financial statements further discuss the College's endowment investment and endowment spending policies.

Oberlin's third largest component of unrestricted operating revenues is support from unrestricted Private Gifts and Grants. The timing of the receipt of gifts, especially bequests, is unpredictable, and the varying size of such contributions can cause fluctuations in giving from year to year, as depicted in this chart (dollars in thousands).

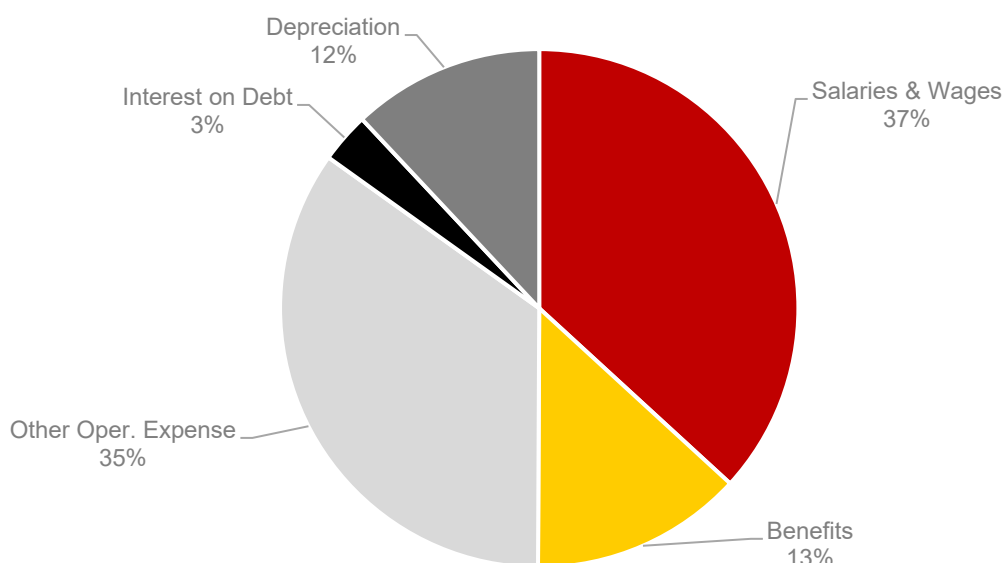
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Undesignated Bequests	\$ 7,190	\$ 11,687	\$ 14,245	\$ 14,800	\$ 6,452
Unrestricted Giving	<u>3,679</u>	<u>4,450</u>	<u>3,906</u>	<u>4,860</u>	<u>4,491</u>
<b>Total</b>	\$ 10,869	\$ 16,137	\$ 18,151	\$ 19,660	\$ 10,943

## Operating Expenses

Oberlin's consolidated operating expenses totaled \$232.3 million for the year ended June 30, 2025; an increase of \$13.5 million from the prior year's operating expenses of \$218.8 million, or 6.1%.

While the audited financial statements present operating expenses by function as required by the current accounting and reporting standards, the following chart reflects the fiscal year 2025 operating expenses by natural classification to enable greater analysis of expenses and spending trends.

## Consolidated Operating Expense by Natural Classification Fiscal Year Ended June 30, 2025



Salaries and wages are by far our largest component of operating expense, totaling approximately \$85.5 million in fiscal year 2025. This represents an increase from the fiscal year 2024 total of \$82.3 million. The increase of \$3.2 million in salaries and wages from the prior year reflects a continued investment in employee wages and benefits during fiscal year 2025.

Other operating expense, which includes utilities expense, supplies and professional services costs, food costs and cleaning services among others, is our second largest spending component, totaling approximately \$80.9 million in fiscal year 2025. This represents an increase of 2.2% from the fiscal year 2024 total of \$79.1 million primarily due to increases in facilities related expenses driven by rising contract costs.

Employee benefits expense is our third largest component of operating expense. This expense classification, which includes expenses associated with the College's 403(b) employee defined contribution plan and the College's health plans for active employees and retirees, in addition to other employee benefit expenses, totaled \$30.8 million in fiscal year 2025, compared with \$26.4 million in fiscal year 2024. During fiscal year 2025, the College realized a savings related to the College's post-retirement benefit obligation. For GAAP reporting purposes, the savings is not considered an operating expense.

## Looking Ahead from Fiscal Year 2025

### Enrollment

First-year enrollment statistics reflected in the chart below present solid academic indicators and impressive talent in the College and Conservatory.

### COLLEGE OF ARTS AND SCIENCES

<b>Fall Year</b>	<b>Applications</b>	<b>Admitted</b>		<b>Enrolled</b>		<b>Double Degree</b>	<b>Average SAT Score</b>		
		<b>No.</b>	<b>% of Applications</b>	<b>No.</b>	<b>% of Admitted</b>		<b>Verbal</b>	<b>Math</b>	<b>Writing</b>
2016	7,257	2,093	29%	658	31%	35	688	676	678
2017	6,366	2,344	37%	644	27%	36	687	682	
2018	6,269	2,473	39%	713	29%	46	693	690	
2019	6,265	2,518	40%	697	28%	47	695	695	
2020	7,919	2,999	38%	579	19%	33	695	678	
2021	9,243	3,377	37%	777	23%	52			
2022	10,340	3,609	35%	822	22%	38			
2023	10,251	3,375	33%	707	21%	53			
2024	9,702	3,328	34%	622	19%	52			
2025	10,428	3,548	34%	652	18%	44			

