Financial Statements

Stonehill College, Inc.

June 30, 2025 and 2024

STONEHILL COLLEGE, INC.

Financial Statements

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CBIZ CPAs P.C.

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Independent Auditors' Report

The Board of Trustees
Stonehill College, Inc.
Easton, Massachusetts

Opinion

We have audited the financial statements of Stonehill College, Inc. (the "College"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with 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 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 for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

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

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

CBIZ CPAs P.C.

Boston, Massachusetts
November 24, 2025

STONEHILL COLLEGE, INC.

Statements of Financial Position

June 30,

	2025	2024
Assets		
Cash and cash equivalents	$ 23,568,222	$ 21,680,683
Accounts and loans receivable, net	1,995,003	1,320,789
Prepaids and other assets	1,744,966	1,531,418
Contributions and grants receivable, net	17,486,563	7,743,432
Investments	326,289,239	307,425,239
Perpetual trusts held by third parties	2,557,525	2,493,407
Operating leases - right-of-use assets	7,123,089	7,264,425
Property, plant and equipment, net	161,793,781	167,617,974
Total assets	**$ 542,558,388**	**$ 517,077,367**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	$ 2,463,822	$ 1,617,508
Accrued payroll and other benefits	2,558,365	2,226,490
Student deposits and deferred revenue	5,962,279	5,820,474
Other liabilities	1,881,906	1,898,088
Operating lease liability	7,123,089	7,264,425
Interest rate swap agreements	1,695,949	1,431,159
Loans and bonds payable	74,607,327	80,722,323
Total liabilities	**96,292,737**	**100,980,467**
Net assets:		
Without donor restrictions	316,202,676	304,467,935
With donor restrictions	130,062,975	111,628,965
Total net assets	**446,265,651**	**416,096,900**
Total liabilities and net assets	**$ 542,558,388**	**$ 517,077,367**

See accompanying notes to financial statements.

STONEHILL COLLEGE, INC.

Statement of Activities

Year Ended June 30, 2025
(with comparative totals for 2024)

	2025			2024
	Without Donor Restrictions	*With Donor Restrictions*	*Total*	*Total*
Operating revenues:				
Tuition and fees, net	$ 56,059,395	$ -	$ 56,059,395	$ 52,646,933
Room and board, net	34,520,765	-	34,520,765	32,980,392
Net tuition, fees, room and board	**90,580,160**	**-**	**90,580,160**	**85,627,325**
Federal and state grants	1,259,934	-	1,259,934	1,366,429
Contributions and private grants	2,304,533	-	2,304,533	1,620,293
Other revenues	5,996,757	-	5,996,757	7,197,291
Endowment return utilized in operations	12,272,763	-	12,272,763	11,797,159
Net assets used in operations	913,528	-	913,528	976,229
Total operating revenues	**113,327,675**	**-**	**113,327,675**	**108,584,726**
Operating expenses:				
Instruction	40,836,868	-	40,836,868	39,299,317
Academic support	7,372,456	-	7,372,456	6,832,429
Student services	24,680,523	-	24,680,523	23,093,832
Institutional support	13,489,439	-	13,489,439	13,389,276
Auxiliary services	25,042,753	-	25,042,753	24,379,989
Total operating expenses	**111,422,039**	**-**	**111,422,039**	**106,994,843**
Increase in net assets from operations	**1,905,636**	**-**	**1,905,636**	**1,589,883**
Non-operating activities:				
Contributions and grants	-	15,031,170	15,031,170	2,116,644
Net gain (loss) and interest expense from interest rate swaps	(370,189)	-	(370,189)	670,186
Investment return	20,141,781	9,223,322	29,365,103	27,494,702
Other non-operating expenses	(2,576,677)	-	(2,576,677)	(2,258,872)
Endowment return utilized in operations	(8,323,667)	(3,949,096)	(12,272,763)	(11,797,159)
Net assets used in operations	(235,719)	(677,810)	(913,529)	(976,229)
Non-operating net assets released from restriction	1,193,576	(1,193,576)	-	-
Change in net assets from non-operating activities	**9,829,105**	**18,434,010**	**28,263,115**	**15,249,272**
Change in net assets	**11,734,741**	**18,434,010**	**30,168,751**	**16,839,155**
Net assets, beginning of year	304,467,935	111,628,965	416,096,900	399,257,745
Net assets, end of year	**$ 316,202,676**	**$ 130,062,975**	**$ 446,265,651**	**$ 416,096,900**

See accompanying notes to financial statements.

STONEHILL COLLEGE, INC.

Statement of Activities

Year Ended June 30, 2024

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Operating revenues:			
Tuition and fees, net	$ 52,646,933	$ -	$ 52,646,933
Room and board, net	32,980,392	-	32,980,392
Net tuition, fees, room and board	**85,627,325**	**-**	**85,627,325**
Federal and state grants	1,366,429	-	1,366,429
Contributions and private grants	1,620,293	-	1,620,293
Other revenues	7,197,291	-	7,197,291
Endowment return utilized in operations	11,797,159	-	11,797,159
Net assets used in operations	976,229	-	976,229
Total operating revenues	**108,584,726**	**-**	**108,584,726**
Operating expenses:			
Instruction	39,299,317	-	39,299,317
Academic support	6,832,429	-	6,832,429
Student services	23,093,832	-	23,093,832
Institutional support	13,389,276	-	13,389,276
Auxiliary services	24,379,989	-	24,379,989
Total operating expenses	**106,994,843**	**-**	**106,994,843**
Increase in net assets from operations	**1,589,883**	**-**	**1,589,883**
Non-operating activities:			
Contributions and grants	1,172,223	944,421	2,116,644
Net gain and interest expense from interest rate swaps	670,186	-	670,186
Investment return	18,252,518	9,242,184	27,494,702
Other non-operating expenses	(2,258,872)	-	(2,258,872)
Endowment return utilized in operations	(7,995,934)	(3,801,225)	(11,797,159)
Net assets used in operations	(155,003)	(821,226)	(976,229)
Non-operating net assets released from restriction	1,909,705	(1,909,705)	-
Change in net assets from non-operating activities	**11,594,823**	**3,654,449**	**15,249,272**
Change in net assets	**13,184,706**	**3,654,449**	**16,839,155**
Net assets, beginning of year	291,283,229	107,974,516	399,257,745
Net assets, end of year	**$ 304,467,935**	**$ 111,628,965**	**$ 416,096,900**

