Wheaton College

Financial Report
June 30, 2026

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RSM US LLP

Independent Auditor's Report

Board of Trustees
Wheaton College

Opinion

We have audited the financial statements of Wheaton College (the College), which comprise the statements of financial position as of June 30, 2026 and 2025, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2026 and 2025, and the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

RSM US LLP

Boston, Massachusetts
October 22, 2026

Wheaton College

Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	**$ 16,299,053**	$ 18,715,833
Receivables and other assets, net of allowance for credit losses	**3,565,524**	3,295,756
Contributions receivable, net and other assets	**10,679,028**	8,693,886
Student loans receivable, net of allowance for credit losses	**284,160**	353,945
Deposits held by bond trustees	**11,782,051**	1,204,145
Investments	**327,793,090**	295,136,922
Restricted cash	**811,664**	1,148,207
Contributions receivable restricted for long-term purposes, net	**4,375,108**	3,092,480
Land, buildings and equipment, net	**126,148,563**	126,707,789
Total assets	**$ 501,738,241**	$ 458,348,963
Liabilities and Net Assets		
Accounts payable and accrued expenses	**$ 9,375,373**	$ 8,857,654
Deposits and deferred revenue	**1,007,541**	643,839
Annuity and life income obligations	**1,020,741**	1,040,973
Government advances for student loans	**68,576**	125,568
Asset retirement obligations	**2,315,461**	2,194,524
Bonds and loans payable, net	**95,078,035**	82,077,973
Total liabilities	**108,865,727**	94,940,531
Net assets:		
Without donor restrictions	**93,459,168**	96,495,244
With donor restrictions	**299,413,346**	266,913,188
Total net assets	**392,872,514**	363,408,432
Total liabilities and net assets	**$ 501,738,241**	$ 458,348,963

See notes to financial statements

Wheaton College

Statement of Activities
Year Ended June 30, 2026
(With Comparative Totals for 2025)

	Without Donor Restrictions	With Donor Restrictions	Total 2026	Total 2025
Operating revenues:				
Tuition and fees—net of scholarships and grants (2026—$81,640,649; 2025—$77,972,954)	$ 33,502,787	$ -	$ 33,502,787	$ 33,624,824
Room and board	26,183,792	-	26,183,792	24,970,211
Net student revenues	59,686,579	-	59,686,579	58,595,035
Other auxiliary services	1,154,688	-	1,154,688	1,170,040
Gifts and private grants	3,895,484	241,791	4,137,275	11,763,781
Government grants and contracts	471,980	16,624	488,604	461,690
Other revenues	2,597,994	60,877	2,658,871	2,017,416
Endowment return utilized for operations	3,866,322	10,636,206	14,502,528	14,724,083
Net assets released from restrictions	12,520,225	(12,520,225)	-	-
Total operating revenues	84,193,272	(1,564,727)	82,628,545	88,732,045
Operating expenses:				
Salaries and benefits	47,346,008	-	47,346,008	51,497,945
Contracted services and events	16,651,362	-	16,651,362	16,926,087
Utilities, maintenance, equipment and insurance	8,641,537	-	8,641,537	7,375,221
Library acquisitions, supplies, printing and other	4,525,379	-	4,525,379	5,223,729
Depreciation and accretion	9,787,697	-	9,787,697	9,763,125
Interest and amortization	3,655,970	-	3,655,970	3,214,661
Total operating expenses	90,607,953	-	90,607,953	94,000,768
Operating subtotal	(6,414,681)	(1,564,727)	(7,979,408)	(5,268,723)
Nonoperating:				
Contributions	21,946	8,560,312	8,582,258	7,182,800
Net investment return	6,879,799	37,062,722	43,942,521	27,533,721
Other non-operating expenses	(578,761)	-	(578,761)	(770,883)
Endowment return utilized for operations	(3,866,322)	(10,636,206)	(14,502,528)	(14,724,083)
Net assets released from restrictions	921,943	(921,943)	-	-
Nonoperating subtotal	3,378,605	34,064,885	37,443,490	19,221,555
Change in net assets	(3,036,076)	32,500,158	29,464,082	13,952,832
Net assets, beginning of year	96,495,244	266,913,188	363,408,432	349,455,600
Net assets, end of year	$ 93,459,168	$ 299,413,346	$ 392,872,514	$ 363,408,432

See notes to financial statements.

Wheaton College

Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Operating revenues:			
Tuition and fees—net of scholarships and grants ($77,972,954)	$ 33,624,824	$ -	$ 33,624,824
Room and board	24,970,211	-	24,970,211
Net student revenues	58,595,035	-	58,595,035
Other auxiliary services	1,170,040	-	1,170,040
Private gifts and grants	4,097,597	7,666,184	11,763,781
Government grants and contracts	441,225	20,465	461,690
Other revenues	1,861,049	156,367	2,017,416
Endowment return utilized for operations	3,926,697	10,797,386	14,724,083
Net assets released from restrictions	13,720,523	(13,720,523)	-
Total operating revenues	83,812,166	4,919,879	88,732,045
Operating expenses:			
Salaries and benefits	51,497,945	-	51,497,945
Contracted services and events	16,926,087	-	16,926,087
Utilities, maintenance, equipment and insurance	7,375,221	-	7,375,221
Library acquisitions, supplies, printing and other	5,223,729	-	5,223,729
Depreciation and accretion	9,763,125	-	9,763,125
Interest and amortization	3,214,661	-	3,214,661
Total operating expenses	94,000,768	-	94,000,768
Operating subtotal	(10,188,602)	4,919,879	(5,268,723)
Nonoperating:			
Contributions	16,003	7,166,797	7,182,800
Net investment return	5,876,658	21,657,063	27,533,721
Other non-operating expenses	(770,883)	-	(770,883)
Endowment return utilized for operations	(3,926,697)	(10,797,386)	(14,724,083)
Nonoperating net assets released from restrictions	85,475	(85,475)	-
Nonoperating subtotal	1,280,556	17,940,999	19,221,555
Change in net assets	(8,908,046)	22,860,878	13,952,832
Net assets, beginning of year	105,403,290	244,052,310	349,455,600
Net assets, end of year	$ 96,495,244	$ 266,913,188	$ 363,408,432

See notes to financial statements.

