Financial Statements and Report of Independent Certified Public Accountants

Barnard College

June 30, 2023 and 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
Barnard College

Report on the financial statements

Opinion

We have audited the financial statements of Barnard College (the "College"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year 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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 for one year after the date the financial statements are 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

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not a guarantee that an audit conducted in accordance with US 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 US 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.

Report on 2022 summarized comparative information

We have previously audited the College's 2022 financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2022. In our opinion, the accompanying summarized comparative information as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
November 21, 2023

Barnard College

STATEMENTS OF FINANCIAL POSITION

As of June 30,
(Dollars in thousands)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 83,368	$ 69,380
Student accounts receivable (net of allowance of $117 and $180), respectively	934	778
Student notes receivable, net (Note 3)	1,447	1,314
Grants and other receivables	9,033	6,896
Pledges receivable, net (Notes 4 and 5)	42,319	55,498
Other assets (Notes 5 and 12)	6,042	9,243
Investments		
Split interest related investments (Note 5)	9,509	8,988
Endowment and designated as endowment funds (Notes 5 and 6)	466,428	447,544
Total Investments	475,937	456,532
Right-of-use assets, operating leases, net (Note 19)	2,020	1,180
Right-of-use assets, finance lease, net (Note 19)	42,366	43,574
Funds held by bond trustee (Notes 5 and 12)	44,299	26,313
Property, plant, and equipment, net (Note 7)	294,467	287,269
Total assets	$ 1,002,232	$ 957,977
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 34,564	$ 33,932
Deferred revenues	7,229	4,733
Liability under split-interest agreements (Note 5)	4,900	4,987
Refundable government loan program (Note 3)	211	198
Postretirement benefit obligation (Note 10)	24,707	23,520
Asset retirement obligations (Note 8)	3,764	3,542
Long-term debt obligations, net (Note 12)	185,167	168,438
Operating lease liabilities (Note 19)	2,000	1,344
Finance lease liability (Note 19)	49,797	49,136
Total liabilities	312,339	289,830
Commitments and contingencies (Notes 5, 12 and 19)		
Net assets (Note 6)		
Without donor restrictions	136,272	135,831
With donor restrictions (Note 16)	553,621	532,316
Total net assets	689,893	668,147
Total liabilities and net assets	$ 1,002,232	$ 957,977

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

Barnard College

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2023, with summarized comparative totals for 2022
(Dollars in thousands)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenue				
Student services revenue (Note 13)	$ 235,152	$ -	$ 235,152	$ 211,978
Less: financial aid allowance (Note 13)	(57,876)	-	(57,876)	(49,491)
Net student services revenue	177,276	-	177,276	162,487
Investment return appropriated for operations (Note 6)	2,625	18,639	21,264	18,913
Other investment income	4,444	138	4,582	448
Federal grants and contracts	7,537	-	7,537	9,888
State grants and appropriations	1,388	-	1,388	1,180
Private gifts and grants	7,944	11,891	19,835	21,913
Pre-college and rental (Note 14)	7,008	-	7,008	5,076
Other sources	1,908	485	2,393	1,869
Net assets released from restrictions	21,957	(21,957)	-	-
Total operating revenue	232,087	9,196	241,283	221,774
Operating expenses (Note 18)				
Instruction	94,975	-	94,975	78,069
Research	9,192	-	9,192	6,594
Public service	171	-	171	199
Academic administration	29,824	-	29,824	24,056
Student services	16,732	-	16,732	14,695
Institutional support	48,415	-	48,415	45,293
Auxiliary enterprises	55,366	-	55,366	48,354
Total operating expenses	254,675	-	254,675	217,260
Excess (deficiency) of operating revenue (under) over operating expenses	(22,588)	9,196	(13,392)	4,514
Nonoperating activities				
Investment return in excess of amount appropriated for operations (Note 6)	712	7,664	8,376	(21,069)
Contributions for long-term purposes and split-interest agreements	-	7,914	7,914	10,876
Contributions and grants for plant improvements	1,050	12,756	13,806	22,895
Net assets released from restrictions for plant improvements	16,505	(16,505)	-	-
Changes in value of split-interest agreements	-	280	280	(4,054)
Gain on advanced refunding of debt	4,243	-	4,243	-
Change in value of swaption	1,173	-	1,173	1,934
Other components of net periodic benefit cost (Note 10)	(924)	-	(924)	(964)
Postretirement changes other than net periodic benefit cost (Note 10)	270	-	270	12,367
Total nonoperating activities	23,029	12,109	35,138	21,985
CHANGES IN NET ASSETS	441	21,305	21,746	26,499
Net assets - beginning of year	135,831	532,316	668,147	641,648
Net assets - end of year	$ 136,272	$ 553,621	$ 689,893	$ 668,147

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

Barnard College

STATEMENTS OF CASH FLOWS

For the years ended June 30,
(Dollars in thousands)

	2023	2022
Cash flows from operating activities:		
Changes in net assets	$ 21,746	$ 26,499
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Advance refunding of debt and bond issuance costs	(4,667)	-
Change in value of perpetual and outside trusts	(120)	683
Contributions for long-term purposes and split-interest agreements	(9,578)	(8,226)
Contributions and grants for plant improvements	(26,568)	(25,428)
Change in pledges receivable allowance and discount	659	915
Net (appreciation) depreciation in fair value of investments	(24,449)	4,814
Accretion of asset retirement obligations	222	197
Change in right-of-use assets, operating leases	(840)	1,724
Change in operating lease liabilities	656	(1,602)
Depreciation expense	11,741	11,553
Depreciation of right-of-use assets, finance lease	1,208	1,211
Amortization expense	(826)	126
Changes in operating assets and liabilities:		
Student accounts receivable	(156)	(128)
Grants, bequests, and other receivables	(2,137)	201
Pledges receivable	12,640	(4,012)
Other assets	3,201	(1,255)
Accounts payable and accrued expenses	632	8,749
Deferred revenues	2,496	1,168
Postretirement benefit obligation	1,187	(10,426)
Net cash (used in) provided by operating activities	(12,953)	6,763
Cash flows from investing activities:		
Purchase of investments	(72,794)	(423,212)
Proceeds from the sale of investments	77,838	433,968
Building renovations and purchase of equipment	(18,939)	(23,600)
Student loans granted	(177)	(137)
Student loans repaid	117	125
Net cash used in investing activities	(13,955)	(12,856)
Cash flows from financing activities:		
(Increase) decrease in funds held by bond trustees	(17,986)	9,564
Payment of principal notes and bond payables	(12,395)	(8,746)
Proceeds from issuance of debt	83,115	6,027
Refund of debt principal	(48,498)	-
Increase in refundable government loan program	(60)	(65)
(Increase) decrease in liability under split-interest agreements	(87)	423
Finance lease liability	661	685
Contributions for long-term purposes and split-interest agreements	9,578	8,226
Contributions and grants for plant improvements	26,568	25,428
Net cash provided by financing activities	40,896	41,542
NET CHANGE IN CASH AND CASH EQUIVALENTS	13,988	35,449
Cash and cash equivalents, beginning of year	69,380	33,931
Cash and cash equivalents, end of year	$ 83,368	$ 69,380
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 9,045	$ 6,391
Property, plant and equipment purchases in accounts payable	$ 2,485	$ (829)

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

NOTE 1 - ORGANIZATION

Barnard College (the “College”) is a not-for-profit independent liberal arts college for women. The College is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code ("IRC") as an organization described in Section 501(c)(3).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets of the College and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, those restrictions will be met by actions of the College or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets, that is, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid debt instruments with original maturities of 90 days or less other than those cash and cash equivalents held by external investment managers as part of their long-term investment strategies. Cash and cash equivalents are held by the College for operating and capital funding purposes.