STONEHILL COLLEGE, INC.

Statements of Cash Flows

Years Ended June 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 30,168,751	$ 16,839,155
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	9,411,114	9,494,071
Net realized and unrealized gain on investments and trusts	(29,391,595)	(27,607,092)
Unrealized (gain) loss on interest rate swap agreements	264,790	(632,135)
Non-cash operating lease expense	141,336	136,570
Contributions to be used for long-term investment	(3,417,077)	(3,090,616)
Change in contributions receivable discount/allowance	1,630,315	(134,363)
Change in operating assets and liabilities:		
Accounts and loans receivable, net	(674,214)	49,792
Contributions and grants receivable	(11,373,446)	708,221
Prepaids and other assets	(213,548)	(377,882)
Accounts payable and accrued liabilities	963,035	(71,958)
Accrued payroll and other benefits	331,875	188,212
Student deposits and deferred revenue	141,805	3,282,360
Other liabilities	45,582	(57,453)
Operating lease liabilities	(141,336)	(136,570)
Net cash used in operating activities	**(2,112,613)**	**(1,409,688)**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,552,263)	(5,664,398)
Purchase of investments	(22,712,069)	(18,257,531)
Proceeds from sale of investments	33,175,547	29,190,782
Net cash provided by investing activities	**6,911,215**	**5,268,853**
Cash flows from financing activities:		
Payments on long-term debt and finance lease obligations	(6,328,140)	(5,105,825)
Contributions to be used for long-term investment	3,417,077	3,090,616
Net cash used in financing activities	**(2,911,063)**	**(2,015,209)**
Net increase in cash and cash equivalents	**1,887,539**	**1,843,956**
Cash and cash equivalents, beginning of year	21,680,683	19,836,727
Cash and cash equivalents, end of year	**$ 23,568,222**	**$ 21,680,683**
Supplemental disclosures:		
Cash paid for interest on long-term debt and finance leases	$ 2,421,815	$ 3,610,389
Amounts included in accounts payable and accrued liabilities related to property, plant and equipment	$ 65,003	$ 181,725
Property, plant and equipment acquired under finance leases	$ 47,411	$ 68,772

See accompanying notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

Stonehill College (the “College”), is a not-for-profit, private, Catholic and co-educational liberal arts college, founded in 1948 by the Congregation of the Holy Cross. It is located on a 384-acre campus in Easton which is south of Boston, Massachusetts. The College provides academic, residential and other services to a diverse student population of approximately 2,500, predominately from the Northeast region of the United States of America, other U.S. states and to a lesser extent internationally.

The College’s mission is to educate the whole person so that each Stonehill graduate thinks, acts, and leads with courage toward the creation of a more just and compassionate world through its curriculum of rigorous academic programs in the humanities, arts, natural and social sciences, business, education, and pre-professional programs. The College offers the Bachelor of Arts and Sciences degree at the undergraduate level as well as certain graduate masters programs.

The College is accredited by the New England Commission of Higher Education, Inc. (“NECHE”) in addition to accreditation by the Association to Advance Collegiate Schools of Business (“AACSB”) as well as certain other accrediting bodies. The College’s accreditation status, like other educational organizations, is subject to certain operating and interim reporting requirements.

The College participates in student financial aid programs sponsored by the United States Department of Education (“ED”) and to a much lesser extent the Commonwealth of Massachusetts, as well as other states within the U.S. These programs facilitate the payment of tuition and other expenses for eligible students when they are determined to be eligible as evaluated by the College’s financial aid office. Such determinations are subject to after the fact review by funders.

Basis of Presentation

The financial statements of the College have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”) which requires that information regarding its financial position and activities are reported 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 available for general use and not subject to donor restrictions. The Board of Trustees has designated certain amounts from net assets without donor restrictions to function as endowment. Net assets without donor restrictions also include investment in property, plant and equipment, net of accumulated depreciation and related loans and bonds payable and net investment of funds for student loans.

Net Assets With Donor Restrictions - Net assets 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, events specified by the donor, or both. Accumulated unspent gains on permanent endowment funds also are temporary in nature and are subject to the endowment spending policy as adopted by the Board of Trustees. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include bank deposits and other highly liquid debt instruments with maturities at date of purchase of three months or less. Such accounts are carried at cost plus accrued interest. Cash and cash equivalents held by investment managers are considered part of investments given the expectation of near-term reinvestment. The College maintains cash balances at 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 losses in such accounts.

Accounts and Loans Receivable

Students are billed based on dates outlined in the academic catalog as agreed in advance of the delivery of the related academic or auxiliary activity. Payments for tuition and fees and room and board charges are generally due by the start of the academic period with the recognition that on behalf payments being made by ED or others are subject to specific requirements within those programs as to when those funds can be availed. Certain ED funding can be availed prior to the commencement of the academic period, while other amounts are paid at specified intervals based on the rules as promulgated by ED. 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. Student accounts are not collateralized.