Wheaton College

Statements of Cash Flows
Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Change in net assets	**$ 29,464,082**	$ 13,952,832
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation, amortization and accretion	**9,470,266**	9,439,245
Net gains on asset disposal and asset retirement obligations	**(8,153)**	(38,083)
Net realized and unrealized gains on investments	**(29,483,662)**	(38,278,745)
Contributions restricted for long-term investments	**(4,256,602)**	(3,615,349)
Donated securities	**(780,657)**	(8,089,352)
Proceeds from sale of donated securities	**398,375**	7,512,581
Provision for uncollectible accounts	**20,965**	361,478
Change in operating assets and liabilities:		
Receivables and other assets	**(417,538)**	445,828
Contributions receivable	**(3,195,334)**	(4,212,425)
Accounts payable and accrued expenses	**1,047,478**	(318,458)
Deposits and deferred revenue	**363,702**	(343,457)
Net cash provided by (used in) operating activities	**2,622,922**	(23,183,905)
Cash flows from investing activities:		
Student loans repaid or reassigned	**96,842**	95,627
Purchases of land, buildings and equipment	**(9,601,499)**	(5,982,617)
Sales of investments	**75,247,866**	41,548,778
Purchases of investments	**(78,420,372)**	(18,442,838)
Net cash (used in) provided by investing activities	**(12,677,163)**	17,218,950
Cash flows from financing activities:		
Proceeds from bonds and loans payable	**15,187,130**	28,978
Payments on bonds and loans payable	**(1,481,461)**	(1,196,159)
Payment of debt issuance costs	**(388,505)**	-
Change in annuity and life income obligations	**(20,232)**	(134,092)
Change in advances for student loans	**(56,992)**	(187,857)
Contributions restricted for long-term investments	**4,256,602**	3,615,349
Proceeds from sale of donated securities for long-term purposes	**382,282**	576,771
Net cash provided by financing activities	**17,878,824**	2,702,990
Change in cash, cash equivalents, deposits held by bond trustees, and restricted cash	**7,824,583**	(3,261,965)
Cash, cash equivalents, deposits held by bond trustees, and restricted cash:		
Beginning	**21,068,185**	24,330,150
Ending	**$ 28,892,768**	$ 21,068,185

(Continued)

Wheaton College

Statements of Cash Flows (Continued)
Years Ended June 30, 2026 and 2025

	2026	2025
Supplemental data:		
Noncash investing activity—gifts of tangible assets	**$ 1,750**	$ 12,950
Purchases of land, buildings and equipment in accounts payable and accrued expenses	**$ 503,537**	$ 1,033,296
Interest paid	**$ 3,194,595**	$ 3,208,517

See notes to financial statements.

Note 1. Nature of Business

Wheaton College (the College) is a private, coeducational, liberal arts college located in Norton, Massachusetts and is accredited by the New England Commission of Higher Education, Inc. Founded as a Female Seminary in 1834 and chartered as a four-year college in 1912, the College became coeducational in 1988. The College provides academic, residential and other services to a diverse student population of approximately 1,800 drawn predominately from the Northeast region of the United States, as well as from many other U.S. states and territories and more than 40 countries.

The College's mission is to provide a transformative liberal arts education, combining theory and practice, for intellectually curious students within a collaborative and vibrant extended community and network that values and strives to create an equitable and just world. The curriculum features more than 100 academic programs in the arts, business, humanities, natural sciences and social sciences. The College currently offers Bachelor of Arts, Bachelor of Science, and Bachelor of Science in Nursing degrees at the undergraduate level, and began enrolling students in accredited 4+1 Master's programs in Business, Environmental Science, and Creative Industries in summer 2026.

The College participates in student financial aid programs sponsored by the United States Department of Education, the Commonwealth of Massachusetts and other states within the United States of America, which facilitate a portion of payments for tuition and other expenses for students.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The College's financial statements have been prepared on the accrual basis of accounting following accounting principles generally accepted in the United States of America (U.S. GAAP) which require that the College report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets are available for general use and not subject to donor restrictions. The Board of Trustees (Board) has designated amounts from net assets without donor restrictions to net assets board-designated for quasi-endowment. The College's policy is to designate significant donor estate bequests without donor restrictions at the discretion of the Board.

Net assets with donor restrictions: Net assets are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity and only income generated from the perpetual funds be utilized. As such, this balance also includes accumulated unexpended gains on endowment gifts restricted in perpetuity which are subject to appropriation through the spending policy adopted by the Board.

Operating activities: The statements of activities include most of the College's revenues and expenses as part of operating activities, including endowment return appropriated under the endowment spending policy. Items not included in operating activities represent long-term contributions related to the endowment, planned gifts and capital expenditures; endowment return utilized in operations; other non-operating expenses, net assets released from restriction for capital and long-term purposes and net long-term investment return.

Note 2. Summary of Significant Accounting Policies (Continued)

Fair value measurements: The College reports certain assets and liabilities at fair value on a recurring and nonrecurring basis depending on the underlying accounting policy for the particular item in accordance with fair value standards. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Recurring fair value measurements include the College's investment accounts, deposits held by bond trustees, certain cash equivalents, and certain other assets such as beneficial interests in trust instruments. Nonrecurring measurements include contributions receivable, annuity and life income obligations and the asset retirement obligations. In addition, the College reports certain investments using the net asset value (NAV) per share as determined by investment managers under the practical expedient. The practical expedient allows NAV per share to represent fair value for reporting purposes when the criteria for using this method are met. Fair value standards also require the College to classify financial instruments (except for those measured using NAV) into a three-level hierarchy, based on the priority of inputs to the valuation.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments which are generally included in this category include listed equity and debt securities publicly traded on a stock exchange.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

The College's endowment investments include hedge funds, private equity funds, multi-strategy, and real property for which the College has reported using NAV reported by each of the underlying funds. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the College's interests in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the fair value of the College's interest in the funds. Although such investments may be sold in a secondary market transaction, subject to meeting certain requirements of the governing documents of the funds, the secondary market is not active and individual transactions are not necessarily observable. It is, therefore, reasonably possible that if the College were to sell a fund in the secondary market, the sale could occur at an amount different than the reported value and the difference could be material.

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents, deposits held by bond trustees and restricted cash: Cash and cash equivalents consist principally of accounts with maturities of three months or less when purchased. Cash equivalents held by investment managers are considered part of investments given the expectation of near-term reinvestment. The College maintains its cash balances at several financial institutions, which, at times, may exceed federally insured limits. The College monitors its exposure associated with cash and cash equivalents and has not experienced any material losses in such accounts.

The following table provides a reconciliation of cash and cash equivalents, deposits held by bond trustees and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows:

	2026	2025
Cash and cash equivalents	$ 16,299,053	$ 18,715,833
Deposits held by bond trustees	11,782,051	1,204,145
Restricted cash	811,664	1,148,207
	$ 28,892,768	$ 21,068,185

The College participates in a captive insurance program (see Note 15). Cash and cash equivalents include monthly contributions of approximately $550,000 made to the captive as collateral for potential claims in excess of those covered by insurance benefits and premiums paid. These amounts are required to be held on deposit in lieu of a posted letter of credit and equaled $1,515,844 and $478,104 as of June 30, 2026 and 2025, respectively.

Deposits held by bond trustees are reported at fair value and consist of unexpended debt proceeds for construction purposes and funds held for debt service that have been invested in high-quality money market instruments and have been deposited with trustees as required under certain loan agreements. Fair value is determined as per the fair value measurements policy discussed previously in this section utilizing Level 1 inputs. These amounts have been designated for specific purposes within net assets without donor restrictions on the statements of financial position.

Restricted cash primarily represents amounts held by the College to fund certain ongoing construction projects. Restricted cash is reported at cost and is being held primarily in private money market deposit funds.

Receivables and other assets: Receivables and other assets consist of prepaid expenses, student accounts receivables and third-party receivables (see Note 4). Student accounts are reported at their net realizable value. Students are billed based on dates outlined in the academic calendar as agreed in advance of the delivery of the related academic or auxiliary activity. Payments for tuition, fees and auxiliary enterprise charges are generally due by the start of the academic period with the recognition that payments being made by the Department of Education (DOE) or others are subject to specific requirements within those programs as to when those funds can be availed. Certain DOE funding can be availed prior to the commencement of the academic period, while other amounts that are paid are in specified intervals based on the rules as promulgated by the DOE. Thus, cash flows on accounts receivable balances and the measurement of deferred revenues do not directly depend on meeting specified performance obligations of the College.

