



**Consolidated Financial Statements
and Supplemental Information**

Dickinson College

June 30, 2024 and 2023

DICKINSON COLLEGE
***Consolidated Financial Statements
and Supplemental Information***

Table of Contents

Consolidated Financial Statements:

Independent Auditors' Report	1-2
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-29

Supplemental Information:

Supplemental Schedule	30
-----------------------	----



Independent Auditors' Report

Board of Trustees
Dickinson College
Carlisle, Pennsylvania

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Supplemental Information

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

CBIZ CPAs P.C.¹

Boston, Massachusetts
October 26, 2024

¹ In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

DICKINSON COLLEGE

Consolidated Statements of Financial Position

	<i>June 30,</i>	
	2024	2023
Assets		
Cash and cash equivalents	\$ 13,564,231	\$ 9,211,428
Accounts and other receivables, net	4,814,890	5,433,968
Inventories, prepaid expenses, and other assets	8,935,787	6,785,679
Contributions receivable, net	27,894,627	26,146,762
Loans receivable, net	6,713,316	6,405,764
Investments	595,767,400	561,683,085
Investments under split-interest agreements	5,903,579	6,070,797
Deposits with trustees under debt agreements	150,664	5,939,532
Property and equipment, net	195,254,904	194,900,193
Funds held in trust by others	<u>55,046,951</u>	<u>50,841,848</u>
Total assets	\$ <u>914,046,349</u>	\$ <u>873,419,056</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 15,125,115	\$ 14,137,363
Student deposits and deferred revenue	3,568,610	4,114,307
Funds held in custody for others	3,665,411	3,815,196
Annuities payable	2,355,398	2,733,043
U.S. government advances refundable	326,975	582,890
Obligations under finance leases	1,315,665	1,267,096
Debt, net	<u>126,620,717</u>	<u>131,531,084</u>
Total liabilities	<u>152,977,891</u>	<u>158,180,979</u>
Net assets:		
Without donor restrictions	471,234,978	433,799,043
With donor restrictions	<u>289,833,480</u>	<u>281,439,034</u>
Total net assets	<u>761,068,458</u>	<u>715,238,077</u>
Total liabilities and net assets	\$ <u>914,046,349</u>	\$ <u>873,419,056</u>

DICKINSON COLLEGE

Consolidated Statement of Activities

Year Ended June 30, 2024
(with comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues:				
Student charges, net	\$ 89,698,750	\$ -	\$ 89,698,750	\$ 86,447,372
Contributions	18,882,805	6,238,169	25,120,974	17,926,785
Grants and appropriations	3,387,702	-	3,387,702	2,788,202
Investment return, net	27,201,886	28,249,980	55,451,866	20,089,821
Appropriations of investment return, net	11,752,320	(11,752,320)	-	-
Change in value of split-interest agreements	-	2,458,879	2,458,879	(3,998,663)
Sales and services of auxiliary enterprises	5,427,196	-	5,427,196	4,393,620
Other revenues	2,048,863	-	2,048,863	2,103,709
Net assets released from restrictions	16,800,262	(16,800,262)	-	-
Total revenues	175,199,784	8,394,446	183,594,230	129,750,846
Expenses:				
Education	80,377,753	-	80,377,753	76,191,246
Research	4,174,085	-	4,174,085	2,849,604
Auxiliary enterprises	30,752,844	-	30,752,844	26,844,214
Management and general	22,459,167	-	22,459,167	21,948,295
Total expenses	137,763,849	-	137,763,849	127,833,359
Change in net assets	37,435,935	8,394,446	45,830,381	1,917,487
Net assets, beginning of year	433,799,043	281,439,034	715,238,077	713,320,590
Net assets, end of year	\$ 471,234,978	\$ 289,833,480	\$ 761,068,458	\$ 715,238,077

DICKINSON COLLEGE
Consolidated Statement of Activities

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Student charges, net	\$ 86,447,372	\$ -	\$ 86,447,372
Contributions	1,618,256	16,308,529	17,926,785
Grants and appropriations	2,788,202	-	2,788,202
Investment return, net	8,883,722	11,206,099	20,089,821
Appropriations of investment return, net	11,563,030	(11,563,030)	-
Change in value of split-interest agreements	-	(3,998,663)	(3,998,663)
Sales and services of auxiliary enterprises	4,393,620	-	4,393,620
Other revenues	2,103,709	-	2,103,709
Net assets released from restrictions	<u>10,891,118</u>	<u>(10,891,118)</u>	<u>-</u>
Total revenues	<u>128,689,029</u>	<u>1,061,817</u>	<u>129,750,846</u>
Expenses:			
Education	76,191,246	-	76,191,246
Research	2,849,604	-	2,849,604
Auxiliary enterprises	26,844,214	-	26,844,214
Management and general	<u>21,948,295</u>	<u>-</u>	<u>21,948,295</u>
Total expenses	<u>127,833,359</u>	<u>-</u>	<u>127,833,359</u>
Change in net assets	855,670	1,061,817	1,917,487
Net assets, beginning of year	<u>432,943,373</u>	<u>280,377,217</u>	<u>713,320,590</u>
Net assets, end of year	<u>\$ 433,799,043</u>	<u>\$ 281,439,034</u>	<u>\$ 715,238,077</u>

