

# OBERLIN COLLEGE

## ANNUAL FINANCIAL INFORMATION REPORT For the Fiscal Year Ended June 30, 2022



This Annual Financial Information Report (“Annual Report”) pertains to the operations of the Oberlin College, an Ohio nonprofit corporation (the “College”), for the fiscal year ended June 30, 2022. This Annual Report is being filed to satisfy the College’s obligations to provide annual financial information and operating data in compliance with the continuing disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated under the Securities Exchange Act of 1934. Specifically, the information in this Annual Report is provided in accordance with the continuing disclosure undertakings entered into by the College pursuant to the Rule in connection with the following outstanding obligations of the College:

*\$52,395,000 State of Ohio (Ohio Higher Educational Facility Commission) Higher Educational Facility Revenue Bonds (Oberlin College 2013 Project), dated September 12, 2013. Final maturity is October 1, 2038.*

*\$39,765,000 State of Ohio (Ohio Higher Educational Facilities Commission) Higher Educational Facility Revenue Bonds (Oberlin College 2017 Project), dated April 12, 2017. Final maturity is October 1, 2047.*

*\$82,065,000 Taxable Refunding Bonds, Series 2019, dated August 1, 2019. Final maturity is August 1, 2049.*

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

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

This Annual Report is dated March 10, 2022.

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## **REGARDING THIS ANNUAL FINANCIAL INFORMATION REPORT**

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

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

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

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

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

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

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

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

Any CUSIP numbers contained herein have been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (“ABA”) by FactSet Research Systems. CUSIP is a

registered trademark of the ABA. Any such CUSIP numbers are provided solely for convenience. The College is not responsible for the selection or use of any such CUSIP numbers and does not undertake any responsibility for their accuracy now or at any time in the future. CUSIP numbers are subject to being changed as a result of subsequent actions and events.

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

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

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

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## Faculty and Employees

Excluding students and temporary help, the College has approximately 815 full-time-equivalent (“FTE”) employees as shown in the table below. The table includes both those faculty actively teaching as well as those whose sabbatical and other leaves of absence are covered by College funds as of June 30, 2022.

<b>Group</b>	<b>FTE</b>
Faculty	295
Administrative Professional	329
Other	<u>191</u>
<b>Total</b>	<b>815</b>

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

Administrative assistants, service employees, carpenters and security personnel numbering 185 employees (“FTE”) are covered by collective bargaining agreements with the College. Administrative assistants are members of the Oberlin College Office and Professional Employees bargaining unit, which is affiliated with the Office and Professional Employees International Union (OPEIU). Their current contract expires on June 30, 2025. Service employees are organized as and are affiliated with Region 2 United Auto Workers (“UAW”). Their contract expires September 30, 2023. As part of an overall strategy for financial resiliency, the College elected to outsource dining and custodial services affecting nearly 110 UAW employees in fiscal year 2020. The carpenters are organized under an agreement with the Northeast Ohio District Council of Carpenters of the United Brotherhood of Carpenters and Joiners of America. Their contract expires April 30, 2024. Security personnel are organized through a local association, the Oberlin College Security Association, affiliated with the OPEIU, and their contract expires on June 30, 2023. The College enjoys a good working relationship with all of the bargaining units.

## Student Enrollment and Applications

During the past five years, the College's undergraduate Fall headcount has ranged between 2,942 and 2,647. The headcount for Fall 2022 was 2,963 students. In the near term, the College plans for relatively consistent enrollment levels with some modest enrollment growth through improved retention and revenue growth resulting from the rebalancing of the College of Arts and Sciences and Conservatory enrollments.

<b>Enrollment</b>		
<b>Academic Year</b>	<b>Fall Headcount</b>	<b>FTE</b>
2017-18	2,827	2,812
2018-19	2,785	2,775
2019-20	2,846	2,833
2020-21	2,647	2,634
2021-22	2,942	2,980

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

### **Historical Record of Freshman Admissions Statistics for Fall Enrollment**

#### **COLLEGE OF ARTS AND SCIENCES**

<b>Academic Year</b>	<b>Applications</b>	<b>Admitted</b>		<b>Enrolled</b>		<b>Double Degree</b>	<b>Average SAT Score<sup>1</sup></b>	
		<b>Admitted No.</b>	<b>% of Applications</b>	<b>Enrolled No.</b>	<b>% of Admitted</b>		<b>Verbal</b>	<b>Math</b>
2017-18	6,366	2,344	36.8	644	27.5	36	687	682
2018-19	6,269	2,473	39.4	713	28.8	46	693	690
2019-20	6,264	2,518	40.2	697	27.7	47	697	695
2020-21	7,919	2,999	37.9	579	19.3	33	695	678
2021-22	9,243	3,377	36.5	777	23.0	52		

