COLUMBIA COLLEGE CHICAGO

Financial Statements

August 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

COLUMBIA COLLEGE CHICAGO

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KPMG LLP
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Independent Auditors' Report

The Board of Trustees
Columbia College Chicago:

Opinion

We have audited the financial statements of Columbia College Chicago (the College), which comprise the balance sheets as of August 31, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

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

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

KPMG LLP

Chicago, Illinois
January 27, 2025

COLUMBIA COLLEGE CHICAGO

Balance Sheets

August 31, 2024 and 2023

Assets		2024	2023
Cash and cash equivalents	$	4,386,060	6,774,107
Student accounts receivable, less allowance for doubtful accounts of $3,916,685 in 2024 and $3,292,266 in 2023		1,893,360	1,799,370
Other accounts and interest receivable, net		312,360	313,985
Deposits and prepaid expenses		4,121,650	3,065,536
Grants and contributions receivable, net		2,449,647	1,922,435
Long-term investments, at fair value		202,596,792	220,998,665
Right of use assets – operating, net of amortization		61,742,950	83,222,830
Right of use assets – finance, net of amortization		224,921	508,574
Land, buildings, and equipment, net		198,909,117	206,624,882
Total assets	$	476,636,857	525,230,384
Liabilities and Net Assets			
Liabilities:			
Accounts payable	$	2,285,482	3,113,704
Accrued expenses		8,571,271	9,043,444
Deferred revenue and refundable deposits		18,787,859	21,645,972
Accrued interest payable		803,041	834,726
Accrued pension cost		1,903,763	1,676,753
Asset retirement obligation		7,099,879	7,711,129
Lease obligation – operating		65,219,852	85,263,160
Lease obligation – finance		190,726	474,931
Long-term indebtedness		67,163,137	75,174,059
Total liabilities		172,025,010	204,937,878
Net assets:			
Without donor restrictions		282,298,384	301,067,227
With donor restrictions		22,313,463	19,225,279
Total net assets		304,611,847	320,292,506
Total liabilities and net assets	$	476,636,857	525,230,384

See accompanying notes to financial statements.

COLUMBIA COLLEGE CHICAGO

Statements of Activities

Years ended August 31, 2024 and 2023

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating activities:						
Revenue:						
Tuition and fees, net of $82,566,812 and $77,737,530 in tuition allowances	$ 103,354,713	—	103,354,713	111,418,594	—	111,418,594
Student housing, net	31,648,624	—	31,648,624	30,421,002	—	30,421,002
Sales and services	453,374	—	453,374	450,170	—	450,170
Contributions of cash and other financial assets	634,877	3,037,747	3,672,624	254,436	2,156,164	2,410,600
Contributions of nonfinancial assets	8,620	132,179	140,799	4,936	158,698	163,634
Government grants and contracts	1,199,609	1,768	1,201,377	7,481,385	—	7,481,385
Investment return for operations	835,635	—	835,635	1,564,362	—	1,564,362
Additional endowment spending distribution from board designated funds	37,178,000	—	37,178,000	10,377,000	—	10,377,000
Other	122,502	—	122,502	136,711	—	136,711
Net assets released from restrictions	3,430,438	(3,430,438)	—	2,674,325	(2,674,325)	—
Total operating revenue	178,866,392	(258,744)	178,607,648	164,782,921	(359,463)	164,423,458
Expenses:						
Salaries and wages	77,407,806	—	77,407,806	76,652,871	—	76,652,871
Employee benefits	25,643,815	—	25,643,815	25,146,757	—	25,146,757
Supplies and services	20,786,124	—	20,786,124	25,870,290	—	25,870,290
Operation and maintenance of plant	43,652,052	—	43,652,052	42,372,882	—	42,372,882
Interest	3,807,584	—	3,807,584	3,516,179	—	3,516,179
Depreciation and amortization	13,656,782	—	13,656,782	14,251,927	—	14,251,927
Total operating expenses	184,954,163	—	184,954,163	187,810,906	—	187,810,906
Deficiency of operating revenue over operating expenses	(6,087,771)	(258,744)	(6,346,515)	(23,027,985)	(359,463)	(23,387,448)
Nonoperating activities:						
Investment return, less amounts for operations	24,756,152	2,398,792	27,154,944	17,639,468	1,311,179	18,950,647
Additional endowment spending distributed from board designated funds	(37,178,000)	—	(37,178,000)	(10,377,000)	—	(10,377,000)
Contributions of cash and other financial assets for facility, collections and endowments	—	948,232	948,232	—	407,098	407,098
Contributions of nonfinancial assets	16,000	24,900	40,900	152,760	—	152,760
Nonoperating other income	474	—	474	158,371	—	158,371
Recognition of change in pension funded status	1,065,201	—	1,065,201	1,860,010	—	1,860,010
Other components of net periodic benefit cost	(1,292,211)	—	(1,292,211)	(2,352,371)	—	(2,352,371)
Net assets released from restrictions for capital	25,000	(25,000)	—	25,000	(25,000)	—
Loss on extinguishment of debt	(73,684)	—	(73,684)	—	—	—
Change in fund designation	(4)	4	—	—	—	—
Total non-operating gain (loss)	(12,681,072)	3,346,928	(9,334,144)	7,106,238	1,693,277	8,799,515
Change in net assets	(18,768,843)	3,088,184	(15,680,659)	(15,921,747)	1,333,814	(14,587,933)
Net assets at beginning of year	301,067,227	19,225,279	320,292,506	316,988,974	17,891,465	334,880,439
Net assets at end of year	$ 282,298,384	22,313,463	304,611,847	301,067,227	19,225,279	320,292,506

See accompanying notes to financial statements.