DICKINSON COLLEGE

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 45,830,381	\$ 1,917,487
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,641,820	10,076,520
Amortization of bond issuance costs	90,530	92,202
Amortization of bond premium	(1,181,228)	(1,215,706)
Loss (gain) on disposition of fixed assets	579,495	(32,566)
Net realized and unrealized gains on investments	(46,512,530)	(11,371,976)
Change in value of funds held in trust by others	(4,205,103)	(2,637,440)
Change in allowance for loan loss	120,197	112,084
Gifts received for permanently restricted net assets and capital projects	(2,372,779)	(6,380,894)
Change in assets and liabilities:		
Accounts and other receivables, net	619,078	(423,716)
Inventories, prepaid expenses, and other assets	(2,150,108)	675,055
Contributions receivable, net	(1,747,865)	7,454,953
Accounts payable and accrued expenses	1,343,035	(2,657,018)
Student deposits and deferred revenue	(545,697)	167,091
Funds held in custody for others	(149,785)	340,050
Total adjustments	(45,470,940)	(5,801,361)
Net cash provided by (used in) operating activities	359,441	(3,883,874)
Cash flows from investing activities:		
Proceeds from sales of investments	153,088,847	126,812,119
Purchase of investments	(140,493,414)	(123,693,424)
Purchase of property and equipment	(11,355,394)	(18,346,891)
Proceeds from sale of property and equipment	11,202	32,566
Student loans collected	1,055,308	1,237,598
Student loans advanced	(1,483,057)	(1,311,995)
Net cash provided by (used in) investing activities	823,492	(15,270,027)
Cash flows from financing activities:		
Proceeds from issuance of debt, net	-	32,530,567
Payments for deferred financing costs	-	(345,797)
Payments on debt, net – refinancing	-	(31,395,000)
Payments on debt, net – scheduled	(3,819,669)	(2,911,484)
Change in deposits with trustees under debt agreements	5,788,868	9,318,388
Principal payments under finance lease obligations	(538,548)	(341,403)
Gifts received for permanently restricted net assets and capital projects	2,372,779	6,380,894
Changes in annuities payable	(377,645)	(21,583)
Change in U.S. government advances refundable	(255,915)	(433,722)
Net cash provided by financing activities	3,169,870	12,780,860
Net increase (decrease) in cash and cash equivalents	4,352,803	(6,373,041)
Cash and cash equivalents, beginning of year	9,211,428	15,584,469
Cash and cash equivalents, end of year	\$ 13,564,231	\$ 9,211,428
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 6,016,148	\$ 5,880,097
Supplemental disclosure of noncash activities:		
Assets acquired related to finance leases	\$ 587,117	\$ 1,022,836
Purchase of property and equipment included in accounts payable	\$ 1,839,545	\$ 2,194,828

See accompanying notes to the consolidated financial statements.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 1 - Summary of Significant Accounting Policies

Dickinson College (the College) is a private, residential, liberal arts college located in Carlisle, Pennsylvania. The College provides education services focused on the undergraduate level and is accredited by the Middle States Commission on Higher Education. The College owns and operates several study-abroad programs, some of which are considered separate entities for tax purposes. These entities are included in the accompanying consolidated financial statements of the College. All significant intercompany balances and transactions have been eliminated in consolidation.

The College participates in student financial aid programs sponsored by the U.S. Department of Education (ED), which facilitate the payment of tuition and other expenses for students.

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

Basis of Presentation

The consolidated financial statements of the College have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

Net assets and revenues, gains, and losses are classified as with or without donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited to contractual agreements with outside parties. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

With Donor Restrictions - Net assets whose use by the College is subject to donor-imposed stipulations that (a) can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time; or (b) they be maintained permanently by the College.

Since endowment net realized and unrealized gains may eventually be spent by the College, endowment net realized and unrealized gains are recorded in the consolidated financial statements as net assets with donor restrictions until appropriated by the Board of Trustees for expenditures, at which point they are transferred to net assets without donor restrictions. Contributions and endowment income with donor-imposed restrictions are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction, or when the time restriction has elapsed. Contributions restricted for the acquisition of plant and equipment are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when restrictions have been met and the plant and equipment have been placed in service.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Expirations of donor-imposed stipulations are reported as net assets released from restriction, increasing net assets without donor restrictions and decreasing net assets with donor restrictions. Generally, donors of assets with stipulations that they be maintained permanently permit the College to use all or part of the income earned on those assets. Such assets primarily include the College's donor endowment funds and funds held in trust by others.

Revenue Recognition

Revenue is measured based on consideration specified in a contract with a customer. The College recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

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

Student Charges

The College's revenues primarily consist of student charges for educational services in the form of tuition, fees, room, and board. Although the College has separate educational and residential agreements with its students, on-campus residency is generally required by the College and therefore educational services are considered a single performance obligation. In accordance with GAAP, revenue measurement is driven by a principles-based process that requires entities to 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied.

For both campus-based and global programs, revenues are recognized in the reporting period in which the academic programs are delivered. Courses are primarily offered in two semesters, each totaling 15 weeks. The fall semester runs from August to December and the spring semester runs from January to May.

Student charges are billed as a comprehensive fee in advance of each semester at published rates established by the Board of Trustees on an annual basis. Payments are due 14 days before the beginning of each semester. Payments received in advance of services to be rendered are categorized as student deposits and deferred revenue in the consolidated statements of financial position. Because the College's academic year falls within the fiscal year, accounts receivable related to student charges at year-end are de minimis.

Students who withdraw prior to the beginning of the first day of classes will receive a 100% refund, except for the non-refundable enrollment deposit. Charges for room and board will continue until departure from campus and refunds for flexible meal plan options are based on actual usage. Refunds after the first day of classes are determined on a pro-rata basis until 60% of the semester has been completed. No refunds will be issued after the 60% cutoff date. A separate refund policy applies to those students attending global programs through the Center for Global Study and Engagement. Refunds issued reduce the amount of revenue recognized. Refunds of student charges were approximately 3% of the total amounts billed for the fiscal years ended June 30, 2024 and 2023.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Institutional aid provided by the College as a discount to student charges is reflected as a reduction of gross revenue from student charges.

Payments made by third parties such as the ED relative to loans and other payments made to students are a mechanism to facilitate payment on behalf of students, and accordingly, such funding does not represent revenue of the College.

The following table summarizes the components of net student charges for the years ended June 30:

	2024	2023
Tuition and fees	\$ 136,100,408	\$ 125,761,594
Room and board	<u>35,240,620</u>	<u>32,792,415</u>
Gross student charges	171,341,028	158,554,009
Student aid	<u>(81,642,278)</u>	<u>(72,106,637)</u>
Student charges, net	<u>\$ 89,698,750</u>	<u>\$ 86,447,372</u>

Sales and Services of Auxiliary Enterprises

Auxiliary enterprises include the operations of the bookstore and central stores, children's center, conferences and special events, dining services (other than board revenues), and other campus-based operations.

