



COLLEGE OF THE HOLY CROSS

Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

COLLEGE OF THE HOLY CROSS

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
College of the Holy Cross:

Opinion

We have audited the financial statements of College of the Holy Cross (the College), which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

Albany, New York
October 21, 2025

COLLEGE OF THE HOLY CROSS

Balance Sheets

June 30, 2025 and 2024

(In thousands)

Assets	2025	2024
Cash, cash equivalents, and restricted cash	\$ 63,996	61,876
Contributions receivable, net	12,117	22,875
Accounts and loans receivable, net	3,815	5,451
Pension assets, net	11,204	9,399
Long-term investments	1,215,066	1,116,532
Land, buildings, and equipment, net	446,756	436,600
Other assets	14,563	14,469
Total assets	\$ 1,767,517	1,667,202
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 35,118	33,938
Deferred revenue and student deposits	4,007	2,753
U.S. government refundable advances	1,092	1,616
Split-interest obligations	2,664	2,841
Interest rate swap	2,109	1,882
Long-term debt	215,599	224,754
Total liabilities	260,589	267,784
Net assets:		
Without donor restrictions	772,691	726,077
With donor restrictions	734,237	673,341
Total net assets	1,506,928	1,399,418
Total liabilities and net assets	\$ 1,767,517	1,667,202

See accompanying notes to financial statements.

COLLEGE OF THE HOLY CROSS

Statement of Activities

Year ended June 30, 2025

(With summarized information for the year ended June 30, 2024)

(In thousands)

	Without donor restrictions	With donor restrictions	Totals 2025	Totals 2024
Operating revenues:				
Tuition and fees, net	\$ 131,546	—	131,546	123,407
Residence and dining fees, net	44,683	—	44,683	42,127
Student revenue	176,229	—	176,229	165,534
Contributions – annual fund	10,130	—	10,130	9,990
Other auxiliary enterprises	10,413	—	10,413	11,348
Other revenues	10,557	—	10,557	9,267
Operating revenues before nonoperating net assets used in operations	207,329	—	207,329	196,139
Nonoperating net assets used in operations:				
Long-term investment income used in operations	47,073	—	47,073	42,337
Restricted and designated net assets used in operations	12,897	—	12,897	11,385
Total operating revenues	267,299	—	267,299	249,861
Operating expenses:				
Salaries and wages	111,960	—	111,960	103,874
Employee benefits	37,426	—	37,426	34,379
Supplies, services, and other	75,427	—	75,427	66,934
Depreciation	24,792	—	24,792	23,726
Borrowing costs	8,832	—	8,832	9,381
Total operating expenses	258,437	—	258,437	238,294
Increase in net assets from operations	8,862	—	8,862	11,567
Nonoperating:				
Contributions	7,900	17,012	24,912	12,913
Net return on long-term investments	54,556	76,165	130,721	100,802
Net gain or (loss) on interest rate swap	(227)	—	(227)	683
Nonoperating net assets used in operations	(59,970)	—	(59,970)	(53,722)
Net assets released from restrictions	32,643	(32,643)	—	—
Pension-related changes, other than net periodic benefit cost	1,690	—	1,690	3,372
Other components of net periodic pension credit	605	—	605	1,400
Other changes, net	555	362	917	60
Increase in net assets from nonoperating activities	37,752	60,896	98,648	65,508
Increase in net assets	46,614	60,896	107,510	77,075
Net assets, beginning of year	726,077	673,341	1,399,418	1,322,343
Net assets, end of year	\$ 772,691	734,237	1,506,928	1,399,418

See accompanying notes to financial statements.

COLLEGE OF THE HOLY CROSS

Statement of Activities

Year ended June 30, 2024

(In thousands)

	Without donor restrictions	With donor restrictions	Totals
Operating revenues:			
Tuition and fees, net	\$ 123,407	—	123,407
Residence and dining fees, net	42,127	—	42,127
Student revenue	165,534	—	165,534
Contributions – annual fund	9,990	—	9,990
Other auxiliary enterprises	11,348	—	11,348
Other revenues	9,267	—	9,267
Operating revenues before nonoperating net assets used in operations	196,139	—	196,139
Nonoperating net assets used in operations:			
Long-term investment income used in operations	42,337	—	42,337
Restricted and designated net assets used in operations	11,385	—	11,385
Total operating revenues	249,861	—	249,861
Operating expenses:			
Salaries and wages	103,874	—	103,874
Employee benefits	34,379	—	34,379
Supplies, services, and other	66,934	—	66,934
Depreciation	23,726	—	23,726
Borrowing costs	9,381	—	9,381
Total operating expenses	238,294	—	238,294
Increase in net assets from operations	11,567	—	11,567
Nonoperating:			
Contributions	1,199	11,714	12,913
Net return on long-term investments	42,310	58,492	100,802
Net gain on interest rate swap	683	—	683
Nonoperating net assets used in operations	(53,722)	—	(53,722)
Net assets released from restrictions	29,408	(29,408)	—
Pension-related changes, other than net periodic benefit cost	3,372	—	3,372
Other components of net periodic pension credit	1,400	—	1,400
Other changes, net	2,147	(2,087)	60
Increase in net assets from nonoperating activities	26,797	38,711	65,508
Increase in net assets	38,364	38,711	77,075
Net assets, beginning of year	687,713	634,630	1,322,343
Net assets, end of year	\$ 726,077	673,341	1,399,418

See accompanying notes to financial statements.