COLUMBIA COLLEGE CHICAGO

Statements of Cash Flows

Years ended August 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ (15,680,659)	(14,587,933)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Recognition of change in pension funded status	227,010	492,361
Depreciation and amortization	13,706,275	14,310,054
Donation of fixed assets and collections, net of costs	(40,900)	(152,760)
Net gain on investments	(28,008,283)	(20,627,109)
Loss on extinguishment of debt	73,684	—
Gifts to endowment	(948,232)	(407,098)
Changes in assets and liabilities:		
Student accounts receivable	(93,990)	(1,127,239)
Other accounts and interest receivable	1,625	959,657
Deposits and prepaid expenses	(1,056,114)	782,212
Grants and contributions receivable	(527,212)	479,036
Accounts payable	(828,222)	(1,804,750)
Accrued expenses	(1,570,210)	(455,724)
Deferred revenue and refundable deposits	(2,858,114)	(10,461,701)
Accrued interest payable	(31,685)	(17,985)
Asset retirement obligation	402,693	(184,480)
Change in net operating ROU assets and liabilities	1,436,572	(643,895)
Net cash used in operating activities	(35,795,762)	(33,447,354)
Cash flows from investing activities:		
Proceeds from sale of investments	114,947,500	81,740,426
Purchase of investments	(68,537,344)	(45,120,980)
Purchase of land, buildings, and equipment	(5,721,468)	(10,291,152)
Net cash provided by investing activities	40,688,688	26,328,294
Cash flows from financing activities:		
Proceeds from gifts to endowment	948,232	407,098
Payments on finance lease obligation	(284,205)	(292,170)
Principal payments on long-term debt	(7,945,000)	(2,135,000)
Net cash used in financing activities	(7,280,973)	(2,020,072)
Net decrease in cash and cash equivalents	(2,388,047)	(9,139,132)
Cash and cash equivalents at beginning of year	6,774,107	15,913,239
Cash and cash equivalents at end of year	$ 4,386,060	6,774,107
Supplementary disclosure of cash flow information:		
Cash paid during the year for interest	$ 3,387,082	3,538,069
Supplementary disclosure of noncash transactions:		
Donated fixed assets and collections	$ 40,900	152,760
Additions of equipment relating to finance lease obligation	—	349,305
Change in accrued expenses for land, buildings, and equipment	1,098,038	437,790

See accompanying notes to financial statements.

(1) Organization

Columbia College Chicago (the College) is a private, not-for-profit, fully accredited college offering comprehensive academic programs in the performing, visual, communications, and writing arts within a liberal arts framework. The College is an urban institution located in Chicago's South Loop that enrolls students from the Chicago area, across the United States, and from international locations. Students are primarily enrolled in undergraduate degree programs although the College also offers graduate programs.

(2) Summary of Significant Accounting Policies

The financial statements of the College have been prepared on the accrual basis. Significant accounting policies followed by the College are described below.

(a) Basis of Presentation

To ensure the observance of limitations and restrictions placed on the use of resources available, the College maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes into funds that are maintained in accordance with activities or objectives of the College.

For external reporting purposes, however, the College's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. As such, the College adheres to the provisions of Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* and classifies net assets into two categories, net assets without donor restrictions and net assets with donor restrictions, defined as follows:

- Net assets without donor restrictions are derived from tuition and other institutional resources not subject to donor-imposed restrictions, including those designated by the Board of Trustees to function as endowment (quasi-endowments) and other board-designated net assets.
- Net assets with donor restrictions are subject to donor-imposed restrictions including those restricted for a particular use, expiring with the passage of time or the occurrence of an event, or to be maintained in perpetuity. When time and purpose restrictions expire, net assets with donor restrictions are released as net assets without donor restrictions. Net assets subject to donor-imposed restrictions may also require assets to be maintained permanently in perpetuity by the College. Generally, the donors of these assets permit the College to use all or part of the income earned on related investments for general or specific purposes.

Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restriction unless their use is restricted by explicit donor stipulation or law.

(b) Revenue Recognition

The College follows the guidance in FASB ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, in its revenue recognition practices. This guidance requires that the College recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the College expects to receive in exchange for those goods and services.

(i) Tuition and Fees, Net of Scholarships

Tuition from academic programs delivered to students is recognized in the fiscal year in which the academic programs are delivered. Tuition is charged at different rates depending on the program in which the student is enrolled, less any institutional financial aid awarded by the College to qualifying students. This institutional aid represents a reduction in the tuition transaction price. As part of a student's course of instruction, certain fees, such as technology fees, are billed to students. Tuition and fees are earned ratably over the applicable term and are not considered separate performance obligations.

The College bills tuition and fees in advance of each academic term; however, students have until approximately the second week of the term to drop classes and receive a full refund. Student receivables are not recognized until the passage of the refund deadline. In some instances, students pay prior to the deadline and the College recognizes deferred revenue in these situations.