Accounts and loans receivable are stated net of an allowance for credit losses of $259,943 and $252,422 at June 30, 2025 and 2024, respectively. 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. An account is considered uncollectible when all efforts to collect the account have been exhausted.

Contributions and Grants Receivable

Contributions and grants receivable are initially recorded at fair value utilizing Level 2 inputs as per the fair value policies covered later in this section. Contributions and grants to be received after one year are valued using the present value of a risk adjusted rate to account for the inherent risk associated with the expected future cash flows. Contributions and grants receivable of shorter duration are recorded at estimated net realizable value. Amortization of present value amounts are included in with donor restrictions or without donor restrictions contribution revenue depending on the restrictions associated with the original gift. An allowance for uncollectible contributions and grants receivable is provided based upon management estimates including factors of historical experience and a specific review of circumstances relative to major pledges and other factors.

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

Investments are carried at fair value consistent with the fair value policies described elsewhere in this section.

Net investment return is reported in the statement of activities and consists of interest and dividend income and realized and unrealized gains and losses, less any external and internal investment expenses.

The investment objective of the College is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund its board-approved spending policy and to increase investment values after inflation. Major investment decisions are authorized by the investment subcommittee of the Board of Trustees that oversees the College's investments, mindful of diversification among asset classes.

Split-Interest Agreements

Perpetual Trusts Held by Third Parties

Perpetual trusts held by third parties are carried at fair value as per the fair value policies later in this section. Changes in fair value are reported as part of investment return as they occur.

Charitable Gift Annuities

From time to time, the College receives charitable gift annuities in which donors contribute assets and receive a promise of payments for life. The assets and obligations are initially recorded at fair value with the assets generally being at Level 1 with the related annuity obligation being measured at Level 2 per the fair value policies later in this section. The assets received are transferred to the College's managers for long-term investment as part of the investment portfolio. The annuity obligations are periodically updated to reflect changes in life expectancy using the same discount rate as when the gift was made and are included in capital leases and other liabilities on the statements of financial position.

Fair Value Measurements

The College reports required types of financial instruments in accordance with the fair value standards of accounting. 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. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. The fair value standards also provide for a practical expedient of fair value allowing for the use of net asset value per share ("NAV") when certain requirements are met. Items reported at fair value on a recurring basis include investments and perpetual trusts held by third parties. Non-recurring fair values include items such as the initial recording of contributions receivable.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The fair value standards require that for each item carried at fair value that such be disclosed in accordance with the valuation methods used which fall into three categories (but for those items valued at NAV) as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the College has the ability to access at measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – inputs are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions. In addition, Level 3 valuations incorporate assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

It is possible that redemption rights may be restricted or eliminated by investment managers in the future in accordance with the underlying fund agreements. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observable inputs and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements.

Property, Plant and Equipment, net

Property, plant and equipment are recorded at cost at the date of acquisition when the useful life is over one year and such amounts exceed a management established capitalization threshold or at fair value at the date of gift for donated assets using Level 3 methods as per the fair value policies elsewhere in this section. Depreciation is computed on the straight-line basis over the estimated useful lives of the individual asset with the half year convention used in the year of acquisition. Useful lives are as follows:

	Estimated Useful Lives
Land improvements	20 years
Buildings and improvements	10 - 60 years
Furniture, equipment and vehicles	4 - 15 years
Leasehold improvements	Lesser of life of the asset or lease term

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment, net (Continued)

Property, plant and equipment are removed from the College's records at the time of disposal with any resulting gain or loss being reflected in the statement of activities. Replacements and major improvements are capitalized; expenses for maintenance and repairs are charged as incurred and included in utilities and maintenance expense as disclosed in Note 13.

Right-of-Use Assets and Operating Lease Liability

The College determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets and operating lease liabilities in the accompanying statements of financial position. Assets obtained under finance leases are included in property and equipment and other liabilities in the accompanying statements of financial position.

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

As the College's leases do not provide an implicit rate, the College uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease assets also include any lease payments made and exclude lease incentives. The lease terms may include options to extend or terminate the lease and these are included in the lease assets and obligations when it is reasonably certain that the College will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Student Deposits and Deferred Revenue

Student deposits represent reservation deposits and other advance payments by students on account. Deferred revenue includes the amount of unearned related services that are in progress as of year-end related to net tuition and fees, auxiliary enterprises such as room and board, and advances or incentives from vendors that are amortized over the term of the contract. 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.

Interest Rate Swap Agreements

Interest rate swap agreements are carried at fair value using Level 2 fair value methods as per the fair value policies elsewhere in this section. These agreements are intended to synthetically fix interest rates over the term of the arrangement at rates that are more favorable than otherwise available in the market at the time of issuance.

Loans and Bonds Payable

Loans and bonds payable are reported at the face value of the remaining obligation under the related debt issue, net of the premium, discount and issuance costs. Premiums, discounts and issuance costs are amortized over the term of the related indenture.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Operations

Revenues are reported as increases in net assets without donor restrictions, unless use of the related asset is limited by donor-imposed restrictions, as follows:

A substantial portion of the College's revenue is derived from student tuition and fees. The College also derives revenue from housing fees which are reported as room and board in the statement of activities. These revenue streams are aligned to an academic semester which is less than one year in length and recognized as revenue in the period the services are provided, net of any institutional financial aid provided.

Under accounting standards, revenue measurement is driven via a principles-based process that requires entities 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.