Note 2. Summary of Significant Accounting Policies (Continued)

Student accounts are not collateralized and are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The College separates accounts receivables into risk pools based on the students' enrollment status and balance. In determining the amount of the allowance as of the statement of financial position date, the College develops a loss rate for each risk pool based on management's historical collection experience and an adjustment for management's expectations about current and future economic conditions. The College increased its historical loss rates for each category by 5% in each year ended June 30, 2026 and 2025, and the provision is included in operating expenses on the statement of activities.

Contributions receivable: Contributions receivable are initially recorded at their fair value based on the present value of the estimated future cash flows using a risk adjusted discount rate (ranging from approximately 3.67% to 6.87%) depending on the time period involved. Amortization of the discount is included in gifts and grants revenue in accordance with the donor-imposed restrictions. Contributions receivable are periodically reviewed to estimate an allowance for doubtful collections. Management estimates the allowance based on a review of historical experience and a specific review of collection trends that differ from the plan on individual accounts. Adjustments to the allowance are charged to gift and private grant revenue or contributions revenue based on the receivable's donor restriction. An account is considered uncollectible when all collection efforts have been exhausted.

Beneficial interest in charitable trusts: The College is the beneficiary of a number of charitable trusts or split interest agreements, which are included in contributions receivable, net and other assets on the statements of financial position. The College is also the beneficiary of perpetual trusts, which are included in investments on the statements of financial position. The College initially recognizes a contribution as well as an interest in the underlying investment from which a specified amount or percentage of the fair value of the trusts' assets each year is currently being paid to the donor or named beneficiary.

The life expectancy of the beneficiary, expected return, and payment percentage is used to calculate that portion of the investment representing the present value of the liability to the donor and that portion representing the contribution.

For trust agreements and trust assets maintained by an outside trustee, the College includes in contributions receivable, net and other assets the value of the estimated future benefits to be received when the assets are distributed. Adjustments to reflect the changes in the fair value of the investments, revaluation of the present value of the estimated future payments to the donors and/or donors' stated beneficiaries, and changes in the assumptions during the term of the trust are made to the charitable trusts within the contributions receivable account and are recognized as changes in net investment return in their respective net asset classes in the statements of activities.

Student loans receivable: Student loans receivable are recorded at their estimated net realizable value. Student Perkins loans are funded through federal government loan programs or institutional resources. The College separates the receivables into risk pools based on the aging of the balance. In determining the amount of the allowance as of the statement of financial position date, the College develops a loss rate for each risk pool based on management's historical collection experience and an adjustment for management's expectations about current and future economic conditions. The College increased its historical loss rates for each category by 10% in each year ended June 30, 2026 and 2025.

The DOE has ended the Perkins program and as funds are collected such amounts will be returned to the DOE and the College as applicable based on original funding. Perkins loans that are in default and meet certain requirements can be assigned to the DOE, which reduces the government advances for student loans.

Note 2. Summary of Significant Accounting Policies (Continued)

Investments: Investments include endowment, charitable gift annuities, pooled life income funds, perpetual trusts and operating investments without donor restrictions. Investments are reported at fair value. Fair value is determined pursuant to the fair value measurements policy.

Net investment return is reported in the statements of activities and consists of interest and dividend income, change in split-interest agreements, and realized and unrealized capital gains and losses less investment expenses.

Land, buildings and equipment, net: Land, buildings and equipment are valued at cost of acquisition or construction or at fair value at the date of the gift utilizing Level 2 and Level 3 inputs such as appraisals if donated, less accumulated depreciation, computed on the straight-line basis over the estimated useful lives of the assets as follows:

	Years
Land improvements	10 years
Buildings	40 years
Building improvements	10-20 years
Equipment	3-7 years
Automobiles	3 years

Land, buildings and equipment, including related accumulated depreciation, are removed from the College's records at the time of disposal and any resulting gain or loss is reflected in the statements of activities net with other revenue in the without donor restricted category. Ordinary repairs and maintenance are charged to expenses and major improvements are capitalized in accordance with a management-established threshold. Costs associated with ongoing projects are accumulated as construction in progress until completed. The completed asset is then reclassified to property and equipment depreciated over its useful life.

The College has capitalized its collections since its inception. If purchased, items accessioned into the collection are capitalized at cost, and if donated, they are capitalized at their fair value on the accession date. Gains or losses on the deaccession of collection items are classified on the statements of activities as support without donor restrictions or donor-restricted support depending on donor restrictions, if any, placed on the item at the time of accession. Collection items are depreciated over their estimated useful lives unless they have cultural, aesthetic, or historical value that is worth preserving perpetually, and the College is protecting and preserving essentially undiminished the service potential of the collection item. The College's collections consist of works of art, rare books, and other items which are considered inexhaustible because they have historical or cultural value that will be preserved and, therefore, are not subject to depreciation. The College does allow for proceeds from the sale of deaccessioned items to be used for the direct care of the collection. The College defines direct care as investment in the collection by strengthening its usefulness through the purchase of new objects, the conservation and care of existing objects and financial support for the position of curator.

Impairment of long-lived assets: Long-lived assets, which consist primarily of property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the College compares the carrying amounts of the assets to the undiscounted expected future cash flows over the remaining life of the asset. If this comparison indicates that there may be impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. During the years ended June 30, 2026 and 2025, no impairment indicators were identified.

Note 2. Summary of Significant Accounting Policies (Continued)

Debt issuance costs and premium: The College incurred certain issuance costs related to the issuance of debt, which are presented on the statements of financial position as a direct deduction from bonds and loans payable and are being amortized over the term of the respective bonds and loans using the effective interest rate method. Certain bonds were issued with a premium which is amortized over the life of the bonds using the effective interest rate method.

Deposits and deferred revenues: Deposits represent reservation and other deposits and other advance payments by students on account. Deferred revenue represents the amount of unearned related services that are in progress as of year-end related to net tuition, fees and auxiliary enterprises such as room and board. Such amounts are reflected as revenue ratably over time with such amounts generally being recognized on a current basis given the nature and duration of the underlying services being provided.

Annuity and life income obligations: The College's split-interest agreements consist of charitable gift annuities, pooled life income funds, charitable lead trusts and charitable remainder trusts for which the College is the trustee. The annuity and life income obligations associated with these arrangements are recorded at the present value of the aggregate liability to the beneficiaries based upon their life expectancy, utilizing a discount rate at the original date of the instrument (ranging from 4.1% to 7.0%). Life expectancies are periodically updated to reflect current expectations.

Asset retirement obligations: An asset retirement obligation (ARO) is a conditional legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value utilizing Level 2 inputs and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the College records period-to-period changes in the ARO liability resulting from the passage of time, new laws and regulations and revisions to either the timing or amounts of the original estimate of undiscounted cash flows. Upon settlement of the obligation, any difference between the cost to settle the ARO and the liability recorded will be recognized as a non-operating gain or loss in the statements of activities as other revenue without donor restrictions.