(ii) Student Housing, Net of Scholarships

Housing revenue consists of fees for room and dining services (board) during the student's education. These fees are viewed as one performance obligation. Fees are charged at different rates depending on the room accommodation. Both room fees and dining services are billed in advance of each academic term and recognized ratably as revenue over the period in which these services are provided. As with tuition, the College records deferred revenue when students pay prior to the start of the academic term.

(iii) Sales and Services

This category consists of revenue generated by the College from different arrangements that are deemed to be exchange transactions. Major revenue streams in this category include ticket sales for dance and theater performances, revenue from seminars and workshops, and tuition from community outreach programs. Revenue from these activities is generally recognized as services are performed.

(iv) Grant and Contract Revenue

The College adheres to FASB ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*. This ASU provides a framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and provides guidance to distinguish between a donor-imposed condition and a donor-imposed restriction.

Revenue from government grants and contracts is deemed to be nonexchange (nonreciprocal) transactions and fall under the contribution guidance when conditions are met. Revenue is recognized as qualifying expenditures are incurred in accordance with the agreement.

Private gifts, including unconditional promises to give (i.e., pledges), are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. A promise to give is conditional based on whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. A conditional promise to give becomes an unconditional promise to give when the barriers in the agreement are overcome. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful pledges receivable is provided based upon the administration's judgment considering such factors as the creditworthiness of the donor, prior collection history, type of contribution, and nature of the fund-raising activity.

Contributions received with donor-imposed restrictions are reported as revenue of the net assets with donor restrictions class and released to the net assets without donor restrictions class when the restriction has been met. Donor-restricted contributions whose restrictions are met within the same fiscal year in which they are received are reported as revenue without donor restrictions. Contributions of land, buildings, and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue of the net assets without donor restrictions class. Contributions of cash or other assets to be used to acquire land, buildings, and equipment with donor-imposed use restrictions are reported as revenue of the net assets with donor restrictions class; the restrictions are considered to be released at the time such long-lived assets are placed into service.

(c) COVID-19 Pandemic and Higher Education Emergency Relief Fund

During the College's fiscal year 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (the Act), which established a Higher Education Emergency Relief Fund ("HEERF").Subsequently, during the College's fiscal year 2021, two additional acts were passed by the government to again award funds to higher education institutions under HEERF, the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act of 2021.

Funds awarded to institutions under HEERF were to be used to provide eligible students emergency financial aid grants for expenses related to the disruption of campus operations due to the COVID-19 crisis ("HEERF Student Share"). Additionally, institutions were permitted use of remaining funds upon meeting the requirements of the HEERF Student Share to cover operational costs and lost revenue associated with the significant changes brought on by this crisis ("HEERF Institutional Share").

The amounts awarded to the College as HEERF Student Share and HEERF Institutional Share under each of these Acts are as follows:

		HEERF Student Share	HEERF Institutional Share
Coronavirus Aid, Relief, and Economic Security Act ("HEERF I")	$	3,170,771	3,170,771
Coronavirus Response and Relief Supplemental Appropriations Act ("HEERF II")		3,170,771	6,619,988
American Rescue Plan Act of 2021 ("HEERF III")		8,613,491	8,601,621
Total awarded	$	14,955,033	18,392,380

The College did not record any HEERF-related funding in fiscal year 2024. The following is a summary of the HEERF-related funding recorded by the College during fiscal year 2023:

		Student Share	Institutional Share
HEERF III	$	2,319,045	2,852,067
Total	$	2,319,045	2,852,067

Revenues of $5.2 million were recorded within government grants and contracts on the College's statement of activities during fiscal year 2023. The corresponding expense of $2.3 million related to Student Share funding was recorded as supplies and services expense. No associated expenditures were recorded for the Institutional Share since nearly all the funds were used to offset lost revenue resulting from the pandemic.

(d) Long-Term Pooled Investment Payout

The College has adopted a spending policy in support of current operational budget requirements. This policy allows for the spending of a percentage (5% for fiscal years 2024 and 2023) of the average fair value of the long-term pooled (LTP) investments over the past three years. Pooled investments consist of assets of the College's endowment, certain assets with donor restrictions, and funds designated by the Board of Trustees to be invested as endowment. See note 15 for additional information regarding the College's investment strategy and objectives.

(e) Operations

Operating results in the statements of activities reflect all transactions increasing or decreasing net assets without donor restrictions except those items of a long-term capital nature, that is, associated with long-term investments, gifts for physical plant, extinguishment of debt, or certain pension changes.

(f) Cash Equivalents

Cash equivalents consist primarily of highly liquid debt instruments acquired with an original maturity of three months or less. Certain securities of a similar nature may be included in investments because such instruments are held by the College for designated purposes.

(g) Land, Buildings, and Equipment

Land, buildings, and equipment are stated at cost or, in the case of gifts, fair value at date of donation, less accumulated depreciation. Leased equipment is depreciated using a straight-line method over the shorter of the estimated useful life of the equipment or the term of the lease. Buildings and equipment are depreciated using the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Building improvements	15–25 years
Library books	10 years
Furnishings and equipment	3–10 years

Long-lived assets, such as buildings and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If events are identified, recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated.

