Hope College

Financial Report
with Additional Information
June 30, 2019

Contents

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Independent Auditor's Report

To the Board of Trustees
Hope College

Report on the Financial Statements

We have audited the accompanying financial statements of Hope 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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 Hope 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.

Report on Summarized Comparative Information

We have previously audited Hope College's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As described in Note 7 to the financial statements the financial statements include hedge funds, limited partnerships, and fund of funds investments valued at $164,862 (in thousands) (39.0 percent of net assets) whose fair values have been estimated by management in absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to this matter.

To the Board of Trustees
Hope College

As described in Note 3 to the financial statements, the College adopted the provisions of Accounting Standard Update No. 2016-04, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities*, as of June 30, 2019, applied retrospectively to all years presented. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2019 on our consideration of Hope College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hope College's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 11, 2019

Statement of Financial Position

June 30, 2019 and 2018
(in thousands)

	2019	2018
Assets		
Cash and cash equivalents	$ 29,926	$ 32,571
Investments	237,704	223,127
Receivables:		
Student accounts and loans receivable - Less allowance for doubtful accounts of $505 at June 30, 2019 and 2018	5,084	6,216
Contributions receivable - Net	7,490	10,011
Government grants receivable	739	819
Other receivables	3,627	5,006
Inventories and other assets	645	625
Prepaid and deferred expenses	912	1,428
Beneficial interest in trusts	2,022	2,846
Land, buildings, and equipment - Net	208,225	208,339
Total assets	**$ 496,374**	**$ 490,988**
Liabilities and Net Assets		
Liabilities		
Accounts payable and tax withholdings	$ 5,831	$ 4,045
Accrued liabilities	2,711	2,513
Student and other deposits	1,942	1,842
Deferred tuition and fees	409	257
Obligations under split-interest agreements	6,198	6,776
Fair value of interest rate swaps	4,545	2,739
Refundable Federal Perkins Loan advances	5,515	5,696
Accumulated employee postretirement plans	7,988	8,041
Early retirement benefit	1,049	656
Notes payable	37,945	41,850
Total liabilities	74,133	74,415
Net Assets		
Without donor restrictions	210,908	207,825
With donor restrictions	211,333	208,748
Total net assets	422,241	416,573
Total liabilities and net assets	**$ 496,374**	**$ 490,988**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2019
(with comparative totals for 2018)
(in thousands)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Other Support				
Tuition and fees - Net of institutional discounts and other financial aid totaling $36,813 and $35,146 in 2019 and 2018, respectively	$ 65,048	$ -	$ 65,048	$ 61,996
Income from auxiliary activities	32,791	-	32,791	32,054
Other student revenue	1,863	-	1,863	1,715
Contributions	5,279	220	5,499	8,489
Government and private grants	1,216	1,300	2,516	4,389
Dividend, interest, and other gains on nonendowed activities - Net of fees	(1,109)	2,038	929	586
Other income	3,588	741	4,329	4,127
Net assets released from restrictions	15,731	(15,731)	-	-
Total revenue, gains, and other support	124,407	(11,432)	112,975	113,356
Expenses				
Educational expenses:				
Instruction	39,414	-	39,414	37,597
Research	6,402	-	6,402	6,525
Academic support	10,698	-	10,698	10,281
Student services	17,027	-	17,027	17,030
Institutional support	7,900	-	7,900	7,154
Fundraising	5,791	-	5,791	5,578
Sales and services	2,499	-	2,499	2,388
Auxiliary activities	29,203	-	29,203	30,944
Total expenses	118,934	-	118,934	117,497
Increase (Decrease) in Net Assets - Before nonoperating income (loss)	5,473	(11,432)	(5,959)	(4,141)
Nonoperating Income (Loss)				
Endowment and other restricted contributions	-	5,242	5,242	3,948
Investment income	101	9,292	9,393	19,302
Change in value and payments made on split-interest agreements	-	(517)	(517)	(630)
Change in value of swap agreements	(1,806)	-	(1,806)	1,678
Change in value of postretirement liability	(685)	-	(685)	624
Total nonoperating (loss) income	(2,390)	14,017	11,627	24,922
Increase in Net Assets	3,083	2,585	5,668	20,781
Net Assets - Beginning of year	207,825	208,748	416,573	395,792
Net Assets - End of year	**$ 210,908**	**$ 211,333**	**$ 422,241**	**$ 416,573**

See notes to financial statements.