#### **CONSERVATORY OF MUSIC**

<b>Academic Year</b>	<b>Applications</b>	<b>Admitted</b>		<b>Enrolled</b>		<b>Double Degree</b>	<b>Average SAT Score<sup>1</sup></b>	
		<b>Admitted No.</b>	<b>% of Applications</b>	<b>Enrolled No.</b>	<b>% of Admitted</b>		<b>Verbal</b>	<b>Math</b>
2017-18	1,396	388	27.8	120	30.9	36	667	642
2018-19	1,256	412	32.8	138	33.5	46	679	657
2019-20	1,444	420	29.1	148	35.2	47	658	637
2020-21	1,386	417	30.1	134	32.1	33	663	644
2021-22	1,353	413	30.5	139	33.7	52		

<sup>1</sup> 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.

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

### Enrollment Statistics — Both Divisions

Academic Year	Applications	Admitted No.	Admitted % of Applications	Enrolled No.	Enrolled % of Admitted	Average SAT Score <sup>1</sup>
2017-18	7,762	2,617	33.7	728	27.8	1,359
2018-19	7,525	2,885	38.3	805	27.9	1,375
2019-20	7,708	2,938	38.1	798	27.2	1,374
2020-21	9,305	3,416	36.7	699	20.5	1,359
2021-22	10,596	3,790	35.8	916	24.2	

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

For Fall 2021, the College brought 916 new undergraduates (first-year and transfer students) to campus across both divisions.

The number of first year Arts and Sciences applications for Fall 2021 total 9,243 submitted Common Applications, QuestBridge Applications and Coalition Applications. This is the highest total in the College’s history for the second year in a row and a 17% increase over the prior year. The previous record high of 7,919 applications were received last year. The College has currently surpassed all previous record high applications for Fall 2023.

The College of Arts and Sciences considered 448 early decision candidates for Fall 2021 (compared to 358 the prior year). Approximately 29% of the first-year Arts and Sciences class enrolled from the early program (229 students), with the comparable percentage in the past five years ranging from 33% to 38%. Including incoming gap year students, 35% of the class was accounted for before the Regular Decision round.

While we enrolled more early decision applicants than the previous year, they represented a smaller percentage of the incoming class due to our record total new student enrollment. We welcomed 883 new undergraduates to the College, offsetting the smaller class enrolled in Fall 2020. This number also represents the largest incoming class to that date.

Matriculating students presented a similar academic profile to the prior year and also supported many of the College’s institutional goals: 26% students of color, 140 recruited athletes, 52 first generation college students and 38 students with a parental legacy connection.

The Conservatory considered 1,492 applicants for Fall 2021, undergraduate and graduate combined. Prior to the onset of the pandemic, the Conservatory continued to trend upward in application numbers, rising above 1,500 in the prior three years, leading to the historic high for Fall 2019.

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<sup>1</sup> 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.

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

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

<b>Region</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
New England	12%	11%	11%	11%	10%
Mid-Atlantic	28	26	25	25	28
South	9	9	9	11	10
Midwest	20	20	20	20	19
Southwest	3	4	4	4	4
West	17	18	18	17	19
Foreign Countries	<u>11</u>	<u>12</u>	<u>13</u>	<u>12</u>	<u>10</u>
	100%	100%	100%	100%	100%

In recent years, 82% to 87% of the College’s entering first-time matriculants graduate from the College within six years. The College has historically experienced strong retention rates, and the College is focusing on retention work that reinforces the College’s efforts to identify students at risk of departing and intervening earlier to provide support. The College expects this work to eventually bring retention rates back to levels experienced in fiscal year 2016 and prior.

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

The onset of the pandemic saw a significant increase in the number of students requesting time off. We have begun to see a return to pre-pandemic levels – 65 students in Fall 2021 as compared to 171 in Fall 2020. The College expects retention rates to return to previous levels as operations normalize.