Exchange revenue recognition: The College uses a five-step model for revenue recognition defined by Accounting Standards Codification (ASC) Topic 606 which requires the College 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 in the contract and (5) recognize revenue when each performance obligation is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

The College derives revenues primarily through tuition and fees, room and board, and other auxiliary services all of which are under arrangements that are aligned to an academic semester which is less than one year in length.

Tuition and fees room and board, and other auxiliary revenue are recorded at established rates, net of institutional financial aid and scholarships provided directly to students; therefore, amounts are deemed to be fixed and determinable. Such net amounts are recorded as revenue when performance obligations are satisfied which is generally over time as services are rendered whether relating to educational services or auxiliary services such as room and board, which includes housing and meals. Management believes that recognizing revenue over time is the best measure of services rendered based on its academic calendar and has not made any changes in the timing of the satisfaction of its performance obligations or amounts allocated to those obligations.

Note 2. Summary of Significant Accounting Policies (Continued)

Discounts provided to employees are considered part of fringe benefits within operating expenses and likewise are recorded over time. Management does not consider there to be significant judgment involved in the timing of satisfaction of performance obligations as those are directly linked to the academic calendar of the related academic activity.

Substantially all of the deferred revenue balance of $987,296 as of June 30, 2024, was recognized as tuition and fee revenue during the year ended June 30, 2025. Substantially all of the deferred revenue balance of $643,839 as of June 30, 2025, was recognized as tuition and fee revenue during the year ended June 30, 2026.

Students may withdraw from programs of study within certain time limits as under the College's withdrawal policies by semester. These policies vary by program but allow for 100% refund on tuition, housing, meal plan and fees prior to the start of the term declining to no refund on tuition, housing, meal plan after the 5th week of the term. Meal plans are refunded on a pro-rated scale up to the 13th week of the term.

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

Contributions, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the restricted purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purpose restrictions have been satisfied.

Gifts of property, plant and equipment are recorded as without donor restrictions unless the donor explicitly states how such assets should be used. Gifts of cash or other assets that must be used to acquire long lived assets are reported as net assets with donor restrictions. The College reports expirations of donor restrictions when the donated or acquired long lived asset is placed into service.

Conditional contributions, that is, those with a measurable performance barrier or other barrier and a right of return, are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. A barrier of entitlement could include items such as meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers.

Investment returns are reported as revenue based on the fair value of such investments at year-end. Such returns are allocated ratably based on the relative proportion of funds invested with donor restrictions and those without donor restrictions. Investment returns allocated to net assets with donor restrictions remain in such category until appropriated by the Board under the Board-approved endowment spending policy unless otherwise purpose restricted or required by the terms of the gift that they be added to the principal of the endowment.

Note 2. Summary of Significant Accounting Policies (Continued)

Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The recovery of indirect costs is pursuant to an agreement, which provides for a predetermined fixed indirect cost rate.

Grant revenue is recognized like a conditional contribution, i.e., when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met.

Functional and natural classification of expenses: The College reports expenses by their natural classification in the statements of activities. The functional expenses disclosure presents the natural classification of expenses by function. Certain costs have been allocated among the programs and supporting services benefited. Operation and maintenance of plant is allocated to program and supporting activities based upon building usage. Depreciation of plant assets and operation is allocated based on the functional classifications based on the use of the asset. Interest expense is allocated to functional classifications that benefited from the use of the proceeds of the debt. Included in institutional support expenses are costs associated with carrying out the fundraising activities of the College, which amounted to $5,272,250 and $5,558,170 for the years ended June 30, 2026 and 2025, respectively.

Income tax status: The College is recognized by the Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from federal and state income taxes on related income. Given the limited taxable activities of the College, management has concluded that disclosures relative to tax provisions are not necessary.

Uncertain tax positions: 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 jurisdictions. The College's federal and state tax returns are generally open for examination for three years following the date filed.

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

Advertising: The College expenses advertising costs as incurred.

Note 3. Liquidity and Availability

The College regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The College has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its scheduled principal payments on debt, capital construction costs not financed with debt, ongoing activities of teaching, research and public service as well as the conduct of services undertaken to support those activities to be general expenditures. Student loans receivable are not included in the analysis as they are not available to meet current operating needs.

In addition to the financial assets available to meet general expenditures over the next 12 months, the College anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted or time-restricted resources.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, comprise the following:

	2026	2025
Cash and cash equivalents	$ 16,276,166	$ 18,502,508
Accounts receivable, net	1,501,587	1,061,930
Contributions receivable for general expenditure due in one year or less, net of allowance	1,225,486	1,381,111
Restricted cash	811,664	1,148,207
Net assets expected to be released	5,200,000	3,600,000
Anticipated endowment spending rate distributions and appropriations to operations	14,671,000	14,511,000
	$ 39,685,903	$ 40,204,756

The College's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowments funds are not available for general expenditure.

The Board-designated endowments funds of $54,201,366 and $49,721,942 as of June 30, 2026 and 2025, respectively, is subject to the annual spending rate described in Note 9. Although the College does not intend to spend from these Board-designated endowments (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary.

Additionally, the College maintains deposits held by bond trustees totaling $11,782,051 and $1,204,145 as of June 30, 2026 and 2025, respectively. These funds are contractually restricted under bond agreements for specific debt-financed capital construction projects and debt service obligations. Consequently, these assets are excluded from financial assets available for general expenditure in the table above, but are available to satisfy the specific capital expenditures and debt service commitments for which they were established.

Note 4. Receivables and Other Assets

Receivables and other assets consist of the following as of June 30:

	2026	2025
Student receivable, net	$ 637,296	$ 463,828
Financial aid receivable	20,856	11,459
Grants receivable	150,566	133,104
Prepaid expenses	1,777,634	2,082,056
Other	979,172	605,309
	$ 3,565,524	$ 3,295,756

Tuition, fees and auxiliary enterprises receivables as of June 30, 2026 and 2025 are $637,296 and $463,828, respectively, and represent contract assets. The beginning of year balances of tuition fees and auxiliary enterprises receivables for the years ended June 30, 2026 and 2025 is $463,828 and $765,696, respectively.

Student receivable is presented net of an allowance for credit losses. Changes in the allowance for credit losses for the years ended June 30, 2026 and 2025, were as follows:

	2026	2025
Balance, beginning of year	$ 412,122	$ 368,410
Provisions	125,000	55,885
Write-offs, net of recoveries	(4,542)	(12,173)
Balance, end of year	$ 532,580	$ 412,122

Note 5. Student Loans Receivable

Student loans receivable consist of the following as of June 30:

	2026	2025
Perkins loans	$ 260,626	$ 337,338
College loans	135,317	155,447
	395,943	492,785
Less allowance for credit losses	(111,783)	(138,840)
Student loans receivable, net	$ 284,160	$ 353,945

Note 5. Student Loans Receivable (Continued)

The following is an aging analysis of amounts due under the student loan programs as of June 30:

	2026	2025
Not in repayment	$ 15,800	$ 15,800
Current	229,399	305,873
Less than 270 days past due	36,647	33,242
270 days to 5 years past due	46,968	58,848
Over 5 years past due	67,129	79,022
Total financing receivables	$ 395,943	$ 492,785

Note 6. Contributions Receivable and Other Assets

Contributions receivable are expected to be realized as follows as of June 30:

	2026	2025
Unconditional promises to give:		
One year or less	$ 6,155,136	$ 2,467,557
Two to five years	4,291,052	3,802,832
More than five years	469,000	856,190
	10,915,188	7,126,579
Less:		
Allowance for uncollectibles	(883,878)	(956,314)
Unamortized discount	(684,618)	(507,974)
Total unconditional promises to give	9,346,692	5,662,291
Beneficial interest in trust instruments	5,707,444	6,124,075
	$ 15,054,136	$ 11,786,366

Conditional promises to give are not recognized as contribution revenue or receivables until the underlying conditions, including donor-imposed barriers and rights of return or release, have been substantially met. There were $1,355,336 conditional promises to give as of June 30, 2026. There were no conditional promises to give as of June 30, 2025.