Fair Value Measurements

The fair value standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction as prescribed by the standard. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements, based on the transparency of information used in the valuation of the asset or liability as of the measurement date.

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

Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category may include certain U.S. government and agency mortgage-backed securities, and corporate-debt securities.

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

The College also measures certain investments using a net asset value ("NAV") per share for purposes of reporting the fair value of all its underlying investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments meeting such criteria are exempted from categorization within the fair value hierarchy and related disclosures. Instead, the College separately discloses the information required for assets measured using the NAV practical expedient, and discloses a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other assets that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, based upon quoted market prices. Alternative investments and institutional funds are stated at estimated fair value, based on NAV, as a practical expedient, reported by the investment managers or general partners. NAV may differ significantly from the values that would have been reported had a ready market for these investments existed. The College reviews and evaluates the values provided by the investment managers or general partners and has determined that the valuation methods and assumptions used in determining the fair value of the alternative investments are reasonable.

The College invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(Dollars in thousands)

All investment transactions are recorded on a trade-date basis.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or, in the case of gifts, at fair value at the date of the gift. The College capitalizes property, plant, and equipment of $5,000 or above which have useful lives greater than one year. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	60 years
Building improvements	20 to 30 years
Furniture, fixtures and equipment	5 to 25 years

Debt Issuance Costs

Costs incurred for the issuance of debt are deferred and amortized over the life of the outstanding debt to which they pertain. Such costs are presented in the statement of financial position as a direct deduction from the carrying amount of the long-term debt obligation.

Revenue Recognition and Receivables

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), the College recognizes revenue when control of the promised goods or services are transferred to the College’s students or outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified student services revenue and pre-college and rental revenue as revenue categories subject to the adoption of ASC 606. The College recognizes contracts with customers as goods or services are transferred or provided in accordance with ASC 606.

Student Services Revenue

Student services revenue, net of financial aid, is recognized as revenue over the academic terms to which it relates.

Student accounts receivable are reported at the estimated net realizable amount. The carrying value of student receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience, and therefore, approximates net realizable value. Student receivables are written-off when deemed uncollectible and payments subsequently received are recorded as income in the period received.

Contributions, Grants and Contracts

The College recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update (“ASU”) 2018-08, *Not-For-Profit Entities (Topic 958)*: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Accordingly, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional, based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Pledges, less an allowance for uncollectible amounts, are recorded as receivables at the net present value, determined using a credit-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Restricted pledges are reported as additions to the net assets with donor restrictions. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported as net assets with donor restrictions until the assets are placed in service.

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. As of June 30, 2023 and 2022, the College had outstanding conditional pledges of $58.5 million and $66.6 million, respectively. During the years ended June 30, 2023 and 2022, the College received new conditional pledges of approximately $8.6 million and $70.5 million, respectively. The College has recorded revenue from conditional promises of approximately $16.7 million and $23.0 million for the years ended June 30, 2023 and 2022, respectively, the extent to which the conditions on the pledges have been met.

Revenue from federal and state grants is recognized to the extent that qualifying reimbursable expenses have been incurred over the terms of the respective agreements.

Student Notes Receivable

Student notes receivable are loans to students, which are made from the College's restricted loan funds and the Federal Perkins Loan Program. The notes are reported at their estimated net realizable value.

Deferred Revenues

Deferred revenues consist primarily of student tuition and fee, pre-college and rental revenue payments that are received for academic periods subsequent to the fiscal year end.

Split-Interest Agreements

The College is the beneficiary of trusts, annuities, and pooled income funds. The College's interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the College and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually. The discount rate used to value split-interest agreements ranged from 0.4% to 9.4% at June 30, 2023 and 2022. The College recorded contributions from new split-interest agreements of approximately $0.3 million and $0 for the years ended June 30, 2023 and 2022, respectively. These amounts are included in nonoperating contributions in the accompanying statement of activities. The assets held by the College under these arrangements are included as a component of investments in the accompanying statement of financial position.

Operating and Nonoperating Activities

The statement of activities distinguishes between operating and nonoperating activities. Nonoperating activities consist of investment return in excess of or less than the amount appropriated for operations by the Board of Trustees, the change in value of split-interest agreements, contributions for long-term purposes and split-interest agreements and contributions and grants for plant improvements, postretirement cost other than net periodic benefit cost, gain on advance refunding of debt, the change in value of swaption, and nonrecurring items.

Categories of Expense

Expenses are reported in functional categories. Each category includes salaries and benefits, supplies, and other expenses, including operation and maintenance of physical plant, interest, and depreciation expense related to the function.

a. Instruction - includes expenses for all activities that are part of the College's instruction program.

b. Research - includes all expenses for governmental and privately sponsored research.

c. Public Service - includes activities established to provide non-instructional services such as the New York State Higher Education Opportunity Program ("HEOP").

d. Academic Administration - includes expenses incurred to provide administrative support to the instructional program. This category includes the offices of the Provost, Library, and Media Services.

e. Student Services - includes expenses incurred for the offices of Dean of the College, Admissions, Registrar, Financial Aid Administration, Beyond Barnard and Center for Accessibility Resources & Disability Services. In addition, it includes expenses for student-related activities outside the context of the formal instructional program.

f. Institutional Support - includes expenses for college-wide activities such as the offices of the President, Finance, Institutional Advancement, Administration, Administrative Computing, General Counsel, Human Resources and Communications. Fundraising expenses totaled approximately $7.8 and $7.9 million for the years ended June 30, 2023 and 2022, respectively.

g. Auxiliary Enterprises - provides services to students for fees. This category includes Housing, Dining Services, Health and Counseling Services, and the Summer and Pre-college Programs.

Allocation of Certain Expenses

The College allocates operation and maintenance of plant, depreciation, and interest expense on outstanding long-term debt obligations in the statement of activities, based upon campus square footage.

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 reporting period. Significant estimates made in the preparation of the financial statements include the valuation of alternative investments, valuation of liability under split-interest agreements, useful lives of property, plant, and equipment, asset retirement obligations, postretirement benefit obligation, and estimated net realizable value of receivables. Actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

The College complies with the provisions of ASC 740-10. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The College is exempt from federal income taxation. Nevertheless, the College may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC.