Revenues from auxiliary enterprises can be recognized at a point in time or over a period, depending on the satisfaction of the performance obligation under the contract. Payments received in advance of goods and services to be provided are categorized as deferred revenue and reported within student deposits and deferred revenue in the consolidated statements of financial position. A significant portion of the business activities of auxiliary enterprises occurs within the academic year. Therefore, accounts receivable related to auxiliary enterprises are de minimis at year-end.

Student Deposits and Deferred Revenue

Student deposits represent payments for future enrollment while deferred revenue amounts represent unearned amounts for grants, academic, and auxiliary enterprises. Student deposits and deferred revenue are generally recognized as revenue in the following fiscal year.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions may be in the form of gifts or grants.

A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome. As of June 30, 2024 and 2023, the College had \$1,874,511 and \$2,760,590, respectively, of conditional promises from donors that are not recognized as assets in the consolidated statements of financial position. These conditional promises are expected to be earned as the barriers are met in subsequent years.

Unconditional contributions with no purpose or time restrictions are reported as revenues without donor restrictions. Unconditional contributions, gifts, and grants with donor-imposed restrictions that limit the use of the asset are reported as revenues with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. However, for unconditional donor-restricted contributions that were initially conditional, if donor-imposed restrictions are met in the same year that they become unconditional, the revenues are reported as revenues without donor restrictions in the consolidated statements of activities.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fundraising activity. Contributions receivable are recorded at estimated fair value on the date the donor's unconditional promise to contribute is made using the present value of future cash flows.

On June 30, 2024 and 2023, \$19,614,081 and \$17,153,562 respectively, has been recorded as a contribution receivable related to a settlement agreement between the College; the Baltimore Symphony Orchestra; GBMC Healthcare, Inc.; Whiteford, Taylor & Preston LLP; and the trustees of the Robert A. Waidner Foundation, a charitable remainder trust established under the will of alumnus Robert A. Waidner, Dickinson Class of 1932. The receivable represents the present value of future cash flows using an average discount rate of 3.0% and 2.5% for the years ended June 30, 2024 and 2023, respectively.

Direct fundraising expenses were \$6,310,910 and \$5,830,078 for the years ended June 30, 2024 and 2023 respectively, and are included in management and general expenses in the consolidated statements of activities.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Cash and Cash Equivalents

The College considers institutional money market funds and other short-term savings instruments with original maturities of 90 days or less to be cash equivalents. Cash and cash equivalents held by investment managers are considered part of investments. The College has cash balances at financial institutions that exceeded federal depository insurance limits. Management believes that credit risk related to these deposits is minimal and has not experienced any such losses to date.

Accounts and Other Receivables

Students are billed based on dates outlined in the academic catalog in advance of delivery of the related academic or auxiliary services. Payments for student charges and other auxiliary charges are generally due by the start of the academic period, net of any expectations for third party financial aid. Payments made on behalf of students by the ED or other third parties may be subject to specific requirements within those programs as to when those funds can be availed. Certain third-party funding can be availed prior to the commencement of the academic period, while other amounts are paid at specified intervals based on rules promulgated by the ED and other agencies. As such, cash flows on accounts receivable balances and the measurement of deferred revenues do not directly depend on meeting specified performance obligations of the College.

The College estimates expected credit losses over the life of its financial assets and certain off-balance sheet exposures as of the reporting date based on relevant information about past events, current conditions, and reasonable and supportable forecasts. The College records the estimate of expected credit losses as an allowance for credit losses which is immaterial. An account is considered uncollectible when all efforts to collect the account have been exhausted. Recoveries of accounts receivable previously written off are recorded as revenue when received. Accounts receivable are considered past due if any portion of the receivable balance is outstanding for more than 90 days or the student no longer attends the institution. Student accounts are not collateralized.

Loans Receivable and U.S. Government Advances Refundable

Loans receivable consist of loans to students, which are made from the College's restricted loan funds and funding provided for under the Federal Perkins Loan Program sponsored by ED. Amounts advanced under the Federal Perkins Loan Program are ultimately refundable to ED subject to certain adjustments and are included as liabilities in the consolidated statements of financial position.

Loans receivable are considered past due if any portion of the balance due is outstanding for more than 120 days for College loans and for more than 240 days for Perkins Loans. Loans past due or in default totaled \$654,893 and \$635,323 for the years ended June 30, 2024 and 2023, respectively. Perkins loans that are in default and meet certain requirements can be assigned to ED, which reduces the balance in U.S. government advances refundable. Loans receivable are reported at their estimated net realizable value. For all loans, management estimates the allowance for credit losses based on historical losses, current economic conditions, and the credit quality of the loans. The allowance for uncollectible loans was \$505,412 and \$385,215 on June 30, 2024 and 2023, respectively.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Investments and Fair Value Measurements

Investments consist of a wide variety of financial instruments. The related values, as presented in the consolidated financial statements, are subject to various market fluctuations, which include changes in equity markets, the interest rate environment, and general economic conditions. These changes cause the net asset position of the College to increase or decrease.

Fair value refers to the price the College would receive upon selling an asset or the price paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the reporting date.

A three-tier hierarchical framework has been established that classifies valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants, in the context of an orderly market, would use in pricing the asset or liability. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurements are based on three levels of inputs as follows:

Level 1 - Quoted or published prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Valuations for alternative investments including hedge funds, venture capital, and other private partnerships are based on net asset values (NAVs) provided by external investment managers or on audited financial statements when available. NAVs provided by external investment managers are based on fair value estimates, appraisals, assumptions, and methods that are reviewed by management. These investments are not categorized in the fair value hierarchy table but are separately disclosed to reconcile to the amounts reported on the consolidated statements of financial position.