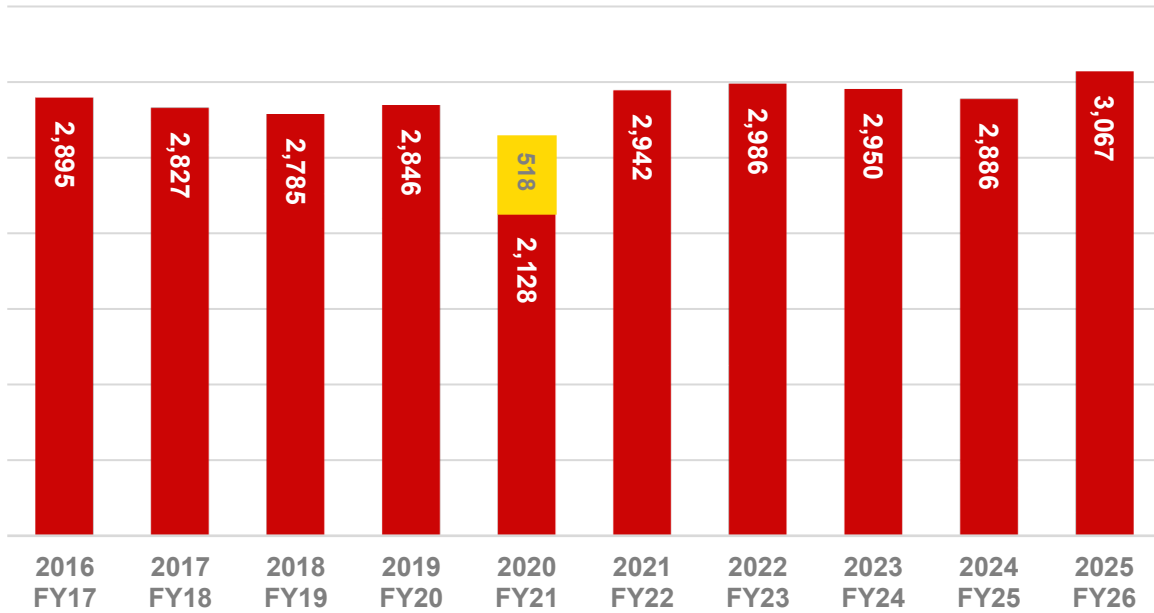
### CONSERVATORY OF MUSIC

<b>Fall Year</b>	<b>Applications</b>	<b>Admitted</b>		<b>Enrolled</b>		<b>Double Degree</b>	<b>Average SAT Score</b>		
		<b>No.</b>	<b>% of Applications</b>	<b>No.</b>	<b>% of Admitted</b>		<b>Verbal</b>	<b>Math</b>	<b>Writing</b>
2016	1,261	399	32%	139	35%	35	639	622	632
2017	1,396	388	28%	120	31%	36	667	642	
2018	1,256	412	33%	138	33%	46	679	657	
2019	1,444	420	29%	148	35%	47	658	637	
2020	1,386	417	30%	134	32%	33	663	644	
2021	1,353	413	31%	139	34%	52			
2022	1,175	390	33%	99	25%	38			
2023	1,197	423	35%	129	31%	36			
2024	1,294	432	33%	133	31%	52			
2025	1,850	483	26%	161	33%	44			

\* Oberlin College became test optional during the pandemic for a 3-year period. After three years, the College will determine whether or not to continue with the test optional policy.

Applications for the Fall 2025 incoming class increased as compared to prior years. In addition, retention for our returning students continues to be strong and has again exceeded expectations and prior year levels.

## Fall Headcount



## Bond Agency Ratings

Oberlin College has long maintained strong ratings with Standard & Poor's (S&P) and Moody's, allowing Oberlin to issue bonds and refinance debt at optimal interest rates (see Footnote 6). These ratings reflect our ongoing efforts to manage the College's finances in a challenging higher education market sector. In September 2024, S&P affirmed our AA- rating and stable outlook. In December 2024, Moody's affirmed Oberlin's Aa3 rating and stable overlook.

**Oberlin College**  
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**June 30, 2025 and 2024**

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## Independent Auditor's Report

Board of Trustees  
Oberlin College  
Oberlin, Ohio

### ***Opinion***

We have audited the consolidated financial statements of Oberlin College (College), which comprise the consolidated statement of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Oberlin College as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Other Information Included in the 2024-2025 Financial Report***

Management is responsible for the other information included in the 2024-2025 financial report. The other information comprises the information included in the 2024-2025 financial report but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

**Forvis Mazars, LLP**

**Fort Wayne, Indiana  
November 17, 2025**

**Oberlin College**  
**Consolidated Statements of Financial Position**  
**June 30, 2025 and 2024**  
**(Dollars in Thousands)**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 50,078	\$ 37,486
Restricted cash	13,730	83,545
Accounts receivable, net of allowance	1,343	1,988
Pledges receivable	1,757	9,671
Asset held for sale	2,986	-
Other current assets	3,793	1,634
<b>Total Current Assets</b>	<b>73,687</b>	<b>134,324</b>
<b>Other Assets</b>		
Pledges receivable, net	16,620	106,206
Student loans, net of allowance	4,921	5,348
<b>Total Other Assets</b>	<b>21,541</b>	<b>111,554</b>
<b>Long-Term Investments</b>		
Assets restricted to investment in land, buildings and equipment	4,525	4,676
Endowment funds	1,481,321	1,270,954
Sinking fund	8,049	4,674
Annuity and life income funds	39,227	39,626
Funds held in trust by others	22,244	20,737
<b>Total Long-Term Investments</b>	<b>1,555,366</b>	<b>1,340,667</b>
<b>Property, Plant and Equipment</b>		
Land	11,473	11,367
Buildings, building improvements, and infrastructure	831,707	581,890
Library books and materials	75,978	74,766
Furniture, equipment, and production equipment	219,834	193,932
Construction in progress	7,985	206,075
Less: accumulated depreciation	(562,014)	(534,219)
<b>Total Property, Plant, and Equipment</b>	<b>584,963</b>	<b>533,811</b>
<b>Total Assets</b>	<b>\$ 2,235,557</b>	<b>\$ 2,120,356</b>

**Oberlin College**  
**Consolidated Statements of Financial Position**  
**June 30, 2025 and 2024**  
(Dollars in Thousands)

(Continued)

	<b>2025</b>	<b>2024</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 17,594	\$ 22,368
Deposits and agency funds	10,557	9,892
Other current liabilities	5,478	5,279
<b>Total Current Liabilities</b>	<b>33,629</b>	<b>37,539</b>
<b>Other Liabilities</b>		
Accrued postretirement benefit obligation	9,023	19,982
Annuity obligations	12,684	13,235
Federal student loan funds	339	1,028
Other non-current liabilities	9,817	9,013
Bonds payable, net	408,045	408,867
<b>Total Liabilities</b>	<b>473,537</b>	<b>489,664</b>
<b>Net Assets</b>		
<b>Without Donor Restrictions</b>		
Current operations	3,646	3,804
Designated for specific purposes	20,725	20,198
Plant and facility funds	33,908	28,061
Amortized contributions for long-lived assets	60,107	65,161
Sinking fund	8,049	4,674
Board designated endowment funds	193,919	191,022
<b>Total Without Donor Restrictions</b>	<b>320,354</b>	<b>312,920</b>
<b>With Donor Restrictions</b>		
Donor designated for specific purposes	78,559	77,653
Annuity and life income funds	5,818	6,193
Student loan funds	5,801	5,414
Unexpended plant and facility funds	32,470	23,149
Funds held in trust by others	22,244	20,737
Endowment funds	1,296,774	1,184,626
<b>Total With Donor Restrictions</b>	<b>1,441,666</b>	<b>1,317,772</b>
<b>Total Net Assets</b>	<b>1,762,020</b>	<b>1,630,692</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,235,557</b>	<b>\$ 2,120,356</b>

**Oberlin College**  
**Consolidated Statement of Activities**  
**Years Ended June 30, 2025 and 2024**  
**(Dollars in Thousands)**