Tuition, fees, room and board revenue are recorded at established rates, net of institutional financial aid and scholarships provided directly to students and 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. 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 for its satisfaction of its performance obligations or amounts allocated to those obligations. Tuition 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.

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 up to an 80% refund within the first two weeks of classes declining to no refund after the fifth week of classes. Given the normal timing of the College's programs, the exposure to such is limited at year end.

Payments made by third parties, such as ED, 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.

Revenue earned on grants for research is recognized as related costs are incurred. Revenue on contracts is recognized as value is transferred to customers which generally is indicated via the incurring of allowable costs under the contract.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition and Operations (Continued)

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 of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in these policies. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has 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 and grants are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlements. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions and grants received pending designation by the donor are considered with donor restrictions until known at which time such are reclassified if required.

The College also derives revenue from conferences and events and sports camps which is recorded as revenue over time as earned and reported in other revenues in the statement of activities.

Investment returns are reported as revenue based on the fair value of 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 spending policy unless otherwise required by the terms of the gift that they be added to the principal of the endowment.

Operating and Non-operating Activity

The statement of activities reports the change in net assets from operating and non-operating activities. Operating revenues consist of items attributable to the College’s undergraduate and graduate education programs, grants for research conducted by academic departments, auxiliary enterprise activities, certain contributions, amount allocated under the College’s spending policy and other sources. Non-operating activities include investment return, less amounts allocated under the spending policy, contributions received for endowment, certain fundraising costs related to long-term donative activity and other non-recurring expenses, net gains and losses and interest expense related to the College’s interest rate swap agreements, grants for capital additions to support research by academic departments, and miscellaneous items not related to the College’s academic or research activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Expenses are reported as decreases in net assets without donor restrictions. The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, depreciation of plant assets and operation and maintenance of plant expenses have been allocated to functional classifications based on square footage of facilities. Interest expense is allocated to functional classifications that benefited from the use of the proceeds of the debt. Total fundraising expense amounted to approximately $3,175,000 and $3,087,000 for the years ended June 30, 2025 and 2024, respectively, of which a portion is included in non-operating expenses and a portion in institutional support.

Use of Estimates

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

Tax Status

The College is recognized by the Internal Revenue Service as a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code 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 related 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 and its determinations as to what income is related and unrelated as its only significant tax positions; however, the College has determined that such tax positions do not result in uncertainties 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.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported net assets, changes in net assets, or cash flows.

Note 1 - Summary of Significant Accounting Policies (Continued)

Subsequent Events

The College has evaluated subsequent events through November 24, 2025, the date the financial statements were issued. No matters were noted through that date that required adjustment or disclosure within the financial statements.

Note 2 - 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 within its investment portfolio. The Board of Trustees has designated much of the investment portfolio to function as a quasi-endowment fund, but such resources can and would be made available by the Board should such be needed for operations.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing activities of education and related services 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 principal and interest on these loans 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 seeks to operate with a budget surplus and anticipates collecting revenue in excess of general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the College's cash.

The following table shows the financial assets available within one year of the balance sheet date to meet general expenditures at June 30:

	2025	***2024***
Cash and cash equivalents	$ 23,568,222	$ 21,680,683
Contributions and grants receivable, net, for general expenditure due in 1 year or less	3,409,950	5,348,850
Accounts and loans receivable, net	1,995,003	1,320,789
Endowment appropriation	12,773,575	12,289,542
Board-restricted endowment convertible to cash in less than 1 year	135,236,029	124,230,337
Total financial assets available to meet general expenditures over the next 12 months	**$ 176,982,779**	**$ 164,870,201**

Note 3 - Contributions and Grants Receivable

Contributions and grants receivable are expected to be realized in the following time frame as of June 30:

	2025	2024
Amounts expected to be collected in:		
One year or less	$ 6,409,950	$ 5,348,850
Two to five years	13,060,807	2,548,461
Greater than five years	-	200,000
	19,470,757	8,097,311
Less:		
Discount to present value	(1,794,229)	(271,469)
Allowance for uncollectibles	(189,965)	(82,410)
Contributions and grants receivable, net	**$ 17,486,563**	**$ 7,743,432**

Approximately 84% and 48% of gross contributions and grants receivable were due from two parties at June 30, 2025 and 2024, respectively. Conditional contributions and grants, as defined in Note 1, are approximately $206,500 and $250,000 at June 30, 2025 and 2024, respectively.

Note 4 - Investments and Fair Value Measurements

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

	2025				
	Level 1	***Level 2***	***Level 3***	***Investments Measured at NAV***	***Total***
Assets					
Investments:					
Cash and equivalents	$ 940,287	$ -	$ -	$ -	$ 940,287
Equities:					
Domestic	11,745,599	-	-	-	11,745,599
International	10,164,625	-	-	3,465,368	13,629,993
Fixed income funds	10,444,424	-	-	-	10,444,424
Hedge funds:					
Commingled	-	-	-	12,185,827	12,185,827
Multi-strategy	-	-	-	3,694,862	3,694,862
Long/short equity	-	-	-	42,847,719	42,847,719
Real asset funds	5,508,761	-	-	-	5,508,761
Private equity funds	-	-	-	9,304,824	9,304,824
Interest in Notre Dame Endowment pool:					
Multi-strategy	-	-	-	215,986,943	215,986,943
Total investments	38,803,696	-	-	287,485,543	326,289,239
Perpetual trusts held by third parties	-	-	2,557,525	-	2,557,525
Total assets	**$ 38,803,696**	**$ -**	**$ 2,557,525**	**$ 287,485,543**	**$ 328,846,764**
Liabilities					
Interest rate swap agreements	**$ -**	**$ 1,695,949**	**$ -**	**$ -**	**$ 1,695,949**

