KENYON COLLEGE

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2022

KENYON COLLEGE

CONTENTS

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Independent Auditors' Report

The Board of Trustees
Kenyon College
Gambier, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Kenyon College (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Kenyon College as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Kenyon College's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited Kenyon College's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Maloney + Novotny LLC

Cleveland, Ohio
December 8, 2022

KENYON COLLEGE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022
(With Comparative Totals as of June 30, 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 69,426,365	$ 56,558,830
Investments	537,288,302	589,140,627
Accounts and interest receivable	2,929,727	7,969,163
Inventories	1,002,386	867,291
Present value of pledges receivable	39,823,557	27,226,888
Loans receivable	4,126,130	4,139,687
Interests in charitable trusts	2,827,951	3,389,565
Property and equipment, net	392,736,371	358,399,463
Other assets	4,905,516	4,950,975
Total assets	$ 1,055,066,305	$ 1,052,642,489
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable, accrued expenses and agency funds	$ 10,850,460	$ 14,552,303
Fair value of interest rate swaps	1,510,090	2,044,782
Deposits and advances	3,185,803	3,199,142
Liability for post-retirement benefits	6,647,182	6,590,444
Split interest agreements payable	5,923,757	6,528,691
Government loan funds	320,388	471,393
Capital lease obligations, net	264,390,749	266,558,305
Total liabilities	292,828,429	299,945,060
NET ASSETS		
Without donor restrictions	394,056,977	406,793,852
With donor restrictions	368,180,899	345,903,577
Total net assets	762,237,876	752,697,429
Total liabilities and net assets	$ 1,055,066,305	$ 1,052,642,489

The accompanying notes are an integral part of these financial statements.

KENYON COLLEGE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
OPERATING REVENUES				
Tuition and mandatory fees	$ 120,380,286		$ 120,380,286	$ 86,565,951
Less: Financial aid	(53,095,420)		(53,095,420)	(39,847,911)
Net tuition and mandatory fees	67,284,866		67,284,866	46,718,040
Auxiliary enterprise revenues	31,098,172		31,098,172	16,748,562
Investment return designated for operations	12,890,595	$ 12,134,326	25,024,921	24,392,240
Private gifts and grants	7,722,142	8,090,051	15,812,193	9,541,086
Government grants	2,752,352		2,752,352	5,686,121
Miscellaneous fees	164,883		164,883	116,338
Other income	978,504	215,229	1,193,733	1,347,769
Net assets released from restrictions	21,283,724	(21,283,724)	-	-
Total operating revenues	144,175,238	(844,118)	143,331,120	104,550,156
OPERATING EXPENSES				
Program services				
Instruction	47,630,464		47,630,464	39,126,310
Student services	25,750,077		25,750,077	25,351,733
Academic support	14,616,147		14,616,147	10,600,924
Research	958,424		958,424	1,166,015
Community partnership	319,479		319,479	348,571
Auxiliary enterprises	25,143,379		25,143,379	19,733,851
Total program services	114,417,970		114,417,970	96,327,404
Management and general	12,705,079		12,705,079	12,539,066
Fundraising	4,515,387		4,515,387	4,230,900
Total operating expenses	131,638,436		131,638,436	113,097,370
Change in net assets from operating activities	12,536,802	(844,118)	11,692,684	(8,547,214)
NON-OPERATING ACTIVITIES				
Contributions and pledges		50,873,285	50,873,285	15,717,345
Investment (loss) return, less amounts designated for operations	(25,577,077)	(25,628,490)	(51,205,567)	118,662,589
Change in fair value of interest rate swaps	534,692		534,692	494,240
Net change in split interest agreements	(50,421)	406,858	356,437	(630,513)
Loss on disposal of property and equipment	(7,738)		(7,738)	(2,750)
Art installation	(2,793,245)		(2,793,245)	(1,929,042)
Miscellaneous	(10,208)	100,107	89,899	148,751
Net assets released from restrictions	2,630,320	(2,630,320)	-	-
Change in net assets from non-operating activities	(25,273,677)	23,121,440	(2,152,237)	132,460,620
CHANGE IN NET ASSETS	(12,736,875)	22,277,322	9,540,447	123,913,406
NET ASSETS AT BEGINNING OF YEAR	406,793,852	345,903,577	752,697,429	628,784,023
NET ASSETS AT END OF YEAR	$ 394,056,977	$ 368,180,899	$ 762,237,876	$ 752,697,429

The accompanying notes are an integral part of these financial statements.

KENYON COLLEGE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Program Services	Management and General	Fundraising	2022 Total	2021 Total
Salaries and wages	$ 43,347,748	$ 4,616,597	$ 2,813,377	$ 50,777,722	$ 47,434,477
Employee benefits	13,857,515	2,116,452	981,044	16,955,011	15,755,190
Total salaries and benefits	57,205,263	6,733,049	3,794,421	67,732,733	63,189,667
Professional and outside services	4,071,922	1,076,944	81,767	5,230,633	4,370,265
Interest and bond costs	8,283,003			8,283,003	8,301,828
Other expenses	5,976,256	3,523,752	173,346	9,673,354	5,713,823
Travel and entertainment	3,095,664	109,284	160,797	3,365,745	916,142
Cost of food service	5,494,384			5,494,384	4,480,849
Off Campus Studies program	3,740,661			3,740,661	168,100
Rent and utilities	4,164,389	165,308		4,329,697	3,924,103
Equipment and furniture	275,604	26,615	1,917	304,136	1,380,712
Materials, printing and supplies	4,014,437	176,373	77,412	4,268,222	5,419,355
Fees and honoraria	1,606,457	375	649	1,607,481	956,062
Cost of sales and inventory	1,959,232			1,959,232	1,080,970
Books and periodicals	338,275			338,275	380,393
Dues and memberships and postage	510,183	300,225	108,489	918,897	838,115
Total current operating expenditures	100,735,730	12,111,925	4,398,798	117,246,453	101,120,384
Art installation	2,793,245			2,793,245	1,929,042
Depreciation	13,682,240	593,154	116,589	14,391,983	11,976,986
Total functional expenses	117,211,215	12,705,079	4,515,387	134,431,681	115,026,412
Less:					
Art installation expenses reported in non-operating activities	(2,793,245)			(2,793,245)	(1,929,042)
Total expenses	$ 114,417,970	$ 12,705,079	$ 4,515,387	$ 131,638,436	$ 113,097,370

The accompanying notes are an integral part of these financial statements.