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Revenues</b>			
Student income, net	\$ 139,076	\$ -	\$ 139,076
Auxiliary services, other	5,210	-	5,210
Government grants and contributions	-	5,191	5,191
Private gifts and grants	5,756	6,519	12,275
Investment return made available for operations	6,557	45,793	52,350
Other sources	6,634	1,516	8,150
Net assets released from restrictions	59,700	(55,506)	4,194
<b>Total Operating Revenues</b>	<b>222,933</b>	<b>3,513</b>	<b>226,446</b>
<b>Operating Expenses</b>			
Instruction and research	98,154	-	98,154
Academic support	21,954	-	21,954
Student services	25,250	-	25,250
Institutional support	35,756	-	35,756
Auxiliary services, student and other	51,137	-	51,137
<b>Total Operating Expenses</b>	<b>232,251</b>	<b>-</b>	<b>232,251</b>
<b>Change in Net Assets From Operating Activities</b>	<b>(9,318)</b>	<b>3,513</b>	<b>(5,805)</b>
<b>Non-Operating Activities</b>			
Investment earnings, net	2,616	14,159	16,775
Unrealized gains	9,980	92,103	102,083
Contributions, net	645	13,873	14,518
Change in annuities	(3,179)	(1,523)	(4,702)
Post-retirement benefit obligation adjustment	10,959	-	10,959
Redesignated funds and other	(75)	1,769	1,694
Net assets released from restrictions	(4,194)	-	(4,194)
<b>Change in Net Assets From Non-Operating Activities</b>	<b>16,752</b>	<b>120,381</b>	<b>137,133</b>
<b>Change in Net Assets</b>	<b>7,434</b>	<b>123,894</b>	<b>131,328</b>
<b>Net Assets, Beginning of Year</b>	<b>312,920</b>	<b>1,317,772</b>	<b>1,630,692</b>
<b>Net Assets, End of Year</b>	<b>\$ 320,354</b>	<b>\$ 1,441,666</b>	<b>\$ 1,762,020</b>

**Oberlin College**  
**Consolidated Statement of Activities**  
**Years Ended June 30, 2025 and 2024**  
**(Dollars in Thousands)**

**(Continued)**

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Revenues</b>			
Student income, net	\$ 140,155	\$ -	\$ 140,155
Auxiliary services, other	5,029	-	5,029
Government grants and contributions	-	4,465	4,465
Private gifts and grants	14,809	5,493	20,302
Investment earnings	7,419	43,379	50,798
Other sources	4,067	(115)	3,952
Net assets released from restrictions	57,310	(52,459)	4,851
<b>Total Operating Revenues</b>	<b>228,789</b>	<b>763</b>	<b>229,552</b>
<b>Operating Expenses</b>			
Instruction and research	88,797	-	88,797
Academic support	23,466	-	23,466
Student services	25,151	-	25,151
Institutional support	32,034	-	32,034
Auxiliary services, student and other	49,366	-	49,366
<b>Total Expenses</b>	<b>218,814</b>	<b>-</b>	<b>218,814</b>
<b>Change in Net Assets From Operating Activities</b>	<b>9,975</b>	<b>763</b>	<b>10,738</b>
<b>Non-operating Activities</b>			
Investment earnings, net	1,119	33,944	35,063
Unrealized gains	8,867	8,854	17,721
Contributions, net	7,988	98,621	106,609
Change in annuities	(2,503)	(231)	(2,734)
Post-retirement benefit obligation adjustment	(35)	-	(35)
Other non-operating income	30,325	-	30,325
Redesignated funds and other	2,091	624	2,715
Net assets released from restrictions	(4,430)	(421)	(4,851)
<b>Change in Net Assets From Non-Operating Activities</b>	<b>43,422</b>	<b>141,391</b>	<b>184,813</b>
<b>Change in Net Assets</b>	<b>53,397</b>	<b>142,154</b>	<b>195,551</b>
<b>Net Assets, Beginning of Year</b>	<b>259,523</b>	<b>1,175,618</b>	<b>1,435,141</b>
<b>Net Assets, End of Year</b>	<b>\$ 312,920</b>	<b>\$ 1,317,772</b>	<b>\$ 1,630,692</b>

**Oberlin College**  
**Consolidated Statement of Cash Flows**  
**Years Ended June 30, 2025 and 2024**  
**(Dollars in Thousands)**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 131,328	\$ 195,551
Items not requiring (providing) operating activities cash flows		
Depreciation	27,832	24,390
Gain on extinguishment of debt	-	(1,602)
Net amortization of deferred financing costs	(822)	462
Contributions restricted for long-term investments	(112,017)	(8,985)
Earnings restricted for long-term investment	379	(500)
Net realized and unrealized gains on long-term investments	(169,975)	(101,022)
Changes in assets and liabilities		
Accounts receivable	645	(543)
Pledges receivable	94,514	(97,625)
Other current and non-current assets	(2,159)	1,185
Accounts payable, accrued expenses and other liabilities	4,749	(837)
Deposits and agency funds	668	(6,442)
Accrued postretirement benefit obligation	(10,959)	35
Net adjustment of annuity obligations	(551)	49
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(36,368)</b>	<b>4,116</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property, plant and equipment	(88,196)	(105,409)
Net proceeds from student loans collected	427	109
Purchases of investments	(969,450)	(667,506)
Proceeds from sale and maturities of investments	924,726	691,019
<b>Net Cash Used in Investing Activities</b>	<b>(132,493)</b>	<b>(81,787)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from contributions for		
Investment in endowment	111,087	7,909
Investment in long-lived assets	645	779
Investment in life income agreements	285	297
Earnings restricted for long-term investments	(379)	500
Deferred financing costs paid	-	(204)
Proceeds from issuance of long-term debt	-	30,000
<b>Net Cash Provided by Financing Activities</b>	<b>111,638</b>	<b>39,281</b>
<b>Decrease in Cash and Cash Equivalents</b>	<b>(57,223)</b>	<b>(38,390)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>121,031</b>	<b>159,421</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 63,808</b>	<b>\$ 121,031</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 50,078	\$ 37,486
Restricted cash	13,730	83,545
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 63,808</b>	<b>\$ 121,031</b>
<b>Supplemental Cash Flows Information</b>		
Interest paid, net of capitalized interest	\$ 9,253	\$ 13,961
Property, plant and equipment in accounts payable	8,403	17,615
Asset held for sale acquired through noncash contributions	2,986	-
Series 2023 Bond issuance		
Refunding of Series 2013 Bonds	-	(31,739)
Issuance of long-term debt	-	27,570
Issuance of premium on long-term debt	-	4,169
	<b>\$ -</b>	<b>\$ -</b>

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

### ***Nature of Operations***

Oberlin College (College) is an independent, coeducational institution consisting of two major divisions in Oberlin, Ohio. 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.

### ***Principles of Consolidation***

The consolidated financial statements are comprised of the College's operations and reflect the assets, liabilities and operating activities of the College's wholly-owned subsidiary, College Properties of Northern Ohio, Inc. (Gateway Complex Project), with the elimination of inter-company transactions and balances in consolidation.

### ***Use of Estimates***

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

### ***Cash and Cash Equivalents and Restricted Cash***

The College considers all investments (not held for long-term investment) with original maturities of three months or less as cash equivalents. At June 30, 2025 and 2024, cash equivalents consisted primarily of money market funds and short-term investments. The College's restricted cash represents unspent bond proceeds.

At June 30, 2025, the College's cash accounts exceeded federally insured limits by approximately \$14,894.

### ***Accounts Receivable, Net***

Student accounts receivable are stated at the amount of consideration from students, of which the College has an unconditional right to receive. The College provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for reasonable and supportable forecasts. The allowance for credit losses at June 30, 2025 and 2024, is \$2,338 and \$2,269, respectively.