Note 4 - Investments and Fair Value Measurements (Continued)

	2024				
	Level 1	*Level 2*	*Level 3*	*Investments Measured at NAV*	*Total*
Assets					
Investments:					
Cash and equivalents	$ 6,744,150	$ -	$ -	$ -	$ 6,744,150
Equities:					
Domestic	10,715,484	-	-	-	10,715,484
International	12,848,418	-	-	-	12,848,418
Fixed income funds	8,666,055	-	-	-	8,666,055
Hedge funds:					
Commingled	-	-	-	10,236,167	10,236,167
Multi-strategy	-	-	-	3,299,873	3,299,873
Long/short equity	-	-	-	39,401,804	39,401,804
Private equity funds	-	-	-	11,545,108	11,545,108
Interest in Notre Dame Endowment pool:					
Multi-strategy	-	-	-	203,968,180	203,968,180
Total investments	38,974,107	-	-	268,451,132	307,425,239
Perpetual trusts held by third parties	-	-	2,493,407	-	2,493,407
Total assets	**$ 38,974,107**	**$ -**	**$ 2,493,407**	**$ 268,451,132**	**$ 309,918,646**
Liabilities					
Interest rate swap agreements	**$ -**	**$ 1,431,159**	**$ -**	**$ -**	**$ 1,431,159**

As a member of the Congregation of Holy Cross, the College invests in the Notre Dame Endowment Pool (“NDEP”). The NAV of the securities held by limited partnerships and NDEP that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The College has performed due diligence around these investments to ensure NAV is an appropriate measure of fair value as of June 30, 2025 and 2024. Management has no intentions or plans to liquidate any NAV practical expedient investments at other than NAV per share.

Note 4 - Investments and Fair Value Measurements (Continued)

The redemption frequency of the College's investments are as follows at June 30, 2025:

Redemption Frequency		***Fair Value***
Daily	$	38,804,335
Monthly		29,690,118
Quarterly		66,741,576
Annual		73,754,659
Biennial		107,993,472
Illiquid		9,305,079
Total investments	**$**	**326,289,239**

Under certain unusual circumstances, investment managers may alter redemption provisions of their investment vehicles which could impact the ultimate liquidity of funds. Unfunded commitments under various investment vehicles amounted to approximately $1,430,000 at June 30, 2025.

Perpetual trusts held by third parties relate to the assets which are held by independent donor-appointed trustees. Income is recognized "upon distribution" unless deemed as return of capital plus or minus any change in the fair value of the underlying asset while income from the remainder trust represents the change in fair value of the trust assets. There was no significant activity among Level 3 valuations during the years ended June 30, 2025 and 2024.

Note 5 - Property, Plant and Equipment

Property, plant and equipment are as follows as of June 30:

		2025		***2024***
Land	$	1,435,939	$	1,435,939
Land improvements		20,052,913		20,020,542
Buildings and improvements		243,721,137		242,616,552
Leasehold improvements		4,944,836		4,932,236
Furniture, equipment and vehicles		47,547,267		46,426,203
Construction in progress		3,240,308		2,050,592
Total property, plant and equipment		320,942,400		317,482,064
Less accumulated depreciation		(159,148,619)		(149,864,090)
	$	**161,793,781**	**$**	**167,617,974**

Note 5 - Property, Plant and Equipment (Continued)

Included in property, plant and equipment as of June 30, 2025 and 2024 are assets under finance leases for equipment with a cost of $677,454 and $630,043, and related accumulated depreciation of $357,167 and $209,589, respectively. Finance lease obligations as of June 30, 2025 and 2024 were $319,689 and $409,445, respectively, and are included in other liabilities on the statements of financial position.

Depreciation expense was $9,307,145 and $9,392,556 for the years ended June 30, 2025 and 2024, respectively.

Note 6 - Leases

The College has operating leases with terms ranging from five to fifty years expiring through June 30, 2066. The operating leases generally provide for the pass through of any increases in operating costs over the lease term and some contain variable components. The College has various finance leases with terms ranging from four to five years expiring through June 30, 2030. Finance lease liabilities are included in other liabilities on the statement of financial position.

The components of lease expenses for the years ended June 30 are as follows:

	2025	***2024***
Finance lease expense		
Amortization of right-of-use asset	$ 147,578	$ 135,213
Interest on lease liabilities	27,061	31,248
Operating lease expense - fixed	360,973	360,973
Short-term lease expense	348,926	382,455
Total lease expense	**$ 884,538**	**$ 909,889**

Weighted-average remaining lease term and discount rate for operating and finance leases were as follows at June 30:

	2025	***2024***
Weighted-average remaining lease term:		
Operating leases	34.56 years	35.32 years
Finance leases	2.58 years	3.19 years
Weighted-average discount rate:		
Operating leases	3.11%	3.11%
Finance leases	7.31%	7.00%

Note 6 - Leases (Continued)

Annual undiscounted cash flows are reconciled to the College's operating and finance lease liabilities as follows for the years ending June 30:

	Operating	*Finance*
2026	$ 360,168	$ 167,887
2027	318,248	111,710
2028	318,248	53,048
2029	318,248	16,159
2030	318,248	3,660
Thereafter	10,693,997	-
Total lease payments	12,327,157	352,464
Less: Imputed interest	(5,204,068)	(32,775)
Present value of lease liabilities	**$ 7,123,089**	**$ 319,689**