Management has determined that there are no material uncertain tax positions within its financial statements.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risks. The College maintains its cash and cash equivalents in various bank deposit accounts that may exceed federally insured limits at times. To minimize risk, the College places its cash accounts with high credit quality financial institutions and the College’s investment portfolio is diversified with several investment managers in a variety of asset classes. The College does not anticipate any losses in such accounts.

2022 Summarized Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the College’s audited financial statements as of and for the year ended June 30, 2022, from which the summarized information was derived.

COVID-19 Related Funding

During the fiscal years ended June 30, 2021 through 2022, the federal government provided higher education institutions with Higher Education Emergency Relief Funding (“HEERF”), which was allocated under various acts of Congress. The Coronavirus Aid, Relief, and Economic Securities Act (“CARES”) was signed into law on March 27, 2020 and provided the College with total funding of $1.7 million under HEERF I. The Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) was signed into law on December 27, 2020 and provided the College with total funding of $2.4 million under HEERF II. The American Rescue Plan (“ARP”) was signed into law on March 11, 2021 and provided the College with total funding of $4.3 million under HEERF III. Each of these awards had a student aid portion and an institutional portion.

The Department of Education provided required uses of the funds for both the student portion and institutional portion and until the conditions associated with those requirements were satisfied, revenue could not be recognized, in accordance with ASU 2018-08.

The College applied for FEMA pandemic recovery funds beginning in fiscal year 2021. On May 17, 2023, FEMA obligated a grant of $2.3 million to cover the College’s eligible COVID-19 testing expenses.

(Dollars in thousands)

For the years ended June 30, 2023 and 2022, the College has recognized revenue, which is included in federal grants and contracts on the accompanying statement of activities, as follows:

		Revenue Recognized					
		Institutional Share		Student Share		Total	
	Total Award	2023	2022	2023	2022	2023	2022
FEMA	$ 2,260	$ 2,260	$ -	$ -	$ -	$ 2,260	$ -
HEERF II	2,395	-	328	-	183	-	511
HEERF III	4,264	-	2,132	-	2,132	-	4,264
	$ 8,919	$ 2,260	$ 2,460	$ -	$ 2,315	$ 2,260	$ 4,775

As of June 30, 2023, all amounts awarded under FEMA, HEERF II and HEERF III have been spent and recognized as revenue.

NOTE 3 - STUDENT NOTES RECEIVABLE, NET

The College makes uncollateralized loans to students, based on financial need. Student loans are funded through a federal government loan program or institutional resources.

At June 30, 2023 and 2022, student notes receivable, net consisted of the following:

	2023	2022
Federal government program	$ 270	$ 344
Institutional programs	1,564	1,429
	1,834	1,773
Less: allowance for doubtful accounts		
Beginning of year	(459)	(445)
Decrease (Increase) in allowance	72	(14)
End of year	(387)	(459)
Student notes receivable, net	$ 1,447	$ 1,314

(Dollars in thousands)

The College participates in the Perkins federal revolving loan program. The availability of funds for loans under the program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the federal government of approximately $0.2 million at June 30, 2023 and 2022, respectively, are ultimately refundable to the government and are classified as a liability in the statement of financial position. Outstanding loans cancelled under the program result in a reduction of funds available for loan and a decrease in the liability to the government. At June 30, 2023 and 2022, the following amounts were past due under the student loan programs:

	In Default < 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	In Default > 240 Days (Monthly Installments) or 270 Days (Quarterly Installments)	Total Past Due
2023	$ 25	$ 400	$ 425
2022	$ 33	$ 520	$ 553

Allowances for doubtful accounts are established, based on prior collection experience and current economic factors which, in management's judgment could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written-off only when they are deemed to be permanently uncollectible.

NOTE 4 - PLEDGES RECEIVABLE, NET

Pledges receivable at June 30, 2023 and 2022 are as follows:

	2023	2022
Amounts expected to be collected in:		
One year or less	$ 16,121	$ 20,976
Two to five years	21,303	29,620
Greater than five years	9,697	9,045
	47,121	59,641
Less:		
Discount to present value (using rate of .16% - 5.47%)	(2,480)	(2,357)
Allowance for uncollectible pledges	(2,322)	(1,786)
Pledges receivable, net	$ 42,319	$ 55,498

As of June 30, 2023, 54% of gross pledges receivable were due from four donors. As of June 30, 2022, 44% of gross pledges receivable were due from four donors.

NOTE 5 - INVESTMENTS AND FAIR VALUE

The College's investment objective is to invest its assets in a prudent manner in order to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value equal to or above inflation. The College uses a diversified investment approach incorporating multiple asset classes, strategies, and managers. The Committee on Investments of the College's Board of Trustees oversees the College's investments and authorizes investment decisions.

In addition to equity and fixed income investments, the College may also hold shares or units in institutional funds and alternative investment funds involving hedged, private equity, and real estate strategies. These investments are valued at NAV. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments. Private equity funds generally employ buyout, venture capital, and debt-related strategies, often requiring the estimation of fair values by the fund managers in the absence of readily determinable market values. Real estate strategies involve funds whose managers invest primarily in commercial and residential real estate primarily located in the United States.

As of June 30, 2023 and 2022, the College had alternative investments of approximately $286.8 million and $347.6 million, respectively. Alternative investments include private equity partnerships, real estate, and hedged strategies. Underlying securities owned by the alternative investments include certain publicly traded securities that have readily available market values and other investments that are not readily marketable. The agreements underlying participation in those investments may limit the College's ability to liquidate its interests in such investments for a period of time.

(Dollars in thousands)

The following table presents the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2023:

	Fair Value	Level 1	Level 2	Level 3	Investments at NAV
Financial assets:					
Investments:					
Cash and cash equivalents	$ 6,923	$ 6,923	$ -	$ -	$ -
Domestic bonds	948	-	-	-	948
Domestic equity funds:					
Small cap	11,380	11,380	-	-	-
Mid cap	371	371	-	-	-
Large cap	31,142	30,329	-	-	813
	50,764	49,003	-	-	1,761
International equity funds:					
International equities	166,978	92,207	-	-	74,771
	166,978	92,207	-	-	74,771
Fixed income:					
U.S. Treasuries	18,679	18,679	-	-	-
Domestic bond/Investment grade	22,153	-	21,679	-	474
	40,832	18,679	21,679	-	474
Hedged strategies:					
Credit/event driven	8,682	-	-	-	8,682
Fixed income strategies	6,256	-	-	-	6,256
Multistrategy	81,832	7,563	-	-	74,269
	96,770	7,563	-	-	89,207
Other types:					
Private equity	117,717	-	-	-	117,717
Real estate	2,876	-	-	-	2,876
	120,593	-	-	-	120,593
Total investments	475,937	167,452	21,679	-	286,806
Other assets:					
Funds held by bond trustee	44,299	44,299	-	-	-
Perpetual trusts held by others	3,137	-	-	3,137	-
Total assets	$ 523,373	$ 211,751	$ 21,679	$ 3,137	$ 286,806
Liabilities:					
Liabilities under split-interest agreements	$ 4,900	$ -	$ -	$ 4,900	
Total liabilities	$ 4,900	$ -	$ -	$ 4,900	