### ***Long-term Investments and Investment Return***

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 exposure to specific markets. Typical liquidity for these investments is daily. No futures contracts exist at June 30, 2025.

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

**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, monthly, and quarterly, with approximately 88% of the net asset value being accessible within one quarter or less.

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

**Gift Annuities and Trusts and Investments Restricted for Plant Facilities:** These investments consist of annuity and life income funds and assets restricted to investment in land, buildings and equipment. The College invests in equities and fixed income securities with quoted prices in active markets.

**Developed Markets Equity and Emerging Markets Equity:** The College invests in public equity securities in various geographical areas including 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, annually, and greater than one year, with approximately 37% of the net asset value being accessible within one quarter or less.

**Absolute Return:** Absolute Return 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, commodities, multi-strategy, and global macro strategies. Typical liquidity for these investments is monthly, quarterly, annually, or greater than one year, with approximately 49% 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 of companies are sold in the market. The underlying companies within the private funds would be fully liquidated over the next 8 to 12 years.

**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.

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

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, 2025, the following liquidity characteristics applied to the College's pooled endowment and board-designated endowment funds: 61.4% of the endowment is liquid within one year, 4.2% of the endowment is liquid within three years, and 34.4% of the endowment is illiquid.

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 as this time.

**Investment Return:** Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the consolidated statements of activities as net assets with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

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

***Property, Plant and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Depreciation of the property, plant and equipment owned by the College and its subsidiary has been computed using the mid-year convention and depreciated straight-line under the following depreciation guidelines:

Infrastructure	80 years
Buildings and additions	40 years
Production equipment	30 years
Building improvements and renovations	20 years
Library books and materials	15 years
Furniture and equipment	10 years

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

Using these guidelines, depreciation expense for the years ended June 30 was:

	<u>2025</u>	<u>2024</u>
Educational and general properties	\$ 16,674	\$ 14,664
Library books and materials	2,301	2,358
Auxiliary properties	8,857	7,368
	<u>\$ 27,832</u>	<u>\$ 24,390</u>

The College capitalizes interest costs as a component of construction in progress, based on the interest rates paid for long-term borrowing. In addition, the College includes debt issuance costs as an additional interest expense and amortizes those costs using the straight-line method over the term of the loan. Total interest incurred at June 30 was:

	<u>2025</u>	<u>2024</u>
Interest capitalized	\$ 8,825	\$ 8,463
Interest charged to expense	6,503	6,585
	<u>\$ 15,328</u>	<u>\$ 15,048</u>

***Long-Lived Assets***

The College evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may have been impaired. No asset impairment was recognized during the years ended June 30, 2025 and 2024.

***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 \$4,194 and \$4,851 in fiscal year 2025 and 2024, respectively, is recorded as a transfer between the non-operating and operating sections of the changes in net assets without donor restrictions on the consolidated statements 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. There were no collection items sold or removed during 2025 and 2024.

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

### ***Bequests***

The College follows the policy of designating bequests without donor restrictions as additions to board-designated funds, additions to plant and facility funds, or current use 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 date the respective 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.

### ***Bond Origination Costs and Debt Premiums and Discounts***

Costs incurred in obtaining long-term financing are deferred and amortized over the term of the related borrowing. Premiums and discounts related to the College's issuance of long-term debt are amortized over the term of the related debt.

### ***Net Assets***

The College's consolidated financial statements have been prepared with a focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor restrictions:

- *Net Assets Without Donor Restrictions* – Net assets that are free of donor-imposed restrictions, as well as net assets designated by the governing board.
- *Net Assets With Donor Restrictions* – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets that are temporary in nature 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. Net assets that are perpetual in nature include net assets that the donor has permitted 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.

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

***Government Grants***

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

***Contributions***

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

The value recorded for each contribution is recognized either as conditional gifts, with or without donor restriction, or as unconditional gifts, with or without donor restriction. Conditional gifts depend on the College overcoming a donor-imposed barrier to be entitled to the funds. The value is not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met. Unconditional gifts may be received at fair value on the date of the gift as cash and other assets, or at the estimated fair value on the date of the gift as property, equipment and long-lived assets, or net realizable value for gifts expected to be collected within one year, or at a discounted present value of estimated future cash flows for gifts to be collected in the future years.

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

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

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

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

***Income Taxes***

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. The College believes 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, 2025, the College's income tax years from 2021 and thereafter remain subject to examination by the Internal Revenue Service, as well as various state and local taxing authorities.

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

***Operating and Non-Operating Activities***

For the purposes of the consolidated statements of activities, the College considers its change in net assets without donor restriction to be operational changes, except for the College's realized and unrealized gains and losses on endowment investments in excess of the College's spending rate, which are reflected as non-operating activities. Contributions, changes in annuities, and investment return received or earned of a capital or endowment nature, that is, to be used for facilities and equipment or to be invested by the College to generate a return that will support operations, are included in non-operating activities. Additionally, certain non-operating adjustments such as the fair value of derivatives and gains and losses on the sale, impairment or retirement of real estate or the financing transactions associated with real estate, as well as infrequent transactions outside of the normal course of operations, are also included as non-operating activities.

**Oberlin College**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**  
**(Dollars in Thousands)**

**Note 2. Long-Term Investments and Investment Return**

Investments at June 30 were comprised of the following components:

	<u>2025</u>	<u>2024</u>
General Investment Pool		
Cash and cash equivalents	\$ 107,926	\$ 74,385
Fixed income	38,635	33,764
Developed markets equity	446,916	355,054
Emerging markets equity	143,890	118,776
Absolute return	238,816	209,722
Private equity	153,166	138,462
Venture capital	309,783	298,938
Real assets	41,662	41,364
	<u>1,480,794</u>	<u>1,270,465</u>
Non-Pooled Endowment		
Cash and cash equivalents	97	124
Developed markets equity	383	326
Fixed income	47	39
	<u>527</u>	<u>489</u>
Total Separately Invested Funds	<u>527</u>	<u>489</u>
Total Endowment	<u>1,481,321</u>	<u>1,270,954</u>
Sinking Fund		
Cash and cash equivalents	587	260
Fixed income	210	125
Developed markets equity	2,429	1,310
Emerging markets equity	782	438
Absolute return	1,298	774
Private equity	833	511
Venture capital	1,684	1,103
Real assets	226	153
	<u>226</u>	<u>153</u>
Total Sinking Fund	<u>\$ 8,049</u>	<u>\$ 4,674</u>