Approximately 37% of gross pledges receivable was due from one donor and 56% from two donors for the fiscal year ended June 30, 2026. Approximately 52% of gross contributions receivable was due from four donors for the fiscal year ended June 30, 2025.

The College is also the irrevocable beneficiary of trust instruments whereby an independent third-party trustee has custody of and manages the assets and the distributions to the beneficiaries of the trust. These assets are recorded net of the present value of the liability. The net change in the value of the College's beneficial interest in these trusts is recorded as a change in net investment return on the statements of activities and amounted to a decrease of $42,107 and $675,363 for the years ended June 30, 2026 and 2025, respectively.

Note 7. Fair Value Measurements and Investments

The following tables summarize the College's financial instruments as of June 30:

	2026				
	Total	Investments Measured at NAV	Level 1	Level 2	Level 3
Endowment investments:					
Cash* and short-term investments	$ 3,764,700	$ -	$ 3,764,700	$ -	$ -
Fixed income:					
U.S. fixed income funds	15,646,680	-	15,646,680	-	-
Equities:					
U.S. equities funds	84,789,319	-	84,789,319	-	-
International equity funds	49,256,347	-	49,256,347	-	-
Emerging markets equity funds	16,236,372	-	16,236,372	-	-
Hedged equity funds	53,510,490	53,510,490	-	-	-
Multi-strategy	54,868,930	48,576,558	6,292,372		
Private equity	30,778,645	30,778,645	-		
Real property:			-	-	-
Real estate	11,950,293	11,950,293	-	-	-
Endowment investments	320,801,776	144,815,986	175,985,790	-	-
Other investments:					
Real estate	-	-	-	-	-
Fixed income—developed markets	2,184,417	-	815,007	1,369,410	-
Split-interest agreements:					
Cash and cash equivalents	38,229	-	-	38,229	-
Money market funds	45,567	-	45,567	-	-
Domestic and international equities funds	2,072,245	-	441,353	1,630,892	-
Beneficial interest in perpetual trusts	938,634	-	-	-	938,634
Real property and commodities funds	293,205	-	-	293,205	-
Other	1,419,017	-	-	1,419,017	-
Total other investments	6,991,314	-	1,301,927	4,750,753	938,634
Total investments	327,793,090	144,815,986	177,287,717	4,750,753	938,634
Other assets:					
Cash equivalents:					
Money market funds	12,553,895	-	12,553,895	-	-
Deposits held by bond trustees:					
Money market funds	11,782,051	-	11,782,051	-	-
Beneficial interest in trust instruments	5,707,444	-	-	-	5,707,444
Total other assets	30,043,390	-	24,335,946	-	5,707,444
Total	$ 357,836,480	$ 144,815,986	$ 201,623,663	$ 4,750,753	$ 6,646,078

*Not fair valued, but included for purposes of reconciliation.

Note 7. Fair Value Measurements and Investments (Continued)

	2025				
	Total	Investments Measured at NAV	Level 1	Level 2	Level 3
Endowment investments:					
Cash* and short-term investments	$ 3,931,602	$ -	$ 3,931,602	$ -	$ -
Fixed income:					
U.S. fixed income funds	22,198,829	-	22,198,829	-	-
Equities:					
U.S. equities funds	72,616,833	-	72,616,833	-	-
International equity funds	14,998,811	-	14,998,811	-	-
Emerging markets equity funds	31,343,153	-	31,343,153	-	-
Hedged equity funds	51,576,316	51,576,316	-	-	-
Multi-strategy	52,800,202	46,465,089	6,335,113	-	-
Private equity	27,018,562	27,018,562	-	-	-
Real property:					
Real estate	10,905,959	10,905,959	-	-	-
Endowment investments	287,390,267	135,965,926	151,424,341	-	-
Other investments:					
Real estate	1,092,500	-	-	1,092,500	-
Fixed income—developed markets	2,116,555	-	752,419	1,364,136	-
Split-interest agreements:					
Cash and cash equivalents	7,356	-	-	7,356	-
Money market funds	42,339	-	42,339	-	-
Domestic and international equities funds	2,208,889	-	414,920	1,793,969	-
Beneficial interest in perpetual trusts	863,843	-	-	-	863,843
Real property and commodities funds	203,336	-	-	203,336	-
Other	1,211,837	-	-	1,211,837	-
Total other investments	7,746,655	-	1,209,678	5,673,134	863,843
Total investments	295,136,922	135,965,926	152,634,019	5,673,134	863,843
Other assets:					
Cash equivalents:					
Money market funds	12,589,707	-	12,589,707	-	-
Deposits held by bond trustees:					
Money market funds	1,204,145	-	1,204,145	-	-
Beneficial interest in trust instruments	6,124,075	-	-	-	6,124,075
Total other assets	19,917,927	-	13,793,852	-	6,124,075
Total	$ 315,054,849	$ 135,965,926	$ 166,427,871	$ 5,673,134	$ 6,987,918

*Not fair valued, but included for purposes of reconciliation.

Changes in values for the Level 3 assets that have unobservable inputs for the years ended June 30 are as follows:

	2026	2025
Balance, beginning	$ 6,987,918	$ 5,408,449
Change in value of trust instruments	(42,107)	(675,363)
Change in value of perpetual trusts	74,791	51,296
Gift of trust instruments	-	2,453,232
Distributions from trust instruments	(374,524)	(249,696)
Balance, ending	$ 6,646,078	$ 6,987,918

Note 7. Fair Value Measurements and Investments (Continued)

The following table presents quantitative information about Level 3 fair value measurements as of June 30:

	Fair Value		Valuation	Unobservable	Range of
	2026	2025	Technique	Inputs	Inputs
Beneficial interest in charitable remainder trusts	$ 1,962,982	$ 1,886,279	Income approach—discounted cash flow and present value techniques	Discount rate Rate of return Life expectancy term	4.09%-4.79% 2.54%-7.00% 3-39 years
Beneficial interest in charitable lead trusts	3,744,462	4,237,796	Income approach—discounted cash flow and present value techniques	Discount rate Term	4.29% 13 -14 years
Beneficial interest in perpetual trust	938,634	863,843	Market approach based on underlying securities	None	N/A

The assets held in trust are managed by independent third-party trustees and the College has no authority over investment decisions. Thus, they are classified as Level 3 within the fair value hierarchy levels. Significant increases or decreases in these inputs in isolation would have resulted in significantly lower or higher fair value measurement.