Split-Interest Agreements and Funds Held in Trust by Others

The College's annuity agreements with donors consist primarily of charitable gift annuities, pooled life income and unitrusts. Assets held in these annuity agreements are included in investments under split-interest agreements. Contribution revenues are recognized at the date the agreements are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries using a discount rate which approximates the charitable federal midterm rate of 5.6% and 4.2% as of June 30, 2024 and 2023, respectively.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Funds held in trust by others represent the College's beneficial interest in various irrevocable trusts which are recorded at fair value, using Level 3 inputs. These funds are neither in the possession nor under the control of the College. Because of the permanent right of the College to benefit from these funds, the College reports its share of these trusts on its consolidated financial statements as funds held in trust by others.

Funds held in trust by others include a 45% interest in the Sandia Foundation, created in 1975 under the terms of the will of Hugh W. Woodward, of which the College is a beneficiary. Those terms provide that the College is to receive annually and in perpetuity 45% of the net earnings of the Sandia Foundation, the assets of which consist principally of marketable securities and real estate in and around Albuquerque, New Mexico. The value of the College's interest in the Sandia Foundation was \$50,034,068 and \$46,145,741 on June 30, 2024 and 2023, respectively. Annual distributions amounted to \$1,737,000 and \$1,687,500 for the years ended June 30, 2024 and 2023, respectively, and are included under appropriations of investment return, net on the consolidated statements of activities.

Deposits with Trustees under Debt Agreements

Deposits with trustees under debt agreements are reported at fair value using Level 1 inputs. These funds consist of amounts held for capital projects and earnings from debt service payment funds. The funds are invested in short-term investments in accordance with requirements established by the associated bond agreements.

Property and Equipment

Property and equipment are stated at cost or at estimated fair value if acquired by gift, less accumulated depreciation. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	<i>Years</i>
Buildings and improvements	5–50
Equipment	3–15
Library books	10

Leasehold improvements and assets under finance leases are amortized over the shorter of the estimated useful life or the term of the lease using the straight-line method.

Capitalized interest is charged to construction in progress or buildings and improvements during the period of construction of the capital assets and is amortized over the useful lives of the associated assets.

Included in property and equipment is the College's rare works collection. The College carries its rare works collection at the fair value of the collection items at the date of gift or purchase and the collection is not depreciated.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such assets are impaired, the impairment to be recognized is the difference between the carrying amount and the fair value of the assets. There were no impairment adjustments to the College's long-lived assets as of June 30, 2024 and 2023.

Leases

The College determines if an arrangement is a lease at inception. Right-of-use assets represent the College's right to use an underlying asset for the lease term. Lease obligations represent the College's liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized on the lease commencement date based on the present value of lease payments over the lease term discounted using a risk-free interest rate at inception. The value of an option to extend or terminate a lease is reflected when it is reasonably certain the option will be exercised. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases.

Operating lease right-of-use assets are included in inventories, prepaid expenses and other assets and associated operating lease liabilities are included in accounts payable and accrued expenses on the consolidated statements of financial position. Finance lease assets are included in property, plant and equipment and obligations under finance leases are separately reported on the consolidated statements of financial position.

Debt

Deferred financing costs are amortized over the remaining terms of the associated debt using the effective interest method. Such unamortized amounts are presented as a direct reduction of the related long-term debt.

Funds Held in Custody for Others

The College has agreed to serve as a fiscal agent for officially recognized student organizations and other approved external entities. Resources held on behalf of others are included in cash and cash equivalents and investments in the consolidated statements of financial position, with the related obligation included in funds held in custody for others.

Tax Status

The College has been recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code, except for taxes on income from activities unrelated to its exempt purpose. Accordingly, the College is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. No provisions for income taxes have been made in the accompanying consolidated financial statements for the years ended June 30, 2024 or 2023.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

The College accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. The College has identified its tax status as a tax-exempt entity as its only significant tax position; however, the College has determined that such tax position does not result in an uncertainty requiring recognition. The College is not currently under examination by any taxing jurisdiction. The College’s federal and state tax returns are generally open for examination for three years following the date filed.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or support functions of the College. Expenses reported by functional categories include allocations of costs for operations and maintenance of plant, institutional support for auxiliary operations, interest, depreciation and amortization and information technology. The College applies various methods to allocate costs among the program and support functions, including direct allocation, square footage and time and effort.

Education includes the College’s primary program service of instruction along with supporting expenses reported under academic support and student services. Auxiliary enterprises include expenses relating to the generation of room and board revenue along with other auxiliary enterprises which are reported under sales and services of auxiliary enterprises on the consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 2 - Fair Value Measurements

The following tables summarize the College's investments and other assets that are measured at fair value on a recurring basis by major category in the fair value hierarchy as of June 30. Certain investments that are measured at fair value using its net asset value (NAV) per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented below as investments recorded at NAV are intended to permit a reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 17,828,326	\$ -	\$ -	\$ 17,828,326
Fixed income	44,709,869	-	-	44,709,869
Equities	2,522,656	-	-	2,522,656
Real estate	-	6,028,963	-	6,028,963
Investments recorded at NAV:				
Hedge funds				242,148,559
Private equity funds				282,529,027
Total investments	<u>65,060,851</u>	<u>6,028,963</u>	<u>-</u>	<u>595,767,400</u>
Investments under split-interest agreements:				
Cash and cash equivalents	180,978	-	-	180,978
Fixed income	1,587,410	-	-	1,587,410
Equities	<u>4,135,191</u>	<u>-</u>	<u>-</u>	<u>4,135,191</u>
Total investments under split-interest agreements	<u>5,903,579</u>	<u>-</u>	<u>-</u>	<u>5,903,579</u>
Other assets:				
Contributions receivable	-	27,894,627	-	27,894,627
Deposits with trustees under debt agreements	150,664	-	-	150,664
Funds held in trust by others	<u>-</u>	<u>-</u>	<u>55,046,951</u>	<u>55,046,951</u>
Total	<u>\$ 71,115,094</u>	<u>\$ 33,923,590</u>	<u>\$ 55,046,951</u>	<u>\$ 684,763,221</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 11,063,022	\$ -	\$ -	\$ 11,063,022
Fixed income	48,904,341	-	-	48,904,341
Equities	2,147,524	-	-	2,147,524
Real estate	-	5,862,260	-	5,862,260
Investments recorded at NAV:				
Hedge funds				219,644,811
Private equity funds				274,061,127
Total investments	62,114,887	5,862,260	-	561,683,085
Investments under split-interest agreements:				
Cash and cash equivalents	162,920	-	-	162,920
Fixed income	1,579,044	-	-	1,579,044
Equities	4,328,833	-	-	4,328,833
Total investments under split-interest agreements	6,070,797	-	-	6,070,797
Other assets:				
Contributions receivable	-	26,146,762	-	26,146,762
Deposits with trustees under debt agreements	5,939,532	-	-	5,939,532
Funds held in trust by others	-	-	50,841,848	50,841,848
Total	\$ 74,125,216	\$ 32,009,022	\$ 50,841,848	\$ 650,682,024