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

<b>Academic Year</b>	<b>Retention Rate</b>
2017-18	91.3
2018-19	89.0
2019-20	91.2
2020-21	83.0
2021-22	90.6



## Tuition

The College's tuition and fees were \$59,384 for the 2021-22 academic year, an increase of 3% over the 2020-21 academic year. A similar increase was approved for the 2022-23 academic year. The table below shows annual student fee data for the last five academic years.

### Summary of Standard Student Charges

<b>Academic Year</b>	<b>Tuition</b>	<b>Fees</b>	<b>Board</b>	<b>Room</b>	<b>Total</b>
2017-18	\$52,762	\$698	\$7,990	\$7,872	\$69,322
2018-19	\$54,346	\$706	\$8,230	\$8,108	\$71,390
2019-20	\$55,976	\$842	\$8,476	\$8,350	\$73,644
2020-21	\$57,654	\$850	\$8,734	\$8,600	\$75,838
2021-22	\$59,384	\$859	\$8,996	\$8,858	\$78,097

## Financial Aid

The College has a commitment to meeting the full, evaluated financial need of its students with scholarship grants, employment earnings, and student loans. Net student income, comprised of tuition and fees, room and board, net of student financial aid, is the largest component of the College's unrestricted operating revenues, totaling \$144.3 million in Fiscal Year 2022. Compared to revenue of \$100.8 million in fiscal year 2021, net student revenue increased \$43.5 million. This is a result of the College's response to the pandemic. In fiscal year 2021, the College implemented a 3-semester model which de-densified the campus by having two thirds of the student body on campus each semester. As a result, net student revenue as well as related expenses from the Summer 2021 term have been recognized in fiscal year 2022.

In fiscal year 2021, the discount rate increased from 48.8% last year to 50.4% this year (calculated as the percentage of total student aid to total tuition and fees). This reflects the decision of higher wealth students to take a leave of absence during the pandemic. Tuition rates increased 3.0% in 2022, which is the same as 2021. Total student financial aid increased by \$29.8 million in fiscal year 2022, increasing from \$67.1 million in fiscal year 2021 to \$96.9 million this year, the result of the implementation of the 3-semester model in response to the pandemic as described above.

## Endowment and Annuity and Life Income Funds

The total endowment of the College consists of the General Investment Pool, non-pooled investments, funds held in trust as well as annuity and life income funds. The annuity and life income funds consist of pooled income fund trusts, the Gift Annuity Pool, annuity trusts and unitrusts. The General Investment Pool is a unitized investment pool containing substantially all of the College's endowment assets, which are commingled for investment purposes (the "Endowment"). The College maintains a diversified investment portfolio that includes allocations to traditional asset classes (equities, fixed income, etc.) and alternative asset classes (hedge funds, private equity, real estate, etc.). As of June 30, 2022, the General Investment Pool had a net market value of \$1,183.7 million compared to a net market value of \$1,273.0 million at June 30, 2021. The College's total net return for Fiscal Year 2022 was -4.9% versus a total net return of 42.8% for Fiscal Year 2021.

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

<b>Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Endowment Market Value	\$1,183,657	\$1,273,002	\$937,050	\$925,043	\$887,392
Annual Return %	-4.9%	42.8%	4.9%	8.0%	12.4%

In fiscal year 2020, the College elected to establish a sinking fund to generate the necessary funds for future taxable debt retirement. These funds are invested consistently within the General Investment Pool alongside the general endowment but are not endowed funds. The sinking value was \$13.1 million at June 30, 2022.

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

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

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

The College made a strategic decision to reduce the endowment draw for operations by 0.1% per year beginning in fiscal year 2017, resulting in an approved payout rate for operations of 4.3% in fiscal year 2022.

## Gifts and Grants

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

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

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

<b>Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Without Donor Restrictions	\$16,553	\$16,425	\$9,837	\$5,568	\$5,621
With Donor Restrictions	<u>27,098</u>	<u>13,459</u>	<u>22,402</u>	<u>27,647</u>	<u>21,497</u>
Total Gifts Received	\$43,651	\$29,884	\$32,239	\$33,215	\$27,118

## Financial Operations

The following Statements of Financial Position and Statements of Activities show the financial results of operations for the College for the fiscal years 2022, 2021, 2020, 2019 and 2018. This information is derived from the audited financial statements of the College.