(h) Collections

In 1997, the College began capitalizing its collections retroactively. To the extent reliable records existed, the College capitalized items acquired prior to 1997 at their cost at the date of purchase or, if the items were contributed, at their fair or appraised value at the accession date (the date the item was accepted by the College). Other items, particularly those acquired prior to 1997, when detailed curatorial records began to be maintained, have been capitalized at their appraised or estimated current fair value. In some cases, collection items held solely for their potential educational value or historical significance were determined to have no alternative use and were not assigned values for the purpose of capitalization. Collections are recorded within land, buildings, and equipment on the balance sheet.

Proceeds from the sale of collection items are used to purchase works of art for the permanent collection or for the direct care of objects within the permanent collection by enhancing their life, usefulness or quality.

(i) Income Taxes

The College has received a determination letter from the Internal Revenue Service (IRS) indicating that it is a tax-exempt organization as provided in Section 501(c)(3) of the Internal Revenue Code of 1986 and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. No provision has been made for income taxes in the accompanying financial statements, as the College has had no significant unrelated business income. In accordance with U.S. generally accepted accounting principles (GAAP), the College recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Based upon this practice, the College, as of August 31, 2024 and 2023, believes it has no significant uncertain tax positions.

(j) Conditional Asset Retirement Obligation

The College has recorded a liability to recognize the estimated cost of conditional asset retirement obligations related to potential asbestos abatement. The costs of abatement were estimated using a variety of assumptions and estimates, including a cost-per-square-foot estimate, inflation estimates, and an estimated discount rate. At August 31, 2024 and 2023, the College has recorded an asset retirement obligation of $7,099,879 and $7,711,129, respectively.

(k) Fair Value of Financial Instruments

The College follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, the official pronouncement for fair value measurements for financial instruments. The pronouncement defines fair value as the price that could be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market of the asset or liability in an orderly transaction between market participants on the measurement date.

The pronouncement also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

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

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

In many cases, the valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

As a practical expedient, the College records its investment in certain entities that calculate net asset value per share (or its equivalent) that do not have a readily determinable fair value using the net asset

(Continued)

value per share of the investment (or its equivalent) as of the College's fiscal year-end. Using this approach, the value of these investments does not include certain attributes that may impact the final value of the investments, such as restrictions on redemption and transaction prices for principal-to-principal and brokered transactions.

(l) Use of Estimates

In order to prepare these financial statements, the College has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reporting of revenue, expenses, gains, and losses during the reporting period. Actual results could differ from these estimates.

(3) Grants and Contributions Receivable

At August 31, 2024 and 2023, grants and contributions receivable were $2,449,647 and $1,922,435, respectively, net of discounts of $52,190 and allowances of $0 for fiscal year 2024 and discounts of $16,349 and allowances of $0 for fiscal year 2023. Of the amount outstanding at August 31, 2024, $1,951,837 is expected to be collected within one year, and $550,000 is expected to be collected within two to five years.

(4) Investments

Investments are stated at fair value. The fair value of investments is based upon quoted market prices when available. However, the investments also include certain instruments where quoted market prices may not be available. For these instruments, the College has applied a practical expedient and recorded the net asset value reported by each underlying fund. The valuations for these investments involve estimates, appraisals, assumptions, and other analytical methods performed by investment managers and then reviewed by the College and the College's investment consultant.

The College's interests in alternative investment funds such as absolute return, equity, hedge funds, and private equity are reported at the net asset value (NAV) reported by the fund managers, which is used as a practical expedient to estimate the fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of August 31, 2024 and 2023, the College had no plans to sell investments at amounts different from NAV.

The College's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect amounts reported in the balance sheets.

Investment income, gains and losses, and any investment-related expenses are recorded as an increase (decrease) in net assets without donor restrictions in the statements of activities unless their use is restricted by explicit donor stipulations or law. In the absence of donor stipulations or law to the contrary, losses on the investment of a donor-restricted endowment fund are applied to reduce net assets with donor restrictions to the extent that donor-imposed restrictions on net appreciation of the fund have not been met before the loss occurs.

The investments, including cash and cash equivalents, at August 31, 2024 and 2023 are comprised of the following:

		2024		Redemption	Days'
		Level 1	**Total**	**or liquidity**	**notice**
Cash and cash equivalents	$	4,386,060	4,386,060	Daily	1
Investments:					
Fixed income [(a)]					
Endowment	$	37,517,447	37,517,447	Daily	1
Operations		10,623,249	10,623,249	Daily	1
Subtotal	$	48,140,696	48,140,696		
Equities [(b)]	$	14,821,497	14,821,497	Daily	1
Investments measured at net asset value			139,634,599		
Total investments at fair value as of August 31, 2024			$ 202,596,792		

		2023		Redemption	Days'
		Level 1	**Total**	**or liquidity**	**notice**
Cash and cash equivalents	$	6,774,107	6,774,107	Daily	1
Investments:					
Fixed income [(a)]					
Endowment	$	19,998,453	19,998,453	Daily	1
Operations		19,156,127	19,156,127	Daily	1
Subtotal	$	39,154,580	39,154,580		
Equities [(b)]	$	16,836,345	16,836,345	Daily	1
Investments measured at net asset value			165,007,740		
Total investments at fair value as of August 31, 2023			$ 220,998,665		

(a) Includes investments in mutual funds that invest in fixed income securities.

(b) Includes small to mid-capitalization growth stocks.