**Oberlin College**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**  
**(Dollars in Thousands)**

**Note 2. Long-Term Investments and Investment Return (Continued)**

	<u>2025</u>	<u>2024</u>
Annuity and Life Income Funds		
Pooled income fund trusts		
Cash and cash equivalents	\$ 3	\$ 35
Fixed income	548	603
International equity	151	75
Real assets	87	156
U.S. equity	<u>145</u>	<u>185</u>
Total Pooled Income Funds Trusts	<u>934</u>	<u>1,054</u>
Gift Annuity Pool		
Cash and cash equivalents	61	27
Emerging markets equity	1,073	978
Fixed income	4,671	4,537
International equity	3,276	2,735
Real assets	2,047	2,491
U.S. equity	<u>5,982</u>	<u>5,541</u>
Total Gift Annuity Pool	<u>17,110</u>	<u>16,309</u>
Annuity Trusts and Unitrusts		
Cash and cash equivalents	429	602
Emerging markets equity	1,280	1,294
Fixed income	4,896	5,432
International equity	4,296	3,782
Real assets	2,416	3,263
U.S. equity	<u>7,866</u>	<u>7,890</u>
Total Annuity Trusts and Unitrusts	<u>21,183</u>	<u>22,263</u>
Total Annuity and Life Income Funds	<u>39,227</u>	<u>39,626</u>
Assets Restricted to Investment in Land, Buildings, and Equipment		
Cash and cash equivalents	-	1
Real assets	<u>4,525</u>	<u>4,675</u>
Total assets restricted to investment in land, buildings and equipment	<u>4,525</u>	<u>4,676</u>
Funds Held in Trust by Others	<u>22,244</u>	<u>20,737</u>
Total Assets for Long-Term Investments	<u>\$ 1,555,366</u>	<u>\$ 1,340,667</u>

**Oberlin College**  
**Notes to Consolidated Financial Statements**  
**June 30, 2025 and 2024**  
**(Dollars in Thousands)**

**Note 2. Long-Term Investments and Investment Return (Continued)**

Total investment return is comprised of the following at June 30:

	<u>2025</u>	<u>2024</u>
Investment earnings allocated to operations	\$ 52,350	\$ 50,798
Investment earnings in non-operating	16,775	35,063
Unrealized gains	<u>102,083</u>	<u>17,721</u>
Total Investment Return	<u>\$ 171,208</u>	<u>\$ 103,582</u>
Realized gains on sale of investments	\$ 67,892	\$ 83,301
Unrealized gains on investments	102,083	17,721
Interest and dividends, net	<u>1,233</u>	<u>2,560</u>
Total Investment Return	<u>\$ 171,208</u>	<u>\$ 103,582</u>

**Alternative Investments**

The fair value of alternative investments that have been estimated using the net asset value per share (or its equivalent) as a practical expedient consists of the following at June 30:

	<u>2025</u>			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Fixed income	\$ 4,486	\$ 25,000	Quarterly	5 - 90 days
Developed markets equity	429,345	5,000	Quarterly	5 - 90 days
Emerging markets equity	127,975	-	Monthly, Quarterly, Annually	60 - 90 days
Absolute return	237,614	-	Quarterly, Annually, >1 Year	45 - 90 days
Private equity	149,433	100,860	Illiquid	Not applicable
Venture capital	311,397	70,811	Illiquid	Not applicable
Real assets	41,888	26,545	Illiquid	Not applicable
	<u>\$ 1,302,138</u>	<u>\$ 228,216</u>		

	<u>2024</u>			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Developed markets equity	\$ 309,133	\$ -	Quarterly	5 - 90 days
Emerging markets equity	51,195	-	Monthly, Quarterly, Annually	60 - 90 days
Absolute return	203,624	-	Quarterly, Annually, >1 Year	45 - 90 days
Private equity	134,482	71,834	Illiquid	Not applicable
Venture capital	299,728	58,128	Illiquid	Not applicable
Real assets	41,517	25,413	Illiquid	Not applicable
	<u>\$ 1,039,679</u>	<u>\$ 155,375</u>		

## **Note 2. Long-Term Investments and Investment Return (Continued)**

The College is obligated to make capital contributions of \$198,216 and \$155,375 of additional investments at June 30, 2025 and 2024, respectively. These commitments will be satisfied over a five-year period from the maturities and redemptions of existing investments of a similar nature.

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 30 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):

	<u>2025</u>	<u>2024</u>
Global futures - total notional	\$ -	\$ 54,900
Collateral cash	-	58,195
Net leverage	<u>\$ -</u>	<u>\$ (3,295)</u>

### **Note 3. Fair Value of Assets and Liabilities**

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

<b>Level 1</b>	Quoted prices in active markets for identical assets or liabilities
<b>Level 2</b>	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
<b>Level 3</b>	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities
<b>Net Asset Value (NAV)</b>	The College also holds investments in private equity funds, venture capital, real assets, absolute return 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.

### ***Recurring Measurements***

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2025. The College has no assets or liabilities measured at a fair value on a nonrecurring basis.

### ***Cash Equivalents and Long-term Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

### ***Interests in Gift Annuities and Trusts and Funds Held in Trust by Others***

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interests are classified within Level 3 of the hierarchy.

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**Note 3. Fair Value of Assets and Liabilities (Continued)**

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2025 and 2024:

2025					
Fair Value Measurements Using					
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	
Long-term investments:					
Cash and cash equivalents	\$ 108,610	\$ 108,610	\$ -	\$ -	\$ -
Developed markets equity	449,728	20,383	-	-	429,345
Emerging markets equity	144,672	16,697	-	-	127,975
Fixed income	38,892	34,406	-	-	4,486
Absolute return	240,114	2,500	-	-	237,614
Private equity	153,999	4,566	-	-	149,433
Venture capital	311,467	70	-	-	311,397
Real assets	41,888	-	-	-	41,888
Interest in gift annuities and trusts	39,227	17,110	-	22,117	-
Investments restricted for plant facilities	4,525	4,525	-	-	-
Interests in funds held in trust by others	22,244	-	-	22,244	-
Total fair value of recurring measurements	<u>\$ 1,555,366</u>	<u>\$ 208,867</u>	<u>\$ -</u>	<u>\$ 44,361</u>	<u>\$ 1,302,138</u>

2024					
Fair Value Measurements Using					
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	
Long-term investments:					
Cash and cash equivalents	\$ 74,769	\$ 74,769	\$ -	\$ -	\$ -
Global futures	54,900	54,900	-	-	-
Developed markets equity	325,459	16,326	-	-	309,133
Emerging markets equity	95,546	44,351	-	-	51,195
Fixed income	33,888	33,888	-	-	-
Absolute return	210,535	6,911	-	-	203,624
Private equity	138,973	4,491	-	-	134,482
Venture capital	300,041	313	-	-	299,728
Real assets	41,517	-	-	-	41,517
Interest in gift annuities and trusts	39,626	16,309	-	23,317	-
Investments restricted for plant facilities	4,676	4,676	-	-	-
Interests in funds held in trust by others	20,737	-	-	20,737	-
Total fair value of recurring measurements	<u>\$ 1,340,667</u>	<u>\$ 256,934</u>	<u>\$ -</u>	<u>\$ 44,054</u>	<u>\$ 1,039,679</u>

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**Note 3. Fair Value of Assets and Liabilities (Continued)**

**Level 3 Reconciliation**

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of financial position using significant unobservable inputs (Level 3):

	Balance at June 30, 2024	Contributions	Withdrawals	Change in Fair Value	Balance at June 30, 2025
Interest in gift annuities and trusts	\$ 23,317	\$ 1,430	\$ (3,888)	\$ 1,258	\$ 22,117
Interests in funds held in trust by others	20,737	1,507	-	-	22,244
	<u>\$ 44,054</u>	<u>\$ 2,937</u>	<u>\$ (3,888)</u>	<u>\$ 1,258</u>	<u>\$ 44,361</u>
	Balance at June 30, 2023	Contributions	Withdrawals	Change in Fair Value	Balance at June 30, 2024
Interest in gift annuities and trusts	\$ 22,462	\$ 1,593	\$ (1,533)	\$ 795	\$ 23,317
Interests in funds held in trust by others	19,140	1,597	-	-	20,737
	<u>\$ 41,602</u>	<u>\$ 3,190</u>	<u>\$ (1,533)</u>	<u>\$ 795</u>	<u>\$ 44,054</u>

**Sensitivity of Significant Unobservable Inputs**

The following is a discussion of the sensitivity of significant unobservable inputs, the interrelationships between those inputs and other unobservable inputs used in recurring fair value measurement and of how those inputs might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement.