Note 7 - Loans and Bonds Payable

Loans and bonds payable are as follows as of June 30:

		2025		2024
Eastern Bank MDFA Series K-1 direct placement loan, variable interest rates of 79% of one month SOFR plus 0.75% due quarterly through November 3, 2025, and 79% of one month SOFR plus 0.95% due quarterly thereafter through July 1, 2037, with an actual interest rate of 4.10% and 4.89% at June 30, 2025 and 2024, respectively.	$	18,187,500	$	19,425,000
M & T United Bank MDFA Series K-2 direct placement loan, variable interest rate of 68% of one month SOFR plus 1.15% due quarterly through July 1, 2037, with an actual interest rate of 3.80% and 4.48% at June 30, 2025 and 2024, respectively.		18,187,500		19,425,000
M & T United Bank MDFA Series M direct placement loan, fixed interest rate of 2.65% due quarterly through April 1, 2029, at which point interest rate will be reevaluated and paid quarterly through April 1, 2047.		12,483,256		12,793,997
TD Bank MDFA Series N direct placement loan, fixed interest rate of 2.49% due quarterly through July 1, 2029.		7,599,057		7,599,057
Eastern Bank MDFA Series O direct placement drawdown bond, variable interest rate of 79% of one month SOFR plus 0.90% due quarterly through June 1, 2027 and 1.50% due quarterly thereafter through July 1, 2048, with an actual interest rate of 4.21% and 5.01% at June 30, 2025 and 2024, respectively.		18,467,695		21,846,084
		74,925,008		81,089,138
Less unamortized debt issuance costs		(317,681)		(366,815)
	$	**74,607,327**	$	**80,722,323**

Note 7 - Loans and Bonds Payable (Continued)

The outstanding loans and bonds payable include a pledge of tuition receipts. The College is also subject to certain financial covenants.

Mandatory annual principal payments on loans and bonds payable are as follows as of June 30:

2026	$ 5,277,438
2027	5,469,783
2028	6,299,287
2029	5,748,773
2030	6,199,504
Thereafter	45,930,223
	$ 74,925,008

Interest expense on loans and bonds payable was $3,016,231 and $3,626,873 for the years ended June 30, 2025 and 2024, respectively.

Note 8 - Interest Rate Swap Agreements

The College has entered into various interest rate swap agreements in order to partially hedge variable interest rate exposure on certain debt issues, thereby managing the interest cost and risk associated with its outstanding debt. The College does not enter into derivative instruments for trading or speculative purposes. Net payments under swap agreements are accounted for as interest expense.

Interest expense on swap agreements for the year ended June 30, 2025 was $100,899 and interest income on swap agreements for the year ended June 30, 2024 was $42,551. This income or expense is included in net gain (loss) and interest expense from interest rate swaps in the statement of activities.

These swaps hedge much of the variable exposure in the Series K bonds as detailed in Note 7. The College has three swap agreements as per below at June 30:

2025 Notional Amount	***2024 Notional Amount***	***Termination Date***	***Interest Rate Received***	***Interest Rate Paid***	***2025 Fair Value (Liability)***	***2024 Fair Value (Liability)***
$ 7,000,000	$ 9,040,000	July 1, 2028	67% of USD- 1M SOFR	3.369%	$ (75,972)	$ (44,719)
4,775,000	5,705,000	July 1, 2028	67% of USD- 1M SOFR	3.594%	(75,972)	(44,719)
19,000,000	19,000,000	July 1, 2037	67% of USD- 1M SOFR	3.651%	(1,544,005)	(1,341,721)
$ 30,775,000	**$ 33,745,000**				**$ (1,695,949)**	**$ (1,431,159)**

The swap agreements have no collateral requirements applicable to the College.

Note 8 - Interest Rate Swap Agreements (Continued)

As a result of the use of derivative instruments, the College is exposed to risk that the counterparties will fail to meet their contractual obligation. To mitigate the counterparty risk, the College only enters into contracts with selected major financial institutions based upon their credit ratings and other factors and continually assesses the creditworthiness of counterparties. The counterparties to the College's interest rate swaps had investment grade ratings at June 30, 2025 and 2024. To date, all counterparties have performed in accordance with their contractual obligation.

Note 9 - Endowments

The College's endowment consists of approximately 300 individual restricted endowment funds as well as Board-designated endowment funds for a variety of purposes plus other funds such as those held in support of split-interest agreements. The 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.

Relevant Law

The Board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted in Massachusetts as requiring the preservation 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 tracks the original value of gifts donated to the permanent endowment, subsequent gifts to the permanent endowment and any required additions to these funds per the donor agreement. Any amounts in excess of these levels which is generally accumulated unspent gains on such funds are subject to appropriation for expenditure by the College via the Board of Trustees 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 endowment funds:

1) The duration and preservation of the fund;
2) The purposes of the College and the donor-restricted endowment fund;
3) General economic conditions;
4) The possible effect of inflation and deflation;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the College; and
7) The investment policies of the College.

Although UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under UPMIFA, the Board is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic dollar value. There is an expectation that, over time, the permanently restricted amount will remain intact. This perspective is aligned with the accounting standards definition that permanently restricted funds are those that must be held in perpetuity even though the historic-dollar-value may be dipped into on a temporary basis.

Note 9 - Endowments (Continued)

Relevant Law (Continued)

The College tracks the original value of gifts donated to the endowment, subsequent gifts to the endowment, and accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Endowment Funds with Deficits

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist, they are classified as a reduction of funds with donor restrictions. The deficits were de minimis for the years ended June 30, 2025 and 2024.

