BENNINGTON COLLEGE AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024 and 2023

BENNINGTON COLLEGE AND SUBSIDIARY
Bennington, Vermont

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CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bennington College and Subsidiary
Bennington, Vermont

Opinion

We have audited the consolidated financial statements of Bennington College and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Bennington College and Subsidiary's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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.

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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 Bennington College and Subsidiary'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 Bennington College and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and the consolidating schedule of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and changes in net assets, and cash flows of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Crowe LLP

Crowe LLP

New York, New York
December 19, 2024

BENNINGTON COLLEGE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 3,535,722	$ 3,676,679
Restricted deposits	1,307,305	1,268,023
Accounts and grants receivable, net of allowances of $949,023 and $993,328, respectively	2,874,774	652,806
Pledges receivable, net (Note 3)	13,872,088	16,608,288
Beneficial interest in split-interest agreements (Note 4 and 5)	2,434,758	2,238,481
Other assets	3,045,228	3,229,016
Investments (Note 5)	49,366,006	45,566,066
Right-of-use assets (Note 11)	2,475,445	2,899,410
Plant assets, net (Note 7)	72,634,023	75,168,310
Total assets	$ 151,545,349	$ 151,307,079
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses (Notes 7 and 12)	$ 5,534,232	$ 3,395,748
Deferred income	2,106,931	2,547,181
Advance payments (Note 13)	1,399,224	1,751,204
Operating lease liabilities (Note 11)	2,483,532	2,902,391
Bond and note payable (Note 8)	49,496,646	50,457,927
Total liabilities	61,020,565	61,054,451
Net assets		
Without donor restrictions	20,247,813	27,543,371
With donor restrictions	70,276,971	62,709,257
Total net assets	90,524,784	90,252,628
Total liabilities and net assets	$ 151,545,349	$ 151,307,079

See accompanying notes to financial statements.

BENNINGTON COLLEGE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2024 (with comparative totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Operating				
Revenues, gains and other support:				
Net tuition and other fees	$ 24,439,606	$ -	$ 24,439,606	$ 23,920,431
Federal grants	2,271,711	230,495	2,502,206	469,441
Private gifts and grants	7,590,718	11,693,456	19,284,174	16,123,224
Sale of asset	-	-	-	2,400,000
Investment return designated for operations (Note 5)	1,710,016	-	1,710,016	1,576,000
Auxiliary enterprises	1,723,870	-	1,723,870	1,702,284
Other income	942,352	21,231	963,583	1,342,789
Net assets release from restrictions used in operations (Note 10)	7,253,842	(7,253,842)	-	-
Total operating, revenues, gains and other support	45,932,115	4,691,340	50,623,455	47,534,169
Expenses:				
Instruction	21,192,529	-	21,192,529	20,419,233
Academic support	5,702,621	-	5,702,621	5,512,498
Student services	9,518,643	-	9,518,643	9,665,497
Food service and other auxiliary enterprise expense	5,506,625	-	5,506,625	4,450,472
Management and general	10,256,678	-	10,256,678	9,419,560
Fundraising	1,590,302	-	1,590,302	1,540,134
Total operating expenses	53,767,398	-	53,767,398	51,007,394
Change in net assets from operations	(7,835,283)	4,691,340	(3,143,943)	(3,473,225)
Nonoperating activities				
Investment return in excess of amounts designated for current operations (Note 5)	539,725	2,680,097	3,219,822	1,687,619
Split interest agreements (Note 4)	-	196,277	196,277	130,210
Total nonoperating activities	539,725	2,876,374	3,416,099	1,817,829
Change in net assets	(7,295,558)	7,567,714	272,156	(1,655,396)
Net assets at beginning of year	27,543,371	62,709,257	90,252,628	91,908,024
Net assets at end of year	$ 20,247,813	$ 70,276,971	$ 90,524,784	$ 90,252,628

See accompanying notes to financial statements.

BENNINGTON COLLEGE AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Total
Operating			
Revenues, gains and other support:			
Net tuition and other fees	$ 23,920,431	$ -	$ 23,920,431
Federal grants	197,357	272,084	469,441
Private gifts and grants	9,094,901	7,028,323	16,123,224
Sale of asset	2,400,000	-	2,400,000
Investment return designated for operations (Note 5)	1,576,000	-	1,576,000
Auxiliary enterprises	1,702,284	-	1,702,284
Other income	974,795	367,994	1,342,789
Net assets release from restrictions used in operations (Note 10)	17,777,734	(17,777,734)	-
Total operating, revenues, gains and other support	57,643,502	(10,109,333)	47,534,169
Expenses:			
Instruction	20,419,233	-	20,419,233
Academic support	5,512,498	-	5,512,498
Student services	9,665,497	-	9,665,497
Food service and other auxiliary enterprise expense	4,450,472	-	4,450,472
Management and general	9,419,560	-	9,419,560
Fundraising	1,540,134	-	1,540,134
Total operating expenses	51,007,394	-	51,007,394
Change in net assets from operations	6,636,108	(10,109,333)	(3,473,225)
Nonoperating activities			
Investment return in excess (less than) of amounts designated for current operations (Note 5)	183,266	1,504,353	1,687,619
Split interest agreements (Note 4)	-	130,210	130,210
Total nonoperating activities	183,266	1,634,563	1,817,829
Change in net assets	6,819,374	(8,474,770)	(1,655,396)
Net assets at beginning of year	20,723,997	71,184,027	91,908,024
Net assets at end of year	$ 27,543,371	$ 62,709,257	$ 90,252,628

See accompanying notes to financial statements.

