



Dutchess County Local  
Development Corporation

# Dutchess County Local Development Corporation

## Application For Financial Assistance



3 Neptune Road  
Poughkeepsie, NY 12601  
Ph: 845.463.5400 Fx: 845.463.0100  
Email: [info@thinkdutchess.com](mailto:info@thinkdutchess.com)  
[www.dutchesscountylde.com](http://www.dutchesscountylde.com)

For Office Use Only

Project #:

Application Received Date:



## **DCLDC BOARD AND STAFF OFFICERS**

---

Chairman  
Charles Daniels III

Vice Chairman  
Timothy E. Dean

Secretary/Treasurer  
Mark Doyle

Executive Director  
Sarah Lee

Chief Financial Officer  
Marilyn Yerks

Compliance Officer/  
Records Access Officer  
Sarah Lee

## **COUNTY GOVERNMENT**

---

County Executive  
Marcus J. Molinaro

Dutchess County Office Building 22 Market Street,  
Sixth Floor  
Poughkeepsie, NY 12601

Tel.# (845) 486-2000(B) Fax # (845) 486-2021

Email: [mmolinaro@dutchessny.gov](mailto:mmolinaro@dutchessny.gov)

This e-mail address is being protected from  
spambots.

Dutchess County Legislature  
A. Gregg Pulver, Chairman

Dutchess County Office Building 22 Market Street,  
Sixth Floor  
Poughkeepsie, NY 12601

Tel # (914) 474-0908 (B) Fax # (845) 486-2113

Email: [gpulver@dutchessny.gov](mailto:gpulver@dutchessny.gov)

## **BOARD OF DIRECTORS**

---

Charles Daniels III  
Timothy E. Dean  
Mark Doyle  
Stacey Langenthal  
Donald Sagliano  
Alfred D. Torreggiani

Counsel  
Donald Cappillino



## **MISSION STATEMENT**

The mission of the Dutchess County Local Development Corporation is to reduce underemployment and increase employment; provide assistance and financial incentives for the formation, retention, expansion, and attraction of not for profit and for profit business to improve the economic vitality of the County.



Please answer all questions. Use "None" or "Not Applicable" where necessary

A. Applicant Information (company receiving benefit)

Company Name: Vassar College  
Address: 124 Raymond Avenue, Poughkeepsie, NY 12604  
Phone: (845) 437-5506 Fax: (845) 437-7443  
Email: brswarhout@vassar.edu  
Website: /www.vassar.edu/  
Federal Employer ID Number: 14-1338587  
State and Year of Incorporation/Organization: New York 1861  
List of stockholders, members, or partners of Applicant:

B. Individual Completing Application

Name: Stephen R. Dahnert  
Title: Vice President for Finance and Administration (until 1/15/20)  
Address: 124 Raymond Avenue, Poughkeepsie, NY 12604  
Phone: (845) 437-5500 Fax: (845) 437-7443  
Email: brswarhout@vassar.edu

C. Company Contact (if different from individual completing application)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

D. Company Counsel:

Name of Attorney: Eileen Heitzler  
Firm Name: Orrick, Herrington & Sutcliffe LLP  
Address: 51 W 52nd Street, New York, NY 10019  
Phone: (212) 506-5235 Fax: (212) 506-5151  
Email: eheitzler@orrick.com



Please answer all questions. Use "None" or "Not Applicable" where necessary

E. Request for Assistance:

Please check which type of assistance you are applying for (select all that apply):

- 1 Bond Issuance ✓
- 2 Straight Lease
  - a. Mortgage Tax Exemption

F. Please list all Officers and Directors for the Not for Profit Corporation:

Attached on additional page.

G. Applicant Business Description: Describe in detail organization's background and mission. Attach additional pages if needed.

Attached on additional page.

H. Is or was the Company assisted by DC LDC? Yes

I. Industry

Please check off the Project's Industry Sector:

- |                                       |                               |
|---------------------------------------|-------------------------------|
| Education or Healthcare Services ✓    | Airport                       |
| Cultural Institutions                 | Charitable Organization       |
| Non-profit nursing homes              | Government                    |
| Non-profit assisted living facilities | Solid waste / sewage facility |
| Other (Please write):                 |                               |

North American Industrial Classifications Number (NAICS)

611310



Please answer all questions. Use "None" or "Not Applicable" where necessary

Section II: Project Description and Details

Project Location

Project Address
124 Raymond Avenue, Poughkeepsie, NY 12604

Property Tax Jurisdiction:

Municipal: Town of Poughkeepsie
School District: Arlington Central

Utilities:

Indicate which, if any, utilities are on site

Water, Gas, Electric, Sanitary/Storm Water with checkmarks

Does the Applicant or any related entity hold fee title to the Project Site? Yes
If no, Present legal owner of site:

Describe the present use of the proposed Project Site
Educational activities in support of the mission of Vassar College.

The facility consists of a building/space which will be (check as applicable)

- 1. Acquired, 2. Constructed, 3. Renovated, 4. Expanded with checkmarks

In the space below briefly describe the proposed project and its purpose (new build, renovations, equipment purchases). Identify specific uses occurring with the project. Describe any and all tenants and any/all end users. Attach detailed information if necessary.

- 1) Refinance Series 2010 bonds 2) Upgrade building systems, convert to LED lighting, convert natural gas boilers to renewable fuel oil, and other energy efficiency upgrades on campus to existing facilities on campus to increase sustainability 3) Renovation of academic and residential buildings to improve function and experience for Vassar students and faculty, and to accommodate functions displaced by other renovations



Please answer all questions. Use "None" or "Not Applicable" where necessary

Describe why the Agency's assistance is necessary and if the applicant is unable to obtain Corporation financial assistance, what will be the impact on the Applicant and Dutchess County and/or municipality? Would the applicant proceed with the project without Corporation assistance? (Attached additional sheets if necessary)

The Agency's assistance will enable Vassar to access the bond market on a tax-exempt basis, enabling it to achieve a lower cost of financing compared with a taxable issue. Vassar also has the option of issuing tax-exempt debt through the Dormitory Authority of the State of New York.

To the extent the project serves a local market area, is there a recognized and demonstrable need for the products or services the project will provide in the project's market area?

The proceeds from the 2010 bonds being refinanced were used on projects across the campus. The new money will be used to increase sustainability on Vassar's campus and enhance programmatic functions. These projects support the mission of the College which serves as an elite higher education institution in the county, state, and country.

Is the project compatible with and will significantly assist and enhance all development plans for its area established formally or informally by local, county, state and federal authorities?

Yes.

Will this project initially provide substantial employment and/or substantial capital investment and be of a nature which demonstrates a substantial long-term commitment of the beneficiary to the county, which makes it highly likely that the substantial increase in employment, capital investment will continue for a significant period of time?

The initial 2010 bonds provided significant capital investment and supported the mission of the College which is one of the larger employers in the county. The projects funded by new money will increase the College's level of investment in its campus demonstrating a long-term commitment to the county.

Is the project of a speculative nature?

No.

Have you contacted or been contacted by other Economic Development Agencies? If yes, please identify which agencies and what other assistance or assistance sought and the dollar amount that is anticipated to receive.

Yes

No



If yes, please list:



Please answer all questions. Use "None" or "Not Applicable" where necessary

Zoning of Project Site:

Current: IN (Institutional)  
Proposed: IN (Institutional)

Are any variances needed? If so, please list:

No.

The approximate acreage of the land to be purchased or leased: N/A

The approximate square footage of the existing building to be purchased or space to be expanded/renovated is: N/A

The approximate square footage of the planned new construction is: N/A

Please note that the Corporation cannot provide any financial assistance until the environmental review required under the State Environmental Quality Review Act ("SEQRA") has been completed. Please complete the annexed Short Form Environmental Assessment Form. Based upon the information provided in that form and elsewhere in this application, the Corporation may require further information regarding potential environmental impacts.

If this project is likely to have a significant adverse impact on the environment (a "Type I" action), then the action is probably required to be reviewed by one or more other state or local agencies, such as a local zoning or land use authority. In that event, the Corporation generally will not act as "lead agency," and any action by the Corporation must await completion of the SEQRA review by the other agency. If that is not the case, i.e., if the proposed action is a "Type II" or "unlisted" action under SEQRA, the Corporation may act independently for SEQRA purposes.

Any known environmental contamination or remediation issues?      Yes      No

If yes, please list:

The Corporation will not provide any financial assistance to the Project until the environmental findings required under SEQRA have been made.





Please answer all questions. Use "None" or "Not Applicable" where necessary

Facility Relocation or Closure

Will the project result in the removal of a plant or facility of the Applicant from one area of the State of New York to another area of the State of New York:

Yes No ✓

Will the project result in the removal of a plant or facility of another proposed occupant of the Project from one area of the State of New York to another area of the State of New York?

Yes No ✓

Will the Project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes No ✓

If the answer to either of the foregoing questions in this subpart is positive, please explain in detail, on as many separate sheets as necessary, the reasons for the relocation, abandonment or closure, including, without limitation, (i) any considerations regarding the applicant's (or other occupant's) ability to remain competitive in its industry, and (ii) any consideration which has been given to relocating to any location outside the State of New York. Please note that the Corporation may ask you to provide additional information regarding the foregoing, including documentary support

Project Construction Schedule

What is the proposed date for commencement of acquisition or construction of the Project?

N/A

Please indicate the actual or expected dates of :

Construction completion: within 2-3 years

Occupancy: within 2-3 years

Will the company be occupying 100% of the completed facility? Yes ✓ No
If no, will there be tenants in the remaining space? Yes No



Please answer all questions. Use "None" or "Not Applicable" where necessary

Investment (Uses and Sources)

Uses (Facility Costs)

Please give an accurate estimate of the costs of all of the following items.

1. Real Estate (Acquisition cost of land and /or existing structures)	\$ _____
2. New Building Construction	\$ _____
3. New Building Addition	\$ _____
4. Infrastructure Work	\$ 10,000,000
5. Reconstruction/Renovation	\$ 10,000,000
6. Equipment (Taxable) (Spending that will be subject to sales tax – i.e. machinery and equipment)	\$ _____
7. Other Tax Exempt (non-construction spending that will not be subject to sales tax)	\$ _____
8. Professional Services (Architect, Legal Fees <sup>1</sup> , Engineering fees)	\$ _____
9. Other Taxable	\$ _____
10. Other (please specify)	\$ _____
Project Cost	\$ _____

Uses (Financing, Legal, Miscellaneous)

	Estimated Fees
LDC Administrative Fees (See page 1)	\$ 165,000
LDC Counsel	\$ 25,000
Applicant Counsel	\$ 100,000
Transaction Counsel	\$ _____
Bond Counsel	\$ 115,000
Underwriter Counsel	\$ 60,000
Trustee Counsel	\$ 2,500
Other Costs of Bond Issue (i.e. printing)	\$ 335,000
If this is a bond transaction, will you be refunding bonds?	
Yes	
And if so state amount here	\$ 50,000,000

Corporation costs such as public hearings and legal notice fees are the responsibility of the Applicant from the time an application is submitted.