Copies of the audited financial statements for fiscal year 2022 are included in this Annual Report. The financial statements are presented on the accrual basis of accounting, focusing on the institution as a whole. These statements also reflect the assets, liabilities and operating activities of the Apollo Theater Project and Gateway Center, with the elimination of intercompany transactions and balances.

**Oberlin College**  
**Statements of Financial Position**  
**For the years ended June 30, 2022, 2021, 2020, 2019 and 2018**  
**(dollars in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 60,687	\$ 56,281	\$ 35,161	\$ 22,974	\$ 16,908
Restricted cash	45,679		-	-	0
Accounts receivable, net	2,082	2,145	5,303	5,006	4,066
Pledges	17,950	2,309	6,636	3,125	4,491
Other current assets	2,023	2,592	2,245	2,162	3,064
<b>Total current assets</b>	<b>\$ 128,421</b>	<b>\$ 63,327</b>	<b>\$ 49,345</b>	<b>\$ 33,267</b>	<b>\$ 28,529</b>
<b>Other Assets</b>					
Pledges, net	\$ 15,094	\$ 9,151	\$ 9,834	\$ 6,702	\$ 17,704
Student loans, net	6,457	7,181	7,953	9,774	11,675
Other long-term receivables	3,530	7,705	9,781	9,781	14,221
Other non-current assets	-	-	4,092	4,268	4,461
<b>Total other assets</b>	<b>\$ 25,081</b>	<b>\$ 24,037</b>	<b>\$ 31,660</b>	<b>\$ 30,525</b>	<b>\$ 48,061</b>
<b>Long-Term Investments</b>					
Assets restricted to investment in land, buildings and equipment	\$ 4,946	\$ 4,941	\$ 4,937	\$ 10,831	\$ 19,293
Endowment funds	1,183,657	1,273,001	937,050	925,043	887,392
Sinking fund	13,148	9,475	5,120	-	-
Annuity and life income funds	38,533	48,561	39,327	41,206	41,200
Funds held in trust by others	18,168	22,459	17,884	18,427	18,555
<b>Total long-term investments</b>	<b>\$ 1,258,452</b>	<b>\$ 1,358,437</b>	<b>\$ 1,004,318</b>	<b>\$ 995,507</b>	<b>\$ 966,440</b>
<b>Property, Plant and Equipment</b>					
Land, buildings and equipment	\$ 817,450	\$ 807,294	\$ 788,124	\$ 772,336	\$ 722,994
Construction in progress	75,817	14,830	3,186	4,656	28,519
Less: accumulated depreciation	(486,272)	(464,373)	(439,133)	(416,078)	(393,437)
<b>Total property, plant and equipment</b>	<b>\$ 406,995</b>	<b>\$ 357,751</b>	<b>\$ 352,177</b>	<b>\$ 360,914</b>	<b>\$ 358,076</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,818,949</b>	<b>\$ 1,803,552</b>	<b>\$ 1,437,500</b>	<b>\$ 1,420,213</b>	<b>\$ 1,401,106</b>

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

**Oberlin College**  
**Statements of Financial Position**  
**For the years ended June 30, 2022, 2021, 2020, 2019 and 2018**  
**(dollars in thousands)**