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 272,156	$ (1,655,396)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	3,825,413	4,036,866
Accretion	58,032	56,446
Contributions restricted for endowment	(7,301,620)	(3,092,594)
Change in value of beneficial interest in split-interest agreements	(196,277)	(130,210)
Net realized and unrealized gain on investments	(3,668,221)	(2,185,688)
Noncash lease expense	226,551	-
Change in assets and liabilities		
Accounts and grants receivable	(2,221,967)	366,114
Pledges receivable	2,736,200	12,790,630
Other assets	183,790	(32,659)
Lease liabilities	(221,445)	2,981
Accounts payable and accrued expenses	2,138,484	(1,092,469)
Deferred income	(440,250)	(308,822)
Advance payments	(351,980)	(351,980)
Net cash from operating activities	(4,961,134)	8,403,219
Cash flows from investing activities		
Purchase of plant assets	(1,336,710)	(611,120)
Purchase of investments	(25,247,561)	(23,862,701)
Proceeds from sales of investments	25,135,192	15,435,473
Net cash from investing activities	(1,449,079)	(9,038,348)
Cash flows from financing activities		
Payments on long-term debt	(993,082)	(967,231)
Contributions restricted for endowment	7,301,620	3,092,594
Net cash from financing activities	6,308,538	2,125,363
Net (decrease) increase in cash and cash equivalents and restricted cash	(101,675)	1,490,234
Cash and cash equivalents and restricted cash at beginning of year	4,944,702	3,454,468
Cash and cash equivalents and restricted cash at end of year	$ 4,843,027	$ 4,944,702

(Continued)

		2024		2023
Reconciliation of cash and cash equivalents to amounts presented on the Statements of Financial Position				
Cash and cash equivalents	$	3,535,722	$	3,676,679
Restricted deposits		1,307,305		1,268,023
Total cash and cash equivalents	$	4,843,027	$	4,944,702
Supplemental cash flow information				
Cash paid for interest	$	1,307,005	$	1,359,054

See accompanying notes to consolidated financial statements.

NOTE 1 – THE ORGANIZATION

Bennington College (the College) is a liberal arts educational institution located in Bennington, Vermont. B.C. Campus Holdings, LLC, a special purpose Limited Liability Company, of which Bennington College is the sole member, was created to facilitate the financing obtained through the United States Department of Agriculture Community Facilities loan program. This wholly-owned subsidiary is consolidated in the financial statements of the College, and consolidating schedules are presented in the supplementary information section.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the College are described below to enhance the usefulness of the consolidated financial statements to the reader.

Basis of Presentation: The accompanying consolidated financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the College as a whole in accordance with generally accepted accounting principles in the United States of America (GAAP) for not-for-profit institutions. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets With Donor Restrictions: Represents net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the investment return, if any, on related investments for general or specific purposes. This category also represents net assets subject to donor-imposed stipulations that may or will be met by actions of the College and/or the passage of time. This classification also includes accumulated unspent gains on donor-restricted endowment funds.

Net Assets Without Donor Restrictions: Represents net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of restrictions on net assets with donor restrictions, that is, the donor-imposed stipulated purpose has been accomplished and or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

Principles of Consolidation: The consolidated financial statements include the accounts of the College and Subsidiary. All material intercompany accounts and transactions are eliminated in consolidation.

Operations: The consolidated statements of activities report the changes in net assets from operating and nonoperating activities. Nonoperating activity reflects the appreciation (depreciation) on long-term investments, net of investment management fees, in excess of the amount appropriated under the Board of Trustees' approved spending formula. In addition, nonoperating activities include changes in the present value of split-interest agreements and certain other activities. All other activity is classified as operating activity.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition:

Tuition, Fees, and Auxiliary Services

Tuition and other fees are derived from academic services rendered by the College. The College recognizes revenue for academic services over the applicable academic term. Scholarships provided to students by the College are reflected as a reduction of gross tuition and other fees. These are given to students in the course of providing educational services and the College decides the amounts, as well as the individual recipients. Scholarships are reported as a reduction to tuition and other fees revenue, as the College does not receive any goods or services in exchange for the discount. For the years ended June 30, 2024 and 2023, tuition and other fees revenue was reduced by $36,371,293 and $32,836,016, respectively, due to scholarships the College provided to students. Tuition and other fees received in advance of services are reported as deferred income in the consolidated statements of financial position.

Sales and services of auxiliary enterprises include events and camps. Fees related to events and camps received in advance of services are reported as deferred income in the consolidated statements of financial position. The College typically recognizes revenue from sales and services of auxiliary enterprises at the point in time sales occur or as services are rendered.

The following table presents revenues disaggregated by the nature of transfer of services for the year ended June 30, 2024:

Tuition	$ 47,959,469
Residence and dining	12,851,430
Less: financial aid	(36,371,293)
Net tuition revenue	24,439,606
Auxiliary enterprises	1,723,870
Total revenues from contracts with customers	$ 26,163,476

The following table presents revenues disaggregated by the nature of transfer of services for the year ended June 30, 2023:

Tuition	$ 44,964,244
Residence and dining	11,792,203
Less: financial aid	(32,836,016)
Net tuition revenue	23,920,431
Auxiliary enterprises	1,702,284
Total revenues from contracts with customers	$ 25,622,715

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The College's contract liabilities are presented as deferred income and advance payments in the consolidated statements of financial position. Deferred income in any period represents the excess of tuition, fees and other student payments received over amounts recognized as revenue on the consolidated statements of activities. Advance payments represent the amount still owed to Aramark for dining services. The College's education programs have starting and ending dates that differ from its fiscal year end. Therefore, at the end of the fiscal year end, a portion of revenue from these programs is not yet earned. The College does not present information about outstanding performance obligations as of year end because its contracts with students all had original terms of less than one year.

A summary of changes in contract liabilities is as follows:

2024

	June 30, 2023	Revenue Recognized	Additions	June 30, 2024
Deferred income	$ 2,547,181	$ (4,916,397)	$ 4,476,148	$ 2,106,931
Advance payments	1,751,204	(351,980)	-	1,399,224

2023

	June 30, 2022	Revenue Recognized	Additions	June 30, 2023
Deferred income	$ 2,856,003	$ (5,148,841)	$ 4,840,019	$ 2,547,181
Advance payments	2,103,184	(351,980)	-	1,751,204

The College maintains an institutional tuition refund policy, which provides for all or a portion of tuition and fees to be refunded if a student withdraws during the stated refund period. The College does not record revenue on amounts that are expected to be refunded. Refunds are estimated based on historical experience.

The College's receivables represented unconditional rights to consideration from its contracts with students; accordingly, students were not billed until they started attending a course and the revenue recognition process had commenced. Once a student had been invoiced, payment was due immediately.