Dutchess County Local  
Development Corporation

Please answer all questions. Use "None" or "Not Applicable" where necessary

SOURCES

Amount of equity	\$ _____
Amount of other conventional financing	\$ _____
Amount financed by bond issue	\$ _____

Total Cost..... \$ \_\_\_\_\_

Corporation Financial Information

Please attach the following information:

1. The Corporation's Audited financial statement for the last two years.
2. A copy of the Corporation's most recent Annual Report
3. The Corporation's income projections

Community Benefits

1. Financial Assistance Provided
  - a. Estimated Mortgage Recording Tax Exemption

\$ _____	X	.0105	=	\$ _____
Projected Amount of Mortgage		Mortgage Recording Tax		Total



Please answer all questions. Use "None" or "Not Applicable" where necessary

Community Benefits – Employment

1. Benefits = Economic Development Impacts (For Project Location Only)

By statute, the Agency must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. The Agency will use job projections upon the two (2) year time period following Project completion.

- a. Employment should be quantified by "FTE", which shall mean: (a) a full-time, permanent, private-sector employee on the project's payroll, who has worked (or is projected to work) at the project facility for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties;
- b. or (b) two part-time, permanent, private-sector employees on the Applicant's payroll, who have worked (or are projected to work) at the project facility for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are (or will be) entitled to receive the usual and customary fringe benefits extended by the Applicant to other employees with comparable rank and duties

Job Category	Current # of FTE's	# of FTE's Retained	Average Salary/Salary Range	# of FTE's Created Upon 2yrs	Average Salary/ Salary Range
Owner/Executive	13	13	250000	0	
Professional	275	275	125000	TBD	
Management					
Administrative	281	281	75000	TBD	
Production					
Other	350	350	60000	TBD	
Total*	919	919			

Are employees currently covered by a collective bargaining agreement?  Yes

If yes, Name and Local?

SEIU 200, CWA 1120, HV Safety and Security

Are employees provided retirement benefits? Yes  No

Are employees provided health benefits? Yes  No

Will construction jobs be created with this project? Yes  No   
 If so how many? TBD




Please answer all questions. Use "None" or "Not Applicable" where necessary

Items needed for a Bond Closing

The following items shall be furnished to the LDC within thirty (30) days following a bond closing:

- Cost of Issuance
- True Interest Cost
- CUSIP Number
- Interest type or rate
- Trustee bank, address, contact person, and account number
- Schedule of indebtedness
- Any other documentation reasonable requested by the DC LDC

Please sign below to indicate that you have read and understand the above and will provide information on a timely basis.

Chief Executive Officer or Applicant  


Date  
Dec. 20, 2019

J. Bond Information

1. Total Funds Required \$70,000,000 Estimated Term 30 years

Indicate the date by which the proceeds of the Corporation's bonds, if issued will be needed

Date Required 4/2/2020



Dutchess County Local Development Corporation

Please answer all questions. Use "None" or "Not Applicable" where necessary

Certification

Stephen R. Dahnert
(Name of Officer of Company submitting application)
deposes and says that he/she the VP for Finance & Admin.
(Title)
of Vassar College
(Company Name)

The corporation named in the attached application; that he/she has read the forgoing application and knows the contents thereof; that the same is true to his/her knowledge. Deponent further says that the reason this verification is being made by the deponent and not by Vassar College is because the said Company is a Corporation. (Company Name)

The grounds of deponent's belief relative to all matters in the said application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as an officer of and from the books and papers of said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant"), deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Dutchess County Local Development Corporation (hereinafter referred to as the "Corporation") acting on behalf of the applicant during the attendant negotiations and leading to the issue of bonds. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified time to take reasonable, proper, or request action, or withdraws, abandons, cancels, or neglects the application, or if the Corporation or applicant are unable to find buyers willing to purchase the total bond issue required, then upon presentation of invoice, applicant shall pay to the Corporation, its' agents, or assigns, all actual costs incurred with respect to the application, up to that date and time, including fees of bond counsel for the Corporation and fees of general counsel for the Corporation.\* Upon successful conclusion and sale of the required bond issue, the applicant shall pay to the Corporation an administrative fee set by the Corporation.

[Signature]
(Chief Officer of Company submitting)
Stephen R. Dahnert
Print Name
VP for Finance & Admin.
Title

Date Dec. 20, 2019

NOTARY: Sworn to me before this 20th day of December, 2019

\*Applicant is responsible for payment of any State Bond Issuance Fees.

Notary Public (Please Affix Stamp)
Deanna M. Touhey
DEANNA M. TOUHEY
Notary Public, State of New York
Reg. # 01TO4841167
Qualified in Dutchess County
Commission Expires: 4-30-2023



Please answer all questions. Use "None" or "Not Applicable" where necessary

New York State  
Applicant Requirements  
For Local Development Corporations

1. Absence of Conflicts of Interest

The Applicant has received from the Corporation a list of the members, officers and employees of the Corporation. No member, officers or employees of the Corporation has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

2. Job Listing

In accordance with Section 858-b(2) of the New York General Municipal Law, Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed within the New York State Department of Labor Community Services Division (the DOL) and with the One-Stop Center of the service delivery area created by the federal Workforce Investment Act (WIA) in which the Project is located.

3. First Consideration for Employment

In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation except as otherwise provided by collective bargaining agreements, Where applicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the One-Stop Center for new employment opportunities created as a result of the Project.

4. Annual Employment Reports

The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Corporation, the Applicant agrees to file, or cause to be filed, with the Corporation, on an annual basis, reports regarding the number of people employed at the project site, salary levels and such other information as part of the Corporation's Employment Report.



Please answer all questions. Use "None" or "Not Applicable" where necessary

5. Fees

This obligation includes an obligation to submit Corporation Fee Payment to the Corporation in accordance with the Corporation Fee policy effective as of the date of this Application.

6. Freedom of Information Law (FOIL)

The Applicant acknowledges that the Corporation is subject to New York State's Freedom of Information Law (FOIL). Applicants understand that all project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

New York State Law requires financial reporting requirements from all LDC's in New York State

7. Bonds

a. All bonds issued, outstanding or retired during the year must indicate the following:

Month and year issued; Interest rate at year end; outstanding beginning of year; issued during year; principal payments during year; outstanding at end of year; and final maturity date. This information will be requested from you in January of each year.

b. All new bonds issued need the following supplemental information:

Name of the project; tax exemptions separated by State and local sales tax, County and school taxes; Mortgages recording; Payments in lieu of taxes; New tax revenue if no exemption is granted; number of jobs created and other economic benefits. This information is required each year and will be requested from you in September of each year.

The Public Authority Accountability Act of 2005 and the Public Authorities Reform Act of 2009, if determined applicable, impose additional reporting requirements on the DCLDC. The applicant agrees to promptly, diligently and accurately provide all information required by the DCLDC to meet its obligations under these laws.

Please sign below to indicate that you have read and understand the financial and employment reporting requirements and will provide information on a timely basis.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Corporation will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Signature: [Handwritten Signature]  
Print Name: Stephen R. Dahnerl  
Title: Vice President for Finance and Administration Vassar College  
Date: Dec. 20, 2019

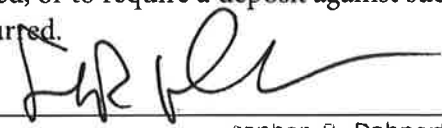




Please answer all questions. Use "None" or "Not Applicable" where necessary

HOLD HARMLESS AGREEMENT

Applicant hereby releases the Dutchess County Local Development Corporation and its members, officers, servants, agents and employees thereof (the "Corporation") from, agrees that the Corporation shall not be liable for and agrees to indemnify, defend and hold the Corporation harmless from and against any and all liability arising from or expense incurred by (A) the Corporation's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Corporation, (B) the Corporation's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Corporation with respect to the Project; including and without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Corporation or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Corporation, its agents or assigns, all costs incurred by the Corporation in the processing of the Application, including attorneys' fees, if any. The Corporation reserves the right at any time, as a condition to further consideration of this application, to require reimbursement of any such costs incurred, or to require a deposit against such costs and to apply such deposit to the Corporation's costs as incurred.

Signature:   
Print Name: Stephen R. Dahnert  
Title: Vice President for Finance and Administration  
Date: Dec. 20, 2019 Vassar College



Please answer all questions. Use "None" or "Not Applicable" where necessary

### Short-Form Environmental Assessment Form

All applicants are required to submit a completed Environmental Assessment Form before approval can be given.

Applicants can download a copy of the Short EAF on the Dutchess County Local Development Corporation page <https://thinkdutchess.com/ldc/>

Please complete by answering all questions and submit evidence of any prior environmental review by other government agencies. After review by DCLDC, Applicant may be required to submit a full Environmental Assessment Form.



Please answer all questions. Use "None" or "Not Applicable" where necessary

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Dutchess County. The Dutchess County Local Development Corporation (the "Corporation") believes that Project Applicants (the "Company"), as a condition to receiving Financial Assistance (mortgage recording tax exemption) from the Corporation, will be required to utilize qualified Workforce, as defined below, for all projects involving the construction, expansion, equipping, demolition and/or remediation of new, existing, expanded or renovated facilities (collectively, the "Project Site").

**For Projects \$10,000,000 and above involving construction and a mortgage tax exemption**

*Local Area Defined*

For projects equal to or greater than \$10,000,000 the Local Area is defined as individuals residing in the following Counties (collectively, the "Local Area"): Columbia County, Dutchess County, Greene County, Orange County, Putnam County, Rockland County, Sullivan County, Ulster County and Westchester County.

*Local Workforce Requirement*

The Company shall ensure that at least 80% of total work hours of the general contractor, subcontractor, or subcontractor to a subcontractor (collectively the "Workers") working on the Project Site must reside within the Local Area. The 80% shall be measured by hours and in total at the time of completion of the project. Companies do not have to be local companies as defined herein, but must employ local Workers residing within the Local Area to qualify under the 80% Local Workforce criteria.

*Local Workforce Reporting Requirement*

The Local Workforce criteria will be verified based on employment, payroll and related records.

In addition, the Corporation, or its designated agents, shall have the right, during normal business hours, to examine and copy records of the Company and to perform spot checks of all Workers at the Project Site to verify compliance with the Local Workforce requirement throughout the construction period.

*Enforcement*

If Corporation staff determines that: (1) The Local Workforce Requirement is not being met; or (2) Corporation Staff, upon use of its reasonable discretion, discovers or becomes aware of a compliance issue related to the Local Workforce Requirement, then a written warning delivered by Certified Mail of said Local Workforce Requirement violation (the "Warning of Violation") shall be provided to the Company.

In the event a subsequent violation of the policy has occurred, then written notice delivered by Certified Mail of said Local Workforce Requirement violation (the "Notice of Violation") shall be provided to the Company and the Chief Executive Officer shall bring the information to the Board of Directors which may, in its discretion, take action to revoke the mortgage tax exemption benefits.