In accordance with the fair value measurements and disclosures guidance, the following table presents the category, fair value, redemption frequency, and redemption notice period for College investments, the fair values of which are estimated using the NAV per share as of August 31, 2024 and 2023:

	2024	2023	Redemption frequency (if currently eligible)	Redemption notice period (if currently eligible)
Absolute return	$ 32,241,033	42,003,200	Quarterly to two years	45-90
Equity	72,294,812	77,470,354	Monthly to quarterly	1-30
Hedge funds	17,663,462	28,301,438	Quarterly to annual	60-90
Private equity	17,435,292	17,232,748	NA	NA
Total	$ 139,634,599	165,007,740		

The College is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. At August 31, 2024, the College had unfunded commitments in private equity funds of $4,162,780.

(5) Land, Buildings, and Equipment

Land, buildings, and equipment at August 31, 2024 and 2023 are comprised of the following:

	2024	2023
Land	$ 21,898,620	21,898,620
Buildings and improvements	347,069,136	346,389,525
Furnishings and equipment	32,791,208	34,688,028
Library collections	12,933,289	12,933,289
Museum and art collections	19,543,578	19,373,259
Construction in process	5,191,098	3,682,154
	439,426,929	438,964,875
Less accumulated depreciation	240,517,812	232,339,993
	$ 198,909,117	206,624,882

Outstanding commitments for construction contracts amounted to $737,110 and $1,835,148 at August 31, 2024 and 2023, respectively. Depreciation expense was $13,562,229 and $14,156,902 for the years ended August 31, 2024 and 2023, respectively.

(6) Leases

The College has entered into various leasing arrangements with lessors for equipment and auxiliary building space. The College's lease portfolio contains both operating and finance leases and is primarily comprised of real estate leases.

The College recognizes lease liabilities and their corresponding right of use ("ROU") assets at the lease commencement date, and initially measures the lease liabilities and ROU assets using the present value of lease payments over the lease term, with adjustments made to ROU assets for any prepayments and rent abatements. During the years ended August 31, 2024 and 2023, the College used the BBB+ yield curve as the source for its discount rates to calculate liabilities, which corresponds to the College's debt rating issued by Standard and Poor's, prior to fiscal year 2024.

Lease costs for the years ended August 31, 2024 and 2023 are as follows:

Lease cost		**2024**	**2023**
Finance lease expense:			
Amortization of ROU assets	$	283,653	284,125
Interest on lease liabilities		12,494	16,672
Operating lease expense		24,457,251	24,457,251
Short-term lease expense		2,258,750	1,489,205
Variable lease expense		22,159	2,403
Total lease cost	$	27,034,307	26,249,656

Other supplemental lease information		**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for finance leases	$	16,465	8,511
Operating cash flows for operating leases		23,020,676	25,101,148
Financing cash flows for finance leases		284,205	292,159
Weighted average remaining lease term (years):			
Finance leases		1.0	1.9
Operating leases		4.2	4.8
Weighted average discount rate:			
Finance leases		4.3%	3.9%
Operating leases		4.5%	3.3%

(Continued)

A maturity analysis for finance and operating leases as of August 31, 2024 is as follows:

		Finance	Operating
Year ending August 31:			
2025	$	198,030	29,001,911
2026		—	24,680,680
2027		—	10,765,800
2028		—	4,395,564
2029		—	3,492,735
Thereafter		—	5,900,000
Total		198,030	78,236,690
Less present value discount		7,304	13,016,838
Lease liability	$	190,726	65,219,852

(7) Deferred Revenue and Refundable Deposits

The components of deferred revenue and refundable deposits as of August 31 are presented below:

		2024	2023
Tuition and housing deferred revenue	$	17,510,134	20,683,420
Deferred grant revenue		301,477	210,603
Refundable deposits		976,247	751,949
	$	18,787,858	21,645,972

Tuition and housing deferred revenue and refundable deposits are recognized ratably as revenue over the subsequent fiscal year in which the academic programs are delivered and housing services are provided. Deferred grant revenue is recognized as revenue when qualifying expenditures are incurred.

(8) Long-Term Debt

Long-term debt at August 31, 2024 and 2023 is as follows:

	2024	2023
IFA first mortgage notes:		
Series 2000 issued April 1, 2000	$ —	5,700,000
Series 2015 issued October 15, 2015	46,400,000	48,645,000
Series 2019 issued November 20, 2019	18,035,000	18,035,000
	64,435,000	72,380,000
Unamortized premiums:		
Series 2015	1,470,721	1,581,719
Series 2019	1,972,066	2,050,168
Unamortized bond issuance costs	(714,650)	(837,828)
	$ 67,163,137	75,174,059

Maturities of long-term debt outstanding at August 31, 2024 are as follows:

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Thereafter	Total
Series 2015	$ 2,360,000	2,480,000	2,610,000	2,740,000	2,880,000	33,330,000	46,400,000
Series 2019	—	370,000	390,000	410,000	430,000	16,435,000	18,035,000
	$ 2,360,000	2,850,000	3,000,000	3,150,000	3,310,000	49,765,000	64,435,000

All first mortgage notes were issued by the Illinois Finance Authority (IFA) to finance the costs of the acquisition, construction, renovation, and equipping of educational or student housing facilities and are secured by such facilities. Interest rates are fixed rates ranging from 1.38% to 5.00%. Interest payments are due semiannually.