(Dollars in thousands)

The following table presents the College's fair value hierarchy for those assets and liabilities measured at fair value at June 30, 2022:

	Fair Value	Level 1	Level 2	Level 3	Investments at NAV
Financial assets:					
Investments:					
Cash and cash equivalents	$ 11,540	$ 11,540	$ -	$ -	$ -
Domestic bonds	1,029	-			1,029
Domestic equity funds:					
Small cap	409	409	-	-	-
Mid cap	334	334	-	-	-
Large cap	19,020	18,446	-	-	574
	32,332	30,729	-	-	1,603
International equity funds:	-				
International equities	152,006	30,090	-	-	121,916
	152,006	30,090	-	-	121,916
Fixed income:					
U.S. Treasuries	22,913	22,913	-	-	-
Domestic bond/Investment grade	22,534	-	22,241	-	293
	45,447	22,913	22,241	-	293
Hedged strategies:					
Credit/event driven	8,683	-	-	-	8,683
Fixed income strategies	3,742	-	-	-	3,742
Multistrategy	75,055	2,995	-	-	72,060
	87,480	2,995	-	-	84,485
Other types:					
Private equity	136,138	-	-	-	136,138
Real estate	3,129	-	-	-	3,129
	139,267	-	-	-	139,267
Total investments	456,532	86,727	22,241	-	347,564
Other assets:					
Funds held by bond trustee	26,313	26,313	-	-	-
Perpetual trusts held by others	3,017	-	-	3,017	-
Swaption	2,557	-	2,557	-	-
Total assets	$ 488,419	$ 113,040	$ 24,798	$ 3,017	$ 347,564
Liabilities:					
Liabilities under split-interest agreements	$ 4,987	$ -	$ -	$ 4,987	
Total liabilities	$ 4,987	$ -	$ -	$ 4,987	

(Dollars in thousands)

The following tables present the College's activities for the years ended June 30, 2023 and 2022, respectively, for assets and liabilities classified in Level 3:

Liabilities Under Split-Interest Agreements

	2023	2022
Beginning balance	$ 4,987	$ 4,564
New split-interest agreements	138	-
Payments to beneficiaries	(615)	(453)
Terminated split-interest agreements	(45)	(449)
Change in fair value	435	1,325
Ending balance	$ 4,900	$ 4,987

Perpetual and Outside Trusts

The College is the beneficiary of certain perpetual and outside trusts that are held and administered by others. When the College is not the trustee, perpetual trusts are recorded at the fair value of the assets at the statement of financial position date and beneficial interest in trusts are recorded at the fair value of the assets at the statement of financial position date less the present value of estimated future payments expected to be made to donors and/or other beneficiaries. These assets are included in pledges receivable in the accompanying statement of financial position.

	2023	2022
Beginning balance	$ 3,017	$ 3,700
Change in fair value	120	(683)
Ending balance	$ 3,137	$ 3,017

(Dollars in thousands)

At June 30, 2023 and 2022, investments valued at NAV are as follows:

2023							
Category	Significant Investment Strategy	NAV in Funds	Number of Funds	Life of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedged strategies	Credit/event driven	$ 8,682	1	N/A	$ -	Semi-annually/ 90 days' notice	Illiquid side pocket ($4,193)
Hedged strategies	Multistrategy	74,269	11	N/A	-	Monthly to every 2 years with 45 to 100 days' notice	N/A
Fixed income	Fixed Income strategies	6,730	5	N/A	-	Daily to Quarterly with Daily to 60 days' notice	N/A
Equities	Large cap	813	1	N/A	-	Daily	N/A
Equities	International equities	74,771	12	N/A	-	1 fund with 1 year lock up; Remaining funds Daily to Quarterly with Daily to 90 days' notice.	1 Fund Illiquid
Other	Private equity	117,717	34	Up to 12/31/29	73,412	1 Fund annual with 180 days' notice; remaining funds N/A	Illiquid
Other	Real estate	2,876	4	N/A	3,097	1 fund Quarterly with 90 days' notice; remaining funds N/A	Illiquid
Other	Domestic bonds	948	3	Up to 2/28/30	-	Daily	N/A
Total		$ 286,806	71		$ 76,509		

(Dollars in thousands)

2022							
Category	Significant Investment Strategy	NAV in Funds	Number of Funds	Life of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Hedged strategies	Credit/event driven	$ 8,683	1	N/A	$ -	Semi-annually/ 90 days' notice	Illiquid side pocket ($4,580)
Hedged strategies	Multistrategy	72,060	11	N/A	-	3 fund with 1 year lock up; Remaining funds Monthly to every 2 years with 45 to 100 days notice	3 Funds Illiquid
Fixed income	Fixed Income strategies	4,035	3	N/A	-	Daily to Quarterly with Daily to 60 days' notice	N/A
Equities	Large cap	574	1	N/A	-	Daily	N/A
Equities	International equities	121,916	15	N/A	-	2 funds with 1 year lock up; 1 fund with 2 year lock up; Remaining funds Daily to Quarterly with Daily to 90 days' notice.	3 Funds Illiquid
Other	Private equity	136,138	29	Up to 12/31/29	66,919	1 Fund annual with 180 days' notice; 1 fund Quarterly with 60 days' notice; remaining funds N/A	Illiquid
Other	Real estate	3,129	4	N/A	5,244	1 fund Quarterly with 90 days' notice; remaining funds N/A	Illiquid
Other	Domestic bonds	1,029	5	Up to 2/28/30	-	Daily	N/A
Total		$ 347,564	69		$ 72,163		

NOTE 6 - ENDOWMENT FUNDS

The College's endowment consists of over 1,000 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the College to function as endowments (quasi-endowments).

The College manages the endowment to obtain multi-year performance (net of fees) that exceeds, on both an absolute and risk-adjusted basis, the performance of several benchmarks over rolling five-year periods. Asset allocation parameters are established for investments with lock-up periods. The strategy allows for a significant allocation to equity-oriented investments offering long-term capital appreciation, diversified across asset classes and managers.

(Dollars in thousands)

The College has established an endowment spending policy for spending from the endowment for current operations in a manner that maintains the purchasing power of the endowment. The policy's goal is to achieve an average 5% spending rate over time. Annual spending from the endowment is set at 5% of the rolling three-year average of the endowment's market value as of December 31 of the previous year and is approved annually by the Board of Trustees

On September 17, 2010, New York State enacted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), referred to as "NYPMIFA," which imposes guidelines on the management and investment of endowment funds. The Board of Trustees of the College has interpreted NYPMIFA as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. The College classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts donated to the permanent endowment; and (c) accumulations of income to the permanent endowment made in accordance with the direction of the applicable donor gift instruments. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC Topic 958-205-45, Classification of Donor-Restricted Endowment Funds Subject to UPMIFA, requires the accumulated unspent earnings of a donor-restricted endowment fund to be classified as net assets with donor restrictions until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA. The College has interpreted NYPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. In accordance with NYPMIFA, the Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose 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; and
- Where appropriate, alternatives to spending from donor-restricted endowment funds and the possible effects on the College.