Please answer all questions. Use "None" or "Not Applicable" where necessary

The Project Applicant has the primary obligation for the adherence to all the conditions of this policy. This obligation cannot be relieved, evaded or diminished by assigning a Contractor or through subcontracting. Should the project applicant assign a Contractor, the Applicant shall continue to have primary obligation.

Waiver Request


It is understood that at certain times, Workers residing within the Local Area may not be available with respect to a Project. Under this condition, the Company is required to contact the Corporation to request a waiver of the Local Utilization Requirement (the "Local Workforce Utilization Waiver Request") based on the following circumstances:

- Warranty issues related to installation of specialized equipment or materials whereby the manufacturer requires installation by only approved installers
- Specialized construction for which qualified Local Workforce Area workers are not available;
- Significant cost differentials in bid prices whereby the use of local Workforce significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations
- Documented lack of workers meeting the Local Workforce Area requirement

The Corporation shall evaluate the Local Workforce Utilization Waiver Request and make its determination related thereto based upon the supporting documentation received with such waiver request.

The foregoing terms have been read, reviewed and understood by the Company and all appropriate personnel. The undersigned agrees and understands that the information contained herein must be transmitted and conveyed in a timely fashion to all applicable subcontractors, suppliers and materialmen. Furthermore, the undersigned realizes and understands that failure to abide by the terms herein could result in the Corporation revoking all or any portion of the mortgage tax exemption, whether already received or to be received by the Company, as it deems reasonable in its sole discretion for any violation hereof.

Name of Company Vassar College

Name 

Title Stephen R. Dahnert  
Vice President for  
Finance and Administration  
Vassar College

Adopted 10/18/2016  
Amended 11/13/2018

F. Please list all Officers and Directors for the Not for Profit Corporation:

Officers:

Elizabeth H. Bradley, President  
William Hoynes, Dean of the Faculty  
Carlos Alamo-Pastrana, Dean of the College  
Marianne H. Begemann, Dean of Strategic Planning and Academic Resources  
Stephen R. Dahnert, Vice President for Finance and Administration (until Jan. 15, 2020;  
thereafter: Bryan A. Swarhout)  
Amanita Duga-Carroll, Vice President of Communications  
Timothy Kane, Vice President for Alumnae/i Affairs and Development  
Carlos L. Garcia, Vice President for Computing and Information Services and Human Resources  
Angelique Crump, Controller

Trustees:

Nana Baffour-Awuah, Senior Strategist, Consumer Dynamics  
Karen Herskovitz, Independent Landscape Architect  
Eric H. Beringause, CEO, Dean Foods  
Jamshed J. Bharucha, Retired College/University President  
Jason Blum, CEO, Blumhouse Productions  
Beth Burnam  
Mark Burstein, President, Lawrence University  
Camilla Campbell, Head of Admissions, Grace Church School  
Sharon Davidson Chang, Agent and Vice President, WME  
Leslie Jackson Chihuly, CEO, Chihuly Studios  
Barbara Danz, Retired Attorney and Banker  
Brian Farkas, Law Clerk, United States District Court for the Southern District of New York  
Robyn Field, Retired University Lecturer  
Anthony J. Friscia, Retired Executive (Board Chair)  
Jeffrey A. Goldstein, CEO, SpringHarbor Financial Group  
Lorna Bade Goodman, Independent Attorney  
Stephen Hankins, Partner, Riley Safer Holmes & Cancila LLP  
Maryellen Cattani Herringer, Retired Attorney  
Huang Hung, Independent Media/Fashion Personality  
Philip N. Jefferson, Vice President of Academic Affairs, Davidson College  
Lisa Kudrow, Retired Actress  
Geraldine Bond Laybourne, Retired Media Executive  
John McCormick, President and CEO, Hedge Fund Solutions at Blackstone  
Natalie Nixon, President, Figure 8 Thinking  
Tanya M. Odom, Independent Consultant  
Mark Ordan, Independent Entrepreneur  
Carol S. Ostrow, Producing Director, The Flea  
Cynthia Patton, Senior Vice President of Compliance, Amgen  
Tamar Smith Pichette, Retired Attorney

Kathy Zillweger Putnam  
Milbrey (Missie) Rennie Taylor, Retired Media Executive  
Debra Fagel Treyz, Retired Banker

G. Applicant Business Description: Describe in detail organization's background and mission.

The mission of Vassar College is to make accessible “the means of a thorough, well-proportioned and liberal education” that inspires each individual to lead a purposeful life. The College makes possible an education that promotes analytical, informed, and independent thinking and sound judgment; encourages articulate expression; and nurtures intellectual curiosity, creativity, respectful debate and engaged citizenship. Vassar supports a high standard of engagement in teaching and learning, scholarship and artistic endeavor; a broad and deep curriculum; and a residential campus that fosters a learning community. Founded in 1861 to provide women an education equal to that once available only to men, Vassar is now open to all and strives to pursue diversity, inclusion, and equity as essential components of a rich intellectual and cultural environment in which all members, including those from underrepresented and marginalized groups, are valued and empowered to thrive.

Financial Statements and Report of  
Independent Certified Public Accountants

**VASSAR COLLEGE**

June 30, 2019 and 2018

# VASSAR COLLEGE

## TABLE OF CONTENTS

---

	<b>Page</b>
Report of Independent Certified Public Accountants	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 33



**GRANT THORNTON LLP**  
757 Third Avenue, 9<sup>th</sup> Floor  
New York, NY 10017

**D** +1 212 599 0100  
**F** +1 212 370 4520

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of  
**Vassar College:**

We have audited the accompanying financial statements of Vassar College (the "College"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vassar College as of June 30, 2019, 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.

**Other matter**

The financial statements of Vassar College as of and for the year ended June 30, 2018 were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated November 5, 2018.

*Grant Thornton LLP*

New York, New York  
October 25, 2019

**VASSAR COLLEGE**  
**Statements of Financial Position**  
**As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 27,035,268	\$ 13,845,013
Accounts receivable, net	3,647,844	4,688,711
Contributions receivable, net	15,414,431	16,122,787
Prepaid and other assets	8,433,263	3,648,300
Deposits held by bond trustees	6,126,509	6,117,451
Investments	1,124,863,945	1,082,831,324
Beneficial interests in outside trusts	8,804,184	8,851,768
Land, buildings, and equipment, net	<u>470,359,111</u>	<u>479,603,908</u>
Total assets	<u>\$ 1,664,684,555</u>	<u>\$ 1,615,709,262</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 24,509,756	\$ 20,520,899
Deferred revenue and students' deposits	2,599,864	3,307,163
Present value of beneficiary payments	11,635,999	12,121,049
Deposits held for others	1,165,433	1,189,735
Long-term debt, net	247,220,054	247,811,790
Accrued pension obligation	19,840,268	11,781,465
Asset retirement obligation	12,059,108	11,592,534
Accrued postretirement benefit obligation	28,411,750	24,138,768
Refundable government loan funds	<u>1,662,704</u>	<u>2,430,076</u>
Total liabilities	<u>349,104,936</u>	<u>334,893,479</u>
<b>NET ASSETS</b>		
Without donor restrictions	292,934,612	314,702,854
With donor restrictions	<u>1,022,645,007</u>	<u>966,112,929</u>
Total net assets	<u>1,315,579,619</u>	<u>1,280,815,783</u>
Total liabilities and net assets	<u>\$ 1,664,684,555</u>	<u>\$ 1,615,709,262</u>

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

**VASSAR COLLEGE**  
**Statements of Activities**  
For the year ended June 30, 2019  
With summarized comparative totals for 2018

	2019					
	Without Donor Restrictions	With Donor Restrictions			2019 Total	2018 Total
		Program and Time Restricted	Amounts Held in Perpetuity	Total		
<b>OPERATING REVENUE</b>						
Student tuition, fees, room and board, net	\$ 106,349,980	\$ -	\$ -	\$ -	\$ 106,349,980	\$ 95,860,198
Endowment return used in support of operations	16,395,245	38,325,688	-	38,325,688	54,720,933	53,437,277
Government grants	1,135,136	-	-	-	1,135,136	2,012,378
Private gifts and grants	12,975,012	6,340,268	-	6,340,268	19,315,280	12,834,534
Other revenue	2,527,266	-	-	-	2,527,266	2,548,888
Auxiliary enterprises	4,343,497	-	-	-	4,343,497	4,139,224
Net assets released from restrictions	31,824,858	(31,824,858)	-	(31,824,858)	-	-
Total operating revenue	175,550,994	12,841,098	-	12,841,098	188,392,092	170,832,499
<b>OPERATING EXPENSES</b>						
Instruction	82,828,182	-	-	-	82,828,182	82,504,143
Research	2,691,514	-	-	-	2,691,514	1,879,221
Academic support	26,870,230	-	-	-	26,870,230	25,873,190
Student services	22,705,385	-	-	-	22,705,385	21,589,146
Institutional support	40,820,282	-	-	-	40,820,282	40,076,522
Auxiliary enterprises	24,298,643	-	-	-	24,298,643	22,676,214
Total operating expenses	200,214,236	-	-	-	200,214,236	194,598,436
Change in net assets from operations	(24,663,242)	12,841,098	-	12,841,098	(11,822,144)	(23,765,937)
<b>NONOPERATING ACTIVITIES</b>						
Private gifts and other additions	10,386,764	28,003,879	6,543,204	34,547,083	44,933,847	54,921,810
Net investment return	16,934,264	50,564,057	(73,181)	50,490,876	67,425,140	81,273,635
Appropriation of endowment for operations	(16,395,245)	(38,325,688)	(7,287)	(38,332,975)	(54,728,220)	(53,437,277)
Loss on disposal of fixed assets	(41,672)	-	-	-	(41,672)	(270,312)
Other nonoperating activity	7,893	(297,191)	567,741	270,550	278,443	(373,428)
Adjustment for pension liability	(7,844,531)	-	-	-	(7,844,531)	3,298,721
Postretirement benefits changes other than net periodic benefits cost	(3,437,027)	-	-	-	(3,437,027)	2,472,574
Net assets released from restrictions and other transfers	3,284,554	(3,505,603)	221,049	(3,284,554)	-	-
Change in net assets from nonoperating activities	2,895,000	36,439,454	7,251,526	43,690,980	46,585,980	87,885,723
Change in net assets	(21,768,242)	49,280,552	7,251,526	56,532,078	34,763,836	64,119,786
<b>NET ASSETS</b>						
Beginning of year	314,702,854	542,064,107	424,048,822	966,112,929	1,280,815,783	1,216,695,997
End of year	\$ 292,934,612	\$ 591,344,659	\$ 431,300,348	\$ 1,022,645,007	\$ 1,315,579,619	\$ 1,280,815,783