KENYON COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 9,540,447	$ 123,913,406
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	14,391,983	11,976,986
Amortization of bond premiums and issuance costs, net	(912,556)	(918,376)
Change in fair value of interest rate swaps	(534,692)	(494,240)
Loss on disposal of property and equipment	7,738	2,750
Net realized and unrealized losses (gains)	26,776,658	(139,062,833)
Contributions for long-term purposes	(23,817,636)	(9,004,434)
Changes in operating assets and liabilities:		
Accounts and interest receivable	5,039,436	(4,775,936)
Inventories	(135,095)	100,706
Present value of pledges receivable	(12,596,669)	4,064,839
Loans receivable	13,557	521,578
Interests in charitable trusts	561,614	(768,225)
Other assets	45,459	(1,054,499)
Accounts payable, accrued expenses and agency funds	(3,701,843)	1,913,414
Deposits and advances	(13,339)	(2,856,699)
Liability for postretirement benefits	56,738	441,439
Split interest agreements payable	(604,934)	604,358
Government loan funds	(151,005)	(359,665)
Net cash provided (used) by operating activities	13,965,861	(15,755,431)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of land, buildings and equipment	(48,736,629)	(50,450,528)
Purchase of securities	(49,542,575)	(61,667,902)
Sale of securities	124,352,054	157,744,785
Increased investment in limited partnerships	(49,733,812)	(63,588,938)
Net cash used by investing activities	(23,660,962)	(17,962,583)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for long-term purposes	23,817,636	9,004,434
Payments on capital lease obligations	(1,255,000)	(1,200,000)
Net cash provided by financing activities	22,562,636	7,804,434
CHANGE IN CASH AND CASH EQUIVALENTS	12,867,535	(25,913,580)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	56,558,830	82,472,410
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 69,426,365	$ 56,558,830

The accompanying notes are an integral part of these financial statements.

Note 1. Summary of Significant Accounting Policies

A. *Organization* – Kenyon College (the College), a private educational institution, derives its revenues from student tuition and fees, investment earnings, gifts and grants, operation of residence and dining halls and related activities. The College is institutionally committed to promoting a liberal arts education. Skills are promoted and developed that are not only useful to any career but essential for a fulfilling and valuable life.

B. *Basis for Consolidation* – The accounts of the Kenyon Inn Management Company, a wholly-owned subsidiary of the College, have been consolidated with the accounts of the College in the accompanying consolidated financial statements. In addition, the accounts of the Kenyon Review, the College's literary periodical, the Gund Gallery, the Kokosing Nature Preserve and the Philander Chase Conservancy (all legally separate entities) have also been consolidated in the accompanying consolidated financial statements of the College due to the College's control of and financial interest in each entity. All significant intercompany accounts and transactions have been eliminated.

C. *Basis of Accounting* – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting, and in all material respects, in accordance with generally accepted accounting principles in the United States of America (GAAP).

D. *Comparative Information* – The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the College's audited financial statements as of and for the year ended June 30, 2021, from which the summarized information was derived.

E. *Use of Estimates* – Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

F. *Liquidity* – Assets and liabilities are listed in their estimated order of liquidity. For those accounts for which such liquidity is unclear, additional disclosures have been made in the accompanying notes within these consolidated financial statements.

G. *Fair Values of Financial Instruments* – GAAP provides a framework for measuring fair value and requires a three level hierarchy for disclosure to show the extent and the level of judgment used to estimate fair value measurements related to financial instruments:

Level 1 – Uses unadjusted quoted prices that are available in active public markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Level 3 – Uses inputs that are unobservable and are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models and market assumptions.

The following methods and assumptions were used to estimate the fair values of each class of financial instruments for which it is practicable to estimate that value:

Cash and Cash Equivalents

The carrying amount approximates fair value due to the short maturity of those instruments.

Equity Investments

Common Stocks

The fair values of these investments are estimated based on quoted market prices for these or similar investments, generally considered Level 1 valuations.

Mutual Funds

The fair values of these investments are estimated based on quoted market prices for these or similar investments, generally considered Level 1 valuations.

Fixed Income - Marketable Investments

Fixed income marketable funds are investments where a readily verifiable fair value may or may not exist. Fair value in these investments is reported by management based on readily available public market data, generally considered Level 1 valuations.

Alternative Investments Measured at Net Asset Value (NAV) per Share

Alternative funds are investments in securities where a readily verifiable fair value may not exist and/or is not available to management. Fair value of these investments is reported by management based on information provided by the investment managers as validated by management and its advisors and, as such, additional quantitative disclosures are not required. Values may be based on readily available public market data and values may be measured using NAV per share as a practical expedient. Investments that are measured using NAV have been categorized separately.

Pledges Receivable

Pledges receivable are recorded at the present value of the discounted future cash flows, based on current market interest rates on the date of the contribution. The carrying value of pledges receivable, therefore, approximates their fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Loans Receivable

Federal Perkins Loans Receivable

The interest rates charged on Perkins loans receivable are fixed by the U.S. Department of Education. The carrying value of these loans approximates fair value.

Kenyon College Loans Receivable

The interest rates charged on Kenyon College loans are fixed by the College and are consistent with market rates. Accordingly, the carrying amount reported approximates fair value.

Interests in Charitable Trusts

Contributions receivable from remainder trusts are valued based on inputs that are quoted prices in active markets which are used to estimate the future cash flows of the trust. The College's share of interests in perpetual trusts is recorded at fair market value. The College does not have the ability to liquidate these holdings and, as such, these funds are shown as Level 3 inputs.

Split Interest Agreements Payable

The carrying value of these accounts is actuarially determined based on the present value of the discounted estimated future cash flows using market interest rates on the date of contribution and, therefore, approximates fair value. The annual payments on the annuities range from $148 to $62,787.