Endowment and quasi-endowment funds consisted of the following at June 30, 2023 and 2022, excluding perpetual and outside trusts and pledges of approximately $5.8 million and $7.7 million, respectively:

	Without Donor Restrictions	With Donor Restrictions	Total
Fiscal year 2023:			
Donor restricted	$ -	$ 412,518	$ 412,518
Board designated	53,910	-	53,910
Total	$ 53,910	$ 412,518	$ 466,428

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Fiscal year 2022:			
Donor restricted	$ -	$ 394,374	$ 394,374
Board designated	53,170	-	53,170
Total	$ 53,170	$ 394,374	$ 447,544

Changes in the endowment funds for the fiscal years ended June 30, 2023 and 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2022	$ 53,170	$ 394,374	$ 447,544
Investment return, net	3,337	26,303	29,640
Designations/Contributions	28	10,480	10,508
Appropriation for expenditure	(2,625)	(18,639)	(21,264)
Balance at June 30, 2023	$ 53,910	$ 412,518	$ 466,428

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at June 30, 2021	$ 55,621	$ 404,868	$ 460,489
Investment return, net	(228)	(1,928)	(2,156)
Designations/Contributions	30	8,094	8,124
Appropriation for expenditure	(2,253)	(16,660)	(18,913)
Balance at June 30, 2022	$ 53,170	$ 394,374	$ 447,544

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that donors or NYPMIFA requires the College to retain as a fund of perpetual duration. There were no deficiencies of this nature that existed in donor-restricted endowment funds as of June 30, 2023. Deficiencies of this nature exist in donor-restricted endowment funds, which together have an original gift value of $3.0 million, a current fair value of $2.9 million and a deficiency of $0.1 million as of June 30, 2022. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and spending had ceased from those funds for fiscal year 2022.

(Dollars in thousands)

NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net consisted of the following at June 30, 2023 and 2022:

	2023	2022
Land	$ 1,234	$ 1,234
Buildings and building improvements	436,138	421,118
Furniture, fixtures, and equipment	29,766	29,081
Construction in progress	29,852	26,610
	496,990	478,043
Less: accumulated depreciation	(202,523)	(190,774)
Total	$ 294,467	$ 287,269

Depreciation expense was approximately $11.7 million and $11.6 million for the years ended June 30, 2023 and 2022, respectively.

NOTE 8 - ASSET RETIREMENT OBLIGATIONS

The College accrues for costs related to legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets. The College has identified asbestos abatement and lead paint exposure as conditional asset retirement obligations. Asbestos and lead paint abatement costs are estimated using a per-square-foot estimate.

Using a discount rate of 6.25%, the present value of the initial obligation amounted to $1.4 million. As of June 30, 2023 and 2022, the obligation amounted to approximately $3.8 million and $3.5 million, respectively. For the years ended June 30, 2023 and 2022, accretion expense totaled $0.2 million per year.

NOTE 9 - RETIREMENT PLANS

Full-time faculty and administrators of the College are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association and Fidelity Investments (the “Admin Plan”). Under the Admin Plan, eligible employees may make contributions into the Plan, up to the maximum allowed by the IRC. For the Admin Plan, the College contributed either 12% or 15% (as defined by the Admin Plan) for employees hired before July 2012, 9% or 12% (as defined by the Admin Plan) for those employees hired between July 2012 and January 2019, and 7% or 10% (as defined by the Admin Plan) for those employees hired after January 2019.

Employees who are members of Local 2110, United Auto Workers; members of Local 264, Transport Workers Union of America; and confidential employees are covered under a defined contribution plan established with Teachers Insurance and Annuity Association (the “Union Plan”). Under the Union Plan, eligible employees may make contributions into the Union Plan, up to the maximum allowed by the IRC. For the Union Plan, the College’s contributions range from 2% to 12% of eligible compensation. Total pension expense for both plans for the years ended June 30, 2023 and 2022 were approximately $9.9 million and $9.0 million, respectively.

(Dollars in thousands)

NOTE 10 - POSTRETIREMENT MEDICAL PLANS

In addition to providing pension benefits, the College sponsors unfunded postretirement medical plans. For nonunion employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement or a total of age and years of service equal to 80 with a minimum of 15 years of service. For union employees to be eligible for the medical benefits, the employee must be at least 62 years old with at least 10 years of continuous service immediately prior to retirement.

The following tables identify the accumulated postretirement medical benefit obligation, the postretirement benefit obligation recognized in the accompanying statement of financial position, the net periodic postretirement medical benefit cost recognized in the accompanying statement of activities, and the related assumptions:

	2023	2022
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 23,520	$ 33,946
Service cost	1,093	1,602
Interest cost	1,154	867
Plan participants' contributions	20	17
Actuarial gain	(501)	(12,270)
Benefits paid	(579)	(642)
Postretirement benefit obligation, end of year	$ 24,707	$ 23,520
Change in plan assets:		
Fair value of plan assets, beginning of year	$ -	$ -
Employer contributions	559	625
Plan participants' contributions	20	17
Benefits paid	(579)	(642)
Fair value of plan assets, end of year	$ -	$ -

Net periodic benefit cost reported as operating expense for the years ended June 30, 2023 and 2022 included the following components:

	2023	2022
Service cost	$ 1,093	$ 1,602
Interest cost	1,154	867
Amortization of prior year cost	96	96
Recognized actuarial gain	(326)	-
Net periodic postretirement medical benefit cost	$ 2,017	$ 2,565

(Dollars in thousands)

Postretirement cost other than net periodic benefit cost for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
Postretirement cost other than net periodic benefit cost	$ (270)	$ (12,367)
Weighted-average discount rate used to determine benefit obligations at June 30,	5.50%	5.00%
Weighted-average discount rate used to determine net period benefit cost for the fiscal year ended June 30,	5.00%	3.00%
	Union/ Nonunion	Union/ Nonunion
Assumed healthcare cost trend rates:		
Healthcare cost trend rate	7.00% - 7.00%	6.00% - 6.00%
Healthcare cost trend assume to decline	4.50% - 4.50%	4.50% - 4.50%
Ultimate trend rate achieved	2033	2033

The items not yet recognized as a component of net periodic benefit cost are as follows:

	2023	2022
Net actuarial gain	$ (5,669)	$ (5,495)
Prior service cost	181	278
Total	$ (5,488)	$ (5,217)

The College makes contributions to the postretirement medical plans equal to the benefits paid on a pay-as-you-go basis. For faculty and administrators, the contributions are deposited into a health reimbursement account on behalf of the retiree. For the years ending June 30, 2024 through June 30, 2033, the College expects to make contributions to and benefit payments from the plans, net of Medicare subsidy, as follows:

2024	$ 1,026
2025	1,116
2026	1,249
2027	1,394
2028	1,540
2029 through 2033	9,774

NOTE 11 - SHORT-TERM DEBT OBLIGATIONS

The College has one unsecured revolving line of credit agreement with JPMorgan Chase for $30.0 million. As of June 30, 2023 and 2022, the College had no outstanding borrowings. Amounts borrowed under this facility bear interest based at SOFR plus 73 basis points. This line of credit is set to expire on May 27, 2024.