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

**VASSAR COLLEGE**  
**Statement of Activities**  
**For the year ended June 30, 2018**

	<b>2018</b>				
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>			<b>Total</b>
		<b>Program and Time Restricted</b>	<b>Amounts Held in Perpetuity</b>	<b>Total</b>	
<b>OPERATING REVENUE</b>					
Student tuition, fees, room and board, net	\$ 95,860,198	\$ -	\$ -	\$ -	\$ 95,860,198
Endowment return used in support of operations	18,299,223	35,138,054	-	35,138,054	53,437,277
Government grants	2,012,378	-	-	-	2,012,378
Private gifts and grants	12,598,315	236,219	-	236,219	12,834,534
Other revenue	2,545,279	3,609	-	3,609	2,548,888
Auxiliary enterprises	4,139,224	-	-	-	4,139,224
Net assets released from restrictions	36,098,336	(36,098,336)	-	(36,098,336)	-
Total operating revenue	<u>171,552,953</u>	<u>(720,454)</u>	<u>-</u>	<u>(720,454)</u>	<u>170,832,499</u>
<b>OPERATING EXPENSES</b>					
Instruction	82,504,143	-	-	-	82,504,143
Research	1,879,221	-	-	-	1,879,221
Academic support	25,873,190	-	-	-	25,873,190
Student services	21,589,146	-	-	-	21,589,146
Institutional support	40,076,522	-	-	-	40,076,522
Auxiliary enterprises	22,676,214	-	-	-	22,676,214
Total operating expenses	<u>194,598,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,598,436</u>
Change in net assets from operations	<u>(23,045,483)</u>	<u>(720,454)</u>	<u>-</u>	<u>(720,454)</u>	<u>(23,765,937)</u>
<b>NONOPERATING ACTIVITIES</b>					
Private gifts and other additions	2,849,824	871,364	51,200,622	52,071,986	54,921,810
Net investment return	20,301,400	60,553,537	418,698	60,972,235	81,273,635
Appropriation of endowment for operations	(18,299,223)	(35,138,054)	-	(35,138,054)	(53,437,277)
Loss on disposal of fixed assets	(270,312)	-	-	-	(270,312)
Other nonoperating activity	1,221,411	(1,261,563)	(333,276)	(1,594,839)	(373,428)
Adjustment for pension liability	3,298,721	-	-	-	3,298,721
Postretirement benefits changes other than net periodic benefits cost	2,472,574	-	-	-	2,472,574
Net assets released from restrictions and other transfers	410,653	(332,155)	(78,498)	(410,653)	-
Change in net assets from nonoperating activities	<u>11,985,048</u>	<u>24,693,129</u>	<u>51,207,546</u>	<u>75,900,675</u>	<u>87,885,723</u>
Change in net assets	<u>(11,060,435)</u>	<u>23,972,675</u>	<u>51,207,546</u>	<u>75,180,221</u>	<u>64,119,786</u>
<b>NET ASSETS</b>					
Beginning of year	<u>325,763,289</u>	<u>518,091,432</u>	<u>372,841,276</u>	<u>890,932,708</u>	<u>1,216,695,997</u>
End of year	<u>\$ 314,702,854</u>	<u>\$ 542,064,107</u>	<u>\$ 424,048,822</u>	<u>\$ 966,112,929</u>	<u>\$ 1,280,815,783</u>

*The accompanying notes are an integral part of this financial statement.*

**VASSAR COLLEGE**  
**Statements of Cash Flows**  
**For the years ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 34,763,836	\$ 64,119,786
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation, accretion, and amortization	19,713,469	22,326,709
Loss on disposal of fixed assets	224,179	270,312
Investment income on life income and annuity agreements	(1,444,621)	(1,048,837)
Nonoperating contributions	(45,089,832)	(61,350,718)
Gifts in kind	(1,195,814)	(1,796,140)
Realized and unrealized gains on investments	(63,448,393)	(81,607,912)
Changes in assets and liabilities that provide (use) cash:		
Accounts receivable, net	798,134	1,915,447
Contributions receivable, net	708,356	4,401,688
Prepaid and other assets	(4,784,963)	2,070,741
Accounts payable and accrued expenses	3,871,903	(6,705,879)
Deferred revenue and students' deposits	(707,299)	(925,267)
Present value of beneficiary payments	724,261	1,209,114
Deposits held for others	(24,302)	(620,229)
Accrued pension obligation	8,058,803	(3,339,064)
Asset retirement obligation	466,574	(36,397)
Accrued postretirement benefit obligation	4,272,982	(1,309,208)
Net cash used in operating activities	<u>(43,092,727)</u>	<u>(62,425,854)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of land, buildings, and equipment	(10,067,430)	(11,628,842)
Deposits held by bond trustees	(9,058)	(1,919,695)
Proceeds from sale of fixed assets	680,611	733,661
Net loans repaid by students	242,733	293,679
Purchases of investments	(169,894,339)	(193,164,897)
Proceeds from sales and maturities of investments	<u>191,357,695</u>	<u>205,439,302</u>
Net cash provided by (used in) investing activities	<u>12,310,212</u>	<u>(246,792)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions for:		
Investment in endowment	20,601,951	52,489,681
Investment in long-lived assets	24,021,615	7,938,855
Investment subject to life income agreements	466,266	922,182
Investment income on life income and annuity agreements	1,444,621	1,048,837
Payments to beneficiaries	(1,209,311)	(1,127,546)
Change in refundable government loan funds	(767,372)	18,400
Payments on long-term debt	<u>(585,000)</u>	<u>-</u>
Net cash provided by financing activities	<u>43,972,770</u>	<u>61,290,409</u>
Net change in cash and cash equivalents	13,190,255	(1,382,237)
Cash and cash equivalents, beginning of year	<u>13,845,013</u>	<u>15,227,250</u>
Cash and cash equivalents, end of year	<u>\$ 27,035,268</u>	<u>\$ 13,845,013</u>
Supplemental data:		
Interest paid	<u>\$ 11,069,448</u>	<u>\$ 9,740,600</u>
Noncash investing activities:		
Purchases of capital assets included in accounts payable	<u>\$ 116,952</u>	<u>\$ 548,974</u>

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

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**1. ORGANIZATION**

The mission of Vassar College (“Vassar” or the “College”) is to make accessible “the means of a thorough, well-proportioned and liberal education” that promotes analytical, informed, and independent thinking and sound judgement; encourages articulate expression; and nurtures intellectual curiosity, creativity, respectful debate and engaged citizenship. Vassar supports a high standard of engagement in teaching and learning, scholarship and artistic endeavor; a broad and deep curriculum; and a residential campus that fosters a learning community. Founded in 1861 to provide women an education equal to that once available only to men, Vassar is now open to all and strives to pursue diversity, inclusion, and equity as essential components of a rich intellectual and cultural environment in which all members, including those from underrepresented and marginalized groups, are valued and empowered to thrive.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements, which are presented on the accrual basis of accounting in accordance with principles generally accepted in the United States of America (“U.S. GAAP”), have been prepared to focus on the College as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions.

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (“ASU 2016-14”). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as “net assets without donor restrictions” and “net assets with donor restrictions”;
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

A presentation of net assets as previously reported as of June 30, 2018, and then as required under ASU 2016-14 follows:

	<b>June 30, 2018</b>			
	<b>Presentation under ASU 2016-14</b>			
	<b>As Previously Presented</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets:				
Unrestricted	\$ 314,702,854	\$ 314,702,854	\$ -	\$ 314,702,854
Temporarily restricted	542,064,107	-	542,064,107	542,064,107
Permanently restricted	424,048,822	-	424,048,822	424,048,822
Total net assets	<u>\$ 1,280,815,783</u>	<u>\$ 314,702,854</u>	<u>\$ 966,112,929</u>	<u>\$ 1,280,815,783</u>

	<b>June 30, 2017</b>			
	<b>Presentation under ASU 2016-14</b>			
	<b>As Previously Presented</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Net assets:				
Unrestricted	\$ 325,763,289	\$ 325,763,289	\$ -	\$ 325,763,289
Temporarily restricted	518,091,432	-	518,091,432	518,091,432
Permanently restricted	372,841,276	-	372,841,276	372,841,276
Total net assets	<u>\$ 1,216,695,997</u>	<u>\$ 325,763,289</u>	<u>\$ 890,932,708</u>	<u>\$ 1,216,695,997</u>

**Classification of Net Assets**

Resources are reported for accounting purposes in the following classes of net assets based on the existence or absence of donor-imposed restrictions:

*Without Donor Restrictions* - Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

*With Donor Restrictions* - Net assets whose use by the College is subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time. Also included in this category are net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets. Such assets primarily include the College's donor-restricted endowment funds.

**Statement of Activities Measure of Operations**

The statement of activities reports the change in net assets from operating and nonoperating activities. Operating revenue consists of those items attributable to the College's education programs, grants for



**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

research conducted by academic departments, private gifts, and other revenue, as well as auxiliary enterprise activities.

Nonoperating activities include investment return on short and long-term investments, contributions received other than for current operations, pension and postretirement benefit liability adjustments other than net periodic benefit cost, changes and related income on deferred gifts, and miscellaneous items not related to the College's academic or research activities. To the extent nonoperating contributions, investment income and gains are used for operations, they are reclassified as appropriation of endowment assets for operations on the statements of activities.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

**Revenue Recognition**

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 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. The five-step model is outlined below:

- a. Step 1: Identify the contract(s) with a customer;
- b. Step 2: Identify the performance obligations in the contract;
- c. Step 3: Determine the transaction price;
- d. Step 4: Allocate the transaction price to the performance obligations in the contract; and
- e. Step 5: Recognize revenue when (or as) the College satisfies a performance obligation.

ASC 606 also requires new and expanded 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 fees, auxiliary enterprises and other 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.

The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the 2019 and 2018 statements of financial position, statements of activities, statements of cash flows, business processes, controls or systems of the College.

**Student Tuition, Fees, Room and Board, Net**

Student tuition, fees, room and board, net include revenues generated from tuition and auxiliary enterprises and are recorded at established rates, net of financial aid and scholarships provided directly to students. Auxiliary enterprises include a variety of services, such as housing and dining services, that enhance the quality of student life on campus.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

Other auxiliary service enterprise revenue, which includes college retail operations, cash dining, catering, intercollegiate athletics, and graphic arts, are displayed separately. Expenses associated with auxiliary enterprise activities are reported as a single total and include an allocated portion of the cost of operating and maintaining College plant assets, interest, and depreciation expense.

**Government and Private Grants, Contracts and Gifts**

The College recognizes revenue from grants, contracts and gifts 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*. In accordance with ASU 2018-08, 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 reported as contributions receivable, which are considered to be unconditional are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at the appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Expirations of restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions on the statement of activities. Restricted contributions received and expended for the restricted purpose in the same fiscal year are recorded as part of net assets without donor restrictions.

Contributions of land, buildings, or equipment are reported as nonoperating support without donor restrictions unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as increases in net assets with donor restrictions until the assets are acquired and placed into service.

Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

**Cash and Cash Equivalents**

Cash and cash equivalents include operating funds that are short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents are reported at cost, which approximates fair value.

**Receivables**

The College extends credit to students in the form of accounts receivable and loans for educational purposes.