Note 3 - Liquidity and Availability

The College manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. Due to the cyclical nature of cash receipts for student charges and contributions, the College invests cash exceeding operational requirements in low-risk cash and fixed income securities in accordance with projected liquidity needs. To further manage liquidity, the College maintains two lines of credit with separate institutions totaling \$30,000,000, which are renewed on an annual basis. There was no outstanding balance on either line of credit as of June 30, 2024 and 2023.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Financial assets available for general expenditure within one year of June 30 are as follows:

	2024	2023
Cash and cash equivalents	\$ 13,564,231	\$ 9,211,428
Accounts and contributions receivable, net	32,709,517	31,580,730
Loans receivable, net	6,713,316	6,405,764
Investments and funds held in trust by others	656,717,930	618,595,730
Deposits with trustees under debt agreements	<u>150,664</u>	<u>5,939,532</u>
 Total financial assets	 709,855,658	 671,733,184
Less:		
Cash and investments held in operating reserves	(6,373,567)	(5,873,902)
Endowed contributions receivable and receivables scheduled to be collected in more than one year	(22,857,202)	(25,451,931)
Loans receivable, net	(6,713,316)	(6,405,764)
Investments held in split-interest reserves	(2,474,599)	(2,550,525)
Pooled endowment investments and funds held in trust by others, net of appropriations over the next 12 months	(597,116,463)	(559,661,652)
Other investments	(6,028,963)	(5,862,260)
Deposits with trustees under debt agreements	<u>(150,664)</u>	<u>(5,939,532)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 \$ <u>68,140,884</u>	 \$ <u>59,987,618</u>

The College operates with a balanced operating budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The College has established operating reserves with the objective of ensuring sufficient reserves exist to act in the event of unforeseen occurrences or opportunities. Operating reserve funds are held in low-risk cash and fixed income securities and are included in the cash and cash equivalents and investments lines on the consolidated statements of financial position. The College also had \$386,711,443 and \$354,694,120 in board-designated endowment net assets as of June 30, 2024 and 2023, respectively. Although the College does not intend to spend from its board-designated endowment funds, other than amounts appropriated for expenditure each year, amounts could be made available, if necessary, subject to investment liquidity restrictions.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Investment liquidity, including investments under split-interest agreements was as follows as of June 30, 2024:

Daily	\$ 76,993,393
Monthly	111,232,945
Quarterly	130,915,614
Illiquid	<u>282,529,027</u>
	<u>\$ 601,670,979</u>

Private equity fund investments are generally made through limited partnerships. Under the terms of such agreements, the College may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The College cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur, they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any future year are uncertain. Unfunded private equity commitments as of June 30, 2024 were \$142,969,510.

Note 4 - Contributions Receivable

Contributions receivable, net are summarized as follows as of June 30:

	2024	2023
Contributions receivable expected to be collected in:		
Less than one year	\$ 6,813,555	\$ 5,934,729
One year to five years	8,012,426	8,066,447
Over five years	<u>18,001,596</u>	<u>15,751,570</u>
	32,827,577	29,752,746
Less discount	(4,497,131)	(3,132,658)
Allowance for uncollectible contributions receivable	<u>(435,819)</u>	<u>(473,326)</u>
	<u>\$ 27,894,627</u>	<u>\$ 26,146,762</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 5 - Endowments

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

Investments having fair values of \$571,231,549 and \$536,473,548 on June 30, 2024 and 2023, respectively, are pooled on a fair value basis, with each unitized fund subscribing to or disposing of units on the basis of the fair value per unit at the beginning of the month within which the transaction takes place.

Interpretation of Relevant Law

The College has interpreted relevant law as requiring the endowment fund, absent explicit donor stipulations to the contrary, to be managed with the long-term objective of at least maintaining the real value (after inflation) of the funds. Unless stated otherwise in the gift instrument, the assets in an endowment fund are assets with donor restriction until appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by relevant law. Pennsylvania law permits the Board of Trustees to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to endowment funds with donor restriction averaged over a period of three or more preceding years, provided the board has determined that such percentage is consistent with the long-term preservation of the real value of such assets.

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 funds with donor restriction that the College must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the endowment spending rate plus inflation, defined as the Consumer Price Index plus 1%, while assuming a moderate level of investment risk.

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 College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Spending Policy

The spending policy of the College is set to provide, as closely as possible, equitable benefit from the endowment for current and future generations of students. A formal spending policy has been adopted to meet the legal and programmatic requirements of the endowment. The College appropriates 7% of the endowment and targets a maximum of 5% of the 12-quarter moving average fair market value of the pooled endowment to be utilized, with the remaining distribution moved from net assets with donor restrictions to board-designated. The approved spending rate formula is designed to provide a relatively predictable and growing stream of revenues to the operating budget. An additional goal of this policy is to minimize the temptation to relieve all budgetary pressures by simply drawing additional monies from the endowment.