Accounting for Contributions: Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are initially reported as support with donor restrictions, then are included as net assets released from restrictions.

Unconditional promises to give that are scheduled to be received after the consolidated statement of financial position date are shown as increases in net assets with donor restrictions and are reclassified to the net assets without donor restrictions when the purpose or time restrictions are met. Unconditional promises to give subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions is provided for based on historical collection experience.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The College reports contributions of land, buildings, or equipment as support without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long-term assets are reported as support with donor restrictions until the assets are acquired and placed in service.

Contributions of investments in securities and plant, properties, and equipment are recorded at fair value at date of gift.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the College considers investments purchased with a maturity of three months or less to be cash equivalents. The College's cash and cash equivalents at times may exceed federally insured limits.

Restricted Deposits: On June 30, 2024 and 2023, the amount reported relates to funds reserved as part of the College's participation in a self-insured health insurance consortium.

Accounting for Investments: Investments are reported at fair value. If an investment is held directly by the College and an active market where quoted prices exist, the College reports the fair value as the market price of an identical security. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year. Realized and unrealized gains and losses are recognized in the accompanying consolidated statements of activities. Investment return, including realized and unrealized gains and losses, are included as a component of the change in net assets consistent with the purpose of the investment and donor-imposed restrictions.

Plant Assets: Plant assets are stated at historical cost less accumulated depreciation. Buildings and equipment are depreciated over their estimated useful lives using the straight-line method.

The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred. When the liability is initially recorded, the College capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of operations.

Deferred Income: Student advance payments for tuition, room, and board related to future terms have been deferred and will be reported as revenue without donor restrictions in the year in which the related academic services are provided.

Advance Payments: During 2015 the College entered into a dining services contract with a third party for them to manage dining portion of the food service fees the College receives from students subject to the terms of the contract. As part of the contract the College received payment for dining hall improvements that had previously been incurred with an agreement that the College reimburse the third party for any unamortized portion on a straight-line basis at the prime interest rate for early cancellation of the contract through 2028. As of June 30, 2024 and 2023, the amount that date was $1,399,224 and $1,751,204, respectively.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: The College generally does not provide for income taxes since it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

ASC 740, *Income Taxes*, permits an entity to recognize the benefit and requires accrual of an uncertain tax position only when the position is “more likely than not” to be sustained in the event of examination by tax authorities. In evaluating whether a tax position has met the recognition threshold, the College must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. ASC 740 also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. Tax positions deemed to meet the “more-likely than-not” threshold are recorded as a tax expense in the current year.

The College has analyzed all open tax years, as defined by the statutes of limitations, for all major jurisdictions. Open tax years are generally open for exam by taxing authorities three years after filling which for the College are 2020, 2021, and 2022. Major taxing authorities for the College include the Federal government and the state of Vermont. The College has no examinations in progress. The College believes it has no significant uncertain tax positions.

Related Party Transactions: The College periodically engaged in transactions with related parties. Related party transactions are monitored by the Board of Trustees and management under the College’s conflict of interest policy. Receivables from the Board of Trustees and management were $10,370,973 and $14,238,994 as of June 30, 2024 and 2023, respectively.

Fair Value Measurements: Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The carrying amounts for cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities approximate their fair values because of their short-term maturities.

The College’s recurring fair value measurements are performed on its investments. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. The fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value. It is categorized into three levels:

- *Level 1* – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- *Level 2* – observable prices that are based on inputs not quoted in active markets, but corroborated by market data, and also those investments reported at net asset value that are redeemable at or near the consolidated statement of financial position date; and
- *Level 3* – unobservable inputs are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as consider counterparty credit risk in the College’s assessment of fair value.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following is a description of the valuation methodologies and inputs used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended June 30, 2024 and 2023, respectively.

Money Market Mutual Funds: Where quoted market prices are available in an active market, money market mutual funds are classified within Level 1 of the valuation hierarchy.

Equity Securities: Where the fair value of equity holdings that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs).

Bond Funds: Where the fair values of cash and cash equivalents and mutual funds are readily marketable and are determined by obtaining quoted prices on a nationally recognized securities exchange (Level 1 inputs).

Mutual Funds: Where quoted market prices are available in an active market, publicly traded equity, international equity and bond mutual funds are classified within Level 1 of the valuation hierarchy.

Absolute Return Funds: This asset class pursues multiple strategies to diversify risks and reduce volatility. All absolute return funds in the portfolio are mutual funds that have daily liquidity and can be sold on the open market.

Alternative assets consist of a real estate investment trust (REIT). The REIT provides income to the College through ownership interests in leases on commercial properties. The College intends to hold these assets to maturity. When the underlying leases expire, the College will no longer receive payments from the Trusts. The fair value of the REIT is based on discounted cash flows (Level 3 inputs).

Use of Estimates in Financial Statement Preparation: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates included in these consolidated financial statements include the valuation of accounts and pledges receivable, the valuation of investments and split interest agreements, and the valuation of interest rate swaps.

Expense Classification: Functional expenses have been classified as program services (instruction, academic support, student services, and food service and other auxiliary services), management and general, and fundraising according to actual direct expenditures and cost allocations based upon estimates of time spent by College personnel. Plant expenses are allocated to each function based upon square footage of occupancy.

Leases: At the inception of an arrangement, the College determines if an arrangement is a lease based on all relevant facts and circumstances. Leases are classified as operating or financing leases at the lease commencement date. Operating leases are included in operating right-of-use (ROU) assets and operating lease liabilities in the consolidated statements of financial position. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the consolidated statements of financial position.