The College records an allowance for doubtful accounts (credit losses) for long-term receivables, including Perkins loans and other student loans. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including differing economic

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

risks associated with each loan category, the financial condition of specific borrowers, the economic environment, the level of delinquent loans, review of the default rate by category in comparison to prior years, the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on actual collections. The College's Perkins loan receivable represents the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the Federal Government in certain nonrepayment situations. In these situations, the Federal portion of the loan balance is guaranteed. Management believes that its allowance for credit losses at the end of the fiscal year is adequate to absorb credit risk inherent in the portfolio.

**Fair Value Measurements**

U.S. GAAP defines fair value, establishes a framework for measuring fair value and requires certain disclosures about fair value measurements. Fair value is defined as the exchange price that would be received for an asset, or paid to transfer a liability (an exit price), in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The College categorizes assets and liabilities into a three-tiered hierarchy based on the valuation methodologies employed. The hierarchy categories are defined as follows:

- Level 1 - Valuation is based upon quoted prices in active markets that the College has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets.
- Level 2 - Valuation is based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuation is based on unobservable inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability.

**Investments**

Investments are reported at fair value with realized and unrealized gains and losses included in the statement of activities. Certain alternative investments are recognized at the net asset value ("NAV") per ownership interest as a practical expedient to estimate fair value. Realized gains and losses on the sale of the College's investments are based-upon the average cost of the investment. All investment transactions are recorded on a trade-date basis.

**Endowment Funds and Spending Policy**

Included in investments are assets of the College's endowment and similar funds. These institutional funds are invested in long-term vehicles and strategies to produce investment return to support the operations of the College. Investment guidelines are set under the direction of the Investments Committee of the Board of Trustees with the objective to enhance the real market value of the portfolio while providing a relatively predictable and growing stream of revenue to the College's operating budget. The majority of the endowment and similar funds are unitized and invested in a consolidated investment pool. Nonconsolidated

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

endowed funds are invested separately. Funds are added to or withdrawn from the pool at the unit fair value of the fund at the beginning of the quarter in which the transaction occurred.

The College utilizes a “total return” policy for endowment spending. This approach considers current yield (primarily interest and dividends), as well as the net appreciation in the fair value of investments when determining a spending amount. Under this policy, the Board of Trustees establishes a spending rate, which is then applied to the average fair value of investments.

Annually, as part of the College’s operating and capital budget plans, the Board approves a spending rate for endowment units. The guideline is to adjust per unit spending annually based on the one-year change in the Higher Education Price Index, lagged one year, provided that the resulting rate does not exceed 5.5% nor fall below 4.5% for the trailing 12-quarter average fair value of the fund, lagged one year. For fiscal year 2018-2019, the Board approved a total draw on financial assets of up to \$54,728,220. For the year ended June 30, 2019, \$54,728,220 was spent from endowment assets, of which \$3,160,556 represents a supplemental draw from board-designated quasi-endowment above per unit spending. For the year ended June 30, 2018, \$53,437,277 was spent from endowment assets, of which \$5,693,378 represents a supplemental draw from board-designated quasi-endowment above per unit spending.

**Beneficial Interest in Outside Trusts**

The College is the beneficiary of various perpetual trusts created by donors, the assets of which are not in the possession of Vassar. The College has legally enforceable rights or claims to such assets, including the right to income generated. The fair value of these interests and the net realized and unrealized gains or losses are recorded as part of net assets with donor restrictions category as designated by the donors.

**Land, Buildings, and Equipment**

Land, buildings, and equipment are recorded at cost, or if donated, at estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

Works of art, historical treasures, and similar assets have been recognized at their estimated fair value based upon appraisals or similar valuations at the date of acquisition or donation. Proceeds from sales of collection items not previously provided financial statement recognition are reflected on the statement of activities as changes in the appropriate net asset class, depending on the existence and type of donor-imposed restrictions, if any.

When an asset retirement obligation is identified, the College records the fair value of the obligation as a liability. Over time, the liability is accreted to its estimated settlement value. Upon settlement of the liability, the College will recognize a gain or loss for any difference between the settlement amount and the liability recorded. The fair value of the obligation is also capitalized as part of land, buildings, and equipment and then amortized over the estimated remaining useful life of the associated asset.

**Deferred Gift Arrangements**

The College’s deferred gift arrangements with donors consist of irrevocable charitable remainder trusts, charitable gift annuities, and pooled income funds for which the College is the remainder beneficiary. Assets held under these arrangements are included in investments and recorded at fair value. The fair value of these assets included in investments at June 30, 2019 and 2018 was \$23,230,049 and \$24,052,749, respectively. Contribution revenue is recognized at the dates the trusts are established, net of the liabilities

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

recorded for the present value of beneficiary payments to be made to the donors and/or other stipulated beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits. The College recognizes its interest in the assets received as contribution revenue, at the fair value of the assets received net of a discount for future interest based on the life expectancy of the donor, calculated using the Annuity 2012 mortality table. The liability for the present value of deferred gifts is based-upon actuarial estimates and assumptions regarding the duration of the arrangements and the assumed discount rate. Discount rates range from 2.8% to 3.6% and are established as of the date of the gift. Circumstances affecting these assumptions can change the estimate of this liability in future periods. At June 30, 2019 and 2018, the present value of beneficiary payments totaled \$11,635,999 and \$12,121,049, respectively, of which \$7,084,109 and \$7,510,248, respectively, relates to the College's charitable gift annuity program.

**Workers' Compensation**

The College recognizes a worker's compensation liability for future payments for current and prior years' claims. The liability is based on estimated claims payable and claims incurred but not reported discounted to present value at 4.0%. As of June 30, 2019 and 2018, the workers' compensation liability is \$3,110,961 and \$2,579,658, respectively, and is recorded within accounts payable and accrued expenses on the accompanying statements of financial position.

**Expenses**

Expenses are recognized by the College as incurred and reported as decreases in net assets without donor restrictions. Expenses paid in advance and not yet incurred are reported as prepaid expenses until the applicable period.

The costs of program and supporting activities have been summarized on a functional basis on the statement of activities. Expenses directly attributable to a specific functional area are reported within that functional area. Indirect expenses that benefit multiple areas have been allocated based upon reasonable ratios determined by management. Expenses associated with the operation and maintenance of the College's plant assets, including interest and depreciation expense, are allocated on the basis of square footage utilized by the functional categories. Expenses associated with fundraising activities of the College totaled \$6,555,150 and \$6,877,301 in 2019 and 2018, respectively, and are included in institutional support in the statements of activities.

**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. Estimates also effect the reported amounts of revenues and expenses during the reporting period. The College's significant estimates include the valuation of certain investments, valuation of contributions receivable, valuation of asset retirement obligations, and valuation of its pension and postretirement benefit obligations. Actual results could differ from those estimates.

**Risks and Uncertainties**

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

value of investments, it is at least reasonably possible that changes in risk in the near-term could materially affect the amounts reported in the accompanying financial statements.

Contributions and the actuarial present value of accumulated plan benefits for the pension and postretirement obligations are estimated based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the accompanying financial statements.

**Tax Status**

The College generally does not provide for income taxes since it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. U.S. GAAP permits an organization to recognize the benefit and requires accrual of an uncertain tax position only when the position is “more likely than not” to be sustained in the event of examination by tax authorities. Tax positions deemed to meet the “more likely than not” threshold are recorded as a tax expense in the current year. The College has analyzed all open tax years and believes it has no significant uncertain tax positions.

**Reclassification**

Certain information in the fiscal 2018 financial statements has been reclassified to conform to the fiscal 2019 presentation. There were no changes in assets, liabilities, revenues, expenses or changes in net assets as reflected in the 2018 financial statements.

**3. CONTRIBUTIONS RECEIVABLE, NET**

Contributions receivable, net, consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Unconditional promises expected to be collected in		
Less than one year	\$ 6,351,314	\$ 4,008,791
One to five years	9,084,140	13,081,891
Thereafter	<u>611,449</u>	<u>643,251</u>
	16,046,903	17,733,933
Less present value discounts (rates between 0.39% and 6.00%)	(455,001)	(516,292)
Allowance for uncollectible pledges	<u>(177,471)</u>	<u>(1,094,854)</u>
	<u>\$ 15,414,431</u>	<u>\$ 16,122,787</u>

Conditional pledges and bequest intentions totaling approximately \$105,423,913 have been excluded from these amounts and are not recorded in the accompanying financial statements.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**4. STUDENT LOANS RECEIVABLE AND REFUNDABLE GOVERNMENT LOAN FUNDS**

Student loans receivable are carried at unpaid principal balances, which are believed to represent net realizable value. These loans have mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. At June 30, 2019 and 2018, student loans receivables totaled \$2,537,883 and \$2,943,879, respectively, net of reserves for loans to students estimated to be uncollectible totaling of \$198,014 and \$140,204, respectively.

Amounts received from the federal government to fund a portion of the student loans are ultimately refundable to the federal government and are classified as refundable government loan funds in the statement of financial position. At June 30, 2019 and 2018, the advances refundable to the U.S. government totaled \$1,662,704 and \$2,430,076, respectively.

Amounts due under the Federal Perkins Loan program are almost fully guaranteed by the government and, therefore, no reserves are placed on any past due balances. At June 30, 2019, the following amounts were past due under student loan program:

	<b>In Default &lt; 240 Days (Monthly Installments) or 270 Days (Other Installment</b>	<b>In Default &lt; 240 Days (Monthly Installments) or 270 Days (Other Installment and &lt; 2 Years</b>	<b>In Default &gt; 2 Years, Up to 5 Years</b>	<b>In Default &gt; 5 Years</b>	<b>Total Past Due</b>
June 30, 2019	\$ 81,689	\$ 29,830	\$ 55,915	\$ 196,196	\$ 363,630

**5. INVESTMENTS**

The College's investment objective is to earn average annual returns sufficient to support regular spending appropriations, and compensate for the impact of inflation over time. The asset allocation for the endowment, which employs multiple managers organized into several asset classes, is designed to achieve this return objective on average over the long-term at an appropriate level of risk. Short-term investments are intended to provide liquidity for operating and nonoperating activities. Fixed-income investments are intended to provide income, liquidity, and diversification benefits. Equity investments, real estate, oil and gas partnerships, venture capital/private placements, institutional mutual funds, and balanced funds are intended to provide growth, income, and diversification benefits.

Total investment return is as follows for the years ended June 30:

	<b>2019</b>	<b>2018</b>
Dividends and interest	\$ 12,104,282	\$ 8,096,799
Realized and unrealized gains, net	63,448,393	81,607,912
Direct management fees and other	(8,127,535)	(8,431,076)
Total return, net of fees	<u>\$ 67,425,140</u>	<u>\$ 81,273,635</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

The fair value of the College's investments has been determined in the following manner:

<b>Investments</b>	<b>Investments Fair value</b>
Short-term investments consisting principally of money market instruments, commercial paper, and cash management funds	At quoted fair value which approximates cost
Equity securities, debt securities, mutual funds, shares in real estate investment trusts, and other publicly traded securities	At quoted fair value
Privately held partnerships, including alternative investments such as private equity and hedge fund limited partnerships	Net asset value as determined by the general partner

The values of publicly traded fixed-income and equity securities are based-upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of nonpublicly traded pooled funds are valued at the unit value determined by the fund's administrator based on quoted fair values of the underlying securities. Alternative investments, which consist of hedge funds, real estate, oil and gas partnerships, venture capital and private partnerships, are valued using current estimates of fair value based upon the NAV per ownership interest of the funds determined by the general partner or investment manager for the respective funds. These valuations consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sale prices of investments, and other pertinent information. NAV is used as a practical expedient to estimate the fair value of the College's interest in these funds, unless it is probable that all or a portion of the investment will be sold for an amount different than NAV. The College has assessed the NAV provided by the external managers and believes the amounts reported represent a reasonable estimate of fair value.