Long-Term Debt

The fair value of the College's long-term debt, based on the College's current incremental borrowing rates for similar types of borrowing arrangements, approximates its carrying amount.

Interest Rate Swaps

The fair value of the interest rate swaps is based on projected interest rates for the duration of the swaps, values that, while observable in the market, are subject to adjustment due to pricing considerations for the specific instrument. The resulting fair values are generally considered Level 2 valuations.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The College's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

The following tables set forth by level within the fair value hierarchy the College's financial assets and liabilities that were accounted for at a fair value on a recurring basis as of June 30, 2022 and 2021. The tables do not include cash on hand or other assets and liabilities that are measured at historical cost or any basis other than fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

June 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
Equity investments				
Common stocks	$ 8,032,387	$ -	$ -	$ 8,032,387
Mutual funds	29,818,250	-	-	29,818,250
Total equity investments	37,850,637	-	-	37,850,637
Fixed income - marketable funds	35,326,260	-	-	35,326,260
	$ 73,176,897	$ -	$ -	73,176,897
Alternative investments measured at NAV				464,111,405
				$537,288,302
Interests in charitable trusts			$ 2,827,951	$ 2,827,951
Liabilities				
Interest rate swaps		$ 1,510,090		$ 1,510,090

June 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Equity investments				
Common stocks	$ 8,646,377	$ -	$ -	$ 8,646,377
Mutual funds	37,423,929	-	-	37,423,929
Total equity investments	46,070,306	-	-	46,070,306
Fixed income - marketable funds	50,662,126	-	-	50,662,126
	$ 96,732,432	$ -	$ -	$ 96,732,432
Alternative investments measured at NAV				492,408,195
				$589,140,627
Interests in charitable trusts			$ 3,389,565	$ 3,389,565
Liabilities				
Interest rate swaps		$ 2,044,782		$ 2,044,782

Note 1. Summary of Significant Accounting Policies (Continued)

G. *Fair Values of Financial Instruments (Continued)*

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) are as follows for the years ended June 30, 2022 and 2021:

Interests in Charitable Trusts	2022	2021
Beginning balance	$ 3,389,565	$ 2,621,340
Distributions	(83,046)	(79,817)
Unrealized (loss) gain	(478,568)	848,042
	$ 2,827,951	$ 3,389,565

H. *Cash Equivalents* – The College considers investments with a maturity of three months or less when purchased to be cash equivalents on the consolidated statement of financial position and for purposes of preparing the consolidated statement of cash flows. The College maintains cash and cash equivalent balances at various financial institutions which, at times, may exceed federally insured limits and may exceed reported values due to outstanding checks.

I. *Interest Rate Swaps* – Derivative instruments (interest rate swaps) are recorded by the College on the consolidated statement of financial position at fair value, as described in Note 1.G. The College's interest rate swap agreements are used to manage exposure to interest rate movement by effectively changing the variable rates on the College's capital lease obligations to a fixed rate. The critical terms of the interest rate swap agreements and the interest-bearing debt associated with the swap agreements are similar. The interest rate swaps qualify and have been designated and accounted for as fair value hedges. Changes in fair market value of the interest rate swaps are recognized as a change in net assets on the consolidated statement of activities in the period of change, following GAAP guidance specific to non-for-profit organizations (see Note 8).

J. *Investments* – Investments are carried at fair value as described in Note 1.G. Investments received from donors as gifts are recorded at fair value at the date of gift. Investment return is recorded net of expenses and includes interest, dividends and both realized and unrealized gains and losses.

Alternative investments include interests in hedge funds, private equity, real estate and commodities funds. The College held alternative investments valued at $464,111,405 and $492,408,195, representing 44% and 47% of the total assets as of June 30, 2022 and 2021, respectively. Because alternative investments may not be entirely readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ from the value that would have been reported had a ready market for such investments existed. Such differences could be material.

Note 1. Summary of Significant Accounting Policies (Continued)

K. *Loans Receivable* – Loans receivable, which include Perkins and Kenyon College loans, are carried at unpaid principal balances, less an allowance for uncollectible loans of $40,000 at June 30, 2022 and 2021. Periodic evaluation of the adequacy of the allowance is based on past loan loss experience and current economic conditions. Interest income is recorded as monthly payments are received. Loans receivable are considered to be past due if a payment is not made within 30 days of the payment due date. Interest on past due loans is not accrued and recognized only to the extent cash payments are received.

L. *Interests in Charitable Trusts* – Irrevocable charitable remainder trusts and charitable lead trusts that are held in trust by others have been included in the College's accompanying consolidated financial statements as an asset and as contribution revenue as of the date the College is notified of its interest in the irrevocable trust.

M. *Property and Equipment, Net* – Acquisitions of property and equipment are stated at cost or at the fair market value of the properties when acquired by gift. It is the policy of the College to capitalize additions and, for replacements, to capitalize the incremental increase in cost of plant and equipment items. Maintenance, repairs and minor renewals are charged to expense when incurred.

The College recognizes depreciation on the straight-line method over the estimated useful life for each major category of assets. These estimated useful lives are summarized in the following table:

Land improvements	10-40 years
Buildings and building improvements	50 years
Equipment and furniture	3-10 years
Library books	25 years

Collections and Works of Art – Collections are not capitalized under the provisions of ASC 958-605, *Revenue Recognition-Contributions Received*. All works of art and collections are held for public exhibition, education or research; are protected, kept unencumbered, cared for and preserved; and are subject to policies governing their use. Prior to ASC 958-605 adoption, the College did capitalize works of art and collections. At June 30, 2022 and 2021, the net book value of these items is $1,862,696 and is reflected as equipment on the consolidated statement of financial position.

Property and equipment consist of the following at June 30:

	2022	2021
Land and land improvements	$ 4,524,735	$ 3,422,106
Buildings and building improvements	448,192,975	356,163,359
Equipment and furniture	50,074,567	43,395,104
Library books	29,860,225	28,959,663
Construction work in progress	57,099,838	109,197,059
	589,752,340	541,137,291
Accumulated depreciation	(197,015,969)	(182,737,828)
Property and equipment, net	$ 392,736,371	$ 358,399,463

Note 1. Summary of Significant Accounting Policies (Continued)

M. *Property and Equipment, Net (Continued)*

Depreciation expense for the years ended June 30, 2022 and 2021 was $14,391,983 and $11,976,986, respectively.