Return Objectives and Risk Parameters

The investment objective of the endowment funds, through the careful management of assets, is designed to preserve the funds' purchasing power and to ensure a total return (income plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time provide a dependable source of income for current operations and programs. To accomplish this objective, the funds seek to generate a total return that will exceed not only its spending authority, but also the eroding effects of inflation and its operating expenses over the long term. To meet this long-term objective, all total return (interest income, dividends, realized gains and unrealized gains), above and beyond the amount approved for expenditures, will be reinvested in the funds.

Strategies Employed for Achieving Investment Objectives

The funds have a long-term investment horizon with relatively low liquidity needs. For this reason, the funds can tolerate short- and intermediate-term volatility provided that long-term returns meet or exceed its investment objective. Consequently, the funds can take advantage of less liquid investments, such as private equity, hedge funds, and other partnership vehicles, which typically offer higher risk-adjusted return potential as compensation for forfeiture of liquidity.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives

The Board of the College determines the method to be used to distribute endowment funds for expenditure. Under the College's endowment spending policy for the years ended June 30, 2025 and 2024, the College applied a rate of 4.5% to a weighted average calculation based on the previous year's ending endowment value and the previous year's endowment spending. Accordingly, over the long term, the College expects the current spending policy to allow its endowment to grow, consistent with its intention to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts.

Note 9 - Endowments (Continued)

Endowment net asset composition by type of fund is as follows as of June 30, 2025:

	Without Donor Restrictions	*With Donor Restrictions*		*Total*
		Original Gift	*Accumulated Gains*	
Donor-restricted endowment funds	$ -	$ 61,188,588	$ 47,470,931	$ 108,659,519
Board-designated endowment funds	217,814,809	-	-	217,814,809
Total endowment funds	**$ 217,814,809**	**$ 61,188,588**	**$ 47,470,931**	**$ 326,474,328**

Endowment net asset composition by type of fund is as follows as of June 30, 2024:

	Without Donor Restrictions	*With Donor Restrictions*		*Total*
		Original Gift	*Accumulated Gains*	
Donor-restricted endowment funds	$ -	$ 58,688,996	$ 42,404,954	$ 101,093,950
Board-designated endowment funds	205,834,752	-	-	205,834,752
Total endowment funds	**$ 205,834,752**	**$ 58,688,996**	**$ 42,404,954**	**$ 306,928,702**

Note 9 - Endowments (Continued)

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

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Endowment net assets, beginning of year	$ 205,834,752	$ 101,093,950	$ 306,928,702
Total investment return	20,135,074	9,032,671	29,167,745
Gifts and additions	168,650	2,499,592	2,668,242
Distribution of endowment assets for expenditure	(8,323,667)	(3,966,694)	(12,290,361)
Endowment net assets, end of year	**$ 217,814,809**	**$ 108,659,519**	**$ 326,474,328**

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

	Without Donor Restrictions	*With Donor Restrictions*	*Total*
Endowment net assets, beginning of year	$ 195,618,012	$ 94,950,558	$ 290,568,570
Total investment return	18,212,674	8,913,031	27,125,705
Gifts and additions	-	990,507	990,507
Distribution of endowment assets for expenditure	(7,995,934)	(3,760,146)	(11,756,080)
Endowment net assets, end of year	**$ 205,834,752**	**$ 101,093,950**	**$ 306,928,702**

Note 10 - Net Assets

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

	2025	***2024***
Donor restricted for scholarship and other programs	$ 3,393,018	$ 5,993,562
Funds for facilities	14,397,421	1,086,063
Annuity and perpetual trusts held by third parties	3,613,017	3,455,390
Endowment funds:		
Restricted for scholarship support	100,099,231	92,985,052
Restricted for faculty support	5,462,685	5,178,170
Restricted for program support	3,097,603	2,930,728
Total endowment funds	108,659,519	101,093,950
Total net assets with donor restrictions	**$ 130,062,975**	**$ 111,628,965**

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 are for the following purposes for the years ended June 30:

	2025	***2024***
Endowment return utilized in operations:		
Scholarships	$ 3,630,223	$ 3,519,432
Other program support	318,873	281,793
Capital improvements (non-operating)	1,193,576	1,909,705
Scholarships	187,380	322,805
Student services	49,066	-
Other program support	441,364	498,421
Net assets released from restrictions	**$ 5,820,482**	**$ 6,532,156**

Note 11 - Revenue Matters

The College's revenues from tuition, fees and auxiliary enterprises are all recognized over time. Factors that can impact the amount and timing of cash flows include policies that allow for withdrawal by students after the start of the program subject to certain limits which differ by nature of program. Cash flows are also impacted by ED rules which differ for newly enrolled versus continuing students with respect to financial aid. Generally, funds made available by ED for new students are available later than for continuing students.

The College participates in the Massachusetts College Savings Prepaid Tuition Program. This program allows participants to lock in tuition prices by limiting future increases to the changes in CPI plus 2%. Management does not view there to be other qualitative factors that have a significant impact on the nature and amount of revenue and cash flow.

The College has a number of lines of business which include traditional undergraduate education, traditional graduate programs, other continuing education programs, online programs and international programs. The College's revenue is predominantly from undergraduate education, therefore, additional disclosure of revenue by each line of business is not deemed necessary.