**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

The following tables summarize the valuation of the College's investment portfolio by asset class, excluding beneficial interests in outside trusts, under the fair value hierarchy levels as of June 30:

	<b>2019</b>			
	<b>Investments Measured at</b>			
	<b>NAV</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
Short-term investments	\$ -	\$ 30,893,896	\$ -	\$ 30,893,896
Fixed-income	-	146,296,393	-	146,296,393
Marketable real estate	-	3,493,362	232,727	3,726,089
Equity investments				
U.S. stocks	-	144,502,090	-	144,502,090
International stocks	-	17,328,895	-	17,328,895
Hedge funds	265,364,868	-	-	265,364,868
Real estate, oil, and gas partnerships	62,813,578	-	8,234,203	71,047,781
Venture capital/private partnerships	<u>445,703,933</u>	<u>-</u>	<u>-</u>	<u>445,703,933</u>
	<u>\$ 773,882,379</u>	<u>\$ 342,514,636</u>	<u>\$ 8,466,930</u>	<u>\$ 1,124,863,945</u>
	<b>2018</b>			
	<b>Investments Measured at</b>			
	<b>NAV</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
Short-term investments	\$ -	\$ 53,909,697	\$ -	\$ 53,909,697
Fixed-income	-	123,653,620	-	123,653,620
Marketable real estate	-	3,308,072	232,727	3,540,799
Equity investments				
U.S. stocks	-	146,345,586	-	146,345,586
International stocks	-	25,594,755	-	25,594,755
Hedge funds	265,968,716	-	-	265,968,716
Real estate, oil, and gas partnerships	78,529,609	-	-	78,529,609
Venture capital/private partnerships	<u>385,288,542</u>	<u>-</u>	<u>-</u>	<u>385,288,542</u>
	<u>\$ 729,786,867</u>	<u>\$ 352,811,730</u>	<u>\$ 232,727</u>	<u>\$ 1,082,831,324</u>

The College had no Level 2 investments at June 30, 2019 and 2018.

There were no transfers between levels of the fair value hierarchy during the years ended June 30, 2019 and 2018.

During 2019 and 2018, there was no activity in investments held within level 3 as defined in the fair value hierarchy.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**Liquidity**

Hedge funds and certain equity investments are redeemable with the funds or limited partnerships at NAV under the terms of the subscription agreement and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly, or annual redemption frequency typically require notice periods ranging from 15 to 90 days. Investment fair values are broken out below by their redemption frequency as of June 30, 2019.

	<u>Daily</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annual</u>	<u>Illiquid</u>	<u>Total</u>
Short-term investments	\$ 30,893,896	\$ -	\$ -	\$ -	\$ -	\$ 30,893,896
Fixed-income	146,296,393	-	-	-	-	146,296,393
Marketable real estate	3,493,362	-	-	-	232,727	3,726,089
Equity investments						
U.S. stocks	144,502,090	-	-	-	-	144,502,090
International stocks	17,328,894	-	-	-	-	17,328,894
Hedge funds	-	-	77,833,913	169,557,235	17,973,720	265,364,868
Real estate, oil and gas partnerships	-	-	-	-	71,047,781	71,047,781
Venture capital/private placement	-	63,316,024	66,056,719	31,736,919	284,594,272	445,703,934
	<u>\$ 342,514,635</u>	<u>\$ 63,316,024</u>	<u>\$ 143,890,632</u>	<u>\$ 201,294,154</u>	<u>\$ 373,848,500</u>	<u>\$ 1,124,863,945</u>

Investments with a redemption frequency of illiquid includes lock-ups with expiration dates, restricted shares, side pockets, gates or funds in liquidation which have suspended normal liquidity terms, as well as private equity and real asset funds where the College has no liquidity terms until the investments are sold by the respective fund manager. The estimated life of the real assets and venture capital/private placement funds range from 7 to 15 years. At June 30, 2019, the College's remaining outstanding commitments on investments totaled \$147,581,438 and are expected to be funded from existing investments included within the endowment.

**6. BENEFICIAL INTEREST IN OUTSIDE TRUSTS**

The College has a beneficial interest in several perpetual trusts. At June 30, 2019 and 2018, the College's proportionate share in the fair value of such assets totaled \$8,804,184 and \$8,851,768, respectively. Such interests are reported as net assets with donor restrictions and are classified as Level 3 within the fair value hierarchy. The following table summarizes the changes in fair values associated with the Level 3 assets for the years ended June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
<b>Balance, July 1,</b>	\$ 8,851,768	\$ 8,864,629
Distributions	(445,180)	(415,860)
Appreciation	<u>397,596</u>	<u>402,999</u>
<b>Balance, June 30,</b>	<u>\$ 8,804,184</u>	<u>\$ 8,851,768</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**7. ENDOWMENT**

The College endowment consists of approximately 900 individual donor-restricted endowment funds and 100 board-designated quasi endowment funds for a variety of purposes. Pledges receivable and deferred gift arrangements that have been designated for endowment are not considered to be part of the endowment until the funds are received. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (“NYPMIFA”) governs the management and investment of donor-restricted endowment funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment, and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure. The Board of Trustees has interpreted its fiduciary responsibilities for donor-restricted endowment funds under New York State’s Not-for-Profit Corporation Law, including NYPMIFA, to include the preservation of intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds.

As a result of this interpretation, the College classifies as net assets with donor restrictions: (a) the original value of gifts donated to a true endowment fund, (b) the original value of subsequent gifts to a true endowment fund, and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In addition, unspent earnings related to donor-restricted endowment funds are classified as net assets with donor restrictions until the amounts are expended by the College in a manner consistent with the donor’s intent and appropriated for expenditure by the Board of Trustees. The remaining portion of the endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions.

The College considers the following factors in making a determination to appropriate or accumulate endowment funds: (i) the duration and preservation of the fund; (ii) the purposes of the College and its donor-restricted endowment fund; (iii) general economic conditions; (iv) the possible effect of inflation and deflation; (v) the expected total return from income and the appreciation of endowment investments; (vi) other resources of the College; and (vii) the investment policies of the College.

Endowment net asset composition, excluding pledges and beneficial interests in outside trusts, and changes in endowment net assets, consists of the following at June 30:

	<b>2019</b>				
	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>			<b>Total</b>
		<b>Program and Time Restricted</b>	<b>Amounts Held in Perpetuity</b>	<b>Total</b>	
Board-designated quasi endowment	\$ 159,636,589	\$ -	\$ -	\$ -	\$ 159,636,589
Donor-restricted endowment funds:	-	545,942,295	411,800,622	957,742,917	957,742,917
Total endowment funds at June 30, 2019	<u>\$ 159,636,589</u>	<u>\$ 545,942,295</u>	<u>\$ 411,800,622</u>	<u>\$ 957,742,917</u>	<u>\$ 1,117,379,506</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

	<b>2019</b>				
	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>			<b>Total</b>
		<b>Program and Time Restricted</b>	<b>Amounts Held in Perpetuity</b>	<b>Total</b>	
<b>Net endowment assets at June 30, 2018</b>	\$ 156,816,244	\$ 528,789,200	\$ 397,225,880	\$ 926,015,080	\$ 1,082,831,324
Gifts received	2,348,982	4,729,200	13,984,532	18,713,732	21,062,714
Transfers and gifts further designated	430,098	178,167	597,497	775,664	1,205,762
Investment return, net	16,436,510	50,571,416	-	50,571,416	67,007,926
Appropriation of endowment assets for expenditure	<u>(16,395,245)</u>	<u>(38,325,688)</u>	<u>(7,287)</u>	<u>(38,332,975)</u>	<u>(54,728,220)</u>
<b>Net endowment assets at June 30, 2019</b>	<u>\$ 159,636,589</u>	<u>\$ 545,942,295</u>	<u>\$ 411,800,622</u>	<u>\$ 957,742,917</u>	<u>\$ 1,117,379,506</u>

	<b>2018</b>				
	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>			<b>Total</b>
		<b>Program and Time Restricted</b>	<b>Amounts Held in Perpetuity</b>	<b>Total</b>	
Board-designated quasi endowment	\$ 156,816,244	\$ -	\$ -	\$ -	\$ 156,816,244
Donor-restricted endowment funds:	<u>-</u>	<u>528,789,200</u>	<u>397,225,880</u>	<u>926,015,080</u>	<u>926,015,080</u>
Total endowment funds at June 30, 2018	<u>\$ 156,816,244</u>	<u>\$ 528,789,200</u>	<u>\$ 397,225,880</u>	<u>\$ 926,015,080</u>	<u>\$ 1,082,831,324</u>

	<b>2018</b>				
	<b>Without Donor Restriction</b>	<b>With Donor Restrictions</b>			<b>Total</b>
		<b>Program and Time Restricted</b>	<b>Amounts Held in Perpetuity</b>	<b>Total</b>	
<b>Net endowment assets at June 30, 2017</b>	\$ 152,070,556	\$ 504,017,804	\$ 346,481,803	\$ 850,499,607	\$ 1,002,570,163
Gifts received	2,183,295	-	50,493,840	50,493,840	52,677,135
Transfers and gifts further designated	877,499	-	250,637	250,637	1,128,136
Investment return, net	19,984,117	59,909,050	-	59,909,050	79,893,167
Appropriation of endowment assets for expenditure	<u>(18,299,223)</u>	<u>(35,138,054)</u>	<u>-</u>	<u>(35,138,054)</u>	<u>(53,437,277)</u>
<b>Net endowment assets at June 30, 2018</b>	<u>\$ 156,816,244</u>	<u>\$ 528,788,800</u>	<u>\$ 397,226,280</u>	<u>\$ 926,015,080</u>	<u>\$ 1,082,831,324</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**8. 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 and a line of credit.

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 solely to make new loans, and are therefore, not available to meet current operating needs.