Through June 30, 2022, the College has incurred costs of $56,062,063 under construction contracts which are included in property and equipment, net on the consolidated statement of financial position. As of June 30, 2022, the College has outstanding commitments of $58,630,158 remaining for the construction of new facilities.

N. *Net Assets* – Net assets are classified into two categories: without donor restrictions, which result from the receipt of funds which have no donor-imposed restrictions related to the timing or use of the funds, and net assets with donor restrictions, which result from funds received with donor-imposed restrictions that limit the use of the asset. Some donor restrictions are temporary in nature, such as those resulting from timing differences between the receipt of funds and the incurrence of the related expenses. Other donor-imposed restrictions are permanent in nature where the funds are to be invested in perpetuity and only the income be utilized. These assets also include interests in perpetual trusts.

O. *Expiration of Donor-Imposed Restrictions* – The expiration of a donor-imposed restriction on a contribution or on endowment income is recognized in the period in which the restriction expires and at that time the related resources are reclassified to net assets without donor restrictions. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

Contributions of property and equipment without donor restrictions concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment with such donor stipulations are reported as revenues with donor restrictions. The restrictions are considered to be released at the time such long-lived assets are placed in service.

P. *Revenue Recognition* – The College recognizes revenue from student tuition and fees during the year in which the related academic services are provided and are displayed net of student financial aid on the consolidated statement of activities. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic term. In addition, the students have an option to room and board on the premises. The performance obligation of providing access to housing and meals is satisfied ratably over the academic term in which the student chooses to live on campus and purchase a meal plan. Payments are generally required prior to the beginning of the semester. All amounts received prior to the commencement of the fiscal year that pertain to the next fiscal year are deferred to the applicable period.

The College records contributions, cash and promises to give, when they are received unconditionally, at their fair value. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Federal and state contracts and grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2022, contributions approximating $2,691,893, of which no amounts have been received in advance, have not been recognized in the accompanying consolidated financial statements because the conditions have not yet been met.

Note 1. Summary of Significant Accounting Policies (Continued)

Q. *Allocation of Functional Expenses* – The costs of providing various programs and other activities have been summarized on a functional basis on the consolidated statement of activities and by natural classification on the consolidated statement of functional expenses. The consolidated statement of functional expenses reports certain categories of expenses that are attributable to more than one program or supporting function. Certain expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, operation and maintenance of plant and other expenses which are allocated based on either a percentage of full-time equivalents of employees assigned to various departments or a percentage of square footage of total space used by each department.

R. *Federal Income Taxes* – The Internal Revenue Service has determined that the College, the Kenyon Review, the Gund Gallery, the Kokosing Nature Preserve and the Philander Chase Conservancy are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as public charities described in Section 501(c)(3); accordingly, no provision for federal income taxes has been made in the consolidated financial statements. The Kenyon Inn Management Company is subject to federal income taxes, which for June 30, 2022 and 2021 were not significant to these consolidated financial statements. There were no unrecognized tax benefits as of June 30, 2022.

The income tax returns for all entities remain subject to examination by the Internal Revenue Service, as well as various state and local taxing authorities, generally for three years.

S. *Operations* – The consolidated statement of activities includes a subtotal for the change in net assets from operating activities. This subtotal reflects revenues that the College and all consolidated entities received for operating purposes, including investment income derived from the College's endowment payout formula. Nonoperating activity reflects the change in appreciation/depreciation on long-term investments net of the amount appropriated using the endowment payout formula, contributions for endowment and plant purposes, gains or losses on the disposal of property and equipment, the net change in annuity and life income funds and other nonoperating revenues and expenses.

T. *Conditional Asset Retirement Obligations* – Management has considered the provisions of GAAP, specifically as it relates to its legal obligations to perform asset retirement activities on its existing properties. Management believes that there is an indeterminate settlement date for the asset retirement obligations because the range of time over which the College may settle the obligations is unknown and cannot be estimated. As a result, management cannot reasonably estimate the liability related to these asset retirement activities as of June 30, 2022.

U. *Reclassifications* – Certain 2021 amounts have been reclassified to conform to the 2022 presentation.

V. *Contingencies* – The College is involved in litigation and is subject to certain claims that arise in the normal course of operations. In the opinion of management, the ultimate disposition of the litigation and claims will not have a material adverse effect on the College's operations or financial position.

W. *Subsequent Events* – The College has evaluated subsequent events through December 8, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2. Investments

The fair value of investments is as follows (refer to Note 1 for information related to fair values):

	June 30	
	2022	2021
Equity investments:		
Common stocks	$ 8,032,387	$ 8,646,377
Mutual funds	29,818,250	37,423,929
Alternative investments:		
Hedge and alternative funds	235,459,599	299,741,865
Private equity	122,713,465	95,928,504
Real estate	26,349,440	21,187,863
Commodities	33,876,301	28,153,205
Total alternative investments	418,398,805	445,011,437
Total equity investments	456,249,442	491,081,743
Investments at fair value:		
Fixed Income - Marketable funds	35,326,260	50,662,126
Alternative funds	45,712,600	47,396,758
Total investments at fair value	81,038,860	98,058,884
	$ 537,288,302	$ 589,140,627

Investment funds in private equity funds and alternative investment classes are typically organized as limited partnerships. A unique characteristic of these structures is that the investment manager requests (or calls) capital commitments from the investors as investment opportunities arise and distributes capital only when investments are liquidated. Capital calls are typically made by the investment manager during years 1-5 of a fund's life while the majority of capital distributions do not occur until years 8-10 of a fund's life.

The College was obligated at June 30, 2022 to invest additional funds in limited partnership investments in the amount of $86,064,042 at the direction of the general partners. These capital calls may be funded through distributions from current limited partnerships, liquidations of investments currently held by the College, new gifts and/or available cash.