Effective as of November 20, 2019, the College issued $18,035,000 Illinois Finance Authority Revenue Bonds, the proceeds of which were used to reimburse the College for a portion of the student center construction that was completed in September 2019 (Series 2019 Bonds).

In October 2015, the College issued $50,490,000 Illinois Finance Authority Revenue Refunding Bonds, Series 2015A and $7,975,000 Illinois Finance Authority Taxable Revenue Refunding Bonds, Series 2015B (Series 2015 Bonds). The proceeds were used to refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2003, Series 2007, and Series 2011; and to pay certain costs of issuance of the bonds. The transaction also generated a $2,359,000 premium on the Series 2015A bonds. Interest rates on the bonds range from 2.00% to 5.00%. As of August 31, 2024, Series 2015B bonds have been paid in full.

Included in long-term debt were general obligation variable rate demand bonds, maturing on June 30, 2030, of $5,700,000 at August 31, 2023. These bonds were paid off early in April 2024.

The irrevocable letter of credit is subject to certain financial covenants, the most restrictive of which include net asset ratio restrictions, cash and investment restrictions, and a debt service limitation.

Effective December 20, 2023, the College entered into a 364-day credit facility with a financial institution under which the College can borrow up to $10,000,000 on a revolving basis, which may be extended if both parties agree. Borrowings under this facility bear interest at the one-month term secured overnight financing rate plus 1.25%. The facility also carries an unused fee of 0.15%. The credit facility contains the same security and covenants as the College's current master trust indenture. As of August 31, 2024, the College had no borrowings on the facility and was in compliance with the covenants.

(9) Employee Benefit Plans

(a) Columbia College Pension Plan

The College has a defined-benefit pension plan, the Columbia College Chicago Pension Plan, covering all eligible employees. The College has received a determination letter from the IRS, indicating that the plan is exempt from tax under the applicable provisions of the Internal Revenue Code.

On May 7, 2003, all eligible employees were given notice, as required by Section 204(h) of the Employee Retirement Income Security Act of 1974, that the plan was amended to end all benefit accruals effective June 23, 2003, prior to the accumulation of an additional benefit accrual earned for the 2003 calendar year. Therefore, the pension plan was effectively frozen at the amounts determined as of December 31, 2002.

The College adheres to FASB ASU No. 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,* which requires the service cost component of the net periodic pension cost to be reported in the same line item as employee benefit costs on the statements of activities. Other components of net periodic pension cost are presented in the statements of activities separately from the service cost component and outside of operating activities.

The following table sets forth the Columbia College Pension Plan's funded status and amounts recognized in the College's financial statements at August 31, 2024 and 2023, as determined at the measurement dates of August 31, 2024 and 2023:

		2024	2023
Change in benefit obligation:			
Benefit obligation at beginning of year	$	28,004,343	31,028,444
Interest cost		1,397,202	1,346,022
Actuarial (gain)/loss		1,382,521	(793,624)
Benefits paid		(3,003,301)	(3,576,499)
Benefit obligation at end of year		27,780,765	28,004,343
Change in fair value of plan assets:			
Fair value of plan assets at beginning of year		26,327,590	29,844,052
Actual gain (loss) on plan assets		2,552,713	60,037
Employer contributions		—	—
Benefits paid		(3,003,301)	(3,576,499)
Fair value of plan assets at end of year		25,877,002	26,327,590
Funded status recognized on the balance sheet	$	(1,903,763)	(1,676,753)

The accumulated benefit obligation for the plan was $27,780,765 and $28,004,343 at August 31, 2024 and 2023, respectively.

Net periodic pension cost for the plan for the fiscal years ended August 31, 2024 and 2023 included the following components:

		2024	2023
Interest cost on projected benefit obligation	$	1,397,202	1,346,022
Expected return on plan assets		(1,244,256)	(1,115,375)
Net amortization and deferral		1,139,265	1,362,402
Impact of plan settlements		—	759,322
Net periodic pension cost	$	1,292,211	2,352,371

Other changes in plan assets and benefit obligations for the fiscal years ended August 31, 2024 and 2023 include:

	2024	2023
Net loss	$ 74,064	261,714
Amortization of net loss	(1,139,265)	(1,362,402)
Impact of plan settlements	—	(759,322)
Total (gain)/loss recognized in net assets without donor restrictions	$ (1,065,201)	(1,860,010)

Additionally, net losses of $10,313,901 and $11,379,102 were recognized in accumulated net assets without donor restrictions as of August 31, 2024 and 2023, respectively.

Discount rates of 4.87% and 5.26% were used in determining the actuarial present value of the projected benefit obligations for fiscal years 2024 and 2023, respectively. The expected long-term rate of return on assets was 5% and 4% for fiscal years 2024 and 2023, respectively, and is based on analysis of actual and projected rates of return. Because the plan is frozen and new benefits are not accruing, the projected salary increase to normal retirement age for all employees for fiscal years 2024 and 2023 was 0%.

Weighted average asset allocation by asset category is as follows:

	2024	2023
Bonds	87 %	90 %
Equities	13	10

The plan achieves its asset allocation by investing in two bond funds as well as an index fund. The bond funds invest in medium to high-grade corporate bonds, with one focusing on intermediate-term corporate bonds and the other on long-term corporate bonds. The index fund represents stocks of all S&P 500 companies. The plan's investments are all Level 1 investments and are stated at fair value as of the fiscal year-end.