As of June 30, 2019, 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 balance sheet date to meet general expenditures:

	<u>2019</u>
Financial assets due within one-year:	
Cash and cash equivalents	\$ 27,035,268
Accounts receivable	1,109,961
Contributions receivable due within one year	6,351,314
Fiscal year 2020 endowment return used in support of operations	56,141,630
Investments	<u>1,124,863,945</u>
	<u>1,215,502,118</u>
Less:	
Amounts unavailable for general expenditures within one-year due to:	
Donor restricted gifts for plant and endowment	24,718,764
Donor restricted pledges	5,962,707
Unappropriated accumulated endowment gains	545,942,295
Restricted by donor in perpetuity	411,800,622
Other investment	<u>7,484,439</u>
Total amounts unavailable due to donor restrictions or law	<u>995,908,827</u>
Total financial assets available to management for general expenditure before amounts subject to the Board's approval	<u>219,593,291</u>
Amounts available to management subject to the Board's approval:	
Board designated for Quasi-Endowment	<u>159,636,589</u>
Total amounts available to management subject to the Board's approval	<u>159,636,589</u>
Total financial assets available to management for general expenditure within one-year	<u>\$ 59,956,702</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**9. LAND, BUILDINGS, AND EQUIPMENT, NET**

The following is a summary of the College's property and equipment as of June 30:

	<b>Estimated Lives</b>	<b>2019</b>	<b>2018</b>
		<u>          </u>	<u>          </u>
Land	-	\$ 2,125,873	\$ 2,125,873
Land improvements	50 years	38,692,981	35,728,694
Buildings and improvements	10 to 50 years	597,726,675	594,032,452
Equipment (including computers)	4 - 7 years	94,523,936	93,127,111
Library books	4 years	61,540,290	61,028,597
Art works and collectibles	-	62,271,090	60,923,157
Construction in progress	-	<u>3,937,814</u>	<u>3,719,168</u>
		860,818,659	850,685,052
Less accumulated depreciation		<u>(390,459,548)</u>	<u>(371,081,144)</u>
		<u>\$ 470,359,111</u>	<u>\$ 479,603,908</u>

Depreciation for the years ended June 30, 2019 and 2018 totaled \$19,720,204 and \$21,779,686, respectively.

The College's Board of Trustees approved a capital budget of \$4,600,000 for construction projects in fiscal year 2020.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**10. LONG-TERM DEBT**

Long-term debt consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Dormitory Authority of the State of New York Revenue Bonds, Series 2010, maturing in 2049, with interest of 5%. The bonds are unsecured general obligations of the College. <sup>(a)</sup>	\$ 50,000,000	\$ 50,000,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2013A, maturing in 2049, with interest ranging from 4% to 5%. The bonds are unsecured general obligations of the College. <sup>(b)</sup>	87,085,000	87,085,000
Dutchess County Local Development Corporation Revenue Bonds, Series 2017, maturing in 2046, with interest ranging from 4% to 5%. The bonds are unsecured general obligations of the College. <sup>(c)</sup>	<u>101,510,000</u>	<u>102,095,000</u>
	238,595,000	239,180,000
Add net premium received on bond issuance	9,269,196	9,513,122
Less bond issuance costs	<u>(644,142)</u>	<u>(881,332)</u>
	<u>\$ 247,220,054</u>	<u>\$ 247,811,790</u>

- a. On March 31, 2010, the College entered into an agreement with the Dormitory Authority of the State of New York, which provided for the issuance of \$50,000,000 Vassar College Revenue Bonds, Series 2010. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.
- b. On June 6, 2013, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of \$87,085,000 Vassar College Revenue Bonds, Series 2013A. A portion of the proceeds was received by the College to pay certain costs associated with the issuance and the remaining amount was deposited into a bond trustee escrow account to be used for capital renovations and improvements to various facilities throughout the College's campus.
- c. On April 25, 2017, the College entered into an agreement with the Dutchess County Local Development Corporation, which provided for the issuance of \$102,095,000 Vassar College Revenue Bonds, Series 2017. A portion of the proceeds were deposited into bond trustee escrow accounts to extinguish the Vassar College Revenue Series 2007 Bonds. A portion of the proceeds was received by the College to pay certain costs associated with the issuance.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

Maturities of bonds for the fiscal years after June 30, 2019 are as follows:

2020	\$	600,000
2021		625,000
2022		650,000
2023		955,000
2024		985,000
Thereafter		<u>234,780,000</u>
	\$	<u>238,595,000</u>

Interest expense for the years ended June 30, 2019 and 2018 totaled \$11,020,018 and \$11,195,889, respectively.

The Dormitory Authority of the State of New York and the Dutchess County Local Development Corporation require the College to establish certain reserve funds which are included in the caption “deposits held by bond trustee” on the accompanying statements of financial position. These funds are invested in cash and cash equivalents and fixed-income securities where the fair value is based on quoted market prices and are considered to be Level 1 in the fair value hierarchy.

In addition, the Dormitory Authority of the State of New York requires the College to maintain certain liquidity ratios. The College is in compliance with all debt covenants.

**Line of Credit**

The College maintains a revolving line of credit for \$10,000,000 of which \$8,500,000 is available for working capital and \$1,500,000 can be used for the issuance of letters of credit. As of June 30, 2019, the College had a letter of credit issued on its behalf in the amount of \$1,324,000. As of June 30, 2019 and 2018, the College had not drawn on the designated working capital portion of the revolving line of credit.

**11. EMPLOYEE BENEFITS - RETIREMENT PLANS**

Retirement benefits for substantially all full-time employees are provided under a defined contribution plan with Teachers Insurance and Annuity Association (“TIAA”) and Fidelity Investments (“Fidelity”). In accordance with current plan documents, all employees who have completed one year of service at the College are eligible to participate in the Plan. The College makes contributions to TIAA and Fidelity based on eligible employees’ earnings and age. Contributions for the years ended June 30, 2019 and 2018 totaled approximately \$7,018,000 and \$6,935,000, respectively.

Retirement benefits for nonacademic employees, excluding secretarial, clerical, technical and supervisory staff, are provided under the Vassar College Defined Benefit Pension Plan.



**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

The following tables and associated disclosures set forth information related to the Vassar College Defined Benefit Pension Plan:

	<u>2019</u>	<u>2018</u>
Change in projected benefit obligation		
Benefit obligation at beginning of year	\$ 45,964,397	\$ 46,998,233
Service cost	1,373,629	1,222,643
Interest cost	1,795,052	1,467,721
Plan Amendments	2,661,351	-
Benefits paid	(1,711,788)	(1,724,297)
Actuarial loss (gain)	<u>5,851,735</u>	<u>(1,999,903)</u>
Benefit obligation at end of year	<u>\$ 55,934,376</u>	<u>\$ 45,964,397</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 34,182,932	\$ 31,877,704
Actual return on plan assets	2,055,964	2,485,525
Employer contribution	1,567,000	1,544,000
Benefits paid	<u>(1,711,788)</u>	<u>(1,724,297)</u>
Fair value of plan assets at end of year	<u>36,094,108</u>	<u>34,182,932</u>
Funded status at June 30 - amount recognized in statement of financial position	<u>\$ (19,840,268)</u>	<u>\$ (11,781,465)</u>
Amounts recognized in unrestricted net assets		
Net prior service cost	\$ 4,243,787	\$ 2,124,341
Net actuarial loss	16,576,881	10,851,796

The estimated net prior service cost and net actuarial loss for the defined benefit pension plan that will be amortized from net assets without donor restrictions into net periodic benefit cost over the next fiscal year are \$462,110 and \$817,829, respectively.

Based on the current funding level, the College anticipates making a contribution for fiscal year 2020 in the amount of \$2,369,000.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

Components of net periodic benefit cost for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,373,629	\$ 1,223,643
Interest cost	1,795,052	1,467,721
Expected return on plan assets	(2,369,698)	(2,199,436)
Amortization of		
Prior service cost	541,905	346,223
Actuarial net loss	<u>440,384</u>	<u>666,506</u>
Net periodic benefit cost	<u>\$ 1,781,272</u>	<u>\$ 1,504,657</u>

Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
New prior service credit	\$ (2,661,351)	\$ -
Net actuarial gain	(6,165,469)	2,285,992
Amortization of		
Prior service cost	541,905	346,223
Actuarial net loss	<u>440,384</u>	<u>666,506</u>
Total recognized in nonoperating activities	<u>\$ (7,844,531)</u>	<u>\$ 3,298,721</u>

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position at June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Year-end benefit obligation		
Discount rate	3.36 %	4.04 %
Net periodic benefit cost		
Discount rate	4.04 %	3.71 %
Expected return on plan assets	7.00 %	7.00 %

The expected long-term rate of return assumption represents the expected average rate of return or earnings on funds invested or to be invested to provide for the benefits included in the benefit obligations. This assumption is based on a number of factors, including historical market index returns, the anticipated long-term asset allocation of the plan, historical plan return data, plan expenses, and the potential to out-perform market index returns.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

The estimated future benefit payments from the defined benefit pension plan for the fiscal years ended June 30 are as follows:

2020	\$ 2,287,870
2021	2,382,409
2022	2,512,717
2023	2,618,125
2024	2,756,450
2025 - 2028	<u>15,296,568</u>
	<u>\$ 27,854,139</u>

**Defined-Benefit Plan Investment Policy**

The Investment Committee of the Board of Trustees (the “Committee”) directs the investment of the assets within the defined benefit pension plan (the “Plan”). The Committee has established a formal investment policy for the Plan, the goal of which is to generate a long-term real rate of return of 5.5% - 6.0%, while sustaining moderate levels of risk. Target weightings for asset classes in the investment policy have been established based upon long-term expected real rates of return and correlation of returns as developed by the Plan’s investment manager. These target weightings, bounded by allowable ranges, are expected to allow the Plan assets to meet its objectives over the long-term with respect to investment return, volatility, and liquidity.

Target weightings for Plan assets are 60% equities, 30% fixed income, and 10% real estate. As of June 30, 2019 and 2018, actual weightings approximated the targets.

The Plan’s assets are shown below at fair value by investment class and hierarchy, as of June 30, 2019 and 2018:

	<b>2019</b>			
	<b>Investments Measured at NAV</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Common/collective trusts	\$ -	\$ -	\$ 13,462,928	\$ 13,462,928
Mutual funds	-	22,626,399	-	22,626,399
Other	<u>4,781</u>	<u>-</u>	<u>-</u>	<u>4,781</u>
	<u>\$ 4,781</u>	<u>\$ 22,626,399</u>	<u>\$ 13,462,928</u>	<u>\$ 36,094,108</u>
	<b>2018</b>			
	<b>Investments Measured at NAV</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Common/collective trusts	\$ -	\$ 13,078,561	\$ -	\$ 13,078,561
Mutual funds	-	21,077,315	-	21,077,315
Other	<u>27,056</u>	<u>-</u>	<u>-</u>	<u>27,056</u>
	<u>\$ 27,056</u>	<u>\$ 34,155,876</u>	<u>\$ -</u>	<u>\$ 34,182,932</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**12. EMPLOYEE BENEFITS - POSTRETIREMENT HEALTH INSURANCE**

The College provides postretirement medical benefits for certain retirees and employees. The cost of postretirement benefits is accrued as earned during an employee's service with the College.