	2022	2021	2020	2019	2018
<b><u>LIABILITIES and NET ASSETS</u></b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 16,706	\$ 16,573	\$ 9,557	\$ 11,685	\$ 14,807
Bonds and loans payable	767	901	4,238	3,180	3,070
Deposits and agency funds	14,422	10,786	11,705	6,186	5,170
Other current liabilities	40,499	16,072	4,822	8,986	5,844
<b>Total current liabilities</b>	<b>\$ 72,394</b>	<b>\$ 44,332</b>	<b>\$ 30,322</b>	<b>\$ 30,037</b>	<b>\$ 28,891</b>
<b>Other Liabilities</b>					
Accrued postretirement benefit obligation	22,741	18,339	20,667	21,394	20,848
Annuity obligations	13,546	16,216	14,430	14,875	15,141
Federal student loan funds	1,104	2,084	3,155	5,202	5,202
Loans payable	18,801	25,481	29,085	30,013	38,267
Other non-current liabilities	8,735	59,272	63,893	54,022	18,589
Bonds payable, net	260,364	164,502	164,773	172,573	180,883
<b>Total liabilities</b>	<b>\$ 397,685</b>	<b>\$ 330,226</b>	<b>\$ 326,325</b>	<b>\$ 328,116</b>	<b>\$ 307,821</b>
<b>Net Assets</b>					
<b>Without donor restrictions -</b>					
Current operations	\$ (15,823)	\$ (39,036)	\$ (42,551)	\$ (44,811)	\$ (36,006)
Non-operating	(102)	(15,878)	(21,619)	(12,904)	(8,889)
Legal contingency	(36,287)	(31,615)	(31,615)	(31,615)	-
Designated for specific purposes	4,932	11,456	8,642	9,057	8,608
Plant and facility funds	54,377	63,572	62,717	60,425	46,907
Amortized contributions for long-lived assets	73,231	77,016	80,477	83,756	-
Sinking fund	13,148	9,475	5,120	-	63,499
Endowment funds	168,939	185,757	138,094	155,756	155,900
<b>Total without donor restrictions</b>	<b>\$ 262,415</b>	<b>\$ 260,747</b>	<b>\$ 199,265</b>	<b>\$ 219,664</b>	<b>\$ 230,019</b>
<b>With donor restrictions -</b>					
Donor designated for specific purposes	\$ 64,234	\$ 45,306	\$ 43,267	\$ 35,168	\$ 37,009
Annuity and life income funds	20,514	20,887	16,285	17,302	17,461
Student loan funds	6,998	6,563	6,151	5,710	5,954
Unexpended plant and facility funds	22,514	24,898	23,302	23,339	44,418
Funds held in trust by others	18,168	22,459	17,884	18,427	18,555
Endowment funds	1,026,421	1,092,466	805,021	772,487	739,869
<b>Total with donor restrictions</b>	<b>\$ 1,158,849</b>	<b>\$ 1,212,579</b>	<b>\$ 911,910</b>	<b>\$ 872,433</b>	<b>\$ 863,266</b>
<b>Total net assets</b>	<b>\$ 1,421,264</b>	<b>\$ 1,473,326</b>	<b>\$ 1,111,175</b>	<b>\$ 1,092,097</b>	<b>\$ 1,093,285</b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b>\$ 1,818,949</b>	<b>\$ 1,803,552</b>	<b>\$ 1,437,500</b>	<b>\$ 1,420,213</b>	<b>\$ 1,401,106</b>