Due to the nature of alternative investments and the use of some limited partnerships and commingled vehicles in traditional asset classes (public equities and fixed income), the College contractually agrees to liquidity restrictions. The College, in response to this risk, closely monitors the liquidity of the portfolio. As of June 30, 2022, the following liquidity characteristics applied to the College's investments in private equity funds and alternative investments:

Liquid Within:	% of Investment Portfolio
1 year	37.8%
3 years	10.0%
Illiquid	52.2%

Note 2. Investments (Continued)

Illiquid investments represent those invested in real assets and private equity limited partnerships. There is a very limited secondary market for these interests and selling them would require considerable time. The College is not actively trying to sell any of its illiquid investments at this time.

Note 3. Endowment Funds

The College places great importance on risk reduction through asset allocation and style diversification. The College has interpreted the Ohio Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure from a donor-restricted endowment fund such amounts as the Board of Trustees determines is prudent, except as otherwise provided by the donor in a gift agreement. Factors considered in making investment and appropriation decisions for such funds are described below. The following are investment performance objectives for the portfolio:

The Investment Committee is charged by the Board of Trustees to oversee the investment process. For endowment funds, the objective is to achieve superior long-term total returns such that the requirements of the annual budget are met, all within the confines of reasonable risk. In this regard, specific responsibilities include the hiring, monitoring and changing of investment managers, performance monitoring, establishing asset classes, allocation targets and ranges and rebalancing strategies. As part of its overall mission, the Investment Committee maintains a detailed *Statement of Purpose and Policies* and it regularly reviews the appropriateness of the contents in light of the current investment environment. In conjunction with the Campus and Finance Committee of the Board of Trustees, the Investment Committee recommends to the full Board spending policies in respect to the annual distribution from endowment funds.

The College's endowment assets consist of two groupings: 1) those funds which can be pooled together for purposes of investment and payout and 2) those funds which by donor restriction, either as to investment or payout, must be separately invested. The assets of the pooled funds consist of all investment types disclosed in Note 2 and income is distributed based on a Board approved payout formula as described below. The endowment funds with donor restrictions generally consist of mutual funds and life insurance policies.

For the year ended June 30, 2022, the College utilized a spending formula to calculate the distribution out of its pooled investment portfolio. The formula is composed of two elements: 1) a market element adjusts annual endowment spending to the long-term sustainable target spending of 4.00% of the average actual market value of the endowment for the most recent three years. This element of the spending rate receives a 30% weighting in the spending rate calculation and 2) a spending element increases last year's spending rate by a factor for inflation (3.5%) plus budget growth (1.50%). This element of the spending rate receives a weight of 70%. The distributed earnings are considered appropriated for expenditure and recorded as net assets released from restrictions on the consolidated statement of activities as spent. The College has temporarily frozen the payout rate while slightly increasing the payout amount due to new cash gifts received during the year.

Effective June 30, 2019, the College's Board of Trustees voted to classify the unrestricted reserve fund as a board designated endowment fund. The payout from this unrestricted fund is determined annually in the budgeting process, and has historically averaged approximately 6% of the market value of the fund.

Note 3. Endowment Funds (Continued)

The College's endowment funds were as follows as of June 30, 2022 and 2021:

June 30, 2022	Without Donor Restrictions	With Donor Restrictions: Original Gift Amount	With Donor Restrictions: Accumulated Earnings	With Donor Restrictions: Total	Total
Endowment assets, beginning of year,	$265,432,306	$204,783,721	$ 79,880,310	$284,664,031	$550,096,337
Investment return:					
Investment income	(47,982)	-	226,306	226,306	178,324
Net depreciation (realized and unrealized)	(12,694,462)	(225,855)	(12,048,530)	(12,274,385)	(24,968,847)
Total investment return	(12,742,444)	(225,855)	(11,822,224)	(12,048,079)	(24,790,523)
Cash contributions	4,604,794	16,851,700	-	16,851,700	21,456,494
Appropriation of endowment assets for expenditure	(13,347,346)	-	(11,007,683)	(11,007,683)	(24,355,029)
Endowment assets, end of year	$243,947,310	$221,409,566	$ 57,050,403	$278,459,969	$522,407,279

June 30, 2021	Without Donor Restrictions	With Donor Restrictions: Original Gift Amount	With Donor Restrictions: Accumulated Earnings	With Donor Restrictions: Total	Total
Endowment assets, beginning of year,	$210,287,496	$192,270,983	$ 19,384,846	$211,655,829	$421,943,325
Investment return:					
Investment income	901,368	279,936	1,241,929	1,521,865	2,423,233
Net appreciation (realized and unrealized)	66,004,211	280,585	68,736,571	69,017,156	135,021,367
Total investment return	66,905,579	560,521	69,978,500	70,539,021	137,444,600
Cash contributions	1,561,347	11,952,217	-	11,952,217	13,513,564
Appropriation of endowment assets for expenditure	(13,322,116)	-	(9,483,036)	(9,483,036)	(22,805,152)
Endowment assets, end of year	$265,432,306	$204,783,721	$ 79,880,310	$284,664,031	$550,096,337

Note 3. Endowment Funds (Continued)

Based on the College's spending formula, as of June 30, 2022 and 2021, an additional $5,400,641 and $4,373,881, respectively, has been appropriated for expenditure out of accumulated earnings with donor restrictions.

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. In accordance with GAAP, deficiencies of this nature are reported as a reduction of net assets with donor restrictions. As of June 30, 2022 and 2021, endowment funds with market values of $8,137,144 and $-0-, respectively, were $699,160 and $-0-, respectively, below the original gift amount.

Note 4. Pledges Receivable

As of June 30, 2022 and 2021, the College had received unconditional promises to give as follows:

	2022	2021
Within one year	$ 12,738,969	$ 15,974,939
One to two years	5,316,320	3,722,197
Two to three years	5,808,376	1,463,000
Three to four years	14,315,921	2,318,250
Four to five years	548,114	1,205,656
More than five years	4,642,500	4,403,750
	43,370,200	29,087,792
Discount on long-term pledges	(3,546,643)	(1,860,904)
	$ 39,823,557	$ 27,226,888

The amounts are recorded at the present value of future cash flows discounted using rates for one to twenty-six year treasury securities ranging from 0.64% to 3.71%. Management estimates an allowance for uncollectible pledges based upon its review of outstanding pledges and historical collections. As of June 30, 2022, the allowance for uncollectible pledges was $173,545, which is included in the discount on long-term pledges presented above.