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Statements of Cash Flows

Years ended June 30, 2025 and 2024

(In thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 107,510	77,075
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and accretion	24,268	23,088
Net realized and unrealized gains on investments	(126,369)	(97,188)
Contributions for long-term investment and facilities	(14,699)	(2,649)
Net loss (gain) on interest rate swap	227	(683)
Pension-related changes, other than net periodic benefit cost	(1,690)	(3,372)
Other components of net periodic pension cost	(605)	(1,400)
Increase (decrease) in operating assets, net	1,299	(2,596)
Increase (decrease) in operating liabilities, net	2,712	(2,909)
Net cash used in operating activities	<u>(7,347)</u>	<u>(10,634)</u>
Cash flows from investing activities:		
Net loans repaid by students and others	580	468
Purchase of land, buildings, and equipment	(34,917)	(24,150)
Proceeds from maturities and sale of long-term investments	294,077	320,765
Purchase of long-term investments	<u>(266,242)</u>	<u>(289,797)</u>
Net cash provided by (used in) investing activities	<u>(6,502)</u>	<u>7,286</u>
Cash flows from financing activities:		
Payments on long-term debt	(8,631)	(10,664)
Decrease in U.S. government refundable advances	(524)	(640)
Proceeds from contributions for long-term investment	16,709	1,933
Proceeds from contributions for facilities	<u>8,415</u>	<u>5,618</u>
Net cash provided by (used in) provided by financing activities	<u>15,969</u>	<u>(3,753)</u>
Net increase (decrease) in cash and cash equivalents	2,120	(7,101)
Cash, cash equivalents, and restricted cash, beginning of year	<u>61,876</u>	<u>68,977</u>
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 63,996</u>	<u>61,876</u>
Supplemental data:		
Change in accounts payable for land, buildings, and equipment	\$ 35	(3,632)
Interest paid	9,230	9,971

See accompanying notes to financial statements.

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Notes to Financial Statements

June 30, 2025 and 2024

(1) Background

The College of the Holy Cross (the College or Holy Cross), founded in 1843 by the second bishop of Boston, Benedict Joseph Fenwick, S.J., is a not-for-profit educational institution committed to educating people for and with others. As a Jesuit college, Holy Cross takes its place in a long tradition of Catholic education that has distinguished itself for intellectual rigor, high academic standards, and education of the whole person. As a liberal arts college, Holy Cross pursues excellence in teaching, learning, and research. Highly ranked nationally, Holy Cross has a community of approximately 3,200 students, situated on a 174-acre campus in Worcester, Massachusetts.

(2) Summary of Significant Accounting Policies

(a) Basis of Statement Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP), have been prepared to focus on the College as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

(b) Classification of Net Assets

The College classifies resources into two net asset categories, without donor restrictions or with donor restrictions, based on the absence or existence of donor-imposed restrictions.

Without donor restrictions – Net assets not subject to donor-imposed stipulations and available for the general operations of the College. Such net assets may be designated by the College for specific purposes including to function as endowment funds.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the College or the passage of time. Items that affect this net asset category include gifts or unconditional pledges and the related investment returns on donor-restricted endowment funds, gifts, or grants for capital assets not yet placed in service, and annuity and life income funds.

The College classifies the following portions of donor-restricted endowment funds as net assets with donor restrictions: (a) the original value of assets contributed to endowment funds, (b) subsequent contributions to such funds valued at the date of contribution, (c) investment return available for appropriation, and (d) reinvested earnings on endowment when specified by the donor.

(c) Statements of Activities

The statements of activities report the changes in net assets from operating and nonoperating activities. Operating revenues consist of those items attributable to the College's undergraduate education program, grants for research conducted by academic departments, auxiliary enterprise activities, and contributions to the annual fund. Nonoperating net assets used in operations include endowment income appropriated by the College to support operating activities, amortization of contributions used to acquire or construct long-lived assets, and other nonoperating contributions expended in support of operations or made available for operations by virtue of the expiration of a time restriction.

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Notes to Financial Statements

June 30, 2025 and 2024

Nonoperating activities include contributions received other than for the annual fund, return on long-term investments, contributions and grant income to fund long-lived assets, any gains or losses on debt-related derivative instruments, pension adjustments other than service cost, and miscellaneous items not related to the College's academic or research activities. To the extent nonoperating contributions, including amortization of contributions used for the acquisition or construction of long-lived assets, or long-term investment income are used in operations, they are reclassified as nonoperating net assets used in operations on the statements of activities. Donor-imposed restrictions on net assets previously without restriction are reported in nonoperating activities as net assets reclassified, donor-imposed restrictions.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions as follows:

- Student revenue from education, residence, and dining services are reflected net of institutional student aid and recognized as services are provided. To the extent such aid exceeds a student's tuition and fees, it is applied against residence and dining charges. Student aid of \$80,391 and \$72,162 was applied against published tuition and fees in fiscal years 2025 and 2024, respectively. Student aid of \$4,890 and \$4,305 was applied against resident and dining fees in fiscal years 2025 and 2024, respectively. Revenue from other exchange transactions, including from athletics and certain retail operations, is recognized when goods or services are transferred to customers.
- Contributions, including unconditional promises to give reported as contributions receivable, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value. 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. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions on the statement of activities. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.
- Contributions of land, buildings, or equipment are reported as nonoperating support without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as a donor-restricted gift until the related asset is placed in service, at which time the contribution is released from net assets with donor restrictions to net assets without donor restrictions. These contributions are subsequently amortized into operations over the estimated useful life of the acquired or constructed assets. This amortization, which amounted to \$4,860 and \$5,040 in fiscal years 2025 and 2024, respectively, is recorded in nonoperating net assets used in operations in the statements of activities.
- Other auxiliary service enterprise revenues include college retail operations, cash dining, catering, intercollegiate athletics, and graphic arts.
- Dividends, interest, and net gains on investments of endowment funds are reported as increases in net assets with donor restrictions if the terms of the gift require that they be added to the principal of an endowment fund or impose restrictions on the current use of the income or net gains; and as increases in net assets without donor restrictions in all other cases.

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Notes to Financial Statements

June 30, 2025 and 2024

(d) Cash Equivalents

The College considers investments with maturities at date of purchase of three months or less to be cash equivalents, except that any such investments that are part of the endowment are classified as long-term investments.

(e) Restricted Cash

The College's restricted cash is held in a money market account that the College is contractually obligated to use for capital projects. Restricted cash totaled \$2 and \$3 at June 30, 2025 and 2024, respectively.

(f) Fair Value Measurements

Long term investments, deposits with bond trustee, investments held in a nonqualified deferred compensation plan, investments held in the College's noncontributory defined benefit retirement plan, and the interest rate swap are reported at their respective fair values. 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. Except for investments reported at net asset value (NAV) or its equivalent as a practical expedient to estimate fair value, the College uses a three-tiered hierarchy to categorize those assets and liabilities carried at fair value based on the valuation methodologies employed. The hierarchy is defined as follows:

Level 1 – Valuation based on quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities

Level 2 – Valuations based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly

Level 3 – Valuations based on unobservable inputs are used in situations in which 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. The College utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability. Transfers between fair value categories are recognized at the end of the reporting period.

(g) Accounts and Loans Receivable

Accounts and loans receivable include amounts due from students and employees, as well as reimbursements due from sponsors of externally funded research.

(h) Land, Buildings, and Equipment

Constructed and purchased property and equipment are initially recorded at cost while property and equipment acquired by gift are initially recorded at estimated fair value. Expenditures for library books are charged to operations in the period acquired. Long-lived fixed assets, with the exception of land and artwork, are depreciated using the straight-line method over the assets' estimated useful lives.

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Notes to Financial Statements

June 30, 2025 and 2024

(i) Other Assets

Other assets consist of prepaid expenses, inventories, and investments held in a nonqualified deferred compensation plan. Investments held in a nonqualified deferred compensation plan total \$6,065 and \$6,559 at June 30, 2025 and 2024, respectively, are considered Level 1 in the fair value hierarchy.

(j) Deferred Revenue and Student Deposits

Deferred revenue and student deposits are advance payments and enrollment deposits for the fall academic term. Deferred revenue is recognized ratably as revenue over the fall term beginning in August and ending in December as performance obligations are met.

(k) U.S. Government Refundable Advances

The College holds certain amounts advanced by the U.S. Government under the Federal Perkins Loan Program (the Program). Congressional authorization for this program ended in September 2017. The lack of renewal requires the federal share of amounts collected to be returned to the Department of Education as loans are repaid.

(l) Split-Interest Obligations

The College's split-interest obligations consist principally of charitable gift annuities and irrevocable charitable remainder trusts for which the College serves as trustee. Contribution revenue is recognized at the date a gift annuity or trust is established after recording a liability at the present value of the estimated future payments to be made to the beneficiaries. Liabilities are adjusted during the terms of the agreements to reflect payments to beneficiaries, returns on trust assets, accretion of discounts, and other considerations that affect the estimates of future payments.

(m) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

(n) Tax Status

The College is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal and state income taxes under Section 501(a) of the Code and applicable state laws. The College believes it has taken no significant uncertain tax positions.

(o) Reclassifications

Certain reclassifications have been made within footnote 9 to conform with current year presentation.

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Notes to Financial Statements

June 30, 2025 and 2024

(3) Financial Assets and Liquidity Resources

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt or contributions, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 43,950	39,120
Contributions receivable	2,820	4,972
Accounts receivable	476	1,532
Board-appropriated endowment spending	<u>49,975</u>	<u>47,350</u>
Total financial assets available within one year	<u>\$ 97,221</u>	<u>92,974</u>

The College's working capital and cash flows have seasonal variations during the year attributable to the timing of student billings and related collections and a concentration of contributions received at calendar and fiscal year-end. To manage liquidity, the College actively manages its resources using a combination of short- and long-term investment and borrowing strategies to align its cash inflows with anticipated outflows in accordance with policies approved by the Board of Trustees. Other resources available at June 30, 2025 include a line of credit totaling \$30,000 for working capital needs and \$494,871 in funds designated by the Board of Trustees to function as endowment, which can be made available for general expenditure with approval from the Board of Trustees, subject to investment liquidity provisions, as well as \$19,658 in cash and cash equivalents subject to donor restrictions. Funds subject to donor restrictions are an available resource provided those restrictions are met by actions of the College or the passage of time.