There were no transfers between Level 1, 2 or 3 investments during the years ended June 30, 2026 and 2025.

The redemption terms for those investments valued at NAV consist of the following as of June 30:

	2026		
Category	Fair Value	Redemption Frequency	Redemption Notice Period
Hedged equity (a)	$ 53,510,490	Monthly, quarterly	30-60 days
Multi-strategy (b)	48,576,558	Monthly, quarterly, illiquid	30-70 days, N/A
Private equity (c)	30,778,645	Illiquid	30 days, N/A
Real property:			
Real estate (d)	11,950,293	Monthly	N/A
	$144,815,986		

Note 7. Fair Value Measurements and Investments (Continued)

	2025		
Category	Fair Value	Redemption Frequency	Redemption Notice Period
Hedged equity (a)	$ 51,576,316	Monthly, quarterly	30-60 days
Multi-strategy (b)	46,465,089	Daily, monthly, quarterly, illiquid	1-30 days, N/A
Private equity (c)	27,018,562	Monthly, illiquid	30 days, N/A
Real property:			
Real estate (d)	10,905,959	Monthly	N/A
	$135,965,926		

(a) Hedge funds investing in equities primarily in the domestic and European markets.

(b) Fund investing in special situation funds in the domestic market.

(c) Funds investing in individual companies with potential for above average rates of profitability that sell at a discount relative to their underlying value. These funds cannot be redeemed, instead distributions are received as the underlying investments of the funds are liquidated. The funds invest primarily in the domestic market with some exposure to European and Asian markets.

(d) Investing in a real estate income trust.

The College had unfunded commitments of $22,954,777 of which $1,370,319 was fulfilled subsequent to June 30, 2026 but prior to the financial statement issuance date. Unfunded commitments were $23,611,437 as of June 30, 2025.

The College's endowment investments had the following redemption terms as of June 30:

	2026		2025	
Less than 1 year	$ 274,181,414	85%	$ 243,412,799	85%
Illiquid	46,620,362	15%	43,977,468	15%
	$ 320,801,776	100%	$ 287,390,267	100%

Management has no intention or plans to liquidate any NAV practical expedient investment at other than the NAV per share.

Under certain unusual circumstances, investment managers may alter redemption provisions of their investment vehicles, which could impact the ultimate liquidity of funds.

The calculation of fair value may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Note 8. Land, Buildings and Equipment, Net

Land, buildings and equipment, net are as follows as of June 30:

	2026	2025
Land and land improvements	$ 21,000,666	$ 16,703,195
Buildings and building improvements, including fixed equipment	252,756,863	247,209,956
Equipment	22,686,883	20,844,724
Library books and artwork	859,942	849,943
Automobiles	728,799	686,266
Construction in progress	2,764,525	5,207,630
	300,797,678	291,501,714
Accumulated depreciation	(174,649,115)	(164,793,925)
Land, buildings and equipment, net	$126,148,563	$126,707,789

The College recognized depreciation expense of $9,630,908 and $9,601,966 during the years ended June 30, 2026 and 2025, respectively. The College capitalizes the interest cost related to outstanding debt on qualifying assets. Interest costs that were capitalized in the year ended June 30, 2026 were $336,191. No interest costs were capitalized in the year ended June 30, 2025.

As of June 30, 2026, the construction in progress balance was $2,764,525. Approximately $750,000 and $350,000 of the balance related to the restoration of campus' central historical building and library renovations, respectively. These updates are expected to reach completion during the fiscal year ended June 30, 2027.

As of June 30, 2025, the construction in progress balance was $5,207,630. Approximately $2.2 million and $1.3 million of the balance related to residence hall improvements and athletic facilities improvements respectively

Note 9. Endowment Investments

The College has established two endowment investment pools (Pools A and B). The original pool, Pool A, represents the majority of the donor and Board designated endowment funds of the College and had a fair value of $319,348,203 and $285,349,333 as of June 30, 2026 and 2025, respectively. Pool B funds are designated by the Board to fund capital projects and had a fair value of $1,453,573 and $2,040,934 as of June 30, 2026 and 2025, respectively. The College's endowment consists of 650 donor-restricted and 34 Board-designated individual funds established for a variety of purposes as of June 30, 2026. The endowment consisted of 646 donor-restricted and 34 Board-designated individual funds as of June 30, 2025. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 9. Endowment Investments (Continued)

Interpretation of relevant law: The Board of the College has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College retains in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift and instrument at the time the accumulation is added to the fund, as applicable. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

The accumulated unspent gains associated with the donor-restricted endowment funds are classified as donor-restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the College also considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the College and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- The investment policies of the College

Funds with deficiencies: From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). These deficits resulted from unfavorable market fluctuations that generally occurred shortly after the investment of newly established endowments and authorized distributions that were deemed prudent. The College has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

There were no Pool A Funds with deficiencies reported in net assets with donor restrictions as of June 30, 2026 and 2025.

There were no funds spent from underwater funds in Pool A during the fiscal year ended June 30, 2026. Approximately $47,000 of Pool A funds were spent from underwater funds during fiscal year ended June 30, 2025.

Note 9. Endowment Investments (Continued)

Return objectives and risk parameters: The College has adopted investment and spending policies for endowment assets that attempt to preserve their purchasing power in order to provide a growing stream of endowment support for the College's programs. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that equal the long-term inflation rate plus the annual spending rate.

Spending policy: The Board appropriates only a portion of the College's Pool A cumulative investment return for support of current operations. The portion to be spent is determined by a budgetary process whereby the objective of the governing board is that the actual spending does not exceed a certain percentage of the average market value of Pool A funds for 20 quarters of the five prior calendar years. The spending rate of Pool A for fiscal years 2026 and 2025 was 5.5% and 5.75%, respectively. The amount of investment income and appreciation earned by the investments of Pool B is used for capital projects and other special allocations at the discretion of the Board.

Individual endowed funds restricted in perpetuity with a deficiency as of June 30 will receive no distribution in the subsequent fiscal year with the exception of any current income generated by the fund.

Distributions from endowment utilized for operations were as follows for the fiscal years ending June 30:

	2026	2025
Pool A distribution	$ 13,657,528	$ 13,879,083
Pool B distribution	845,000	845,000
Total endowment distribution	$ 14,502,528	$ 14,724,083

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 seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Under the College's total return policy, during periods when endowment investment return exceeds the distribution, such excess return is added to the endowment funds as net assets with or without donor restrictions depending on if the underlying funds have restrictions. Conversely, when endowment investment return is less than the distribution, such deficit is funded by accumulated excess return of the respective funds with donor restrictions being charged or original corpus if no accumulated unspent gains remain.