As of June 30, 2022, the College had received gross unconditional promises totaling $29,087,792 net of allowances for uncollectible pledges of $133,203 and discount on long-term pledges of $1,727,701.

Note 5. Available Line of Credit

Under an unused and unsecured line of credit with a bank, the College may borrow up to $15,000,000 at a rate of 4.00% as of June 30, 2022.

Note 6. Guaranteed Loans

The College offers a home mortgage loan guarantee program to certain members of its faculty and administration. Under this program, the College guarantees 100% of the outstanding mortgage loans until such time as the outstanding amount on each loan is reduced to 70% of the original appraised value or contract price of the property, at which time the guarantee is released. Under the program, the College has the right to purchase the mortgage loans from the lenders in the event of default by an employee. As of June 30, 2022, the College has guaranteed mortgage loans aggregating $2,109,579. All loans were current as of June 30, 2022. The College deems it unlikely that any amount of the guarantee would be called by the banks.

Note 7. Retirement and Postretirement Benefit Plans

The College has a defined contribution retirement plan that covers substantially all employees. Eligible employees may contribute a percentage of their compensation. The College contributes 9.5% of the employee's compensation for all employees who contribute a minimum deferral of 3% or 5%, depending on the classification of the employee participating in the plan. The College's contributions to the plan were $4,037,843 and $4,028,081 during the years ended June 30, 2022 and 2021, respectively.

In addition to the College's defined contribution retirement plan, the College has two additional postretirement benefit plans. One plan provides certain health care benefits for retired employees. The College makes defined contributions to the plan on behalf of eligible employees who are 35 years of age or older and have completed at least one year of service. The College's contributions are limited to 25 years or the employee's separation from employment, whichever occurs first. The College contributed $923,646 and $96,745 for the years ended June 30, 2022 and 2021, respectively. The majority of the College's contributions to the plan providing certain health care benefits for retired employees were suspended from July 1, 2021 through June 30, 2022, due to the coronavirus pandemic. The College's contributions to the plan were reinstated July 1, 2021.

The second plan is a defined benefit postretirement plan which provides life insurance benefits applicable only to two groups: 1) grandfathered members of the collective bargaining unit who were active as of February 4, 1974 and 2) members of the faculty who retire under early retirement agreements with coverage to continue for a maximum of five years. Because of the short period of coverage for faculty members covered by this plan, the value of this benefit for them is not material to the calculation of the postretirement valuation and, therefore, has not been included. The College reserves the right to modify or terminate these retiree payments at any time. The amount of funding activity is determined at the discretion of management. Currently, the College has not funded any portion of the liability.

The College recognizes the underfunded status of the defined benefit plan on its consolidated statement of financial position, measured as the difference between the fair value of plan assets and the projected benefit obligation. The College recognizes the change in the funded status of the plan in the year in which the change occurs through net assets without donor restrictions.

Included in net assets without donor restrictions at June 30, 2022 and 2021 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized actuarial loss of $1,554,332 and $2,725,061, respectively, and unrecognized net prior service credit of $-0-. The contributions, actuarial loss and prior service credit expected to be recognized during the year ended June 30, 2023 are $568,042, $-0- and $-0-, respectively.

Note 7. Retirement and Postretirement Benefit Plans (Continued)

The following sets forth the plan status with amounts reported in the College's consolidated financial statements:

	Fiscal Years Ended June 30	
	2022	2021
Net Periodic Postretirement Cost		
Service cost	$ 345,120	$ 315,219
Interest cost	155,893	147,169
Amortization of unrecognized loss	127,441	85,714
Total net periodic postretirement cost	$ 628,454	$ 548,102

	Fiscal Years Ended June 30	
	2022	2021
Change in Benefit Obligation		
Benefit obligation at beginning of year	$ 6,590,444	$ 6,149,005
Service cost	345,120	315,219
Interest cost	155,893	147,169
Actuarial (gain) loss	(70,183)	612,881
Plan participant contributions	81,296	67,713
Benefits paid	(455,388)	(701,543)
Benefit obligation at end of year	$ 6,647,182	$ 6,590,444

During 2010, the plan was amended to provide benefits to the spouse and/or children for 12 months following the death of the participant. Previously, benefits would continue indefinitely provided the spouse remained unmarried.

Estimated future benefit payments as of June 30, 2022 are as follows:

2023	$ 568,000
2024	671,000
2025	636,000
2026	650,000
2027	695,000
2028-2032	3,410,000

Note 7. Retirement and Postretirement Benefit Plans (Continued)

	Fiscal Years Ended June 30	
	2022	2021
Actuarial Assumptions		
Weighted average discount rate:		
Expense for the year	4.55%	2.37%
Accumulated plan benefit obligation (at year-end)	2.38%	2.38%
Medical trend:		
For next year	7.10%	6.90%
Ultimate trend rate	4.50%	4.50%
Year reached	2031	2030

Note 8. Capital Lease Obligations

As of June 30, 2022, the College has in place five lease agreements with the Ohio Higher Educational Facility Commission (the Commission) to finance various building and improvement projects. These leases serve as security for the Commission's Higher Educational Facility Revenue Bonds. The bonds are collateralized by a security interest in the buildings and improvements comprising the various projects.

Rental payments under the leases equal the interest and principal payments on related bonds issued by the Commission. The leases give the College the option to purchase the assets at nominal amounts after all bonds are retired. Accordingly, the College has recorded buildings and improvements with a cost of $320,070,613 and accumulated depreciation of $110,011,417 as of June 30, 2022 and the liabilities as capital lease obligations. Amortization of these assets is included in depreciation expense.

All revenues generated by the leased facilities are pledged as collateral for retirement of the bonds.