**Interest in Gift Annuities and Trusts and Funds Held in Trust by Others**

The significant unobservable inputs used in the fair value measurement of the College's interest in gift annuities and trusts and funds held in trust by others are discount rates and market return rates. The discount rate of the annuities and trusts are the interest rate utilized to discount future cash flows in a present value cash flow calculation. The discount rate used often represents the return market participants would demand on similar assets. Therefore, significant increases (decreases) in the discount rate used would result in (lower) higher fair value measurement. The weighted average range for discount rates on these investments was 2% to 12% at June 30, 2025 and 2024.

**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 the present value of the future cash flows using an annual discount rate commensurate with the risks involved. Pledges of \$4,033 and \$103,198, 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, 2025 and 2024, respectively.

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Pledges receivable consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
In one year or less	\$ 5,790	\$ 112,869
Between one year and five years	7,308	5,566
Greater than five years	8,779	1,482
Less discount	<u>(3,500)</u>	<u>(4,040)</u>
	<u>\$ 18,377</u>	<u>\$ 115,877</u>

**Note 5. Student Loans, Net**

Student loans receivable are carried at face value, less an allowance for credit losses of \$953 at June 30, 2025 and 2024. The interest rate on federal student loans is 5.0% for the years ended June 30, 2025 and 2024. 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 purposes of granting low interest loans to students demonstrating financial need. Principal and interest payments on loans generally do not commence until after the borrower graduates or otherwise ceases enrollment and are to be repaid over a maximum of 10 years. Perkins funds are ultimately refundable to the U.S. Government to the extent funds are available from the program. Consequently, these funds are shown as a liability of \$339 and \$1,028 at June 30, 2025 and 2024, 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.

**Note 6. Line of Credit**

The College has a bank demand line of credit with a stated maturity of August 12, 2027, has a maximum principal amount of \$30,000, and accrues interest at the secured overnight financing rate (SOFR) plus 115 basis points (1.15%) and 10 basis points (0.10%) on the portion of the line that is not encumbered (5.70% and 6.58% at June 30, 2025 and 2024, respectively). At June 30, 2025 and 2024, there was no balance outstanding on the line.

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**Note 7. Bonds Payable**

Bonds payable consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Revenue Bonds dated April 12, 2017, principal due on October 1, 2026 through 2047 in amounts ranging from \$855 to \$2,370 with an interest rate of 2.00% to 5.00%.	\$ 34,630	\$ 34,630
Revenue Bonds dated May 9, 2023, principal due on October 1, 2027 through 2053 in amounts ranging from \$890 to \$16,005 with an interest rate of 5.00%.	136,390	136,390
Revenue Bonds dated April 22, 2024, principal due on May 1, 2028 through 2054 in amounts ranging from \$750 to \$1,645 with an interest rate of 4.63%.	30,000	30,000
Others		
Taxable Refunding Bonds dated August 1, 2019, principal due on August 1, 2049 in the amount of \$82,065, with an interest rate of 3.685%.	82,065	82,065
Taxable Refunding Bonds dated July 28, 2021, principal due on October 1, 2051 in the amount of \$110,975, with an average interest rate of 2.89%.	<u>110,975</u>	<u>110,975</u>
	394,060	394,060
Plus unamortized bond premium	16,801	17,762
Less unamortized bond discount and deferred financing costs	<u>(2,816)</u>	<u>(2,955)</u>
	<u>\$ 408,045</u>	<u>\$ 408,867</u>

In April 2024, 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 \$30,000. The funds were utilized to finance the final phases of the College's Sustainable Infrastructure Program. 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. The Series 2024 Bond matures with a balloon payment due on May 1, 2054. The unamortized deferred issuance costs are \$183 and \$194 at June 30, 2025 and 2024, respectively.

In May 2023 and July 2023, the Commission issued Higher Educational Facility Revenue Bonds on behalf of the College in the original principal amount of \$136,390 plus a bond premium of \$15,501. The funds were utilized to finance the final phases of the College's Sustainable Infrastructure Program and the constructions of a new student housing facility and to refinance the principal of the Series 2013 Bond. 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. The Series 2023 Bond matures with a balloon payment due on October 1, 2053. The unamortized bond premium is \$14,686 and \$15,501 and deferred financing costs are \$1,013 and \$1,069 at June 30, 2025 and 2024, respectively.

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**Note 7. Bonds Payable (Continued)**

In July 2021, the College issued \$110,975 taxable refunding bonds to finance the first phase of the College's Sustainable Infrastructure Program, to refinance a portion of the principal of the Series 2013 and 2017 Bonds and terminate the interest rate swap agreement associated with a 2008 bond issuance. 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 2021 Bond matures with a balloon payment due on October 1, 2051. The unamortized bond discount is \$272 and \$282 and deferred financing costs are \$494 and \$513 at June 30, 2025 and 2024, respectively.

In August 2019, the College issued \$82,065 taxable refunding bonds to refinance the Series 2009 Bonds, the Series 2014A Bond and the Series 2014B Bond. 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. The unamortized deferred financing costs are \$551 and \$574 at June 30, 2025 and 2024, respectively.

In April 2017, 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 above, the College refinanced \$3,100 of the principal under a new 2021 bond issuance. The unamortized bond premium is \$2,115 and \$2,261 and unamortized deferred financing costs are \$303 and \$323 at June 30, 2025 and 2024, respectively.

Aggregate annual principal payments required on debt as of June 30, 2025 are as follows by fiscal year:

2026	\$	1,485
2027		1,560
2028		3,545
2029		3,660
2030		3,130
Thereafter		380,680
	\$	<u>394,060</u>

## **Note 8. Conditional Asset Retirement Obligations**

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 of its buildings. However, the College has recorded an accrual for these costs of approximately \$3,516 and \$3,334 at June 30, 2025 and 2024, respectively, within other non-current liabilities on the consolidated statements of financial position.

## **Note 9. 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, 2025 and 2024 anticipated future cost-sharing changes to the existing plan consistent with the College's estimated cost before considering the contribution. Effective January 1, 2025, retirees and spouses eligible for Medicare are paying 100% of the fully insured premiums for 2025 and future years. This change significantly reduced the accumulated benefit obligation.