(4) Contributions Receivable

Contributions receivable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 36,962	38,844
One to five years	<u>2,719</u>	<u>9,725</u>
	39,681	48,569
Less allowances for uncollectible pledges and pledge discounts (0.07%–3.04%)	<u>(27,564)</u>	<u>(25,694)</u>
	<u>\$ 12,117</u>	<u>22,875</u>

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Notes to Financial Statements

June 30, 2025 and 2024

(5) Accounts and Loans Receivable

Accounts and loans receivable consist of the following at June 30:

	2025			2024		
	Gross	Allowance	Net	Gross	Allowance	Net
	receivable	for doubtful	receivable	receivable	for doubtful	receivable
		accounts			accounts	
Federal Perkins Loan program	\$ 955	(300)	655	1,370	(300)	1,070
Institutional loans	2,298	(75)	2,223	2,470	(75)	2,395
Accounts receivable	565	(89)	476	1,621	(89)	1,532
Other receivables	461	—	461	454	—	454
	<u>\$ 4,279</u>	<u>(464)</u>	<u>3,815</u>	<u>5,915</u>	<u>(464)</u>	<u>5,451</u>

Accounts and loans receivable are stated net of allowance for expected credit losses based on historical, current, and future factors.

Institutional loans represent uncollateralized loans to students based on financial need. These loans were funded by the Federal Perkins Loans Program through June 30, 2018.

(6) Investments

(a) Strategy

The investment objective of the College is to invest its assets prudently to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The College's investment strategy incorporates a diversified asset allocation approach that maintains, within defined limits, exposure to equities, fixed income, real assets, and alternatives. Equities cover the U.S.; Global Ex-U.S., which includes both developed and emerging markets overseas; and Global, which includes U.S., developed, and emerging markets. Alternatives include both hedge funds and private equities. Hedge funds invest in a broad range of investments that are less correlated with broad equities markets. This includes long/short equity strategies, credit-oriented strategies, multistrategy funds where the manager has a broad mandate to invest opportunistically and event-driven funds where managers seek opportunity in various forms of arbitrage strategies as well as in corporate activities such as mergers and acquisitions. These funds may employ the use of leverage and derivatives to achieve their return. Private equity strategies include distressed investments, which includes entities involved in financial reorganizations or workout situations, buyout and venture capital, and fund of funds vehicles used to more broadly diversify the pool of investments. The real asset classification includes investments in public and private real estate, energy, and commodities.

The majority of the College's investments are managed in a pooled fund that consists primarily of endowment assets. Other investments are managed separately from the pool. These investments consist primarily of fixed income securities, principally government securities and money market funds held for the College's working capital needs, and various fixed income, equity, and real asset holdings associated with split-interest agreements.

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Notes to Financial Statements

June 30, 2025 and 2024

(b) Reporting Basis

Investments are reported at estimated fair value. The values of publicly traded fixed income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of nonpublic traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted market values of the underlying securities.

Investments whose fair values are estimated using NAV or its equivalent as the practical expedient include shares or units in nonregistered investment funds as opposed to direct interests in the funds' underlying securities, which may be readily marketable or not difficult to value. In addition, investments in marketable alternatives, absolute return, private equities and real assets, and certain equity and fixed income investments are valued using current estimates of fair value based upon the NAV of the fund as determined by the general partner or investment manager of the respective fund. These general partner valuations consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information.

The inputs or methodologies used for valuing or classifying investments for financial reporting purposes are not necessarily an indication of the risks associated with those investments or a reflection of the liquidity of each fund's underlying assets or liabilities. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed and the differences could be material. The College has assessed the values provided by the external managers and believes the amounts reported represent reasonable estimates of fair value. The following table summarizes the valuation of investments as of June 30, 2025:

	NAV	Level 1	Level 2	Level 3	Total
Long-term investments:					
Cash equivalents	\$ —	18,414	—	—	18,414
Fixed income	26,003	76,203	—	—	102,206
Equities:					
U.S.	189,304	1,578	—	—	190,882
Global Ex-U.S.	198,738	—	—	—	198,738
Global	9,445	33,584	—	—	43,029
Alternatives:					
Hedge funds	274,082	—	—	—	274,082
Private equity	349,686	—	—	—	349,686
Real assets:					
Real estate	29,929	—	—	—	29,929
Other investments	—	—	—	1,370	1,370
Split-interest agreements	—	4,039	1,707	984	6,730
Total long-term investments	\$ 1,077,187	133,818	1,707	2,354	1,215,066

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Notes to Financial Statements

June 30, 2025 and 2024

The following table summarizes the valuation of investments as of June 30, 2024:

	NAV	Level 1	Level 2	Level 3	Total
Long-term investments:					
Cash equivalents	\$ —	9,275	—	—	9,275
Fixed income	23,748	82,381	—	—	106,129
Equities:					
U.S.	170,008	1,420	—	—	171,428
Global Ex-U.S.	144,141	20,285	—	—	164,426
Global	35,146	8,825	—	—	43,971
Alternatives:					
Hedge funds	244,932	—	—	—	244,932
Private equity	335,208	—	—	—	335,208
Real assets:					
Real estate	33,299	—	—	—	33,299
Other investments	—	—	—	1,219	1,219
Split-interest agreements	—	4,226	1,435	984	6,645
Total long-term investments	\$ 986,482	126,412	1,435	2,203	1,116,532

(c) Commitments

Private equity and real asset investments are generally made through limited partnerships. Under the terms of these agreements, the College is obligated to remit additional funding periodically as capital or liquidity calls are exercised by the manager. These partnerships have a limited existence, generally between ten and fifteen years, and provide for annual one-year extensions for the purpose of disposing portfolio positions and returning capital to the investors. However, depending on market conditions, the inability to execute the fund's strategy and other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. As a result, the timing and amount of future capital or liquidity calls expected to be exercised in any particular future year is uncertain. The aggregate amount of unfunded commitments associated with private equity and real asset investments is \$189,908 as of June 30, 2025.