Note 9. Endowment Investments (Continued)

Endowment net assets consist of the following as of June 30:

	2026		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 54,201,366	$ -	$ 54,201,366
Donor-restricted endowment funds:			
Original donor—restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	146,151,985	146,151,985
Accumulated gains	-	120,448,425	120,448,425
Total endowed net assets	$ 54,201,366	$ 266,600,410	$320,801,776

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 49,721,942	$ -	$ 49,721,942
Donor-restricted endowment funds:			
Original donor—restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	142,546,337	142,546,337
Accumulated gains	-	95,121,988	95,121,988
Total endowed net assets	$ 49,721,942	$237,668,325	$287,390,267

Changes in endowment net assets for the year ended June 30, 2026, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2025	$ 49,721,942	$ 237,668,325	$ 287,390,267
Net investment return	8,345,746	35,962,643	44,308,389
Gifts and additions	-	3,605,648	3,605,648
Endowment return utilized for operations	(3,866,322)	(10,636,206)	(14,502,528)
Endowment net assets, June 30, 2026	$ 54,201,366	$ 266,600,410	$ 320,801,776

Note 9. Endowment Investments (Continued)

Changes in endowment net assets for the year ended June 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2024	$ 48,313,553	$224,483,792	$272,797,345
Net investment return	5,335,086	20,823,890	26,158,976
Gifts and additions	-	3,158,029	3,158,029
Endowment return utilized for operations	(3,926,697)	(10,797,386)	(14,724,083)
Endowment net assets, June 30, 2025	$ 49,721,942	$237,668,325	$287,390,267

Note 10. Bonds and Loans Payable

Revenue Bonds were issued through Massachusetts Development Finance Agency for the acquisition, installation, construction, renovation and equipping of various academic, residential and administrative facilities. These bonds are secured by revenues from tuition or general student fees. Bonds and loans are as follows as of June 30:

	Maturity	Interest Rate	2026	2025
Massachusetts Development Finance Authority (MDFA):				
(a) Series H (2017)	January 1, 2053	Fixed—5%	$ 34,300,000	$ 35,545,000
(b) Series I (2021)	January 1, 2053	Fixed—5%	13,420,000	13,420,000
(c) Series J (2021)	January 1, 2049	Fixed—4.63%	21,320,000	21,320,000
(d) Series K (2025)	January 1, 2055	Fixed—6%	15,000,000	-
Town of Norton:				
(a) Connection Loan	December 1, 2036	Fixed—2.54%	1,445,353	1,564,009
(b) Construction Loan	December 1, 2036	Fixed—2.4%	1,124,159	1,217,256
National Grid Energy Initiative Loan (1)	June 30, 2028	N/A	30,747	45,505
National Grid Energy Initiative Loan (2)	August 31, 2028	N/A	15,696	22,941
National Grid Energy Initiative Loan (3)	December 31, 2028	N/A	13,515	-
			86,669,470	73,134,711
	Unamortized premium		9,553,895	9,742,586
	Debt issuance costs, net		(1,145,330)	(799,324)
	Total bonds, loans and leases payable		$ 95,078,035	$ 82,077,973

In December 2017, the College issued Series H bonds. The Series H bonds were issued with a premium which is reported net of accumulated amortization of premium. Amortization of the premium was $271,177 for each of the years ended June 30, 2026 and 2025 and unamortized premium equaled $7,186,204 and $7,457,381 for the years ended June 30, 2026 and 2025, respectively.

In March 2021, the College issued the Series I and Series J bonds. As part of this transaction the College entered into a defeasance agreement where $10,000,000 of the Series H bonds were paid off. The Series I bonds were issued with a premium which is reported net of accumulated amortization of premium at $2,202,106 and $2,285,205 for the years ended June 30, 2026 and 2025, respectively. Amortization of the premium was $83,099 for each of the years ended June 30, 2026 and 2025.

In July 2025, the College issued Series K bonds. The Series K bonds were issued with a premium which is reported net of accumulated amortization of premium at $165,585 and $0 for the year ended June 30, 2026. Amortization of the premium was $5,326 for the year ended June 30, 2026.

Note 10. Bonds and Loans Payable (Continued)

Maturities of outstanding bonds and loans for each of the next five fiscal years, and to maturity, are as follows:

Years ending June 30:	
2027	$ 1,544,453
2028	1,614,876
2029	1,668,165
2030	1,743,722
2031	1,819,562
Thereafter	78,278,692
	86,669,470
Unamortized premium	9,553,895
Debt issuance costs	(1,145,330)
Total	$ 95,078,035

Debt issuance costs are capitalized and amortized over the life of the bonds. Debt issuance costs totaled $1,367,399 and $978,893 for the fiscal years ended June 30, 2026 and 2025, and are reported net of accumulated amortization of $222,069 and $179,569 in bonds, notes and loans payable as of June 30, 2026 and 2025, respectively. Amortization expense was $42,500 and $30,396 for the years ended June 30, 2026 and 2025 and is reported as interest and amortization on the statements of activities.

Note 11. Net Assets

Net assets with donor restrictions are summarized as follows as of June 30:

	2026	2025
Contributions receivable	$ 6,154,645	$ 5,858,203
Contributions receivable — endowment	3,062,877	1,835,464
Planned giving arrangements	10,222,865	8,012,371
Capital improvements and maintenance	10,198,843	10,845,090
Financial aid	68,143,934	65,127,888
Instruction	53,947,607	49,006,343
Academic support	15,485,851	15,256,547
Other	11,748,299	15,849,294
Cumulative endowment appreciation	120,448,425	95,121,988
Total net assets with donor restrictions	$ 299,413,346	$ 266,913,188

Note 11. Net Assets (Continued)

Net assets were released from donor restrictions as a result of the endowment spending policy and incurring expenses satisfying the restricted purposes or the occurrence of events specified by the donors. Net assets released from restrictions for the years ended June 30, were for the following purposes:

	2026	2025
Capital and maintenance	$ 1,414,523	$ 714,857
Financial aid	5,896,724	6,049,844
Instruction	4,751,966	4,993,353
Academic support and other	1,378,955	2,047,944
Net assets released from restrictions	$ 13,442,168	$ 13,805,998

Note 12. Functional Expenses

The following tables summarize the College's expenses allocated by function as of June 30, 2026:

	2026						
	Instruction	Academic Support	Student Services	Institutional Support	Auxiliary Services	Operations and Maintenance	Total
Salaries and benefits	$ 17,350,258	$ 2,461,197	$ 10,551,907	$ 11,655,383	$ 450,554	$ 4,876,709	$ 47,346,008
Contracted services and events	2,868,691	192,080	2,079,219	3,110,028	6,248,701	2,152,643	16,651,362
Utilities, maintenance, equipment and insurance	172,961	8,880	115,987	484,674	563,356	7,295,679	8,641,537
Library acquisitions, supplies, printing and other	785,212	432,346	1,209,194	2,027,565	9,201	61,861	4,525,379
Depreciation and accretion	4,112,266	80,378	1,000,834	378,466	3,300,622	915,131	9,787,697
Interest and amortization	2,333,469	-	-	-	1,249,455	73,046	3,655,970
	27,622,857	3,174,881	14,957,141	17,656,116	11,821,889	15,375,069	90,607,953
Operations and maintenance allocation	2,970,504	490,726	2,637,135	4,365,228	4,911,476	(15,375,069)	-
Total operating expenses	$ 30,593,361	$ 3,665,607	$ 17,594,276	$ 22,021,344	$ 16,733,365	$ -	$ 90,607,953
Non-recurring non-operating expenses	87,435	89,809	25,339	347,028	29,150	-	578,761
Total functional expenses	$ 30,680,796	$ 3,755,416	$ 17,619,615	$ 22,368,372	$ 16,762,515	$ -	$ 91,186,714