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

	<u><b>2025</b></u>	<u><b>2024</b></u>
Discount rate	5.28%	5.45%
Health care trend rates - (Pre-65)		
Trend for next year	6.50%	6.70%
Ultimate trend	4.50%	4.50%
Year ultimate trend reached	2034	2034
Health care trend rates - (Post-65)		
Trend for next year	8.50%	9.00%
Ultimate trend	4.50%	4.50%
Year ultimate trend reached	2034	2034
Measurement date	June 30, 2025	June 30, 2024

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**Note 9. Postretirement Benefits (Continued)**

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, 2022, 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.

	<u>2025</u>	<u>2024</u>
Effect of an increase		
On benefit obligation, end of year	\$ 744	\$ 1,112
On service cost and interest cost for year	83	121
Effect of a decrease		
On benefit obligation, end of year	(411)	(1,088)
On service cost and interest cost for year	(35)	(113)

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

	<u>2025</u>	<u>2024</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 19,982	\$ 19,947
Service cost	637	680
Interest cost	1,052	992
Plan amendments	-	-
Actuarial gain	(11,278)	(387)
Benefits paid	<u>(1,370)</u>	<u>(1,250)</u>
Benefit obligation at end of year	<u>\$ 9,023</u>	<u>\$ 19,982</u>

In 2022, 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-2021 mortality improvement scale from the MP-2020 mortality improvement scale used in 2021. The College believes that the updated mortality rates are the best estimate of future experience.

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**Note 9. Postretirement Benefits (Continued)**

Net periodic postretirement health care cost for the years ended June 30, 2025 and 2024 included the following components:

	<u>2025</u>	<u>2024</u>
Net periodic postretirement benefit cost		
Service cost - benefits attributed to service during the period	\$ 637	\$ 680
Interest cost on accumulated postretirement benefit obligation	1,052	992
Net amortization and deferral	<u>221</u>	<u>221</u>
Net periodic postretirement benefit cost	<u>\$ 1,910</u>	<u>\$ 1,893</u>

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

	<u>Total Claims</u>	<u>Medicare Reimbursement</u>	<u>Net Claims</u>
2026	\$ 1,094	\$ -	\$ 1,094
2027	952	-	952
2028	881	-	881
2029	872	-	872
2030	766	-	766
2031-2035	3,828	-	3,828

Medicare reimbursements reflected above are based on the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Assuming retiree contributions of 21% to the existing plan, the College expects to contribute \$1,094 toward expected net claims of \$966 in fiscal year 2025. Medicare reimbursements ceased, effective for claims under the plan design effective January 1, 2020.

**Note 10. 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 were \$6,595 and \$6,165 at June 30, 2025 and 2024, respectively.

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**Note 11. Net Assets With Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure For Specified Purpose		
Academic/administrative support	\$ 60,633	\$ 62,247
Plant facilities and equipment	34,181	24,918
Scholarship and prizes	7,915	5,772
Lectureships	1,841	1,702
Library operations/acquisitions	499	394
Funds held in trust	268	280
Professorships	510	484
Other	5,182	5,006
	<u>111,029</u>	<u>100,803</u>
Endowments, Subject to Spending Policy and Appropriation		
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	468,921	356,416
Accumulated endowment earnings	818,481	723,515
	<u>1,287,402</u>	<u>1,079,931</u>
Other Net Assets Restricted in Perpetuity		
Split-interest agreements	5,818	6,193
Student loan funds	5,801	5,414
Trusts held by others	22,244	20,737
Endowment contributions receivable	9,372	104,694
	<u>43,235</u>	<u>137,038</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,441,666</u>	<u>\$ 1,317,772</u>

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**Note 11. Net Assets With Donor Restrictions (Continued)**

Endowments are restricted for the following purposes at June 30:

	<u>2025</u>	<u>2024</u>
Academic/Administrative Support	\$ 610,257	\$ 491,885
Scholarship and prizes	474,170	403,610
Professorships	143,754	129,744
Plant facilities and equipment	27,780	25,693
Library operations/acquisitions	20,092	18,514
Lectureships	7,248	6,695
Endowment contributions receivable	9,372	104,694
Other	4,101	3,791
	<u>\$ 1,296,774</u>	<u>\$ 1,184,626</u>

***Net Assets Released from Restriction***

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:

	<u>2025</u>	<u>2024</u>
Satisfaction of Purpose or Time Restrictions		
Scholarship and prizes	\$ 18,160	\$ 19,350
Academic/administrative support	23,359	21,518
Professorships	5,779	5,389
Government grants	4,701	3,328
Plant facilities and equipment	1,708	1,650
Funds held in trust	818	861
Amortized contributions for long-lived assets	-	421
Other	23	15
Library operations/acquisitions	826	202
Lectureships	132	146
	<u>\$ 55,506</u>	<u>\$ 52,880</u>

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**Note 12. Endowment**

***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 composition of net assets by type of endowed fund at June 30, 2025 and 2024, was:

	<b>June 30, 2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted	\$ -	\$ 1,286,875	\$ 1,286,875
Board-designated	193,919	-	193,919
Total	<u>\$ 193,919</u>	<u>\$ 1,286,875</u>	<u>\$ 1,480,794</u>
	<b>June 30, 2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted	\$ -	\$ 1,079,443	\$ 1,079,443
Board-designated	191,022	-	191,022
Total	<u>\$ 191,022</u>	<u>\$ 1,079,443</u>	<u>\$ 1,270,465</u>

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**(Dollars in Thousands)**

**Note 12. Endowment (Continued)**

The following table reflects the College's change in the general pooled endowment assets for the year ended:

	<b>June 30, 2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Net Assets, July 1, 2024	\$ 191,022	\$ 1,079,443	\$ 1,270,465
Investment return			
Investment income, net	744	4,636	5,380
Net realized/unrealized gains	21,318	135,905	157,223
Total investment return	22,062	140,541	162,603
Contributions and transfers, net	(12,608)	112,242	99,634
Endowment distributions	(6,557)	(45,351)	(51,908)
Endowment Net Assets, June 30, 2025	<u>\$ 193,919</u>	<u>\$ 1,286,875</u>	<u>\$ 1,480,794</u>
	<b>June 30, 2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment Net Assets, July 1, 2023	\$ 167,324	\$ 1,031,768	\$ 1,199,092
Investment return			
Investment income, net	339	1,992	2,331
Net realized/unrealized gains	13,799	80,677	94,476
Total investment return	14,138	82,669	96,807
Contributions and transfers, net	16,979	8,385	25,364
Endowment distributions	(7,419)	(43,379)	(50,798)
Endowment Net Assets, June 30, 2024	<u>\$ 191,022</u>	<u>\$ 1,079,443</u>	<u>\$ 1,270,465</u>

## **Note 12. Endowment (Continued)**

### ***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 associate with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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 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. 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, 2024, deficiencies of this nature exist in 21 donor-restricted endowment funds, which together have an original gift value of \$9,178, a current fair value of \$8,726 and a deficiency of \$452. There were no such deficiencies for the year ended June 30, 2025. These deficiencies are reported in net assets with donor restrictions and resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain purposes that was deemed prudent by the Board of Trustees.