(Continued)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ROU assets represent the College's right to use an underlying asset for the lease term and lease liabilities represent the College's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

Adoption of Recent Accounting Pronouncements: On July 1, 2023, the College adopted Accounting Standards Update ("ASU") 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (Accounting Standard Codification 326) using the modified retrospective approach. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of financial assets using historical experience, current conditions, and reasonable supportable forecasts. The new standard did not have a significant impact on the College's financial statements.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments or disclosures within the financial statements for the year ended June 30, 2024. Management has performed their analysis through December 19, 2024, the date the financial statements were available to be issued.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivables consist of the following at June 30 2024 and 2023:

	2024	2023
Unconditional promises expected to be collected in:		
Less than one year	$ 5,000,000	$ 3,120,000
One year to five years	9,085,000	13,710,000
Thereafter	12,346,278	12,396,277
Subtotal	26,431,278	29,226,277
Less: allowance for uncollectible pledges losses	(10,798,500)	(10,578,000)
Discounts for present value	(1,760,690)	(2,039,989)
	$ 13,872,088	$ 16,608,288

Amounts to be received in future years have been discounted using rates ranging from 1% to 5%. During fiscal year ended June 30, 2014 the College became aware that a foundation donor that had a large pledge outstanding would not be able to fulfill the pledge within the original timeline. Although the donor is still committed to fulfilling the pledge, a timetable for the collection of the remaining amounts due could not be established. At June 30, 2024 and 2023, an allowance of $10,000,000 exists related to the entire remaining pledge balance from this donor.

(Continued)

NOTE 4 – BENEFICIAL INTEREST IN SPLIT-INTEREST AGREEMENTS

The College's split-interest agreements with donors consists of perpetual trusts with a value at June 30, 2024 and 2023 of $2,434,758 and $2,238,481, respectively. The funds held in trust consist of resources neither in the possession nor under the control of the College and administered by outside trustees, with the College deriving income from the assets of such funds. The asset value recorded represents the College's portion of the market value of the underlying investments.

NOTE 5 – INVESTMENTS AND FAIR VALUE

The following presents the College's assets by fair value hierarchy and type at June 30, 2024 and 2023:

	Fair Value at June 30, 2024					
	Level 1	Level 2	Level 3	Total	Redemption or liquidation	Days' Notice
Investments:						
Cash	$ 7,925,187	$ -	$ -	$ 7,925,187	Daily	1
Preferred equity	-	-	48,235	48,235	Illiquid	N/A
U.S. gov't agency backed securities	- 1,476,206	-	-	1,476,206	Daily	1
Domestic corporate bonds	7,859,566	-	-	7,859,566	Daily	1
Foreign corporate bonds	893,324	-	-	893,324	Daily	1
U.S. large cap equity funds	12,480,761	-	-	12,480,761	Daily	1
U.S. small cap equity funds	4,165,349	-	-	4,165,349	Daily	1
International equity funds	8,325,531	-	-	8,325,531	Daily	1
Commodity mutual funds	1,239,226	-	-	1,239,226	Daily	1
Absolute return mutual funds	1,986,406	-	-	1,986,406	Daily	1
Real estate securities	1,619,494	-	-	1,619,494	Daily	1
Real estate investment trust	-	-	1,346,721	1,346,721	Illiquid	N/A
Total	$ 47,971,050	$ -	$ 1,394,956	$ 49,366,006		
Other assets:						
Split Interest agreements	$ -	$ -	$ 2,434,758	$ 2,434,758		

(Continued)

NOTE 5 – INVESTMENTS AND FAIR VALUE (Continued)

	Fair Value at June 30, 2023					
	Level 1	Level 2	Level 3	Total	Redemption or liquidation	Days' Notice
Investments:						
Cash	$ 8,026,742	$ -	$ -	$ 8,026,742	Daily	1
Preferred equity	-	-	48,235	48,235	Illiquid	N/A
U.S. gov't agency backed securities	- 1,403,981	-	-	1,403,981	Daily	1
Domestic corporate bonds	7,058,754	-	-	7,058,754	Daily	1
Foreign corporate bonds	941,978	-	-	941,978	Daily	1
U.S. large cap equity funds	11,510,056	-	-	11,510,056	Daily	1
U.S. small cap equity funds	3,535,919	-	-	3,535,919	Daily	1
International equity funds	7,439,479	-	-	7,439,479	Daily	1
Commodity mutual funds	679,744	-	-	679,744	Daily	1
Absolute return mutual funds	1,767,415	-	-	1,767,415	Daily	1
Real estate securities	1,689,088	-	-	1,689,088	Daily	1
Real estate investment trust	-	-	1,464,675	1,464,675	Illiquid	N/A
Total	$ 44,053,156	$ -	$ 1,512,910	$ 45,566,066		
Other assets:						
Split Interest agreements	$ -	$ -	$ 2,238,481	$ 2,238,481		

The table below sets forth a summary of the changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2024:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Balance at Beginning of Year	Realized Unrealized Gains, Net	Additions	Distributions	Balance at End of Year
Real estate investment trust	$ 1,464,675	$ 62,883	$ -	$ (180,838)	$ 1,346,721
Preferred equity	48,235	-	-	-	48,235
	$ 1,512,910	$ 62,883	$ -	$ (180,838)	$ 1,394,956

(Continued)

NOTE 5 – INVESTMENTS AND FAIR VALUE (Continued)

The table below sets forth a summary of the changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2023:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Balance at Beginning of Year	Realized Unrealized Gains, Net	Additions	Distributions	Balance at End of Year
Real estate investment trust	$ 1,663,437	$ -	$ -	$ (198,762)	$ 1,464,675
Preferred equity	48,235	-	-	-	48,235
	$ 1,711,672	$ -	$ -	$ (198,762)	$ 1,512,910

The change in the value of the beneficial interest in split interest agreements is from the following activity for the years ended June 30, 2024 and 2023.

	2024	2023
Beginning balance	$ 2,238,481	$ 2,108,271
Net unrealized gain	196,277	130,210
Ending balance	$ 2,434,758	$ 2,238,481

Investment income for the year ended June 30, 2024 and 2023 consists of the following components:

	2024	2023
Unrealized gains	$ 2,683,074	$ 4,980,441
Dividends and interest	1,368,260	1,191,802
Realized gains (losses)	985,147	(2,794,753)
Other financial income	62,108	36,167
Investment fees	(168,751)	(150,038)
Total investment return	4,929,838	3,263,619
Amount appropriated for operations	(1,710,016)	(1,576,000)
Nonoperating investment return	$ 3,219,822	$ 1,687,619

(Continued)

NOTE 6 – ENDOWMENT FUNDS

The College's endowment consists of approximately 85 individual donor restricted funds established for a variety of purposes. The College uses the total return concept, and its spending policy is 5% of the fair value of the endowment at the end of each fiscal year. It is designated to stabilize annual spending levels and to preserve the purchasing power of the endowment assets.