Tuition, fees, room and board revenue are presented on the statement of activities net of the following discounts for the years ended June 30:

	2025	***2024***
Tuition and fees discount:		
Institutional scholarships	$ 84,880,614	$ 76,672,749
Endowed scholarships	4,149,999	4,211,787
Federal and other scholarships	478,930	563,036
Room and board discount	1,191,654	1,076,473
	$ 90,701,197	**$ 82,524,045**

Note 12 - Employee Benefit Plans

The College offers its employees a defined contribution plan and participates in the Teachers Insurance and Annuity Association contributory retirement program. This program covers substantially all full-time employees of the College. The College made matching contributions of $3,837,878 and $3,022,522 for the fiscal years ended June 30, 2025 and 2024, respectively.

The College also maintains a self-funded medical plan for its employees. The self-funded medical and short-term disability plans are funded by both employee and College contributions. The College incurred net medical plan expense of $5,033,089 and $5,231,503 for the fiscal years ended June 30, 2025 and 2024, respectively. To reduce its exposure to large individual claims the College maintains a stop-loss insurance policy that limits the College's cost per individual per policy year.

Note 13 - Natural Classification of Expenses

Expenses presented by natural classification and function are as follows for the years ended June 30:

	2025				
	Instruction/ Academic Support	Student Services	Institutional Support	Auxiliary Services	Total
Salaries and benefits	$ 33,078,320	$ 12,400,369	$ 7,344,181	$ 4,361,152	$ 57,184,022
Contracted services	1,611,203	2,489,464	1,247,143	8,365,366	13,713,176
Utilities and maintenance	3,958,934	2,931,066	1,448,677	6,561,466	14,900,143
Supplies and office expense	1,172,041	1,424,233	608,942	106,366	3,311,582
Interest, depreciation and amortization	4,776,008	1,671,080	1,054,744	4,941,601	12,443,433
Other operating expenses	3,612,818	3,764,311	1,785,752	706,802	9,869,683
Total expenses	**$ 48,209,324**	**$ 24,680,523**	**$ 13,489,439**	**$ 25,042,753**	**$ 111,422,039**

	2024				
	Instruction/ Academic Support	Student Services	Institutional Support	Auxiliary Services	Total
Salaries and benefits	$ 31,884,736	$ 11,561,235	$ 7,001,773	$ 4,334,275	$ 54,782,019
Contracted services	1,211,662	2,417,074	1,313,427	7,954,184	12,896,347
Utilities and maintenance	3,857,653	2,746,056	1,384,988	6,315,476	14,304,173
Supplies and office expense	1,044,272	1,382,040	653,520	135,873	3,215,705
Interest, depreciation and amortization	5,271,580	1,716,516	1,071,148	5,076,699	13,135,943
Other operating expenses	2,861,843	3,270,911	1,964,420	563,482	8,660,656
Total expenses	**$ 46,131,746**	**$ 23,093,832**	**$ 13,389,276**	**$ 24,379,989**	**$ 106,994,843**

Not included above are other non-operating expenses of $2,576,677 and $2,258,872 at June 30, 2025 and 2024, respectively, related to institutional support and are comprised primarily of salaries and benefits and supplies and office expense.

Note 14 - Commitments and Contingencies

Risks and Uncertainties Related to Federal Policy Changes

In 2025, various executive actions and policy changes proposed or enacted by the Federal government have introduced uncertainty within the higher education sector. Several of these actions have directly or indirectly impacted the U.S. Department of Education's regulatory framework, Federal student aid programs, and other areas that may materially affect the operational and financial outlook of institutions of higher education.

As a recipient of Federal financial aid and other federally supported programs, the College is subject to the evolving regulatory and funding environment. Any future changes in federal policy may affect the College's access to funding or its compliance obligations.

Management is actively monitoring Federal decision-making and proposed regulatory changes to assess potential impacts on the College's operations, financial aid administration, and broader strategic planning. The College will continue to evaluate developments at the Federal level to respond appropriately to any changes that could affect its financial position, results of operations, or future enrollment.

Litigation

In the ordinary course of business, the College is involved in a number of litigation matters. In the opinion of management, these matters are not expected to have a significant effect on the financial statements of the College.

Long-Term Contracts

The College has the following long-term contracts at June 30, 2025:

Contract	*Purpose*	*Expiration*
Police employees	Collective bargaining agreement	Fiscal 2028
Facilities employees	Collective bargaining agreement	Fiscal 2027
Food service vendor	Food service	Fiscal 2034
Solar energy provider	Purchase energy at a fixed rate in exchange for allowing the use of certain property of the College to house a solar farm	Fiscal 2033

Note 15 - Related Parties

Certain members of the Board are members, employees or officers of companies which do business with the College. The College has policies regarding such transactions including review and approval by the trustees and recusal by the interested party prior to entering into such transactions. The College believes that these transactions are favorable or otherwise on commercially reasonable terms to the College. Expenses incurred under related party transactions were $143,523 and $205,040 for the fiscal years ended June 30, 2025 and 2024, respectively. The College had $7,947 and $22,166 recorded in accounts payable due to related parties as of June 30, 2025 and 2024, respectively.

Due to a merger of financial institutions in 2021, a portion of the College's outstanding bonds payable was acquired by Eastern Bank, an officer of which is also a Trustee of the College. Total interest payments made to Eastern Bank totaled $1,713,234 and $2,120,393 for the years ended June 30, 2025 and 2024, respectively.

As indicated in Note 1, the Congregation of Holy Cross was instrumental in the founding of the College. Members of the Congregation of Holy Cross are administrators and faculty at the College as well as serve on the College's Board of Trustees. The College remits to the Congregation of Holy Cross payments for contracted services received from Congregation of Holy Cross members. The College also rents property from the Congregation. Payments for rents and contracted services totaled $1,758,930 and $1,547,094 for the years ended June 30, 2025 and 2024, respectively.