(d) Liquidity

Hedge funds and certain global equity and fixed income investments are redeemable at NAV under the terms of the subscription and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly, or annual redemption

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frequency typically require notice periods ranging from 30 to 180 days. The fair values of long-term investments as of June 30, 2025 are categorized based on redemption frequency as follows:

	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annual</u>	<u>Illiquid</u>	<u>Total</u>
Cash and cash equivalents	\$ 18,414	—	—	—	—	18,414
Fixed income	76,203	—	26,003	—	—	102,206
Equities	85,679	139,941	203,178	3,851	—	432,649
Alternatives	—	30,710	184,171	59,145	349,742	623,768
Real assets	—	—	—	—	29,929	29,929
Other investments	—	—	—	—	1,370	1,370
Split-interest agreements	—	—	—	—	6,730	6,730
Total	<u>\$ 180,296</u>	<u>170,651</u>	<u>413,352</u>	<u>62,996</u>	<u>387,771</u>	<u>1,215,066</u>

Investments that are illiquid include restricted shares, side pockets, gates, or funds in liquidation, which have suspended normal liquidity terms, as well as private equity and real asset funds where the College has no liquidity terms until the investments are sold by the fund manager. The private equity and real asset funds have initial terms between ten and fifteen years and have an average remaining expected life of 5.6 and 4.6 years, respectively. The College has in liquidation \$15,137 of such investments at June 30, 2025 for which it has not received cash. Investments associated with split-interest agreements have been categorized as illiquid because they are not available to support operations.

(7) Endowment

The College's endowment consists of approximately 1,000 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowment. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) *Relevant Law*

The Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) permits the Board of Trustees to exercise its discretion in determining the appropriate level of expenditure from a donor-restricted endowment fund in accordance with a set of guidelines about what constitutes prudent spending. The Board, following UPMIFA, determines a prudent payout amount, even if the market value of the fund is below historic dollar value. UPMIFA permits the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines to be prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Seven criteria are to be used to guide the College in its yearly expenditure decisions: 1) duration and preservation of the endowment fund, 2) the purposes of the College and the endowment fund, 3) general economic conditions, 4) effect of inflation or deflation, 5) the expected total return from income and the appreciation of investments, 6) other resources of the College, and 7) the investment policy of the College.

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Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. In accordance with appropriate accounting standards, the College classifies as net assets with donor restrictions (a) the original value of gifts donated as an endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds, which are available for expenditure until appropriated for spending by the Board of Trustees.

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. There were no material deficiencies of this nature as of June 30, 2025 or 2024.

(c) Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. The primary investment objective of the endowment fund is to maintain and grow the fund's real value by generating average annual real returns that meet or exceed the spending rate, after inflation, management fees, and administrative costs. Consistent with this goal, the Board of Trustees and the Investment Committee, a standing committee of the Board of Trustees, intend that the endowment fund be managed with an intention to maximize total returns consistent with prudent levels of risk and to reduce portfolio risk through asset allocation and diversification.

(d) Strategies Employed for Achieving Objectives

To satisfy 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) and current yield (interest and dividends). The Investment Committee of the College's Board of Trustees (the Committee) is responsible for establishing an asset allocation policy. The asset allocation policy is designed to attempt to achieve diversity among capital markets and within capital markets, by investment discipline and management style. The Committee designs a policy portfolio in light of the endowment's needs for liquidity, preservation of purchasing power, and risk tolerances.

The College targets a diversified asset allocation that places emphasis on investments in global equities, fixed income, real assets, private equity, and absolute return strategies to achieve its long-term return objectives within prudent risk constraints. The Committee reviews the policy portfolio asset allocation, exposures, and risk profile on an ongoing basis.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The College's spending policy uses a hybrid model based on a weighted average of a) prior spending adjusted for inflation using an inflation-adjusted growth rate of no less than 2.5% and no greater than the overall student fees increase (70% weight) and b) a 5% spending rule of the endowment's 3-year

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average market value as of June 30th on a one-year lag (30% weight). The budgeted spending rate must fall within 4.5% - 5.5% of the endowment's 3-year average market value. The amount appropriated for expenditure is \$47,299 for the year ended June 30, 2025, of which \$47,073 was used in operations. The amount appropriated for expenditure is \$43,012 for the year ended June 30, 2024, of which \$42,337 was used in operations.

In establishing these policies, the College considers the expected return on its endowment and its programming needs. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power and to provide a predictable and stable source of revenue to the annual operating budget. Additional real growth will be provided through new gifts, excess investment return, or additions designated by the Board of Trustees.