The Board of Trustees of the College has interpreted the Vermont enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. As a result of this interpretation, the College has not changed the way net assets with donor restrictions are classified. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate endowment funds:

i. the duration and preservation of the fund;
ii. the purposes of the College and the endowment fund;
iii. general economic conditions;
iv. the possible effect of inflation and deflation;
v. the expected total return from income and the appreciation of investments;
vi. other resources of the College; and
vii. the investment policies of the College.

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

While split-interest agreements such as beneficial interests in perpetual trusts are not legally subject to UPMIFA, the College has included them below as they consider them to be part of the College's endowment. The College also has pledges receivable restricted for the endowment which total $7,015,819 and $13,276,915 at June 30, 2024 and 2023, respectively. Pledges receivable are not legally subject to UMPIFA until the cash is received. Endowment net assets, including split interest agreements, consisted of the following at June 30, 2024 and 2023:

(Continued)

NOTE 6 – ENDOWMENT FUNDS (Continued)

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds			
Historical gift value	$ -	$ 41,993,089	$ 41,993,089
Accumulated gains	-	4,502,038	4,502,038
Beneficial interest in perpetual trusts	-	2,434,758	2,434,758
Total	$ -	$ 48,929,885	$ 48,929,885

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds			
Historical gift value	$ -	$ 36,688,946	$ 36,688,946
Accumulated gains	-	1,821,941	1,821,941
Beneficial interest in perpetual trusts	-	2,238,481	2,238,481
Total	$ -	$ 40,749,368	$ 40,749,368

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. Deficiencies of this nature that are in excess of related donor-restricted amounts are reported in net assets with donor-restrictions. At June 30, 2024 and 2023, the College had no underwater endowment funds.

NOTE 6 – ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the fiscal years ended June 30, 2024 and 2023 is as follows:

	June 30, 2024		
	Without Donor Restrictions	Wth Donor Restrictions	Total
Beginning balance	$ -	$ 40,749,368	$ 40,749,368
Change in fair value of perpetual trusts	-	196,277	196,277
Contributions received	-	7,301,620	7,301,620
Net asset reclassifications		(2,000,000)	(2,000,000)
Investment return	-	4,392,636	4,392,636
Spending policy distribution	-	(1,710,016)	(1,710,016)
Ending balance	$ -	$ 48,929,885	$ 48,929,885

	June 30, 2023		
	Without Donor Restrictions	Wth Donor Restrictions	Total
Beginning balance	$ -	$ 36,022,212	$ 36,022,212
Change in fair value of perpetual trusts	-	130,210	130,210
Contributions received	-	3,092,594	3,092,594
Investment return	-	3,080,352	3,080,352
Spending policy distribution	-	(1,576,000)	(1,576,000)
Ending balance	$ -	$ 40,749,368	$ 40,749,368

(Continued)

NOTE 7 – PLANT ASSETS

Plant assets consist of the following at June 30, 2024 and 2023:

	Estimated Useful Life	2024	2023
Land		$ 1,864,070	$ 1,864,070
Buildings	15 - 50 years	122,123,826	121,931,866
Improvements other than building	25 years	647,298	659,300
Equipment	3 - 7 years	8,381,145	7,708,219
Computer/Software	5 - 15 years	4,348,729	4,072,449
Construction in progress		654,482	161,754
		138,019,550	136,397,658
Less accumulated depreciation		(65,385,527)	(61,229,348)
		$ 72,634,023	$ 75,168,310

Depreciation and amortization expense was $3,825,413 and $4,036,866 for the years ended June 30, 2024 and 2023, respectively. Depreciation expense has been allocated to the various functional expense categories based upon the use of the related assets.

The following table presents the activity for the conditional asset retirement obligations for the years ended June 30, 2024 and 2023, which is included within accounts payable and accrued expenses in the consolidated financial statements:

	2024	2023
Balance at beginning of year	$ 1,937,971	$ 1,881,525
Accretion expense	58,032	56,446
Balance at end of year	$ 1,996,003	$ 1,937,971

(Continued)

NOTE 8 – BOND AND NOTE PAYABLE

Outstanding debt consists of the following at June 30, 2024 and 2023:

	2024	2023
United States Department of Agriculture Rural Development Note, face amount $47,575,000 issued in 2020, interest rate is fixed at 2.375%, matures in May 2057	$ 45,945,238	$ 46,841,771
TD Bank loan, face amount of $5,000,000 issued 2017, interest is fixed at 5.07%, matures in 2047; 90% guaranteed by USDA Rural Development	4,434,950	4,531,499
Less debt issuance costs, net of amortization	(883,542)	(915,343)
	$ 49,496,646	$ 50,457,927

The scheduled principal payments on the College's debt as of June 30, 2024 for the succeeding five years and thereafter are as follows:

	TD Loans	USDA Loans	Total
Year ending June 30:			
2025	$ 101,635	$ 918,059	$ 1,019,694
2026	106,988	940,102	1,047,090
2027	112,622	962,675	1,075,297
2028	118,555	985,788	1,104,343
2029	124,799	1,009,457	1,134,256
Thereafter	3,870,351	41,129,157	44,999,508
	$ 4,434,950	$ 45,945,238	$ 50,380,188

(Continued)

NOTE 8 – BOND AND NOTE PAYABLE (Continued)

The United States Department of Agriculture Rural Development financing consists of a $5.0 million USDA guaranteed loan, obtained through TD Bank, and a $47.575 million direct loan. In May 2020, the College closed on the USDA note in the amount of $47.575 million which repaid the outstanding Revenue Anticipation Note insured by VEDA. The USDA note originally had a 35-year term with interest and principal payments beginning in June 2020. In September 2020, the USDA agreed to defer principal and interest payments through September 2021 to provide relief to the College under the USDA's national COVID relief programs. In September 2021, the USDA agreed to extend the note's maturity to May 2057, maintaining overall debt service in an amount consistent with pre-pandemic levels.