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

**Oberlin College**  
**Statements of Activities**  
**For the years ended June 30, 2022, 2021, 2020, 2019 and 2018**  
**(dollars in thousands)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>					
Tuition and fees	\$ 192,317	\$ 137,500	\$ 161,894	\$ 156,976	\$ 154,232
Room and board	48,942	30,351	31,117	35,170	33,957
Student aid	<u>(96,917)</u>	<u>(67,085)</u>	<u>(75,766)</u>	<u>(71,224)</u>	<u>(65,981)</u>
Net student income	144,342	100,766	117,245	120,922	122,208
Auxiliary services, other	4,950	1,628	4,590	6,393	6,166
Government grants and contributions	8,103	5,014	2,848	1,975	2,476
Private gifts and grants	21,802	16,438	12,778	11,208	12,145
Investment earnings and gain	39,075	58,670	39,373	38,578	39,338
Other sources	4,599	4,161	6,053	5,087	3,261
Net assets released from restrictions	<u>4,624</u>	<u>4,596</u>	<u>4,829</u>	<u>5,386</u>	<u>4,151</u>
<b>Total operating revenues</b>	<u>\$ 227,495</u>	<u>\$ 191,273</u>	<u>\$ 187,716</u>	<u>\$ 189,549</u>	<u>\$ 189,745</u>
<b>Operating Expenses</b>					
Instruction and research	\$ 83,115	\$ 80,618	\$ 84,615	\$ 87,829	\$ 87,229
Academic support	23,281	26,884	23,763	24,874	24,200
Student services	20,185	18,261	16,064	16,715	15,754
Institutional support	30,346	26,480	23,990	24,842	24,202
Auxiliary services, student and other	<u>33,258</u>	<u>29,861</u>	<u>33,142</u>	<u>33,710</u>	<u>33,265</u>
<b>Total operating expenses before restructuring costs</b>	<u>\$ 190,185</u>	<u>\$ 182,104</u>	<u>\$ 181,574</u>	<u>\$ 187,970</u>	<u>\$ 184,650</u>
Restructuring costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>
<b>Total operating expenses</b>	<u>\$ 190,185</u>	<u>\$ 182,104</u>	<u>\$ 181,574</u>	<u>\$ 187,970</u>	<u>\$ 186,550</u>
<b>Change in net assets from operating activities</b>	<u>\$ 37,310</u>	<u>\$ 9,169</u>	<u>\$ 6,142</u>	<u>\$ 1,579</u>	<u>\$ 3,195</u>
<b>Non-operating Activities</b>					
Investment earnings/(losses)	\$ 72,498	\$ 16,362	\$ 24,729	24,611	\$ 12,423
Unrealized gains/(losses)	(182,734)	333,162	(20,429)	7,744	50,808
Capital and deferred gifts	30,952	3,422	23,286	9,633	8,481
Change in annuity obligations	2,693	(1,809)	445	266	648
Payments to beneficiaries	(1,985)	(1,972)	(2,007)	(1,939)	(1,980)
Post-retirement benefit obligation adjustment	(4,402)	3,769	2,093	(412)	507
Change in fair value of swap contracts	1,596	5,741	(8,715)	(4,015)	3,970
Legal Contingency	1,897	-	-	(31,615)	-
Non-recurring bond defeasance charge	(4,672)	833	104	-	-
Redesignated funds and other	(4,969)	(1,930)	(1,741)	(1,654)	249
Net assets released from restrictions	<u>(4,624)</u>	<u>(4,596)</u>	<u>(4,829)</u>	<u>(5,386)</u>	<u>(4,151)</u>
<b>Change in net assets from non-operating activities</b>	<u>\$ (93,750)</u>	<u>\$ 352,982</u>	<u>\$ 12,936</u>	<u>\$ (2,767)</u>	<u>\$ 70,955</u>
Change in net assets	<u>(56,440)</u>	<u>362,151</u>	<u>19,078</u>	<u>(1,188)</u>	<u>74,150</u>
Net assets at beginning of year	<u>\$ 1,473,326</u>	<u>\$ 1,111,175</u>	<u>\$ 72,962</u>	<u>74,150</u>	<u>\$ 0</u>
<b>Net assets at end of year</b>	<u>\$ 1,416,886</u>	<u>\$ 1,473,326</u>	<u>\$ 1,111,175</u>	<u>\$ 72,962</u>	<u>\$ 74,150</u>

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

## Budgeting Process and Current Budgets

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

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

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

The fiscal year 2022 operating budget assumed the return to a 2-semester model. The operating budget ended with a \$37.3 million surplus, largely reflecting strong enrollment, a reduction in expenses, unrestricted donor support, the benefit of federal funding and the recognition of net revenue carried over from the 3-semester model implemented in Fiscal Year 2021 as a result of the pandemic. An extraordinary withdrawal from the endowment is not anticipated

## Outstanding Debt of the College

The table below includes the current outstanding long-term indebtedness of the College as of December 31, 2022.

	<u>Original Issue</u>	<u>Principal Outstanding</u>	<u>Maturity Date</u>
Series 2013 Bonds	\$52,395,000	\$30,765,000	10/1/2038
Series 2017 Bonds	39,765,000	34,630,000	10/1/2047
Series 2019 Bonds	82,065,000	82,065,000	8/1/2049
Series 2021A Bonds	80,625,000	80,625,000	10/1/2021
Series 2021B Bonds	30,350,000	30,350,000	10/1/2021
Total		<u>\$258,435,000</u>	

During Fiscal Year 2021, the College also had two unsecured lines of credit with banks in the amounts of \$10,000,000 and \$30,000,000 each. There was no outstanding balance under those lines of credit at June 30, 2022.