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 requires the College to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occur after the investment of contributions with donor restrictions. There were no deficiencies of this nature as of June 30, 2024 and 2023. The College interprets Pennsylvania law to allow for the aggregation of similar endowments; therefore, endowments with deficiencies are netted with gains and accounted for within net assets with donor restrictions.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Net Asset Classifications of Endowment Funds

Net asset classification by type of endowment as of June 30, 2024:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions - Time/Purpose</i>	<i>With Donor Restrictions - Perpetual</i>	<i>Total</i>
Board-designated endowment funds:				
Pooled endowment investments	\$ 374,522,793	\$ -	\$ -	\$ 374,522,793
Funds invested separately	7,851,932	-	-	7,851,932
Real asset investments	3,334,684	-	-	3,334,684
Property and equipment, net	<u>4,426,523</u>	<u>-</u>	<u>-</u>	<u>4,426,523</u>
Total board-designated endowment funds	<u>390,135,932</u>	<u>-</u>	<u>-</u>	<u>390,135,932</u>
Donor-restricted endowment funds:				
Contributions receivable, net	-	25,585,808	348,606	25,934,414
Pooled endowment investments:				
Original gift	-	-	94,961,534	94,961,534
Accumulated net gains and losses	<u>-</u>	<u>101,747,222</u>	<u>-</u>	<u>101,747,222</u>
Total pooled endowment investments	-	101,747,222	94,961,534	196,708,756
Investments under split-interest agreements	-	3,096,858	2,806,721	5,903,579
Funds held in trust by others	<u>-</u>	<u>-</u>	<u>55,046,951</u>	<u>55,046,951</u>
Total donor-restricted endowment funds	<u>-</u>	<u>130,429,888</u>	<u>153,163,812</u>	<u>283,593,700</u>
Total endowment assets	390,135,932	130,429,888	153,163,812	673,729,632
Agency and annuity liabilities	<u>(3,424,489)</u>	<u>(1,432,746)</u>	<u>(922,652)</u>	<u>(5,779,887)</u>
Total endowment net assets	<u>\$ 386,711,443</u>	<u>\$ 128,997,142</u>	<u>\$ 152,241,160</u>	<u>\$ 667,949,745</u>

Changes in endowment net assets for the year ended June 30, 2024:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions - Time/Purpose</i>	<i>With Donor Restrictions - Perpetual</i>	<i>Total</i>
Endowment net assets, beginning of year	\$ 354,694,120	\$ 117,456,583	\$ 146,502,430	\$ 618,653,133
Investment return, net and change in value of split-interest agreements	25,000,424	24,308,672	6,400,187	55,709,283
Contributions	19,893,118	208,593	1,294,405	21,396,116
Other additions/transfers	235,470	(378,995)	-	(143,525)
Appropriation of endowment assets for expenditure	(13,742,070)	(12,597,711)	(1,973,131)	(28,312,912)
Reinvested appropriations	<u>630,381</u>	<u>-</u>	<u>17,269</u>	<u>647,650</u>
	<u>\$ 386,711,443</u>	<u>\$ 128,997,142</u>	<u>\$ 152,241,160</u>	<u>\$ 667,949,745</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Net asset classification by type of endowment as of June 30, 2023:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions - Time/Purpose</i>	<i>With Donor Restrictions - Perpetual</i>	<i>Total</i>
Board-designated endowment funds:				
Pooled endowment investments	\$ 350,398,600	\$ -	\$ -	\$ 350,398,600
Real asset investments	3,167,981	-	-	3,167,981
Property and equipment, net	<u>4,426,523</u>	<u>-</u>	<u>-</u>	<u>4,426,523</u>
Total board-designated endowment funds	<u>357,993,104</u>	<u>-</u>	<u>-</u>	<u>357,993,104</u>
Donor-restricted endowment funds:				
Contributions receivable, net	-	22,856,133	848,331	23,704,464
Pooled endowment investments:				
Original gift	-	-	93,150,136	93,150,136
Accumulated net gains and losses	<u>-</u>	<u>92,924,812</u>	<u>-</u>	<u>92,924,812</u>
Total pooled endowment investments	-	92,924,812	93,150,136	186,074,948
Investments under split-interest agreements	-	3,376,123	2,694,674	6,070,797
Funds held in trust by others	<u>-</u>	<u>-</u>	<u>50,841,848</u>	<u>50,841,848</u>
Total donor-restricted endowment funds	<u>-</u>	<u>119,157,068</u>	<u>147,534,989</u>	<u>266,692,057</u>
Total endowment assets	357,993,104	119,157,068	147,534,989	624,685,161
Agency and annuity liabilities	<u>(3,298,984)</u>	<u>(1,700,485)</u>	<u>(1,032,559)</u>	<u>(6,032,028)</u>
Total endowment net assets	<u>\$ 354,694,120</u>	<u>\$ 117,456,583</u>	<u>\$ 146,502,430</u>	<u>\$ 618,653,133</u>

Changes in endowment net assets for the year ended June 30, 2023:

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions - Time/Purpose</i>	<i>With Donor Restrictions - Perpetual</i>	<i>Total</i>
Endowment net assets, beginning of year	\$ 352,475,789	\$ 131,820,832	\$ 140,959,534	\$ 625,256,155
Investment return, net and change in value of split-interest agreements	7,064,622	2,469,814	4,737,621	14,272,057
Contributions	5,332,953	(4,723,994)	2,695,645	3,304,604
Other additions/transfers	55,000	-	-	55,000
Appropriation of endowment assets for expenditure	(11,909,366)	(12,110,069)	(1,905,606)	(25,925,041)
Reinvested appropriations	<u>1,675,122</u>	<u>-</u>	<u>15,236</u>	<u>1,690,358</u>
	<u>\$ 354,694,120</u>	<u>\$ 117,456,583</u>	<u>\$ 146,502,430</u>	<u>\$ 618,653,133</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Net distributions of endowment assets for expenditure are summarized as follows for the years ended June 30:

	2024	2023
Scholarships and financial aid	\$ 11,420,936	\$ 10,015,667
Endowed chairs and faculty support	3,353,619	2,911,792
Operation/maintenance of facilities	2,500,300	2,181,938
Academic programs and student life	3,659,817	3,124,829
Other	<u>6,730,590</u>	<u>6,000,457</u>
	<u>\$ 27,665,262</u>	<u>\$ 24,234,683</u>

Note 6 - Property and Equipment

Property and equipment at cost and accumulated depreciation are summarized as follows at June 30:

	2024	2023
Land	\$ 11,406,495	\$ 11,406,495
Buildings and improvements	339,884,882	319,451,625
Finance leases and leasehold improvements	3,062,052	2,474,934
Equipment	25,627,314	24,877,555
Library books	10,630,533	10,801,948
Rare works	3,130,503	3,130,503
Construction in progress	<u>6,669,572</u>	<u>19,093,858</u>
	400,411,351	391,236,918
Less accumulated depreciation	<u>205,156,447</u>	<u>196,336,725</u>
	<u>\$ 195,254,904</u>	<u>\$ 194,900,193</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 7 - Lease Commitments

The College is a lessee for 23 operating leases, primarily related to real estate. These leases have an average remaining lease term of approximately two years, some of which include an option to extend or terminate and were calculated using a weighted average discount rate of 4.1% and 1.0% as of June 30, 2024 and 2023, respectively. Operating lease right-of-use assets and liabilities as of June 30, 2024 were \$5,233,390 and \$5,365,367, respectively. Operating lease right-of-use assets and liabilities as of June 30, 2023 were \$3,092,727 and \$3,227,567, respectively. The College added \$3,461,824 and \$109,186 in new operating leases, net of cancellations and other adjustments, for the years ended June 30, 2024 and 2023, respectively. Operating leases extend through 2034.

The components of total rental expense was as follows for the years ended June 30:

	2024	2023
Operating lease cost	\$ 1,453,050	\$ 1,421,333
Short-term lease cost	144,848	299,199
Non-lease rent expense	<u>548,138</u>	<u>319,506</u>
	<u>\$ 2,146,036</u>	<u>\$ 2,040,038</u>

Future payments due under operating and finance leases are as follows as of June 30, 2024:

	Operating	Finance
2025	\$ 1,565,914	\$ 396,371
2026	1,594,301	347,947
2027	697,214	347,947
2028	615,011	231,961
2029	292,411	103,676
Thereafter	<u>1,287,529</u>	<u>-</u>
Total minimum lease payments	6,052,380	1,427,902
Less amount representing interest	<u>(687,013)</u>	<u>(112,237)</u>
Present value of net minimum lease payments	<u>\$ 5,365,367</u>	<u>\$ 1,315,665</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 8 - Debt, net

Debt, net consisted of the following as of June 30:

	2024	2023
Cumberland County Municipal Authority Fixed Rate Revenue Bonds:		
Series 2016, maturing annually to 2034 in principal amounts ranging from \$1,375,000 to \$4,595,000 with a fixed interest rate of 5.0%.	\$ 31,995,000	\$ 33,310,000
Series 2017, maturing annually to 2047 in principal amounts ranging from \$410,000 to \$4,700,000 with a fixed interest rate of 5.0%.	28,370,000	28,760,000
Second Series 2017A, maturing annually from 2037 to 2039 in principal amounts ranging from \$2,930,000 to \$3,230,000 with a fixed interest rate of 5.0%.	9,235,000	9,235,000
Series 2018A, maturing annually to 2026 in principal amounts ranging from \$950,000 to \$1,240,000 with a fixed interest rate of 5.0%.	3,190,000	4,370,000
National Finance Authority Fixed Rate Revenue Bonds:		
Series 2022A, maturing annually from 2037 to 2042 in principal amounts ranging from \$540,000 to \$4,460,000 with a fixed interest rate of 5.0%.	14,450,000	14,450,000
Series 2022B, maturing annually to 2042 in principal amounts ranging from \$835,000 to \$2,830,000 with a fixed interest rate of 5.0%.	29,040,000	29,825,000
Unamortized bond premiums, net	10,803,611	11,984,839
Unamortized issuance costs, net	<u>(946,020)</u>	<u>(1,036,550)</u>
Total bonds payable	126,137,591	130,898,289
Note payable	<u>483,126</u>	<u>632,795</u>
Total debt, net	<u>\$ 126,620,717</u>	<u>\$ 131,531,084</u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Bonds Payable

The bond agreements contain restrictive covenants, which require the pledge of certain revenues as collateral for repayment and the maintenance of a minimum level of debt service coverage for new indebtedness.

The aggregate maturities of bonds payable are as follows at June 30, 2024:

2025	\$	3,860,000
2026		4,045,000
2027		4,255,000
2028		4,445,000
2029		4,670,000
Thereafter		<u>95,005,000</u>
Total	\$	<u><u>116,280,000</u></u>

Note Payable

The College has a note payable with quarterly payments scheduled through May 2027.

The aggregate maturities of the note payable are as follows at June 30, 2024:

2025	\$	158,193
2026		167,070
2027		<u>157,863</u>
Total	\$	<u><u>483,126</u></u>

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 9 - Net Assets

The following is a summary of net assets on June 30:

	2024	2023
Without donor restrictions:		
Board-designated endowment funds	\$ 386,711,443	\$ 354,694,120
Operating reserve funds	6,373,567	5,873,902
Plant and capital project funds	57,851,466	54,584,888
Other operating funds	<u>20,298,502</u>	<u>18,646,133</u>
Total net assets without donor restrictions	<u>471,234,978</u>	<u>433,799,043</u>
With donor restrictions:		
Donor-restricted endowment funds	281,238,302	263,959,013
Purpose and time restricted	<u>8,595,178</u>	<u>17,480,021</u>
Total net assets with donor restrictions	<u>289,833,480</u>	<u>281,439,034</u>
Total net assets	<u>\$ 761,068,458</u>	<u>\$ 715,238,077</u>

Net assets were released from donor-imposed restrictions for the following purposes for the years ended June 30:

	2024	2023
Time restricted:		
Contributions receivable	\$ 2,608,308	\$ 5,328,131
Split-interest agreements	378,995	-
Purpose restricted:		
Education	4,192,263	4,077,792
Research	99,515	122,254
Management and general	517,296	140,752
Construction or acquisition of fixed assets	7,535,977	209,043
Student aid	1,433,136	1,005,746
Auxiliary enterprises	<u>34,772</u>	<u>7,400</u>
Total net assets released from restrictions	<u>\$ 16,800,262</u>	<u>\$ 10,891,118</u>
Appropriations of investment return, net	\$ 11,752,320	\$ 11,563,030

Note 10 - Retirement Benefits

The College sponsors a qualified defined contribution retirement benefit plan. The College's expenses under this plan amounted to \$4,184,601 and \$3,954,815 for the years ended June 30, 2024 and 2023 respectively.