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

**Note 13. Functional Expenses**

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

	2025					
	Instruction & Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Operating Expenses						
Salaries and benefits	\$ 70,759	\$ 10,650	\$ 14,245	\$ 19,850	\$ 3,212	\$ 118,716
Supplies and services	8,834	1,917	2,283	3,560	17,602	34,196
Building costs	1,479	722	459	1,097	10,794	14,551
Fees	3,526	3,023	1,851	4,365	1,505	14,270
Other	4,960	1,326	4,111	3,589	2,197	16,183
Interest	1,612	378	432	646	3,435	6,503
Depreciation	6,984	3,938	1,869	2,649	12,392	27,832
Total Operating Expenses	<u>\$ 98,154</u>	<u>\$ 21,954</u>	<u>\$ 25,250</u>	<u>\$ 35,756</u>	<u>\$ 51,137</u>	<u>\$ 232,251</u>

	2024					
	Instruction & Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Operating Expenses						
Salaries and benefits	\$ 63,838	\$ 10,351	\$ 13,466	\$ 18,263	\$ 2,820	\$ 108,738
Supplies and services	8,064	2,314	2,078	2,584	18,255	33,295
Building costs	1,648	901	508	1,601	12,059	16,717
Fees	3,544	2,822	1,499	4,678	1,405	13,948
Other	4,072	2,665	5,397	2,103	904	15,141
Interest	1,571	423	454	578	3,559	6,585
Depreciation	6,060	3,990	1,749	2,227	10,364	24,390
Total Operating Expenses	<u>\$ 88,797</u>	<u>\$ 23,466</u>	<u>\$ 25,151</u>	<u>\$ 32,034</u>	<u>\$ 49,366</u>	<u>\$ 218,814</u>

The costs of supporting various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Fundraising expenses of \$5,532 and \$5,732 are included in the functional expense category of institutional support at June 30, 2025 and 2024, respectively. The College charges all costs that are directly attributable to a specific functional area to those functional areas. Costs attributable to more than once function are allocated using a variety of cost allocation techniques, such as the functional use of various buildings and total building square footage.

**Oberlin College**  
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**(Dollars in Thousands)**

**Note 14. Liquidity and Availability**

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

	<u>2025</u>	<u>2024</u>
Financial Assets at Year End		
Cash and cash equivalents	\$ 50,078	\$ 37,486
Restricted cash	13,730	83,545
Accounts receivable, net	1,343	1,988
Pledges receivable, net	18,377	115,877
Student loans, net	4,921	5,348
Investments	<u>1,555,366</u>	<u>1,340,667</u>
Total Financial Assets as of June 30,	<u>1,643,815</u>	<u>1,584,911</u>
Less Amounts Not Available to Meet Cash Needs For General Expenditure Within One Year:		
Contractual or donor restrictions:		
Restricted in perpetuity	512,156	493,454
Restricted cash	13,730	83,545
Accumulated endowment earnings	818,481	723,515
Restricted by time or purpose	111,029	100,803
Federal student loan funds	339	1,028
Board designated endowment funds	193,919	191,022
Board designated funds	<u>28,774</u>	<u>24,872</u>
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	(34,613)	(33,328)
Liquidity Resources		
Budgeted appropriation of endowment funds	62,812	52,036
Anticipated receipt of pledge payments for general operations	1,757	9,671
Line of credit	<u>30,000</u>	<u>30,000</u>
Total Financial Assets and Liquidity Resources Available Within One Year	<u>\$ 59,956</u>	<u>\$ 58,379</u>

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.

## **Note 15. Revenue From Contracts With Students and Customers**

### ***Student Income Revenue***

Revenue from contracts with students for tuition and auxiliary services is reported at the amount that reflects the consideration to which the College expects to be entitled in exchange for providing instruction and housing, food, and other services. These amounts are due from students, third-party payers and others and are net of scholarships and institutional aid of \$111,049 and \$103,143 for the years ended June 30, 2025 and 2024, respectively.

Revenue is recognized as performance obligations are satisfied, which is primarily ratably over the academic term with the exception of certain meal plans that are recognized at a point in time. Generally, the College bills students prior to the beginning of the semester and 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.

If a student withdraws during the academic term, the student is refunded based on a defined refund schedule and how much of the semester has been completed. No refunds are awarded after five weeks of the semester has occurred. At year-end, there is no refund liability as the academic term is complete. Tuition and auxiliary services revenue are considered to be separate contracts.

### ***Transaction Price and Recognition***

The College determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid in accordance with the College's policies for granting certain merit based aid. The College determines its estimates of explicit price concessions based on its discount policies and merit awards.

From time to time the College will incur student credit balances and student deposits which represent the excess of tuition and fees and other student payments received as compared to amounts recognized as revenue. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. As of June 30, 2025 and 2024, the College has a liability for refunds or deposits from students recorded of \$2,718 and \$3,355, respectively.

The College has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payers (for example, students, governmental programs, and others) that have different reimbursement and payment methodologies
- Demographic and enrollment
- Institutional aid and federal and state aid program

## Note 15. Revenue From Contracts With Students and Customers (Continued)

### ***Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations***

Because all of its performance obligations relate to contracts with a duration of less than one year, the College has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction to students. The performance obligations for these contracts are generally completed when the academic term is completed. At June 30, 2025, there is no tuition revenue collected in fiscal year 2025 that is expected to be recognized in fiscal year 2025.

### ***Disaggregation of Revenue***

The composition of net student and customer revenue by segment for the years ended June 30, 2025 and 2024, is as follows:

	<b>2025</b>	<b>2024</b>
Net tuition and fees	\$ 89,722	\$ 91,132
Room	26,488	26,209
Meal plan	22,866	22,814
Auxiliary services, other	4,740	4,556
Other sources	5,459	3,525
	<u>\$ 149,275</u>	<u>\$ 148,236</u>

The composition of revenue based on timing of revenue recognition for the years ended June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Services transferred over time	\$ 116,210	\$ 117,341
Sales at point in time	33,065	30,895
	<u>\$ 149,275</u>	<u>\$ 148,236</u>

### ***Contract Balances***

The following table provides information about the College's receivables:

	<b>2025</b>	<b>2024</b>
Accounts receivable, beginning of year	\$ 1,988	\$ 1,445
Accounts receivable, end of year	1,343	1,988

## **Note 16. Commitments, Concentrations, and Contingencies**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations.

### ***Commitments***

The College has entered into contracts for the construction and renovation of certain facilities. Remaining contract payments total approximately \$13,272 at June 30, 2025.

### ***Concentrations***

Approximately 13% and 84% of all contributions were received from one donor for the years ended June 30, 2025 and 2024, respectively.

Approximately 83% of all pledges receivable were due from one donor at June 30, 2024. No such concentration existed at June 30, 2025.

### ***Contingencies***

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

## **Note 17. Subsequent Events**

Subsequent events have been evaluated through November 17, 2025, which is the date the consolidated financial statements were issued.