The College has determined that the estimated fair value of its total indebtedness was equivalent to its net carrying value as of June 30, 2024 and 2023. The College further determined that the differences between the carrying value and estimated fair values of its other financial assets and liabilities at June 30, 2024 were not significant.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or time periods at June 30, 2024 and 2023:

	2024	2023
Subject to expenditures for specified purpose:		
Contributions received for capital projects	$ 246,354	$ 319,712
Contributions received for maintenance	7,228,643	5,031,889
Cumulative unspent returns from donor-restricted endowment funds	4,502,038	1,821,941
Pledges for future periods, net of allowance	6,856,269	3,331,373
	18,833,304	10,504,915
Donor restricted endowment funds held in perpetuity		
Instruction	13,289,350	13,616,080
Academic support	726,723	726,723
Scholarships and fellowships	15,790,908	16,530,739
Maintenance of plant	1,612,725	1,602,601
Any activity of the College	13,008,142	6,451,284
Pledges for future periods	7,015,819	13,276,915
	51,443,667	52,204,342
	$ 70,276,971	$ 62,709,257

The College has net internal borrowings of $2.00 million at June 30, 2024 and 2023 of net assets with donor restrictions to fund activities without donor restrictions. No restricted assets were used for such purposes subsequent to fiscal year 1997. The College intends to continue repaying the borrowed amounts in future periods.

(Continued)

NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS

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

	2024	2023
Purpose restrictions accomplished:		
Instruction	$ 2,594,531	$ 1,978,693
Academic support	1,187,132	284,313
Student services	50,500	48,470
Management and general	3,600	1,184
Any activity of the College	2,035,254	10,406,615
Capital projects	333,400	4,492,154
Scholarships and fellowships	1,049,425	566,305
Total net assets released from restrictions	$ 7,253,842	$ 17,777,734

NOTE 11 – OPERATING LEASES

The College has entered into lease agreements for office space, apartments, and student housing with terms through January of 2031. The weighted average discount rates at June 30, 2024 and 2023 were 2.93% and 2.77%, respectively. The weighted average remaining lease term at June 30, 2024 and 2023 is 4.4 and 5.4 years, respectively.

As of June 30, 2024, and 2023, the aggregate carrying amount of the College's current lease liabilities are $758,228 and $613,204 and long-term lease liabilities are $1,725,304 and $2,289,187, respectively. The aggregate carrying amount of the right-of-use assets as of June 30, 2024 and 2023 are $2,475,445 and $2,899,410, respectively.

Fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. ROU assets are periodically evaluated for impairment. The components of lease cost were as follows for the year ended June 30, 2024:

	2024	2023
Operating lease cost	$ 724,540	$ 643,335
Variable lease cost	68,552	198,797
Total lease cost	$ 793,092	$ 842,132

Cash paid for operating leases was $716,433 and $640,354 for the year ending June 30, 2024 and 2023, respectively. During the year 2024, the College obtained ROU assets valued at $226,551 in exchange for new operating lease liabilities.

(Continued)

NOTE 11 – OPERATING LEASES (Continued)

Aggregate future maturities of lease liabilities were as follows:

Year ending June 30,	
2025	$ 818,648
2026	701,303
2027	400,728
2028	208,353
2029	198,228
Thereafter	313,861
Total lease payments	2,641,121
Less: Imputed interest	(157,589)
Present value of lease liabilities	2,483,532
Less: Current lease liabilities	(758,228)
Long-term lease liabilities	$ 1,725,304

NOTE 12 – RETIREMENT PLANS

Faculty and administrative staff of the College are participants in the defined contribution retirement plan administered by TIAA. The amount contributed to the plan by the College is based upon a percentage of salary as defined in the plan. Pension cost for this plan amounted to $1,373,206 in fiscal year 2024 and $1,245,543 in fiscal year 2023.

The unionized staff of the College are participants in a defined benefit plan. The College's funding policy is to contribute annually an amount equal to or greater than the amount necessary to satisfy the minimum funding standards under ERISA, using a different actuarial cost method and different assumptions from those used for financial reporting. Plan benefits are calculated based on a fixed amount multiplied by years of credited service.

The College has a Deposit Administration Contract with Prudential Financial (formerly CIGNA Retirement & Investment Services) which establishes a guaranteed annuity contract for each union employee at the time of retirement. Once a contract is estimated, Prudential guarantees the future payment of the retiree's pension benefit, and the College has no ongoing liability for any postretirement payments.

The most recent actuarial valuation with participant information as of July 1, 2023 was used to determine the appropriate contribution for the plan year ended June 30, 2024. The plan has been frozen to new participants and the accrual of additional benefits due to continuing service for existing participants.

(Continued)

NOTE 12 – RETIREMENT PLANS (Continued)

Information with respect to the plan is as follows:

	2024	2023
Change in benefit obligations		
Benefit obligation at beginning of year	$ 713,694	$ 838,468
Interest cost	33,500	31,756
Actuarial loss	(6,393)	(156,530)
Benefit obligation at end of year	740,801	713,694
Change in plan asset		
Fair value of plan assets at beginning of year	645,640	651,128
Actual return on plan assets	13,864	(80,488)
Employer contribution	45,000	75,000
	704,504	645,640
	$ (36,297)	$ (68,054)

The liability related to the funded status and accrued postretirement benefit obligation is included in accounts payable and accrued expenses in the consolidated statements of financial position.

Net periodic post-retirement benefit cost reported as expense in the consolidated statement of activities includes the following components:

	2024	2023
Interest cost	$ 33,500	$ 31,756
Expected return on plan assets	(6,355)	(6,202)
Recognized net loss	5,129	27,095
Net periodic post-retirement benefit cost	$ 32,274	$ 52,649

The weighted average assumptions used in the accounting included a discount rate of 5.25% and 5.0% and as of June 30, 2024 and 2023, respectively, and the expected rate of return on plan assets of 1.0% and 1.0% as of June 30, 2024 and 2023, respectively. The overall long-term rate of return on assets assumption was based on an analysis of the historical rate of return for a portfolio with similar asset allocation. The plan's assets are comprised of Level 2 fixed income securities. The College expects to contribute $60,000 in fiscal year 2025. The following benefit payments are expected to be paid: $104,231 in FY2025, $168,120 in FY 2026, $42,705 in FY2027, $25,060 in FY2028, $102,503 in FY2029 and $222,313 thereafter through FY2031.