The College made no contributions to the plan during fiscal years 2024 and 2023. No contributions are expected for fiscal year 2025.

(Continued)

The following benefit payments, which reflect expected future service, are expected to be paid for each of the fiscal years ending August 31:

Fiscal year(s)	Amount
2025	$ 3,177,319
2026	2,465,116
2027	2,288,965
2028	2,562,061
2029	2,398,120
2030–2034	10,152,991

(b) Columbia College Employees' Retirement Trust

Effective January 1, 2003, the College instituted a new defined-contribution plan, the Columbia College Chicago Employees' Retirement Plan (the Plan). The Columbia College Chicago Employees' Retirement Trust has been established to implement the Plan.

The amount contributed annually by the College to the trust will be distributed to eligible employees based on years of service and age. No participant contributions are necessary to receive the employer contributions. The College made contributions to participant accounts of $4,270,481 and $4,268,959 during fiscal years 2024 and 2023, respectively, which are reported in employee benefits expenses.

(10) Contingencies

The College is a defendant in various litigation matters arising in the normal course of business. In the opinion of management, the ultimate resolution of all such litigation matters will not have a material effect on the financial position or activities of the College.

(11) Net Assets

Net assets at August 31 are comprised of the following:

		2024	2023
Amounts without donor restrictions:			
Board-designated for endowment	$	176,821,763	189,082,675
Undesignated		105,476,621	111,984,552
Total net assets without donor restrictions		282,298,384	301,067,227
Amounts with donor restrictions:			
Amounts restricted by time or purpose:			
Endowment returns subject to future appropriation		5,967,504	4,033,153
Academic programs		608,292	621,627
Scholarships		3,121,742	2,474,970
Community		1,089,236	1,476,667
Facility		2,342,416	1,892,154
Subtotal		13,129,190	10,498,571
Amounts with perpetual restrictions:			
Endowment		9,184,273	8,726,708
Total net assets with donor restrictions		22,313,463	19,225,279
Total net assets	$	304,611,847	320,292,506

(12) Contributed Nonfinancial Assets

For the years ended August 31, contributed nonfinancial assets recognized within the College's statements of activities included:

	2024	2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation
Auction Items	$ 114,975	135,650	Photographs and prints used in annual fundraising gala	No associated donor restrictions	Proceeds received
Supplies, Services and Others	50,724	27,984	Fundraising gala and academic use	No associated donor restrictions	Actual or estimated cost
Works of Art	16,000	152,760	Photographs added to the permanent collection	No associated donor restrictions	Independent professional consultant
Total	$ 181,699	316,394			

(13) Expenses by Functional Classifications

The College's primary activity is to provide academic programs. Student services, auxiliary and institutional support expenses are incurred in support of this mission. The College also incurs expenses related to programming that serves the local community.

In accordance with ASC Topic 958, the College recorded direct expenses by program and allocated operation and maintenance of plant to each functional expense category using a square footage allocation methodology for the years ended August 31, 2024 and 2023, as follows:

	2024					
	Educational activities	Student services	Public services	Auxiliaries	Support activities	Total
Operating expenses:						
Salaries and wages	$ 49,080,125	13,992,145	174,662	698,364	13,462,510	77,407,806
Employee benefits	13,921,620	4,752,116	45,036	181,536	6,743,507	25,643,815
Supplies and services	4,780,530	6,852,436	267,030	4,478,523	4,407,605	20,786,124
Rent, utilities, and maintenance	7,961,680	4,560,545	274,290	25,832,420	5,023,117	43,652,052
Interest	379	—	—	2,286	3,804,919	3,807,584
Depreciation and amortization	7,970,429	3,776,728	311,837	48,836	1,548,952	13,656,782
Total	$ 83,714,763	33,933,970	1,072,855	31,241,965	34,990,610	184,954,163

	2023					
	Educational activities	**Student services**	**Public services**	**Auxiliaries**	**Support activities**	**Total**
Operating expenses:						
Salaries and wages	$ 48,776,385	13,191,793	910,635	742,801	13,031,257	76,652,871
Employee benefits	13,527,165	4,564,433	132,729	197,054	6,725,376	25,146,757
Supplies and services	4,726,007	10,152,600	265,960	4,211,761	6,513,962	25,870,290
Rent, utilities, and maintenance	8,935,118	3,067,274	274,365	25,053,690	5,042,435	42,372,882
Interest	734	—	—	4,630	3,510,815	3,516,179
Depreciation and amortization	10,397,703	2,821,735	364,806	58,368	609,315	14,251,927
Total	$ 86,363,112	33,797,835	1,948,495	30,268,304	35,433,160	187,810,906

(14) Financial Assets and Liquidity Resources

The College actively monitors liquidity required to meet its general expenditures. General expenditures include operating expenses, principal and interest payments on debt, pension and retirement plan payments, and internally funded capital projects. The annual cash cycle has seasonal variations primarily related to the timing of tuition billings. Cash in excess of daily requirements is invested in highly liquid investment funds.