Statement of Cash Flows

Years Ended June 30, 2019 and 2018
(in thousands)

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 5,668	$ 20,781
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	10,045	9,604
Amortization of loan issuance costs	23	23
Accumulated postretirement expenses	341	(1,065)
Obligations under split-interest agreements	(273)	145
Net appreciation of investments	(4,673)	(9,653)
Loss (gain) on fair value of interest rate swaps	1,806	(1,678)
Net realized gain on sale of investments	(5,027)	(9,215)
Changes in operating assets and liabilities that provided (used) cash:		
Grants receivable	80	(15)
Student receivables	(14)	312
Other receivables - Investment proceeds	1,688	(2,477)
Prepaid and deferred expenses	516	81
Inventory and other assets	(20)	128
Beneficial interest in trusts	824	270
Contributions receivable - Net of restricted proceeds	(4,730)	(8,407)
Accounts payable, accrued liabilities, and deposits	2,083	(2,319)
Deferred tuition and fees	152	150
Net cash provided by (used in) operating activities	8,489	(3,335)
Cash Flows from Investing Activities		
Purchase of building improvements and equipment	(9,954)	(6,046)
Student loans collected	837	839
Student loans advanced	-	(1,214)
Proceeds from sales of investments	49,534	75,708
Purchases of investments	(54,411)	(62,323)
Net cash (used in) provided by investing activities	(13,994)	6,964
Cash Flows from Financing Activities		
Proceeds from contributions restricted for investment in endowment	5,242	3,953
Proceeds from contributions restricted investment in land, buildings, and equipment	2,009	4,079
Proceeds under split-interest agreements	50	-
Payments split-interest agreements	(355)	(358)
Payments on notes payable and long-term debt	(3,905)	(3,795)
Refundable Federal Perkins Loan advances - Net of assignments	(181)	(40)
Net cash provided by financing activities	2,860	3,839
Net (Decrease) Increase in Cash and Cash Equivalents	(2,645)	7,468
Cash and Cash Equivalents - Beginning of year	32,571	25,103
Cash and Cash Equivalents - End of year	**$ 29,926**	**$ 32,571**

See notes to financial statements.

Note 1 - Nature of Business

Hope College (the "College") is a four-year private residential college located in Holland, Michigan. The College is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 2 - Significant Accounting Policies

Accrual Basis

The financial statements of the College have been prepared on the accrual basis of accounting.

Classification of Net Assets

Net assets of the College are classified based on the presence or absence of donor-imposed restrictions

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the College.

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

Earnings, gains, and losses on donor-restricted net assets are classified as net assets with donor restrictions due to restrictions by the donor or by applicable state law.

Cash Equivalents

The College considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents.

Concentration of Credit Risk Arising from Deposit Accounts

The College maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250. As of June 30, 2019, the College had uninsured deposits totaling $17,296. The College evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

Investments

Investment in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with gains and losses reported on the statement of activities. Investments are stated at current market value based on quoted prices for publicly traded securities. Real estate investments are stated at cost on the date of acquisition or fair market value at the date of receipt in the case of gifts. Investments not publicly traded are either stated at cost, which approximates market, or at appraised market values when applicable. Hedge funds and alternatives are recorded at their most recent available valuation and updated for capital contributions and distributions. The net realized and unrealized appreciation (depreciation) in the market value of investments is included in the accompanying statement of activities. Gains, losses, and investment income are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulations or law.

Accounts Receivable

Accounts receivable are stated at net invoice amounts. An allowance for bad debts is established on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed uncollectible are charged against bad debt expense in the period that determination is made.