As of June 30, 2022, the College had an additional unsecured credit facility for $5.0 million with RBS Citizens, with no outstanding borrowing. Amounts borrowed under this facility bear interest based on LIBOR plus 175 basis points. This line of credit was originally set to expire on March 31, 2023, but was terminated by the College, effective August 31, 2022.

(Dollars in thousands)

NOTE 12 - LONG-TERM DEBT OBLIGATIONS

Long-term debt obligations consist of the following:

	2023	2022
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2008. Interest at variable rates, due serially to 2023 (a)	$ -	$ 820
Dormitory Authority of the State of New York, Barnard College Revenue Bonds, Series 2015A. Interest at 2.00% to 5.00%, due serially to 2046 (b)	50,830	95,090
Dormitory Authority of the State of New York, Series 2015B. Interest at variable rates, due in 2046 (c)	-	7,750
Dormitory Authority of the State of New York, Series 2020A. Interest at 4%, due serially to 2049 (d)	40,555	40,555
Dormitory Authority of the State of New York, Series 2020B. Interest at variable rates, due in 2049 (e)	-	8,063
Dormitory Authority of the State of New York, Series 2022A. Interest at 4.00% to 5.00%, due in 2049 (f)	40,395	-
Dormitory Authority of the State of New York, Series 2022B. Interest at 5.972%, due in 2042 (g)	42,720	-
Total	174,500	152,278
Add: unamortized bond premium	12,688	18,539
Less: unamortized bond issuance costs	(2,021)	(2,379)
Total long-term obligations	$ 185,167	$ 168,438

(a) On July 11, 2007, the College entered into a loan agreement with the Dormitory Authority of the State of New York to issue $32.6 million in Dormitory Authority of the State of New York Barnard College Insured Revenue Bonds, Series 2007B ("DASNY 2007B Bonds") to pay for a portion of the costs of the construction of the Diana Center and other projects. The loan was a general and unsecured obligation of the College. The DASNY 2007B Bonds were insured variable rate bonds. On April 30, 2008, due to the downgrading of the bond insurer, the College elected to enter into a loan agreement with the Dormitory Authority of the State of New York to issue $28.0 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2008 ("DASNY 2008 Bonds"). Proceeds from the DASNY 2008 Bonds along with approximately $5.5 million from the College were used to refund and defease the outstanding DASNY 2007B Bonds. The DASNY 2008 Bonds are a general and unsecured obligation of the College. The DASNY 2008 Bonds were originally secured by a $28.4 million irrevocable direct pay letter of credit with RBS Citizens, N.A., which was scheduled to expire on April 23, 2011. On October 1, 2009, the College entered into a Bond Purchase and Continuing Covenants Agreement ("Purchase Agreement") with RBS Citizens, N.A., whereby RBS Citizens, N.A. purchased the $27.5 million outstanding DASNY 2008 Bonds. In addition, the letter of credit provided by RBS Citizens, N.A. was canceled. Under the terms of the Purchase Agreement, the interest payments were based on a combination of weekly LIBORs and a fixed fee from RBS Citizens, N.A. The average interest rates on the DASNY 2008 Bonds was approximately 2.1% in fiscal year 2022.

(b) In March 2015, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $109.0 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2015A ("DASNY 2015A Bonds"). The proceeds of the DASNY 2015A Bonds financed a portion of the costs of the construction of a new approximately 133,000 gross square foot multipurpose facility at the College, as well as other campus-wide renovations and maintenance projects ("The Milstein Center and other projects"); refund and defease all of the outstanding DASNY 2004 Bonds; and refund and defease a portion of the DASNY 2007A Bonds and pay the costs of issuance for the DASNY 2015A Bonds. No redemption premiums were paid on these refundings as both the DASNY 2004 Bonds and the DASNY 2007A Bonds were redeemed at par.

(c) In May 2015, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue up to $36.2 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2015B ("DASNY 2015B Bonds"). The proceeds of the DASNY 2015B Bonds were used to finance a portion of the costs of The Milstein Center and other projects. The DASNY 2015B Bonds were issued as Draw-Down Bonds, which means the Purchaser, Citizens Funding Corp., funded the DASNY 2015B Bonds in installments, based on the financing needs of the College. At June 30, 2023 and 2022, $0 and $7.8 million, respectively, of the DASNY 2015B Bonds were outstanding. The average interest rate on the DASNY 2015B Bonds was approximately 3.6% and 1.1% for fiscal years 2023 and 2022, respectively.

The DASNY 2015A Bonds and the DASNY 2015B Bonds are both secured by the pledge and assignment of tuition and fees charged to students for academic instruction by the College (the "Pledged Revenues"). Additionally, the College has entered into certain financial covenants with the DASNY in relation to the DASNY 2015A Bonds and the DASNY 2015B Bonds. The College was in compliance with these covenants as of June 30, 2023 and 2022.

(d) In February 2020, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $40.5 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2020A ("DASNY 2020A Bonds"). The proceeds of the DASNY 2020A Bonds will finance improvement of facilities located on the College's Morningside campus, refund and defease the remaining outstanding DASNY 2007A Bonds, and pay the costs of issuance for the DASNY 2020A Bonds. No redemption premiums were paid on this refunding as the DASNY 2007A Bonds were redeemed at par. The DASNY 2020A Bonds are an unsecured obligation of the College.

(e) In October 2020, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $40.5 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2020B ("DASNY 2020B Bonds"). The proceeds of the DASNY 2020B Bonds will be used to finance campus wide projects. The DASNY 2020B Bonds were issued as Draw-Down Bonds, which means that the Purchaser, People's United Muni Finance Corp., will fund the DASNY 2020B Bonds in installments, based on the financing needs of the College. At June 30, 2023 and 2022, $0 and $8.1 million, respectively of the DASNY 2020B Bonds were outstanding. The interest rate on the DASNY 2020B Bonds is variable and based on a monthly LIBOR rate with a 1% LIBOR Floor. The average interest rate on the DASNY 2020B Bonds was 1.9% for fiscal year 2022. The DASNY 2020B Bonds is a general and unsecured obligation of the College.

(f) In July 2022, the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $40.4 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2022A ("DASNY 2022A Bonds"). The proceeds of the DASNY 2022A Bonds will finance improvement of facilities located on the College's Morningside campus, refund and defease the remaining outstanding DASNY 2020B Bonds, and pay the costs of issuance for the DASNY 2022A Bonds. The DASNY 2022A Bond are an unsecured obligation of the College.