Changes in endowment net assets and net asset composition, not including pledges, consist of the following at June 30:

	2025		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2024	\$ 463,090	646,174	1,109,264
Investment return	54,483	76,092	130,575
Contributions	—	15,797	15,797
Transfers designated by board	(646)	—	(646)
Appropriated for expenditure	(22,056)	(25,243)	(47,299)
Endowment net assets, June 30, 2025	\$ 494,871	712,820	1,207,691
Composition of endowment net assets:			
Donor-restricted endowment funds	\$ —	712,820	712,820
Board-designated endowment funds	494,871	—	494,871
Total endowment net assets	\$ 494,871	712,820	1,207,691

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	2024		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, June 30, 2023	\$ 440,260	603,051	1,043,311
Investment return	42,142	58,383	100,525
Contributions	—	9,439	9,439
Transfers designated by board	1,151	—	1,151
Other changes	—	(2,150)	(2,150)
Appropriated for expenditure	(20,463)	(22,549)	(43,012)
Endowment net assets, June 30, 2024	\$ 463,090	646,174	1,109,264
Composition of endowment net assets:			
Donor-restricted endowment funds	\$ —	646,174	646,174
Board-designated endowment funds	463,090	—	463,090
Total endowment net assets	\$ 463,090	646,174	1,109,264

(8) Land, Buildings, and Equipment

The following is a summary of the College's land, buildings, and equipment as of June 30:

	Estimated lives	2025	2024
Land	—	\$ 8,410	8,410
Land improvements	20–30	64,270	62,996
Buildings	5–55	673,588	656,632
Equipment and furniture	5–20	92,634	89,324
Construction in progress	—	18,537	5,162
Artwork	—	2,069	2,051
		859,508	824,575
Less accumulated depreciation		(412,752)	(387,975)
		\$ 446,756	436,600

(9) Retirement Plans

The College's contributory retirement plan covers exempt employees. Participating employees contribute a minimum of 2% to a maximum of 5% of their base salary. The College makes a matching contribution equal to 10% of compensation up to the taxable wage base and 12% of compensation in excess of the taxable wage base. The College contributed \$7,758 and \$7,063, for the years ended June 30, 2025 and 2024, respectively.

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The College's noncontributory defined-benefit retirement plan covers nonexempt employees. The College recognizes the funded status, the difference between the fair value of the plan assets and the projected benefit obligation, as an asset or liability in its balance sheet and recognizes the change in that funded status in the year in which the change occurred through changes in nonoperating net assets without donor restrictions.

The benefit obligation is determined by using a cash flow matching methodology that determines a single rate based on discounted projected cash flows for the plan. Each year, the projected cash flow is discounted at a spot rate that is appropriate for that maturity; the discount rate is the single equivalent rate that produces the same discounted present value.

The following table sets forth the defined-benefit pension plan's obligations, fair value of plan assets, and funded status for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 71,581	70,693
Service cost	1,490	1,665
Interest cost	3,977	3,664
Benefits paid	(3,848)	(3,495)
Actuarial loss (gain)	868	(946)
Benefit obligation at end of year	<u>74,068</u>	<u>71,581</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	80,980	75,984
Actual return on plan assets	7,140	7,491
Employer contribution	1,000	1,000
Benefits paid	(3,848)	(3,495)
Fair value of plan assets at end of year	<u>85,272</u>	<u>80,980</u>
Funded status – net asset recognized in the balance sheets	\$ <u>11,204</u>	<u>9,399</u>
Weighted average assumptions used to determine benefit obligations at June 30:		
Discount rate	5.65 %	5.64 %
Rate of compensation increase	3.50	3.50
Weighted average assumptions used to determine net periodic benefit cost for year ended June 30:		
Discount rate	5.64 %	5.30 %
Expected long-term rate of return on plan assets	5.50	6.50
Rate of compensation increase	3.50	3.50

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The actuarial gain for the year ended June 30, 2024 was primarily due to an increase in the discount rate, while the actuarial loss for the year ended June 30, 2025 was primarily due to census updates. The accumulated benefit obligation was \$70,776 and \$68,261 at June 30, 2025 and 2024, respectively. The benefits expected to be paid after June 30, 2025 are as follows: \$4,234 in 2026, \$4,485 in 2027, \$4,670 in 2028, \$4,840 in 2029, \$5,033 in 2030 and aggregate benefits for years 2031 through 2035 are expected to be \$26,888. The College plans to make a nonmandatory employer contribution of \$1,000 for fiscal year 2025.

The following table sets forth the components of net periodic benefit cost and the nonoperating charge (credit) reported in the statements of activities for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Operating:		
Service cost – benefits earned	\$ 1,490	1,665
Total operating, included in employee benefit costs	<u>1,490</u>	<u>1,665</u>
Nonoperating:		
Interest cost on projected benefit obligation	3,977	3,664
Expected return on plan assets	(4,385)	(4,867)
Amortization of prior service credit	(197)	(197)
Total other components of net periodic pension credit	<u>(605)</u>	<u>(1,400)</u>
Net periodic benefit cost	<u>885</u>	<u>265</u>
Changes recognized in nonoperating activities:		
Net gain arising during the year	(1,887)	(3,569)
Amortization of prior service credit	197	197
Total recognized as nonoperating activities	<u>(1,690)</u>	<u>(3,372)</u>
Total recognized in the statements of activities	\$ <u>(805)</u>	<u>(3,107)</u>

Amounts not yet reflected in net periodic benefit cost and included in the balance sheets are as follows:

	<u>2025</u>	<u>2024</u>
Accumulated net gain (loss)	\$ 1,547	(340)
Prior service credit	<u>700</u>	<u>897</u>
Accumulated other nonoperating loss	2,247	557
Accumulated contributions in excess of net periodic benefit cost	<u>8,957</u>	<u>8,842</u>
Net asset recognized in the balance sheets	\$ <u>11,204</u>	<u>9,399</u>

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The noncontributory defined-benefit retirement plan's investment policy includes the following asset allocation guidelines:

Cash and cash equivalents	0–5%
Fixed income	60–100%
Publicly traded global equities	0–40%
Domestic equities	0–30%
International equities	0–30%
Real assets	0–15%

The investment strategy of the noncontributory defined-benefit retirement plan is to allocate assets among investment classes that will provide for stability and growth of plan assets in varying market environments. To that end, the plan has adopted policies that require each asset class to be diversified and that multiple managers with differing styles of management are employed. On a quarterly basis, the plan reviews progress toward achieving its and individual managers' performance objectives. The fair value of the College's defined-benefit retirement plan assets by asset class are as follows at June 30:

2025				
	Level 1	Level 2	NAV	Total
Cash and cash equivalents	\$ 958	—	—	958
Fixed income	—	62,703	—	62,703
Publicly traded global equities:				
Domestic equities	11,111	—	—	11,111
International equities	7,017	—	—	7,017
Real assets	3,483	—	—	3,483
	<u>\$ 22,569</u>	<u>62,703</u>	<u>—</u>	<u>85,272</u>
2024				
	Level 1	Level 2	NAV	Total
Cash and cash equivalents	\$ 902	—	—	902
Fixed income	21,109	—	—	21,109
Hedge funds	—	—	10,706	10,706
Publicly traded global equities:				
Domestic equities	21,146	—	—	21,146
International equities	2,841	—	17,011	19,852
Real assets	7,265	—	—	7,265
	<u>\$ 53,263</u>	<u>—</u>	<u>27,717</u>	<u>80,980</u>

The nonexchange traded investments above are valued using NAV and have monthly or quarterly liquidity with one to thirty-day notice requirements.

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(10) Long-Term Debt

Long-term debt consists of the following at June 30:

	<u>2025</u>	<u>2024</u>
Tax-exempt bonds:		
Massachusetts Development Finance Agency Revenue Bonds:		
5.25%, 2002 Issue, maturing in 2032	\$ 26,175	26,175
Floating Rate Revenue Bonds, 2008 Issue, Series A maturing serially through 2037	26,525	28,025
5%, 2016 Issue, Series A maturing serially beginning in 2019 through 2046	28,365	29,700
4–5%, 2018 Issue, Series A maturing serially beginning in 2019 through 2026	6,190	9,040
Taxable bonds and loans:		
Variable rate amortizing monthly beginning in 2020 with final payment due in 2026 (2019 Taxable Bonds)	35,544	38,490
3.433%, 2019 Issue, maturing in 2049	60,000	60,000
3.610%, 2022 Issue, maturing in 2042	30,000	30,000
	<u>212,799</u>	<u>221,430</u>
Unamortized premiums and issuance costs, net	2,800	3,324
	<u>\$ 215,599</u>	<u>224,754</u>

Maturities of long-term debt for the fiscal years after June 30, 2025 are as follows:

2026	\$ 41,633
2027	6,990
2028	3,189
2029	3,334
2030	3,477
Thereafter	<u>154,176</u>
	<u>\$ 212,799</u>

Interest expense charged to operations was \$9,160 and \$9,865 in 2025 and 2024, respectively. Cost of borrowing including interest, commitment fees, premium, and bond issue cost amortization was \$8,832 and \$9,381 in 2025 and 2024, respectively.

The Massachusetts Development Finance Agency Revenue Bonds are tax-exempt and general obligations of the College. The interest rate on the 2008 Issue, Series A is determined daily by the Remarketing Agent and can be converted to a fixed rate at the College's discretion. If the rate is not determined or is invalid, it

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defaults to the SIFMA Index or, if unavailable, 75% of the 30-day high-grade commercial paper rate. The average interest rate was 2.73% in 2025 and 3.25% in 2024.

If the College receives notice of an optional or mandatory tender, the bonds will be repurchased using remarketing proceeds or, if insufficient, the College's general obligation funds. A direct pay letter of credit provides alternative liquidity, expiring in October 2027.

The College has one interest rate swap agreement related to the 2008 Issue, Series A bonds with a current notional amount of \$30,825 that reduces at approximately the same rate as the outstanding principal amount of the bonds. The swap provides for the College to pay a fixed rate of 3.881% in exchange for the financial institution paying a variable rate equal to 68% of one-month Secured Overnight Financing Rate (SOFR) on the notional amount. Neither party has an obligation to post collateral with respect to the swap. However, in the event the College's credit ratings were downgraded below a specified level, the counterparty could elect to terminate the swap, which could require a termination payment to the counterparty. The fair value of the liability associated with the swap was \$2,109 and \$1,882 as of June 30, 2025 and 2024, respectively. Because the swap fair value is based predominantly on observable inputs that are corroborated by market data, it is categorized as Level 2 for purposes of valuation disclosure.