Note 2 - Significant Accounting Policies (Continued)

Contributions

Contributions, including unconditional promises to give in the future, are measured at fair value and reported as revenue when received. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions with donor-imposed time or purpose restrictions are reported as with donor-restricted support. Contributions resulting from split-interest agreements, measured at the time into which the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipients under the contract. All other contributions are reported as without donor restrictions. The College has adopted the policy of recording restricted contributions as unrestricted if the restriction is met and released in the same accounting period.

Inventories

Inventories consist of books, merchandise, and food supplies and are carried at the lower of cost or net realizable value determined by the first-in, first-out (FIFO) method.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at cost on the date of purchase or at fair market value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which range from 5 to 50 years. Costs of maintenance and repairs are charged to expense when incurred.

Scholarship Discounts and Allowances

Student tuition and fee revenue and certain other revenue from students are reported net of scholarship discounts and allowances in the statement of activities and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants and other federal, state, or nongovernmental programs are recorded as either operating or nonoperating revenue in the College's financial statements. To the extent that revenue from such programs is used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The College participates in federally funded Pell grants, SEOG and Federal Work-Study and Federal Direct Lending, and Perkins Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996; the U.S. Office of Management and Budget's, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called the "Uniform Guidance"); and the Compliance Supplement.

During fiscal year 2019, the College distributed $16,013 for direct lending through the U.S. Department of Education, which is not included as revenue and expenditures in the accompanying financial statements.

Grant Revenue

Revenue from government grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreement as without donor-restricted revenue. Revenue from private grant agreements with donor-imposed time or purpose restrictions are reported as with donor-restricted support.

Note 2 - Significant Accounting Policies (Continued)

Measure of Operations

The College's measure of operations, as presented in the statement of activities and changes in net assets includes revenue from tuition (net of certain institutional financial aid and discounts) and fees, grants and contracts, auxiliary activities (room and board), contributions for operating programs, and other revenue. Operating expenses are reported on the statement of activities by functional classification.

The College’s nonoperating activity within the statement of activities and changes in net assets includes endowment and other restricted contributions, investment income net of annual endowment spending draw, changes in the fair value of spilt-interest agreements and interest rate swaps, and long-term benefit plan obligation funding changes. These activities are not considered part of the College's operating cycle.

Functional Allocation of Expenses

Program expenses on the statement of activities are classified as instruction, student services, research and auxiliary activities. Support and administrative expenses include academic support, institutional support, and sales and service. Fundraising costs have been identified separately on the statement of activities and changes in net assets. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates

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

Risks and Uncertainties

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

Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The College's primary revenue sources are not expected to be significantly impacted by the standard, but a complete review of all revenue sources has not yet been completed. In addition, management is currently analyzing the disclosures that will be required with this pronouncement. The new guidance will be effective for the College's year ending June 30, 2020.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for the College's year ending June 30, 2020 and will be applied on a modified prospective basis. The College does not expect the standard to have a significant impact on the timing of revenue recognition for government grants and contracts, but has not yet determined the impact on recognition of foundation and individual grants and contributions.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 11, 2019, which is the date the financial statements were available to be issued.

Note 3 - Adoption of New Accounting Pronouncement

As of June 30, 2019, the College adopted ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. This standard requires net assets to be classified in two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. In addition, the underwater portion of donor-restricted endowments is now reported as net assets with donor restrictions. This standard also requires changes in the way certain information is aggregated and reported by the College, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general. As a result of the adoption of this standard, the financial information for the year ended June 30, 2018 has been restated, as follows: net assets of $61,558 previously reported as temporarily restricted net assets and net assets of $147,190 previously reported as permanently restricted net assets have been combined into net assets with donor restrictions.

(all amounts in thousands)

Note 4 - Liquidity and Availability of Resources

The following reflects the College's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position:

Cash and cash equivalents	$	29,926
Accounts and government grants receivable		7,772
Contributions receivable		7,490
Investment proceeds receivable		1,678
Investments		237,704
Financial assets - At year end		284,570
Less those unavailable for general expenditures within one year due to -		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions		201,291
Subject to appropriation and satisfaction of donor restrictions		10,422
Investments held in annuity trust		4,137
Financial assets available to meet cash needs for general expenditures within one year	$	68,720

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the statement of financial position.