Note 8. Capital Lease Obligations (Continued)

Summary of Bonds Outstanding

The College's bonds outstanding are as follows as of June 30:

	2022	2021
2013 Revenue Bonds:		
Maturing through July 1, 2037 with a rate of 5.00%		
outstanding principal	$ 43,610,000	$ 43,610,000
unamortized premium	642,161	684,971
unamortized issuance costs	(302,820)	(321,746)
2015 Revenue Bonds:		
Maturing through July 1, 2040 with rates ranging from 4.00% - 5.00%		
outstanding principal	39,400,000	39,400,000
unamortized premium	872,754	924,093
unamortized issuance costs	(315,127)	(331,712)
2016 Revenue Bonds:		
Maturing through July 1, 2044 with rates ranging from 3.25% to 5.00%		
outstanding principal	53,330,000	53,330,000
unamortized premium	2,482,286	2,601,921
unamortized issuance costs	(450,422)	(471,871)
2017 Revenue Bonds:		
Maturing through July 1, 2047 with rates ranging from 4.00% to 5.00%		
outstanding principal	62,940,000	64,195,000
unamortized premium	5,257,559	5,617,469
unamortized issuance costs	(557,722)	(580,031)
2020 Revenue Bonds:		
Maturing through July 1, 2044 with rates ranging from 4.00% to 5.00%		
outstanding principal	49,940,000	49,940,000
unamortized premium	8,048,364	8,490,604
unamortized issuance costs	(506,284)	(530,393)
Total outstanding principal	249,220,000	250,475,000
Total unamortized premium/discount, net	17,303,124	18,319,058
Total unamortized issuance costs	(2,132,375)	(2,235,753)
Capital lease obligations, net	$ 264,390,749	$ 266,558,305

Note 8. Capital Lease Obligations (Continued)

Summary of Bonds Outstanding (Continued)

In July 2013, the College issued $43,610,000 of revenue bonds through the Commission. The proceeds of the bonds were used to advance refund $40,500,000 of previous bond issues and provided for issuance costs. The bonds were issued at a premium for a true interest cost of 4.86%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2035, 2036 and 2037.

In May 2015, the College issued $39,400,000 of revenue bonds through the Commission. The proceeds of the bonds were used to advance refund $37,535,000 of a previous bond issue and provided for issuance costs. The bonds were issued at a premium for a true interest cost of 4.19%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2038, 2039 and 2040.

In November 2016, the College issued $53,330,000 of revenue bonds through the Commission. The proceeds of the bonds were used to refund $48,640,000 of previous bond issues and provided for issuance costs. The bonds were issued at a premium for a true interest cost of 3.84%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2040, 2042 and 2044.

In December 2017, the College issued $68,730,000 of revenue bonds through the Commission. The proceeds of the bonds were used to pay the costs of and relating to constructing, furnishing and equipping library facilities and an academic quad, and other College academic, administrative and student resident facilities. The 2017 bonds were issued at a premium of $6,939,523 for a true interest cost of 3.80%. The bond premium is being amortized over the life of the bonds. The bonds are subject to mandatory sinking fund redemption, maturing on July 1, 2042 and 2047.

In April 2020, the College issued $49,940,000 of revenue bonds through the Commission. The proceeds of the bonds were used to refund the remaining outstanding principal of $56,985,000 of a previous bond issue. The bonds were issued at a premium of $9,042,175 for a true interest cost of 3.46%. The bond premium is being amortized over the term of the bonds. The bonds are subject to mandatory sinking fund redemption maturing on July 1, 2041 and 2042.

The amount of rent paid by the College on its bonds for the year ended June 30, 2022 was $11,667,021 of which $1,255,000 represented principal and $10,422,021 represented interest. For the year ended June 30, 2022, the College capitalized interest of $2,608,065, which is included in construction work in progress. The amount of rent paid by the College on its bonds for the year ended June 30, 2021 was $11,664,207 of which $1,200,000 represented principal and $10,464,207 represented interest.

Note 8. Capital Lease Obligations (Continued)

Summary of Bonds Outstanding (Continued)

At June 30, 2022, future minimum payments by year and in the aggregate under these capital lease obligations consist of the following:

2023	$ 12,695,213
2024	12,699,213
2025	12,699,713
2026	12,701,713
2027	12,704,963
Remaining amount due	378,250,260
	441,751,075
Amount representing interest	(192,531,075)
Fixed rate obligations outstanding	249,220,000
Unamortized premiums/discount	17,303,124
Unamortized bond issuance costs	(2,132,375)
Fixed rate obligations outstanding	$ 264,390,749

On March 30, 2022, the College entered into a tax-exempt forward delivery refunding transaction for the 2013 revenue bonds with a delivery date of April 5, 2023. The College will issue $41,255,000 of revenue bonds through the Commission. The proceeds will be used to refund the 2013 revenue bonds and provide for issuance costs. The above future minimum payments have not been updated to reflect the issue.

Interest Rate Swap Agreements

As part of a strategy to manage the College's debt position over time and decrease variable rate risk, the College entered into an interest rate swap agreement in February 2006 in which the College pays a fixed rate, 3.514%, in exchange for receiving a variable rate which is indexed to LIBOR and calculated on a notional amount of $57,600,000. The difference between the fixed interest rate and the variable interest rate is settled on a quarterly basis. The agreement terminates in February 2026.

At the time the 2010 bonds were issued, which refunded the College's variable rate bonds with fixed rate bonds, it would have cost the College approximately $5,700,000 to terminate the 2006 swap agreement. The College entered into a second interest rate swap agreement which is the reverse of the February 2006 swap. Under the terms of this agreement, the College pays a variable rate indexed to LIBOR and receives a fixed payment of 2.67% on a notional amount of $57,600,000. This agreement also terminates in February 2026 and effectively finances the $5,700,000 over the remaining life of the initial swap agreement.

At June 30, 2022 and 2021, the net value of the swap agreements was a liability of $1,510,090 and $2,044,782, respectively. For the fiscal years ended June 30, 2022 and 2021, the College's interest expense was increased by $469,041 as a result of the interest rate swaps.

Note 9. Net Assets

Net assets without donor restrictions include funds functioning as endowment, as designated by the Board of Trustees, amounting to $243,947,310 and $265,432,306 at June 30, 2022 and 2021, respectively, which are subject to the College's investment and spending policies as described in Note 3.