In July 2020, the College borrowed on its commercial taxable borrowing facility to fund (i) capital costs in connection with a retreat/contemplative center; (ii) renovation and expansion of athletic facilities; (iii) renovation of existing facilities into a recreation and wellness complex, including fitness facilities, locker rooms, and office space; and (iv) construction, furnishing, and equipping of a performing arts center. Commencing in September 2020, the outstanding principal amount of the term loan amortizes monthly, based on a 180-month mortgage-style amortization schedule, assuming an interest rate of three percent (3%). The maturity date of the term loan is May 2026. The outstanding balance as of June 30, 2025 and 2024 was \$35,544 and \$38,490, respectively. The interest rate is the Bloomberg Short-Term Bank Yield (BSBY) plus 0.49%. The average interest rate was 5.37% and 5.93% in 2025 and 2024, respectively.

Issued in December 2019, the 2019 Taxable Bonds are a taxable issue and are general obligations of the College. The bonds have a par call option beginning on September 1, 2029.

In May 2022, the College borrowed \$30,000 for the construction of a new residence hall and other capital projects. Interest is payable monthly at a fixed interest rate of 3.61%, with principal payments commencing in fiscal year 2026 based on a 26-year amortization schedule, and with final maturity in 2042.

At June 30, 2024, the College has an unsecured line of credit in the amount of \$30,000 with a commercial bank primarily for working capital purposes. The interest rate is 0.80% plus daily SOFR. The line of credit was not utilized during the year ended June 30, 2025 or 2024, and has no outstanding balance as of June 30, 2025 or 2024. The line of credit expires in May 2026 and may be renewed.

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(11) Composition of Net Assets

The College's net assets consist of the following at June 30:

	2025		2024	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Undesignated, capital, and other	\$ 268,990	14,064	245,913	17,562
Contributions receivable	7,710	4,406	16,141	6,734
Endowment funds	494,871	712,820	463,090	646,174
Annuity and life income funds	1,120	2,947	933	2,871
Total net assets	\$ 772,691	734,237	726,077	673,341

Endowment funds without donor restrictions comprise amounts designated by the Board of Trustees to function as an endowment. Net assets with donor restrictions at June 30, 2025 and 2024 include \$409,003 and \$359,249, respectively, of appreciation on donor-restricted endowment funds, with approximately 55% available to support scholarships, 33% to support instruction costs, and the remainder available to support other purposes.

(12) Related Parties

Members of the College's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. For members of the Board of Trustees and senior management, the College requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the College. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the College and ensure compliance with relevant conflict of interest laws or policy.

The College has investments in funds where members of the Board of Trustees serve as a manager, director, or partner. These investments include limited partnerships that provide investment management services for a portion of the College's absolute return portfolio and several funds for cash and cash equivalents. These investments were made in compliance with the College's conflict of interest policy. As of June 30, 2025, the College held \$51,637 in these funds, which are included in the College's long-term investment portfolio. The College has an outstanding commitment of \$1,964 to contribute or invest additional funds to these investments. The College took measures to mitigate any actual or perceived conflict, including requiring that these transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the College and in accordance with applicable conflict of interest laws.

(13) Expenses by Natural and Functional Classification

The College's primary program service is undergraduate instruction. Expenses reported as academic support, student services institutional support, and auxiliary enterprises are incurred in support of this

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primary program activity. Expenses associated with the operation and maintenance of the College's plant assets and depreciation are allocated to functional categories based on square footage. Borrowing costs are allocated based on usage of debt-financed space.

Expenses associated with fundraising activities of the College were \$11,782 and \$9,070 in 2025 and 2024, respectively, and are included in institutional support.

Expenses by functional classification for years ended June 30 consist of the following:

2025						
	<u>Instruction</u>	<u>Academic support</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Auxiliary services</u>	<u>Total expenses</u>
Salaries and wages	\$ 46,347	7,347	21,943	22,730	13,593	111,960
Employee benefits	15,733	2,321	7,304	8,144	3,924	37,426
Supplies, services, and other	16,508	8,553	16,368	16,537	17,461	75,427
Depreciation	6,191	1,761	6,679	2,929	7,232	24,792
Borrowing costs	3,614	24	2,163	695	2,336	8,832
Total operating expenses	<u>\$ 88,393</u>	<u>20,006</u>	<u>54,457</u>	<u>51,035</u>	<u>44,546</u>	<u>258,437</u>

2024						
	<u>Instruction</u>	<u>Academic support</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Auxiliary services</u>	<u>Total expenses</u>
Salaries and wages	\$ 43,209	6,893	20,895	20,219	12,658	103,874
Employee benefits	14,415	2,168	6,885	7,223	3,688	34,379
Supplies, services, and other	15,181	11,324	13,786	10,526	16,117	66,934
Depreciation	6,128	1,753	6,754	2,436	6,655	23,726
Borrowing costs	3,903	28	2,365	707	2,378	9,381
Total operating expenses	<u>\$ 82,836</u>	<u>22,166</u>	<u>50,685</u>	<u>41,111</u>	<u>41,496</u>	<u>238,294</u>

Supplies, services, and other expenses include utilities and facility costs, professional services, meals and travel, food service, study abroad program costs, library and technology services, and other operating expenses.

(14) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2025 and through October 21, 2025, the date on which the financial statements were issued, and has concluded that there are no such events that require adjustments to the audited financial statements or disclosure in the notes of the audited financial statements.