(Continued)

NOTE 13 – CONTRACT FOR DINING SERVICES

On March 13, 2013, the College entered a ten-year contract with Aramark Educational Services, LLC (Aramark) to have Aramark provide all dining services for the College, effective July 1, 2013. Under the terms of the contract, the College provides all dining facilities and is responsible for all maintenance and repairs of the facility. Dining services personnel remain employees of the College except for management employees, who are employees of Aramark. Aramark made a $3.5 million payment to the College in July 2014, with the funds to be utilized by the College for dining services improvements. This amount has been recorded as an advance payment on the consolidated statements of financial position and is being amortized over the life of the contract as an offset to the dining expense.

In May 2018, the College and Aramark extended their contract for an additional five years. Under the agreement, Aramark paid an additional $1.5 million to the College. This new commitment, along with the unamortized amount from the July 2013 payment, is being amortized over the new extended life of the contract. The amount amortized in fiscal year 2024 and 2023 was $351,980. The remaining balance to be amortized as of June 30, 2024 and 2023 was $1,399,224 and $1,751,204, respectively.

NOTE 14 – EMPLOYEE RETENTION CREDIT

As a result of the economic impact of the COVID-19 pandemic, the College determined that it was eligible to apply for the Employee Retention Credit (ERC) from the Corona Virus Aid, Relief and Economic Stability (CARES) Act. The ERC is fully refundable tax credit equal to a portion of qualified wages for employers whose business has been financially impacted by COVID-19. Under the condition of the ERC, qualified entities must have either incurred a significant decline in gross receipts when compared to operations prior to the pandemic or have operations that were fully or partially suspended due to orders from an appropriate government authority limiting commerce, travel or group meetings due to COVID-19 in a manner that affects the employer's trade of business. The College concluded that it has met the applicable conditions, and during the year ended June 30, 2024, recognized as revenue $2,109,441 of ERC funding, shown within federal grants on the consolidated statement of activities. As of June 30, 2024, the College has yet to receive the $2,109,441 and recorded a corresponding receivable within government grants receivable on the consolidated statement of financial position. The IRS may choose to audit the College's ERC claim in a future period of 3-5 years (depending on the specific calendar quarter claimed).

NOTE 15 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limited their use, within one year of the consolidated statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	$ 3,535,722	$ 3,676,679
Accounts and grants receivable, net	2,874,774	652,806
Pledges receivable, net	2,480,786	2,676,497
Investments available for operations	2,870,879	7,055,179
Endowment distribution for operations	1,880,000	1,700,000
	$ 13,642,161	$ 15,761,161

(Continued)

NOTE 15 – LIQUIDITY AND AVAILABILITY (Continued)

The College's endowment funds consist of donor-restricted endowments funds. Income from donor-restricted endowments is restricted for specific purposes, except for the amount available for general use. Donor- restricted endowment funds are not available for operating expenditures.

As part of the College's liquidity management, the College invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 16 – FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION

Expenses broken out by natural classification and function for the fiscal year ended June 30, 2024 is as follows:

	Program Services								
	Instruction	Academic Support	Student Services	Food Service and Other Auxiliary Services	Total Program Service Expenses	Management and General	Fundraising	Allocated Plant	Total Expenses
Salaries and wages	$ 11,113,371	$ 3,253,002	$ 2,987,644	$ 1,580,820	$ 18,934,837	$ 4,978,750	$ 903,937	$ 2,029,011	$ 26,846,535
Benefits and taxes	2,504,399	754,979	643,034	265,050	4,167,462	1,255,482	229,597	582,952	6,235,493
Materials, supplies, postage	328,551	66,112	119,434	190,946	705,043	76,841	10,964	24,804	817,652
Professional fees	1,050	9,972	35,000	-	46,022	704,034	170,559	-	920,615
General and other	779,220	143,017	821,825	784,292	2,528,354	1,945,654	75,090	1,424,402	5,973,500
Food service	45,728	2,542	4,834	2,116,164	2,169,268	18,732	196	2,286	2,190,482
Professional development	356,499	61,166	353,642	-	771,307	22,877	11,782	280	806,246
Advertising and printing	34,176	1,259	775	-	36,210	39,718	-	1,000	76,928
Memberships and subscriptions	20,191	6,711	44,199	780	71,881	58,623	5,802	2,182	138,488
Utilities and maintenance	2,978,517	471,560	2,566,974	279,978	6,297,029	184,679	-	(4,129,420)	2,352,288
Equipment and technology	46,377	614,159	218,354	1,262	880,152	409,977	132,384	60,846	1,483,359
Travel	328,386	38,251	136,745	-	503,382	61,990	49,991	1,657	617,020
Depreciation and accretion	1,713,714	274,556	1,547,536	276,746	3,812,552	70,893	-	-	3,883,445
Interest	942,350	5,335	38,647	10,587	996,919	428,428	-	-	1,425,347
Total	$ 21,192,529	$ 5,702,621	$ 9,518,643	$ 5,506,625	$ 41,920,418	$ 10,256,678	$ 1,590,302	$ -	$ 53,767,398

(Continued)

NOTE 16 – FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION (Continued)

Expenses broken out by natural classification and function for the fiscal year ended June 30, 2023 is as follows:

	Program Services								
	Instruction	Academic Support	Student Services	Food Service and Other Auxiliary Services	Total Program Service Expenses	Management and General	Fundraising	Allocated Plant	Total Expenses
Salaries and wages	$ 10,491,194	$ 3,020,363	$ 2,808,951	$ 1,214,645	$ 17,535,153	$ 4,299,164	$ 702,436	$ 2,118,728	$ 24,655,481
Benefits and taxes	2,338,819	719,750	626,845	217,084	3,902,498	966,495	217,047	541,788	5,627,828
Materials, supplies, postage	265,549	50,152	142,050	203,764	661,515	52,374	15,529	37,972	767,390
Professional fees	1,985	6,835	9,649	-	18,469	493,488	211,735	-	723,692
General and other	686,510	246,842	944,569	239,483	2,117,404	2,297,455	218,102	1,620,093	6,253,054
Food service	40,421	1,817	25,770	1,966,052	2,034,060	26,374	316	3,170	2,063,920
Professional development	333,401	52,882	363,239	-	749,522	32,388	26,969	634	809,513
Advertising and printing	27,018	330	1,316	-	28,664	25,510	-	-	54,174
Memberships and subscriptions	18,086	20,028	15,348	720	54,182	51,053	3,382	2,728	111,345
Utilities and maintenance	3,085,787	486,138	2,658,770	297,747	6,528,442	183,524	-	(4,368,235)	2,343,731
Equipment and technology	45,970	579,320	247,640	23,899	896,829	389,417	127,450	41,703	1,455,399
Travel	307,463	32,012	149,298	-	488,773	90,028	17,168	1,419	597,388
Depreciation and accretion	1,817,577	290,823	1,632,704	276,747	4,017,851	75,412	-	-	4,093,263
Interest	959,453	5,206	39,348	10,331	1,014,338	436,878	-	-	1,451,216
Total	$ 20,419,233	$ 5,512,498	$ 9,665,497	$ 4,450,472	$ 40,047,700	$ 9,419,560	$ 1,540,134	$ -	$ 51,007,394

(Continued)

NOTE 17 – CONTINGENT LIABILITIES

The College is an investor in Bennington Redevelopment Group LLC (BRG), which was formed to facilitate the revitalization of downtown Bennington through the renovation of the historic Putnam Hotel block. The College's partners in BRG include Southern Vermont Medical Center (the local hospital), the Bank of Bennington, and other civic and corporate leaders in the community. As a condition of the financing obtained to renovate the Putnam Hotel block, the College and its partners in BRG had to provide certain guaranties to lenders at the time that the project financing closed in June 2019. The guaranties cover costs related to the recapture of New Markets Tax Credits and Federal Historic Tax Credits, environmental indemnification, completion of construction, operating deficits of the project, and project bridge loans.

The College simultaneously entered into an agreement with its partners that provides that in the event of a call on a guaranty that each party would immediately pay its pro rata share of the cost. Based on the College's share, which is approximately 7%, the total maximum exposure to the College of all the guaranties is estimated to be approximately $950,000. No liability has been recorded in the financial statements as of June 30, 2024 and 2023, as there have been no calls on the guarantees, management has estimated that the probability of a loss related to the guarantees is low, and the amount of any liability cannot be reasonably estimated.

SUPPLEMENTARY INFORMATION

BENNINGTON COLLEGE AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
Year ended June 30, 2024

	Bennington College	B.C. Campus Holdings, LLC.	Eliminated Entries	Consolidated
ASSETS				
Cash and cash equivalents	$ 3,444,320	$ 91,402	$ -	$ 3,535,722
Restricted deposits	538,899	768,406	-	1,307,305
Accounts and grants receivable	2,874,774	-	-	2,874,774
Pledges receivable, net	13,872,088	-	-	13,872,088
Beneficial interest in split-interest	-			
agreements	2,434,758	-		2,434,758
Other assets	3,045,227	26,993,382	(26,993,381)	3,045,228
Investments	49,366,006	-	-	49,366,006
Right-of-use assets	2,475,445	-	-	2,475,445
Plant assets, net	50,669,282	21,964,741	-	72,634,023
Due from B.C. Campus Holdings, LLC.	3,196,504	-	(3,196,504)	-
Total assets	$ 131,917,303	$ 49,817,931	$ (30,189,885)	$ 151,545,349
LIABILITES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$ 5,513,489	$ 20,743	$ -	$ 5,534,232
Deferred income	29,100,312	-	(26,993,381)	2,106,931
Advance payments	1,399,224			1,399,224
Due to Bennington College	-	3,196,504	(3,196,504)	-
Operating lease liabilities	2,483,532	-	-	2,483,532
Bonds payable	-	49,496,646	-	49,496,646
Total liabilities	38,496,557	52,713,893	(30,189,885)	61,020,565
Net assets				
Without donor restrictions	23,143,775	(2,895,962)	-	20,247,813
With donor restrictions	70,276,971	-	-	70,276,971
Total net assets	93,420,746	(2,895,962)	-	90,524,784
Total liabilities and net assets	$ 131,917,303	$ 49,817,931	$ (30,189,885)	$ 151,545,349

See Independent Auditor's Report.

BENNINGTON COLLEGE AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year ended June 30, 2024

	Bennington College	B.C. Campus Holdings, LLC.	Eliminated Entries	Consolidated
Operating:				
Revenues, gains and other support:				
Net tuition and other fees	$ 24,439,606	$ -	$ -	$ 24,439,606
Federal grants	2,502,206	-	-	2,502,206
Private gifts and grants	19,284,174	-	-	19,284,174
Proceeds from sale of collections	-	-	-	-
Investment return designated for	-			
operations (Note 5)	1,710,016	-	-	1,710,016
Auxiliary enterprises	1,723,870	-	-	1,723,870
Other income	963,583	1,663,383	(1,663,383)	963,583
Total operating revenues, gains and other support	50,623,455	1,663,383	(1,663,383)	50,623,455
Expenses:				
Instruction	20,187,875	1,004,654	-	21,192,529
Academic support	5,675,350	27,271	-	5,702,621
Student services	9,255,525	263,118	-	9,518,643
Food service and other auxiliary enterprise expense	5,219,740	286,885	-	5,506,625
Management and general	11,509,776	410,285	(1,663,383)	10,256,678
Fundraising	1,590,302	-	-	1,590,302
Total operating expenses	53,438,568	1,992,213	(1,663,383)	53,767,398
Change in net assets from operations	(2,815,113)	(328,830)	-	(3,143,943)
Nonoperating activities				
Change in fair value of investment-return on long-term investments (Note 5)	3,219,822	-	-	3,219,822
Split-interest agreements (Note 4)	196,277	-	-	196,277
Total nonoperating activities	3,416,099	-	-	3,416,099
Change in net assets	600,986	(328,830)	-	272,156
Net assets at beginning	92,819,760	(2,567,132)	-	90,252,628
Net assets at end of year	$ 93,420,746	$ (2,895,962)	$ -	$ 90,524,784

See Independent Auditor's Report.