Note 9. Net Assets (Continued)

Net assets with donor restrictions were restricted as follows:

	2022	2021
Net assets with donor restrictions		
Net assets subject to time restrictions:		
Pledges receivable restricted to capital or program	$ 13,354,427	$ 10,011,302
Net assets subject to purpose restrictions:		
Faculty and academic support	5,840,464	6,685,378
Student programs	529,979	545,803
Scholarships, prizes and awards	1,415,290	1,745,600
Plant improvements	24,636,432	5,954,759
General support	193,883	519,894
Other programs	1,108,655	638,818
Total net assets subject to purpose restrictions	33,724,703	16,090,252
Net assets subject to spending policy and appropriation:		
Original gift amount	221,409,566	204,783,721
Pledges receivable restricted for endowment	26,469,129	17,215,586
Accumulated earnings	57,050,403	79,880,310
Total net assets subject to spending policy and appropriation	304,929,098	301,879,617
Net assets not subject to spending:		
Beneficial interest in trusts restricted in perpetuity	5,955,202	7,474,770
Beneficial interest in trusts	1,117,744	1,703,088
Loan funds	9,099,725	8,744,548
Total net assets not subject to spending	16,172,671	17,922,406
Total net assets with donor restrictions	$ 368,180,899	$ 345,903,577

Restricted net assets released from restrictions for the years ended June 30 were as follows:

	2022	2021
Restricted net assets released		
Unexpended endowment income and gifts and grants:		
Faculty and academic support	$ 9,408,600	$ 4,314,513
Student programs	369,816	1,130,203
Scholarships, prizes and awards	6,473,984	5,601,045
Plant improvements	3,589,299	2,376,791
Other programs	2,417,273	3,212,477
Gifts pending donor designation	1,655,072	2,580,955
Total restricted net assets released	$ 23,914,044	$ 19,215,984

Note 10. Liquidity and Availability of Financial Assets

The College regularly monitors liquidity required to meet its operating needs. The College has various sources of liquidity including cash and cash equivalents and investments. In addition to financial assets available to meet general expenditures over the next 12 months, the College strives to operate within a balanced budget and anticipates collecting revenues and using internal contingency funds sufficient to cover operating expenses. The College receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The College manages its financial assets available to meet general expenditures by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets and maintaining sufficient reserves to provide that future opportunities of a long-term nature can be acted upon. The College forecasts its future cash flows and monitors its liquidity and reserves on a routine basis. As described in Note 5, the College has a line of credit available for additional liquidity needs in short-term, emergency circumstances.

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year comprise the following:

	2022	2021
Cash and cash equivalents	$ 69,426,365	$ 56,558,830
Investments	537,288,302	589,140,627
Accounts and interest receivable	2,929,727	7,969,163
Present value of pledges receivable	39,823,557	27,226,888
Loans receivable	4,126,130	4,139,687
Interests in charitable trusts	2,827,951	3,389,565
Total financial assets	656,422,032	688,424,760
Less assets not available for general expenditure within one year:		
Pledges receivable due greater than one year or restricted to long-term purposes	(35,660,429)	(22,618,695)
Cash restricted by donor for long-term purposes	(1,839,885)	(1,133,269)
Revolving loan funds not available for general expenditure	(4,126,130)	(4,139,687)
Interests in charitable trusts, net of anticipated distributions	(2,744,905)	(3,309,748)
Donor-restricted endowment funds	(278,459,969)	(284,664,031)
Cash and investments designated by the Board for long-term investment	(243,947,310)	(283,511,380)
Add approved appropriations from donor and board designated funds	25,228,548	25,087,332
Financial assets available for general expenditure within one year	$ 114,871,952	$ 114,135,282

Note 11. Our Path Forward

In September 2017, the College received a $75 million gift from an anonymous donor as part of the Our Path Forward campaign. This gift will be used to support the College's academic programs. Three major priorities for the original $300 million comprehensive campaign include fundraising for endowed scholarships and professorships; support for internship and research opportunities, community-engaged learning and off-campus study; and increased capacity to adapt the College's campus for more innovative and collaborative learning and teaching. As part of the campaign, the West Quad Project will be a hub for 21^{st} century learning and teaching and will allow the College to make significant progress toward a more physically accessible campus.

Coming during one of the most challenging times in memory, the generosity of 17,947 alumni, parents and friends has propelled the Our Path Forward campaign past its $300 million goal five months ahead of schedule. The Our Path Forward to the Bicentennial campaign now has an increased goal of $500 million and renewed emphasis on scholarships and financial aid.

Through December 8, 2022, the College has raised approximately $488 million toward this campaign.

In January 2021, an anonymous donor verbally committed $100 million to fund construction of three apartment-style residence halls on South Campus, each with room for just over 100 students. As of June 30, 2022, the College had received $20 million towards the gift and, therefore, $80 million of the gift has not met the College's criteria to be recorded as revenue.

Part of the West Quad project includes the custom design and installation of a new major sculpture which will join the College's permanent collection. Costs related to the art installation are fully funded by the anonymous donor, classified as non-operating on the consolidated statement of activities and amounted to $2,793,245 and $1,929,042 for the years ended June 30, 2022 and 2021, respectively.

Note 12. CARES Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act, among other things, created the Higher Education Emergency Relief Fund (HEERF). During the years ended June 30, 2021 and 2020, the College received awards of $1,667,281 and $470,249, respectively, that are to be provided directly to students in the form of grants to help student families facing additional expenses related to the disruption of regular campus operations due to the coronavirus. The College distributed $870,149 and $474,087 to students during the years ended June 30, 2022 and 2021, respectively. Remaining funds are scheduled to be distributed to students in fiscal year 2023. During the years ended June 30, 2021 and 2020, the College received similar awards of $2,042,334 and $470,249, respectively, that are to cover certain allowable institutional costs related to the coronavirus. The College expended $354,871 and $2,157,712 during the years ended June 30, 2022 and 2021, respectively, in HEERF funds for institutional purposes related to this grant. These institutional funds are released to the College as the College incurs expenses against the grant.