The financial assets of the College that could readily be made available for general expenditures within one year of August 31, 2024 and 2023 are as follows:

	2024	**2023**
Cash and cash equivalents	$ 4,386,060	6,774,107
Student accounts receivable, net	1,893,360	1,799,370
Other receivables	55,778	79,969
Subsequent year's endowment distribution	9,949,000	10,377,000
Investments not subject to donor or board restrictions	10,623,249	19,156,127
Total financial assets available to meet general expenditures within one year	$ 26,907,447	38,186,573

In addition to financial assets available to meet general expenditures in the year following August 31, 2024, a significant portion of the College's annual expenditures will be funded by current year operating revenues. The College intends to spend from its board-designated endowment more than the amounts appropriated for general expenditures as part of its 2025 operating budget approval process.

(15) Net Asset Classification of Funds and Enhanced Disclosures for Endowment

The College's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Board of Trustees of the College has reviewed the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, having considered its rights and obligations thereunder, has chosen to require the preservation of the original value of a contribution of a donor-restricted endowment fund as of the gift date, absent explicit donor stipulations to the contrary. As a result, the College classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowments, which are available for expenditure subject to spending policies.

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

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

The total long-term investments reported on the balance sheets include true endowments, funds functioning as endowment, and expendable gifts. Endowment net assets exclude the expendable gifts included in the long-term investments.

Endowment net assets consist of the following at August 31, 2024:

	2024		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ —	15,151,780	15,151,780
Board-designated endowment funds	176,821,763	—	176,821,763
Total endowment net assets	$ 176,821,763	15,151,780	191,973,543

Endowment net assets consist of the following at August 31, 2023:

	2023		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	$ —	12,759,863	12,759,863
Board-designated endowment funds	189,082,675	—	189,082,675
Total endowment net assets	$ 189,082,675	12,759,863	201,842,538

Changes in endowment net assets for the year ended August 31, 2024 are as follows:

	2024		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, August 31, 2023	$ 189,082,675	12,759,863	201,842,538
Investment returns, net	24,753,139	2,398,775	27,151,914
Contributions	157,091	432,565	589,656
Change in donor designation	6,858	25,000	31,858
Appropriation for expenditure	(37,178,000)	(464,423)	(37,642,423)
Endowment net assets, August 31, 2024	$ 176,821,763	15,151,780	191,973,543

(Continued)

Changes in endowment net assets for the year ended August 31, 2023 are as follows:

	2023		
	Without donor restrictions	**With donor restrictions**	**Total**
Endowment net assets, August 31, 2022	$ 180,129,772	11,942,069	192,071,841
Investment returns, net	18,581,423	1,311,183	19,892,607
Contributions	255,090	41,642	296,733
Change in donor designation	493,389	3,400	496,789
Appropriation for expenditure	(10,377,000)	(538,432)	(10,915,432)
Endowment net assets, August 31, 2023	$ 189,082,675	12,759,863	201,842,538

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the College to retain as a fund of perpetual duration. Deficiencies of this nature, referred to as underwater endowments, are reported in net assets with donor restrictions. In the event an endowment falls underwater, current management practice is to disallow spending from the fund until the fair value of the endowment fund exceeds the original gift amount. Underwater funds were $0 and $3,899 as of August 31, 2024 and 2023, respectively.

(c) Return Objective and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the annual Consumer Price Index (CPI) by 5%, while assuming a risk level that is consistent with the risk associated with the above benchmark. Based on the investment policy, the College expects its endowment funds, over its stated investment horizon of 10 years, to provide an average annual real rate of return of approximately 5% plus the CPI. Actual returns in any given year may vary from this amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places emphasis on investments in global equities, absolute return strategies, hedge funds and private equity.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The purpose of endowment funds is to facilitate donor's desires to make substantial long-term gifts to the College and to develop a new and significant source of revenue to the College. In doing so, the endowment is designed to provide a secure, long-term source of funds to (a) fund special programs; (b) ensure long-term growth, and (c) support the administrative expenses of the College as deemed appropriate.

To achieve these goals, the College has a policy of appropriating for distribution each year up to 5% of its restricted endowment funds' average fair value using the three years prior to the budget year. Under the policy adopted by the College, interest, dividends, and appreciation on investments held in the investment pool are made available for spending. The Board of Trustees set the endowment distribution at $464,423 for fiscal year 2024 and $538,432 for fiscal year 2023. In addition, the Board of Trustees approved a distribution from board-designated endowments of approximately $10.2 million in 2024 and $10.4 million in 2023 to be used for operations.

In February 2024, the Board of Trustees was notified of the increased operating deficit resulting from the part-time faculty strike that lasted forty-nine days and ended on December 18, 2023. This required the College to receive additional distributions totaling $27.0 million from the quasi-endowment for fiscal year 2024.

(16) Subsequent Events

In connection with the preparation of the financial statements and in accordance with FASB ASC Topic 855, *Subsequent Events*, management evaluated subsequent events after the balance sheet date of August 31, 2024 through January 27, 2025, the date when the financial statements were issued.

Effective December 18, 2024, the College renewed its revolving credit facility until January 31, 2026.

(17) Related Parties

Members of the Board of Trustees, officers, and employees are subject to the College's conflict of interest polices, under which business and financial relationships must be disclosed annually and are subject to review and approval. From time to time, the College may obtain goods and services in the ordinary course of business from entities with which certain College Trustees may be associated.