The following table shows the debt service, as of December 31, 2022, on the bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	-	9,294,579.28	9,294,579.28
2024	-	9,294,579.28	9,294,579.28
2025	-	9,294,579.28	9,294,579.28
2026	1,765,000.00	9,250,454.28	11,015,454.28
2027	1,850,000.00	9,164,829.28	11,014,829.28
2028	1,935,000.00	9,079,904.28	11,014,904.28
2029	2,025,000.00	8,989,716.78	11,014,716.78
2030	1,035,000.00	8,927,429.28	9,962,429.28
2031	5,950,000.00	8,763,154.28	14,713,154.28
2032	6,240,000.00	8,468,248.03	14,708,248.03
2033	6,530,000.00	8,172,241.78	14,702,241.78
2034	6,840,000.00	7,851,391.78	14,691,391.78
2035	1,295,000.00	7,648,016.78	8,943,016.78
2036	1,360,000.00	7,581,641.78	8,941,641.78
2037	1,430,000.00	7,511,891.78	8,941,891.78
2038	4,395,000.00	7,366,266.78	11,761,266.78
2039	4,615,000.00	7,141,016.78	11,756,016.78
2040	1,660,000.00	6,984,141.78	8,644,141.78
2041	1,750,000.00	6,898,891.78	8,648,891.78
2042	1,835,000.00	6,809,266.78	8,644,266.78
2043	1,930,000.00	6,715,141.78	8,645,141.78
2044	2,020,000.00	6,626,491.78	8,646,491.78
2045	2,100,000.00	6,544,091.78	8,644,091.78
2046	2,190,000.00	6,458,291.78	8,648,291.78
2047	2,275,000.00	6,368,991.78	8,643,991.78
2048	2,370,000.00	6,276,091.78	8,646,091.78
2049	-	6,228,691.78	6,228,691.78
2050	82,065,000.00	4,716,644.14	86,781,644.14
2051	-	3,204,596.50	3,204,596.50
2052	110,975,000.00	1,602,298.25	112,577,298.25
	<u>\$ 258,435,000.00</u>	<u>\$ 219,233,573.20</u>	<u>\$ 477,668,573.20</u>

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

## **Debt Related Derivatives**

The College debt portfolio no longer includes derivative instruments.

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

The College also had a synthetic fixed rate swap with a different counterparty relating to the Gateway construction loan. The swap was effective July 1, 2016 and the termination value of this swap at June 30, 2022 was \$(202,000) to the College. The College terminated this swap in December 2022 when the Gateway loan was repaid in full.

## **Debt Outlook and Future Capital Plans**

In July 2021, the College issued \$80.6 million of Series 2021A taxable bonds to finance the first phase of the College's Sustainable Infrastructure Program (SIP). The bonds received certification by the Climate Bonds Initiative. The SIP is a multi-year, campus-wide project focused on replacement and upgrade of the century-old heating infrastructure serving the campus. The work enables a large-scale geothermal system, adding cooling to buildings and the implementation of other building improvements. Also, in July 2021, the College issued \$30.4 million of Series 2021B taxable bonds to refinance a portion of the principal of the Series 2013 and Series 2017 Bonds as well as the termination payment for an interest rate swap.

The College will be seeking to issue bonds in 2023 for the projects described below as well as refinance of the existing 2013 bond series. The Board of Trustees approved the proposed debt issuance and refinancing at their meeting held March 3, 2023.

Approximately \$55,000,000 will be used to fund the construction of new student housing. The new dormitory housing will provide a minimum of 370 new beds and will include meeting and other student centric spaces. The project will be funded through fees approved by the Board in November 2022 and the recapture of approximately 285 current students that live in off-campus housing due to capacity.

Approximately \$65,000,000 will be used to fund the next phases of the SIP. Phases I and II were funded with the series 2021 bonds described above. Phases III and IV are beginning in FY2023 using the remainder of the 2021 bonds and proposed 2023 bonds.

The College will also seek to refinance the Series 2013 bonds for savings. The final maturity will be retained. The College customarily evaluates market opportunities for refinancing existing debt to capture savings or to minimize certain risks associated with the overall debt portfolio.

## **Certain Litigation**

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

On November 7, 2017, Gibson Bros., Inc., David Gibson, and Allyn W. Gibson (the "Plaintiffs") filed an eight-count complaint in the Lorain County (Ohio) Court of Common Pleas against the College and the Vice



President and its Dean of Students (together, the “College”). The matter is captioned Gibson Bros., Inc., et al. v. Oberlin College, et al., No. 17CV193761 (Lorain Cty. C.P.).

On September 9, 2022, Oberlin paid the Plaintiffs \$36.595 million, which constituted the full amount of the judgement plus interest. Oberlin subsequently filed a Satisfaction of Judgement with the trial court.

The College has overlapping umbrella and excess insurance policies. Insurance coverage will be determined now that the matter has been resolved. As required by financial accounting standards, the College has recorded a liability of \$36.287 million at June 30, 2022 which is included in other non-current liabilities on the consolidated statements of financial position.

**Audited Financial Statements for Fiscal Year Ending June 30, 2022**

[\(Attached\)](#)