(Dollars in thousands)

(g) In July 2022 the College entered into a new loan agreement with the Dormitory Authority of the State of New York to issue $42.7 million in Dormitory Authority of the State of New York Barnard College Revenue Bonds, Series 2022B ("DASNY 2022B Bonds"). The proceeds of the DASNY 2022B Bonds will be used to finance improvement of facilities located on the College's Morningside campus, refund and defease a portion of the outstanding DASNY 2015A Bonds, and pay the costs of issuance for the DASNY 2022B Bonds. There was no redemption premium paid on this refunding. The DASNY 2022B Bonds are a general and unsecured obligation of the College.

In accordance with the provisions of the loan agreements for the DASNY 2008, DASNY 2015A, DASNY 2020A, DASNY 2022A, DASNY 2022B the College is required to deposit construction and reserve funds with the trustee. These funds with a fair value of approximately $44.3 million and $26.3 million at June 30, 2023 and 2022, respectively, were held in cash and U.S. governmental securities and are included in funds held by bond trustee in the accompanying statement of financial position.

The College capitalized bond issuance costs incurred in support of certain capital improvement projects. Total bond issuance costs capitalized as of June 30, 2023 and 2022 were approximately $2.0 million and $2.4 million, respectively, and are included as an offset to the carrying value of the debt to which it relates in the accompanying statement of financial position. The College is amortizing the deferred issuance costs along with bond premiums over the life of the bonds. Amortization expense for the years ended June 30, 2023 and 2022 was $0.2 million.

On March 23, 2021, the College executed a two-year forward swaption with the Royal Bank of Canada as its counterparty. The notional amount of the swaption was $35,357,500 with an effective date of April 1, 2023. The strike price was 2.065%. The swaption was priced at $1.7 million and was reflected in other assets on the College's statement of financial position at the market value of $2.6 million as of June 30, 2022. The swaption terminated on April 1, 2023 with a final valuation of $3.7 million resulting in a net gain of $1.2 million which is reported as non-operating activities in the Statement of Activities

Projected debt service payments on the long-term obligations as of June 30, 2023, for five years subsequent to June 30, 2023 and thereafter, are as follows:

Fiscal	Principal	Interest	Total
2024	$ 1,175	$ 8,209	$ 9,384
2025	1,260	8,309	9,569
2026	1,310	8,258	9,568
2027	2,280	8,206	10,486
2028	2,345	8,105	10,450
Thereafter	166,130	100,368	266,498
	$ 174,500	$ 141,455	$ 315,955

Interest expense on long-term debt obligations for the years ended June 30, 2023 and 2022 amounted to approximately $9.6 million and $7.1 million, respectively.

(Dollars in thousands)

NOTE 13 - STUDENT SERVICES REVENUE

The College has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing and meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed when a course or term begins, and paid within 30 days of the bill date.

In the following tables, revenue is disaggregated by type of service provided:

For the Year Ended June 30, 2023:	Tuition and Fees	Housing	Meals	Health Services	Total
Student services revenue	$ 192,071	$ 27,787	$ 11,509	$ 3,785	$ 235,152
Less: financial aid allowance	(47,273)	(6,839)	(2,833)	(931)	(57,876)
Net student services revenue	$ 144,798	$ 20,948	$ 8,676	$ 2,854	$ 177,276

For the Year Ended June 30, 2022:	Tuition and Fees	Housing	Meals	Health Services	Total
Student services revenue	$ 172,461	$ 25,178	$ 10,790	$ 3,548	$ 211,978
Less: financial aid allowance	(40,265)	(5,878)	(2,519)	(828)	(49,491)
Net student services revenue	$ 132,196	$ 19,300	$ 8,271	$ 2,720	$ 162,487

The College has taken a portfolio approach in determining whether student aid should apply across tuition and fees, housing, and meals. The College awards student aid on a need-blind basis, factoring in the total cost of attendance including tuition, fees, room and board, and the students expected ability to contribute towards such charges. Accordingly, student aid has been applied against all student services revenues.

Deferred revenue for student services at June 30, 2023 and 2022 was $1.0 million and $1.4 million, respectively, and represents the College's performance obligation to transfer future enrollment and instructional services to students. For the years ended June 30, 2023 and 2022, the College recognized revenue of $0.4 million and $1.9 million, respectively, from amounts that were included in deferred revenues at the beginning of the years. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The College has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

NOTE 14 - PRE-COLLEGE AND RENTAL REVENUES

Pre-college and rental revenues are non-student revenue sources for the College generated primarily from the College's pre-college programs and the rental of its classrooms and residential buildings.

The following is a summary of revenues by category:

	2023	2022
Rental revenue	$ 3,698	$ 4,194
Pre-college program revenue	3,310	882
	$ 7,008	$ 5,076

(Dollars in thousands)

Pre-college program and rental revenues are recognized over the terms of the related programs or rental agreements, respectively. The terms of the rental agreements range from 1 to 15 years. Management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations related to pre-college programs, as these contracts have original terms that are one year or less.

NOTE 15 - INTERCORPORATE AGREEMENT

An intercorporate agreement between the College and Columbia University provides for payment for the exchange of certain services between the two institutions. These services include cross-registration for students, college services, faculty exchange, athletics, and certain special services and support costs.

The statement of activities include expenses in the amount of approximately $11.6 million and $7.1 million for the years ended June 30, 2023 and 2022, respectively, for services provided under the terms of the agreement.

The College's intercorporate agreement terminated on June 30, 2023 and has been renewed through June 30, 2033. The expense relates to the annual base payment for noted services as well as additional payments related to students net points exchanged with Columbia based on cross registration.

NOTE 16 - NET ASSETS

Net assets with donor restrictions are available for the following purposes at June 30, 2023 and 2022:

	2023	2022
Instruction, research, and library	$ 270,029	$ 258,963
Financial aid	216,453	202,475
Plant improvements	63,142	66,890
Gifts to be designated	3,997	3,988
	$ 553,621	$ 532,316

As of June 30, 2023 and 2022, net assets in perpetuity was approximately $250,476 and $242,825, respectively, which consisted of endowment corpus and pledges.

NOTE 17 - AVAILABLE RESOURCES AND LIQUIDITY

The College regularly monitors liquidity required 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, marketable debt and equity securities, receivables, and one unsecured line of credit as of June 30, 2023.

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 instruction, research and public service as well as the conduct of services undertaken to support those activities. Student notes receivables are not included in the analysis as principal and interest on these loans are used to solely to make new loans, and are therefore, not available to meet current operating needs.

(Dollars in thousands)

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 resources.