DICKINSON COLLEGE

Notes to Consolidated Financial Statements

Note 11 - Functional Expenses

Expenses by functional and natural classification were as follow for the year ended June 30, 2024:

	<u>Education</u>	<u>Research</u>	<u>Auxiliary Enterprises</u>	<u>Management and General</u>	<u>Operations and Maintenance</u>	<u>Total</u>
Salaries and wages	\$ 36,435,728	\$ 723,626	\$ 6,277,328	\$ 13,333,169	\$ 3,981,404	\$ 60,751,255
Employee benefits	12,356,224	102,784	2,238,775	4,693,470	2,000,696	21,391,949
Supplies, services, other	16,438,030	1,628,908	11,496,474	2,886,300	4,815,521	37,265,233
Depreciation	6,002,872	185,996	2,798,481	783,175	871,296	10,641,820
Interest	2,509,704	588,276	1,743,083	54,095	-	4,895,158
Utilities	1,172,037	155,785	1,359,827	130,785	-	2,818,434
Operations and maintenance	5,463,158	788,710	4,838,876	578,173	(11,668,917)	-
	<u>\$ 80,377,753</u>	<u>\$ 4,174,085</u>	<u>\$ 30,752,844</u>	<u>\$ 22,459,167</u>	<u>\$ -</u>	<u>\$ 137,763,849</u>

Expenses by functional and natural classification were as follows for the year ended June 30, 2023:

	<u>Education</u>	<u>Research</u>	<u>Auxiliary Enterprises</u>	<u>Management and General</u>	<u>Operations and Maintenance</u>	<u>Total</u>
Salaries and wages	\$ 34,417,168	\$ 668,301	\$ 5,407,259	\$ 12,499,196	\$ 3,875,942	\$ 56,867,866
Employee benefits	12,432,045	95,469	2,155,168	4,707,319	2,125,902	21,515,903
Supplies, services, other	14,982,669	395,350	9,693,817	3,255,376	4,041,291	32,368,503
Depreciation	5,912,888	170,799	2,544,386	632,039	816,408	10,076,520
Interest	2,594,189	598,646	1,437,140	16,374	-	4,646,349
Utilities	968,042	117,186	1,175,088	97,902	-	2,358,218
Operations and maintenance	4,884,245	803,853	4,431,356	740,089	(10,859,543)	-
	<u>\$ 76,191,246</u>	<u>\$ 2,849,604</u>	<u>\$ 26,844,214</u>	<u>\$ 21,948,295</u>	<u>\$ -</u>	<u>\$ 127,833,359</u>

Capitalized interest totaled \$336,073 for the year ended June 30, 2023. There was no capitalized interest for the year ended June 30, 2024.

Note 12 - Contingencies and Commitments

Construction commitments amounted to \$5,165,034 and \$10,381,928 as of June 30, 2024 and 2023 respectively.

The College is involved in certain claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect on the College's financial position.

Note 13 - Subsequent Events

The College has evaluated subsequent events from June 30, 2024 and through October 26, 2024, the date the consolidated financial statements were issued. Management determined that no events occurred through that date that required adjustment or disclosure in the consolidated financial statements.

Supplemental Information

DICKINSON COLLEGE

Supplemental Schedule

Year Ended June 30, 2024

	Current Operations	Other Unrestricted	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:					
Student charges, net	\$ 89,787,815	\$ (89,065)	\$ 89,698,750	\$ -	\$ 89,698,750
Contributions	1,597,995	17,284,810	18,882,805	6,238,169	25,120,974
Grants and appropriations	756,611	2,631,091	3,387,702	-	3,387,702
Investment return, net	1,655,876	25,546,010	27,201,886	28,249,980	55,451,866
Appropriations of investment return, net	22,489,711	(10,737,391)	11,752,320	(11,752,320)	-
Change in value of split-interest agreements	-	-	-	2,458,879	2,458,879
Sales and services of auxiliary enterprises	5,427,196	-	5,427,196	-	5,427,196
Other revenues	2,035,511	13,352	2,048,863	-	2,048,863
Net assets released from restrictions	1,525,814	15,274,448	16,800,262	(16,800,262)	-
Total revenues	125,276,529	49,923,255	175,199,784	8,394,446	183,594,230
Expenses:					
Education	70,357,272	10,020,481	80,377,753	-	80,377,753
Research	1,962,576	2,211,509	4,174,085	-	4,174,085
Auxiliary enterprises	26,930,251	3,822,593	30,752,844	-	30,752,844
Management and general	20,849,325	1,609,842	22,459,167	-	22,459,167
Total expenses	120,099,424	17,664,425	137,763,849	-	137,763,849
Change in net assets before additions to reserves	5,177,105	32,258,830	37,435,935	8,394,446	45,830,381
Additions to reserves	(5,177,105)	5,177,105	-	-	-
Change in net assets	-	37,435,935	37,435,935	8,394,446	45,830,381
Net assets, beginning of year	-	433,799,043	433,799,043	281,439,034	715,238,077
Net assets, end of year	\$ -	\$ 471,234,978	\$ 471,234,978	\$ 289,833,480	\$ 761,068,458