Note 12. Functional Expenses (Continued)

The following tables summarize the College's expenses allocated by function as of June 30, 2025:

	2025						
	Instruction	Academic Support	Student Services	Institutional Support	Auxiliary Services	Operations and Maintenance	Total
Salaries and benefits	$ 19,044,786	$ 2,931,645	$ 10,946,820	$ 12,980,499	$ 567,897	$ 5,026,298	$ 51,497,945
Contracted services and events	3,556,845	263,468	2,077,879	2,882,790	6,218,399	1,926,706	16,926,087
Utilities, maintenance, equipment and insurance	100,910	28,901	121,440	439,831	532,056	6,152,083	7,375,221
Library acquisitions, supplies, printing and other	778,985	682,211	1,072,836	1,987,026	5,566	697,105	5,223,729
Depreciation and accretion	4,072,200	90,831	1,002,216	318,084	3,391,471	888,323	9,763,125
Interest and amortization	1,881,962	-	-	-	1,254,673	78,026	3,214,661
	29,435,688	3,997,056	15,221,191	18,608,230	11,970,062	14,768,541	94,000,768
Operations and maintenance allocation	3,454,110	696,897	2,377,806	3,836,381	4,403,347	(14,768,541)	-
Total operating expenses	$ 32,889,798	$ 4,693,953	$ 17,598,997	$ 22,444,611	$ 16,373,409	$ -	$ 94,000,768
Non-recurring non-operating expenses	478,644	18,902	124,424	148,913	-	-	770,883
Total functional expenses	$ 33,368,442	$ 4,712,855	$ 17,723,421	$ 22,593,524	$ 16,373,409	$ -	$ 94,771,651

Note 13. Benefit Plans

The College has a defined contribution pension plan that is designed to meet the requirements of section 403(b) of the IRC. The plan is administered by Teachers Insurance and Annuity Association of America and College Retirement Equities Fund. Any College employee (excluding student employees) may make voluntary pre-tax contributions to the plan. In the fiscal year ended June 30, 2025, employees were eligible to receive a contribution to the plan from the College after meeting specific requirements. There was no required employee contribution in order to receive the College's contribution. No contributions were made to the plan from the College during the fiscal year ended June 30, 2026.

The College maintains a plan in accordance with section 457(b) of the IRC. Under the terms of this plan, annual contributions are made by the College for highly compensated employees.

The College's total pension expense was $49,000 and $1,613,239 for the years ended June 30, 2026 and 2025, respectively.

Note 14. Related-Party Transactions

The College had $6,250,012 of gross contributions receivable from Trustees as of June 30, 2026. The College recognized $4,157,681 of contribution revenue from Trustees in the year ended June 30, 2026, including $78,464 of collections on conditional promises to give and reflected in private gifts and grants or contributions on the statement of activities. Conditional promises to give outstanding from Trustees at June 30, 2026 were $384,736.

The College had $2,344,633 of gross contributions receivable from Trustees as of June 30, 2025. The College recognized $3,643,493 of contribution revenue from Trustees in the year ended June 30, 2025, reflected in private gifts and grants or contributions on the statement of activities. There were no conditional promises to give or collections on conditional promises to give from Trustees at June 30, 2025.

Note 14. Related-Party Transactions (Continued)

Members of the Trustees and senior management may, from time to time, be associated, either directly or indirectly, with organizations doing business with the College. The College has a written conflict of interest policy that requires the Trustees and management to annually disclose any such relationship. Members may not participate in decisions involving the College's relationship with any such organization.

Two members of management sit on a total of seven different voluntary boards for companies that the College does business with. The first of these companies provides health insurance through a captive in which the College is a member and partial owner (see note 15). As of June 30, 2026 and 2025, the College had estimated liabilities for the self-funded retention of $700,000, which are included within accounts payable and accrued expenses on the accompanying statements of financial position. Total premium and self-funded retention costs under the program were $4,411,042 and $4,931,214 for the years ended June 30, 2026 and 2025, respectively. Dividends received were $675,331 and included in other revenues for the year ended June 30, 2026. There were no dividends received in the year ended June 30,2025. Increased investment value in the entity equaled $69,832 and $355,942 and is shown in other revenues for the years ended June 30, 2026 and 2025, respectively.

Two of these companies provide property and liability insurance through a captive formed during the year ended June 30, 2024. The College is a member and partial owner of each (see note 15). Total premiums for property and liability insurance under the programs were $138,844 and $110,902, respectively in year ended June 30, 2026. Increased investment value in the entities were $67,965 and $20,287 for the property and liability insurance captives, respectively, for the year ended June 30, 2026. Total premiums for property and liability insurance under the programs were $9,281 and $11,508, respectively, in the year ended June 30, 2025. Increased investment value in the entities were $20,287 and $22,117 for the property and liability insurance captives, respectively, for the year ended June 30, 2025.

Three of these companies provide professional services to the College. During the year ended June 30, 2026, the College had $12,844, and $64,000 of expenditures related to memberships and professional services for two of these companies. During the year ended June 30, 2025, the College had $13,449, $18,011, and $62,250 of expenditures related to memberships and professional services for each of these companies.

The seventh company provides health services to students and employees on campus. The location from which the company provides these services on campus is rented from the College. Expenses and rental revenue were $180,426 and $1,339 respectively for the year ended June 30, 2026. Expenses and rental revenue were $180,932 and $1,339 for the year ended June 30, 2025. A contribution receivable from a related foundation of this company had a net present value of $9,000 and $19,371 for the years ended June 30, 2026 and 2025, respectively.

Note 15. Commitments and Contingencies

The College has an agreement to lease certain land to a lessee. The agreement provides for the land ownership to be retained by the College and for the lessee to lease the property for 99 years. Concurrent with the land lease, the lessee constructed a medical center on the property and assumed the role of the College's health center and also is serving the residents of the Town of Norton.

The College has long-term contracts with outside service vendors for bookstore operations through May 31, 2027, and food services through June 30, 2028. The food services contract also allows for two optional one-year renewals. Expenses incurred under these contracts are variable each year based on the number of students served and actual expenses incurred. These contracts include terms that are typical in the higher education sector.

Note 15. Commitments and Contingencies (Continued)

From time to time, the College may become engaged in various legal matters arising from the normal course of its operations. The College believes the outcome of these matters will have no material adverse effect on the financial position of the College.

All funds expended by the College in connection with government grants are subject to review or audit by governmental agencies. There were no reviews or audits in process by governmental agencies as of June 30, 2026 and 2025.

The College has employment agreements with certain employees that range from one to five years, which stipulate a variety of business terms typical in the education sector.

The College participates in a group captive insurance funding program for employee healthcare costs. Claim amounts for any one individual up to $125,000 are covered within a self-funded retention and paid for by the College. Claim amounts exceeding $125,000 are shared with other members of the group captive and paid by the group captive. Management believes that any liability arising from this contingency would not be material to the College's financial position.

Note 16. Subsequent Events

The College has evaluated subsequent events through October 22, 2026, the date the financial statements were issued.