The following table presents the postretirement medical plan's funded status and amounts recognized in the financial statements. The calculations were based upon data as of June 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 24,138,768	\$ 25,447,976
Service cost	1,096,659	1,215,249
Interest cost	881,872	786,806
Plan participants' contributions	98,547	67,422
Benefits paid	(918,859)	(906,111)
Actuarial loss (gain)	<u>3,114,763</u>	<u>(2,472,574)</u>
Benefit obligation at end of year	<u>28,411,750</u>	<u>24,138,768</u>
Change in plan asset		
Fair value of plan assets at beginning of year	-	-
Employer contributions	820,312	838,689
Plan participants' contributions	98,547	67,422
Benefits paid	<u>(918,859)</u>	<u>(906,111)</u>
Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Funded status at June 30 - amount recognized in statement of financial position	<u>\$ (28,411,750)</u>	<u>\$ (24,138,768)</u>

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

	<u>2019</u>	<u>2018</u>
Amounts recognized in net assets without donor restrictions		
Net actuarial gain	\$ <u>1,232,701</u>	\$ <u>4,669,728</u>
Components of net periodic benefit cost		
Service cost	1,096,659	1,215,249
Interest cost	881,872	786,806
Amortization of		
Prior service credit	-	-
Actuarial net (gain) loss	<u>(322,264)</u>	<u>-</u>
Net postretirement benefit cost	<u>\$ 1,656,267</u>	<u>\$ 2,002,055</u>

Other changes in benefit obligations recognized in net assets without donor restrictions for the years ended June 30 are as follows:

	<u>2019</u>	<u>2018</u>
Net actuarial gain	\$ (3,114,763)	\$ 2,472,574
Amortization of		
Prior service credit	-	-
Actuarial net loss	<u>(322,264)</u>	<u>-</u>
Total recognized in nonoperating activities	<u>\$ (3,437,027)</u>	<u>\$ 2,472,574</u>

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in the College's statements of financial position were as follows:

	<u>2019</u>	<u>2018</u>
Year end benefit obligation		
Discount rate	3.32 %	4.02 %
Net periodic benefit cost		
Discount rate	4.02 %	3.66 %

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

Based on the current funding level, the College anticipates making a contribution for fiscal year 2020 in the amount of approximately \$1,276,000.

The estimated future benefit payments from the postretirement health insurance plan for the fiscal years ended June 30 are as follows:

2020	\$ 1,276,154
2021	1,312,821
2022	1,339,190
2023	1,365,270
2024	1,379,023
2025 - 2029	<u>7,400,181</u>
	<u>\$ 14,072,639</u>

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the postretirement benefit plan. Assumed health care cost trends are 6.01% and 6.29% as of June 30, 2019 and 2018, respectively, decreasing annually to an ultimate trend rate of 4.50% by 2037.

A one-percentage-point change in the assumed healthcare cost trend rates would have the following effects at June 30:

	<u>2019</u>	<u>2018</u>
Effect of 1% increase in healthcare cost trend rate		
Change in aggregate of current service cost and interest cost	\$ 393,212	\$ 418,160
Change in accumulated postretirement benefit obligation	4,070,586	3,279,840
Effect of 1% decrease in healthcare cost trend rate		
Change in aggregate of current service cost and interest cost	\$ (312,755)	\$ (330,877)
Change in accumulated postretirement benefit obligation	(3,367,023)	(2,728,525)

**13. STUDENT TUITION, FEES, ROOM AND BOARD, NET**

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 thirty days of the bill date.

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various parking facilities and vending machines across campuses. Generally, this other fees revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

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

**For the year ended June 30, 2019**

	<u>Tuition and Fees</u>	<u>Room and Board</u>	<u>Total</u>
Revenues	\$ 143,871,514	\$ 31,743,034	\$ 175,614,548
Less: Student aid	<u>(56,744,720)</u>	<u>(12,519,848)</u>	<u>(69,264,568)</u>
Student tuition, fees, room and board, net	<u>\$ 87,126,794</u>	<u>\$ 19,223,186</u>	<u>\$ 106,349,980</u>

**For the year ended June 30, 2018**

	<u>Tuition and Fees</u>	<u>Room and Board</u>	<u>Total</u>
Revenues	\$ 137,083,170	\$ 29,369,414	\$ 166,452,584
Less: Student aid	<u>(58,136,845)</u>	<u>(12,455,541)</u>	<u>(70,592,386)</u>
Student tuition, fees, room and board, net	<u>\$ 78,946,325</u>	<u>\$ 16,913,873</u>	<u>\$ 95,860,198</u>

The College has taken a portfolio approach in determining whether student aid should apply across tuition and fees, housing, and meals. In general, 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 at June 30, 2019 totaled \$6,100,000 and represents the College's performance obligation to transfer future enrollment and instructional services to students. For the year ended June 30, 2019, the College recognized revenue of \$3,300,000 from amounts that were included in deferred revenues at the beginning of the year. 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.

**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**14. RESTRICTED NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS**

The College's donor-restricted net assets consist of the following at June 30:

	2019		2018	
	Program and Time Restrictions	Amounts Held in Perpetuity	Program and Time Restrictions	Amounts Held in Perpetuity
Instruction	\$ 216,809,067	\$ 109,605,277	\$ 209,914,728	\$ 106,938,804
Scholarships	232,245,706	176,703,680	222,883,069	167,211,980
Student services	23,289,381	14,106,554	13,135,962	12,155,852
Academic support	43,317,448	27,540,247	41,075,523	27,204,660
Institutional support	28,922,301	77,028,048	26,457,501	76,554,860
Other	37,597,809	4,082,336	18,715,875	11,358,739
Annuities and trusts	2,853,272	13,129,449	3,079,423	13,115,725
Pledges	6,309,675	9,104,757	6,802,026	9,508,202
Total net assets	<u>\$ 591,344,659</u>	<u>\$ 431,300,348</u>	<u>\$ 542,064,107</u>	<u>\$ 424,048,822</u>

Net assets with donor restrictions at June 30, 2019 and 2018 includes \$545,942,295 and \$528,789,200, respectively, of appreciation on donor-restricted endowment funds available principally to support instruction, scholarships, student services, academic support, and institutional support costs.

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors are as follows for the years ended June 30:

	2019	2018
Instruction	\$ 11,683,313	\$ 14,444,971
Scholarships	15,983,263	15,298,843
Student services	475,942	683,033
Academic support	1,687,267	3,019,855
Institutional support	1,760,704	749,770
Other	3,518,923	2,312,517
	<u>\$ 35,109,412</u>	<u>\$ 36,508,989</u>



**VASSAR COLLEGE**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

---

**15. COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

At June 30, 2019, minimum annual commitments under operating leases are as follows:

**Fiscal Year Ended June 30**

2020	\$ 64,000
2021	<u>13,000</u>
	<u>\$ 77,000</u>

The College is subject to various litigation incidental to its business activities. Management and its counsel believe that existing insurance policies are sufficient and that pending litigation will not have a material adverse effect on the College's financial position, operations and cash flows.

A provision for amounts due to government agencies for costs which may be disallowed upon examination by government auditors has not been included in the accompanying financial statements. Management believes that the effect of such disallowances, if any, would not have a material effect on the financial position, changes in net assets or cash flows of the College.

**16. NATURAL CLASSIFICATION OF EXPENSES**

Operating expenses presented by natural classification are as follows for the fiscal year ended June 30, 2019, with comparative totals for 2018:

	Instruction	Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprise	Operations and Maintenance	2019 Total	2018 Total
Salaries and wages	\$ 37,710,967	\$ 452,508	\$ 10,555,570	\$ 8,578,776	\$ 12,785,349	\$ 5,364,478	\$ 9,840,506	\$ 85,288,154	\$ 80,764,460
Payroll taxes and fringe benefits	13,688,473	95,434	3,818,621	3,110,327	5,770,696	4,827,752	3,472,632	34,783,935	35,008,113
Depreciation, accretion and amortization	8,343,592	271,061	2,706,777	2,287,278	4,112,098	2,447,413	-	20,168,219	22,196,111
Interest	4,574,173	148,602	1,483,883	1,253,934	2,254,431	1,345,650	-	11,060,673	11,238,030
Utilities	-	-	455	-	-	61,434	4,823,192	4,885,081	4,606,805
Professional service fees	890,559	115,590	1,268,151	993,228	3,118,253	6,272,003	1,428,243	14,086,027	13,093,587
Conferences meetings and travel	985,438	216,128	933,177	1,397,928	1,976,518	113,277	165,606	5,788,072	5,700,129
Information technology	42,313	13,525	2,494,275	140,218	77,574	5,130	27,141	2,800,176	3,029,744
Other operating	6,219,595	1,041,673	244,153	2,100,065	5,613,046	818,789	5,316,578	21,353,899	18,961,457
Operations and maintenance	<u>10,373,072</u>	<u>336,993</u>	<u>3,365,168</u>	<u>2,843,631</u>	<u>5,112,317</u>	<u>3,042,717</u>	<u>(25,073,898)</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>\$ 82,828,182</u>	<u>\$ 2,691,514</u>	<u>\$ 26,870,230</u>	<u>\$ 22,705,385</u>	<u>\$ 40,820,282</u>	<u>\$ 24,298,643</u>	<u>\$ -</u>	<u>\$ 200,214,236</u>	<u>\$ 194,598,436</u>

**17. SUBSEQUENT EVENTS**

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2019 and through October 25, 2019, the date on which the financial statements were issued. The College is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

# Short Environmental Assessment Form

## Part 1 - Project Information

### Instructions for Completing

**Part 1 – Project Information.** The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

<b>Part 1 – Project and Sponsor Information</b>			
Name of Action or Project: Renovation and maintenance projects			
Project Location (describe, and attach a location map): 124 Raymond Avenue, Poughkeepsie, NY 12604			
Brief Description of Proposed Action: Various renovation and maintenance projects across campus, including a number of projects intended to reduce energy consumption and greenhouse gas production. Projects are likely to include interior renovations to Baldwin House, campus-wide replacement of lights with LED fixtures,			
Name of Applicant or Sponsor: Bryan Swarthout, CFO-designate		Telephone: 845-437-5500	
Address: Box 2, 124 Raymond Ave.		E-Mail: brswarthout@vassar.edu	
City/PO: Poughkeepsie		State: NY	Zip Code: 12604-0002
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: Town of Poughkeepsie Building Permit; possibly air permit(s) for central boiler plant modifications			YES <input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action? _____ TBD acres			
b. Total acreage to be physically disturbed? _____ 0.0* acres			
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ 278.63** acres			
4. Check all land uses that occur on, are adjoining or near the proposed action:			
5. <input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input checked="" type="checkbox"/> Agriculture <input checked="" type="checkbox"/> Aquatic <input checked="" type="checkbox"/> Other(Specify): Institutional			
<input type="checkbox"/> Parkland			

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply:		
<input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input checked="" type="checkbox"/> Early mid-successional <input checked="" type="checkbox"/> Wetland <input type="checkbox"/> Urban <input type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,	NO	YES
a. Will storm water discharges flow to adjacent properties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, briefly describe: _____ _____		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</b>  Applicant/sponsor/name: _____ Date: _____ Signature: _____ Title: _____		