As of June 30, 2023 and 2022, the following tables show the total financial assets held by the College and the amounts of those financial assets that could readily be made available within one year of the date of the statement of financial position to meet general expenditures:

Financial Assets at Year End:	2023	2022
Cash and cash equivalents	$ 83,368	$ 69,380
Student accounts receivable, net	934	778
Student notes receivable, net	1,447	1,314
Grants and other receivables	9,033	6,896
Pledges receivable, net	42,319	55,498
Investments	475,937	456,532
Funds held by bond trustee	44,299	26,313
Total	$ 657,337	$ 616,711

Financial Assets and Liquidity Resources Available to Meet General Expenditures Over the Next 12 Months:	2023	2022
Financial assets:		
Cash and cash equivalents	$ 83,368	$ 69,380
Student accounts receivable, net	934	778
Grants and other receivables	9,033	6,896
Pledges receivable, net	16,121	20,976
Payout on donor-restricted endowment for use over the next 12 months	19,644	18,731
Payout on quasi-endowments for use over the next 12 months	2,766	2,533
Investments not encumbered by donor restrictions but require board approval	51,144	50,637
	183,010	169,931
Liquidity resources:		
Line of credit available	30,000	35,000
	$ 213,010	$ 204,931

(Dollars in thousands)

NOTE 18 - EXPENSES

Operating expenses are reported in the statement of activities by functional classification. The College's expenses by natural classification were as follows for the year ended June 30, 2023.

	2023									
	Instruction	Research	Public Service	Academic Administration	Student Services	Institutional Support	Operations and Maintenance	Auxiliary Enterprises	Total	2022 Summarized Totals
Salaries	$ 46,200	$ 2,092	$ 85	$ 10,964	$ 8,914	$ 23,206	$ 18,163	$ 4,938	$ 114,562	$ 100,008
Benefits	16,657	754	31	3,953	3,210	8,367	6,548	1,780	41,300	38,767
Total compensation	62,857	2,846	116	14,917	12,124	31,573	24,711	6,718	155,862	138,775
Direct facilities expenses	7,566	1,646	-	4,210	946	1,813	(35,063)	18,882	-	-
Depreciation and accretion	3,349	509	-	2,784	386	887	-	5,268	13,183	12,969
Interest	3,465	620	-	3,224	506	833	-	3,474	12,122	8,868
Utilities	-	-	-	-	-	-	3,029	-	3,029	1,785
Payment to Columbia University	11,619	-	-	-	-	-	-	-	11,619	7,132
Study abroad	2,623	-	-	-	-	-	-	-	2,623	1,192
Food services	-	-	-	-	-	-	-	11,843	11,843	11,965
Supplies, services and other	3,496	3,571	55	4,689	2,770	13,309	7,323	9,181	44,394	34,574
2023 Total	$ 94,975	$ 9,192	$ 171	$ 29,824	$ 16,732	$ 48,415	$ -	$ 55,366	$ 254,675	$ 217,260
2022 Total	$ 78,069	$ 6,594	$ 199	$ 24,056	$ 14,695	$ 45,293	$ -	$ 48,354	$ 217,260	

NOTE 19 - COMMITMENTS AND CONTINGENCIES

The College is a defendant in various lawsuits. Management of the College is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the College's financial position.

The College receives significant federal and state grants which are subject to audit by federal agencies. Management is of the opinion that disallowances, if any, would not have a significant effect on the financial position or changes in net assets of the College.

At the end of fiscal year 2020, the College leased a building under a lease classified as the College's only capital lease.

(Dollars in thousands)

The leased building will be amortized on a straight-line basis over 39 years. The interest rate related to the lease obligation is 4.2% and the maturity date is June 2058. Future minimum lease payments under the capital lease obligation at June 30, 2023 are as follows:

Year Ending June 30:		
2024	$	1,881
2025		1,947
2026		2,015
2027		2,085
2028		2,159
Thereafter		115,345
Total minimum lease payments		125,432
Less: amount representing interest		(75,635)
Finance lease liability at year end	$	49,797

Supplemental statement of financial position information related to financial lease at June 30, 2023 and 2022:

		2023		2022
Right-of-use asset	$	47,205	$	47,205
Accumulated amortization		(4,839)		(3,631)
	$	42,366	$	43,574

The College assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the College's right to control the use of an identified asset for a period of time in exchange for consideration. The College has several non-cancellable operating leases for building space used for student housing and administration, and equipment, for which right-of-use (ROU) assets and lease liabilities are recorded in the accompanying fiscal year 2023 statement of financial position. The College measures its lease assets and liabilities using the risk-free rate of return selected based on the term lease. The College considered the likelihood of exercising renewal or termination terms in measuring the ROU assets and liabilities. The College has included renewal periods in its assessment of lease terms when provided for in the lease. The College's lease payments are based on fixed payments. There are no variable or short-term leases. The leases contain no termination options or residual value guarantee.

(Dollars in thousands)

Supplemental statement of financial position information related to operating leases at June 30, 2023 and 2022:

	2023	2022
ROU asset	$ 6,292	$ 5,022
Accumulated amortization	(4,272)	(3,842)
	$ 2,020	$ 1,180

	2023	2022
Weighted-average remaining lease term:	5.00 years	4.89 years
Weighted-average discount rate:	3.19%	2.70%

Year Ending June 30:	
2024	$ 439
2025	439
2026	439
2027	439
2028	301
Thereafter	108
Total lease obligation, gross	2,165
Less: amounts representing interest rates from 2.81% to 3.48%	(165)
Total lease liability	$ 2,000

Rental expense for the years ended June 30, 2023 and 2022 totaled approximately $5.2 million and $3.1 million, respectively. During the current year, there were no new lease agreements.

The components of lease cost for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 499	$ 1,813
Operating cash flows from finance lease	$ 1,818	$ 1,756

(Dollars in thousands)

On February 3, 2023, the College entered into a rental agreement for shared space with Columbia University through June 30, 2027, which does not meet the definition of a lease under ASC 842. Future minimum lease payments under the capital lease obligation at June 30, 2023 are as follows:

Year Ending June 30:		
2024	$	3,200
2025		3,254
2026		2,679
2027		2,679
Total minimum payments	$	11,812

NOTE 20 - RELATED-PARTY TRANSACTIONS

Members of the College's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees may participate in any decision in which he or she has a material financial interest. Each Trustee and senior manager are required to certify compliance with the conflict of interest policy on an annual basis as well as disclose any potential related-party transactions to the Committee of Audits and Compliance. When such a relationship exists, the College requires that such transactions be conducted at arms' length, with terms that are fair and reasonable to and for the benefit of the College. For senior management, the College requires annual disclosure of significant financial interests in, or governance of employment or consulting relationships with, entities doing business with the College. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interest of the College. No related party transactions existed for fiscal year 2023 and 2022 that require disclosure.

NOTE 21 - SUBSEQUENT EVENTS

The College evaluated subsequent events after the statement of financial position date of June 30, 2023 through November 21, 2023, the date the financial statements were issued. On June 30, 2023, the College executed an extension of its intercorporate agreement with Columbia University through July 31, 2023. On July 31, 2023, the College and Columbia University renewed its intercorporate agreement for ten years with a new termination date of June 30, 2033.