The College's cash flows have seasonal variations during the year attributable to tuition billing and concentration of contributions received at calendar and fiscal year end. The College manages its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the College invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

The College also realizes there could be unanticipated liquidity needs and has undrawn available lines of credit in the amount of approximately $8,000 at June 30, 2019, which it could draw upon, used to satisfy general expenditures, if needed, as further described in Note 10.

The College’s endowment funds consist of donor-restricted endowments and a quasi endowment totaling $233,513 at June 30, 2019. Included in this amount is $40,579 of accumulated investment gains on donor-restricted endowments that is restricted for specific purposes. Currently, these funds are not available for general expenditure, however, the College could access these funds through donor and board approval, if needed, although the College has no immediate plans to do so. Additionally, the College does not intend to spend from its quasi endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process; however, amounts from its quasi endowment could be made available, if necessary. Of the investments held within the quasi endowment and donor-restricted endowments, approximately 37 percent could be liquidated daily, with an additional 15 percent that could be liquidated monthly (see Note 6 for disclosures about the investments).

(all amounts in thousands)

Note 5 - Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

Subject to expenditures for a specified purpose:	
Unexpended funds received and restricted by donor-specified use	$ 10,729
Unexpended funds received for investment in property and equipment	3,237
Total subject to expenditures for a specified purpose	13,966
Subject to the passage of time - Annuity funds	4,137
Subject to the College's spending policy and appropriation - Unspent accumulated earnings on endowment funds	40,643
Held in perpetuity:	
Loan funds	296
Endowment funds	152,291
Total held in perpetuity	152,587
Total net assets with donor restriction	$ 211,333

Note 6 - Investments

The following summarizes the College’s investments in securities at June 30, 2019:

	Fair Value	Cost
Money markets and CDs	$ 5,243	$ 5,243
Publicly traded securities	66,812	40,960
Corporate bonds	1,830	2,114
Federal and other treasury-related securities	11,238	10,804
Hedge funds	46,415	41,701
Private equity, alternatives, and other	89,979	63,921
Commodities and real assets	16,187	21,757
Total	$ 237,704	$ 186,500

Included in the above securities are investments, generally consisting of hedge funds, limited partnerships, fund of funds, and other private equity securities totaling $164,862 that do not have readily determinable fair market values and, consequently, have been recorded at their estimated fair market value based upon the most recent available valuation.

Investment income included in the accompanying statement of activities and changes in net assets is as follows:

Total dividends and interest - Net of fees	$ 622
Net realized and unrealized gains	9,700
Total	$ 10,322

Reported as:

Endowment income recognized under spending policy	$ 9,477
Dividend, interest, and other gains on nonendowed investments - Net of fees	739
Net gains on investments - Net of endowment income realized under spending policy	106
Total	$ 10,322

Note 6 - Investments (Continued)

There was $2,103 of fees netted against investment income as of June 30, 2019.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following table presents information about the College's assets and liabilities measured at fair value on a recurring basis at June 30, 2019 and the valuation techniques used by the College to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the College has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The College's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

(all amounts in thousands)

Note 7 - Fair Value Measurements (Continued)

	Assets and Liabilities Measured at Fair Value on a Recurring Basis at June 30, 2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2019
Assets				
Common stocks:				
Domestic stocks	$ 43,575	$ -	$ -	$ 43,575
Global equity (domestic/international)	-	8,879	-	8,879
Fixed income:				
Federal, government, and agency bonds	-	11,238	-	11,238
Corporate bonds	-	1,830	-	1,830
Other:				
Commodities and real assets	-	2,077	-	2,077
Money markets and CDs	-	5,243	-	5,243
Beneficial interest in trusts	-	-	2,022	2,022
Total	$ 43,575	$ 29,267	$ 2,022	74,864
Investments measured at NAV:				
Hedge funds				46,415
Commodities and real assets				14,110
Private equity				38,929
Mutual funds - Domestic equity				23,223
Mutual funds - Emerging markets equity				11,092
Mutual funds - International equity				31,093
Total investments measured at NAV				164,862
Total assets				$ 239,726
Liabilities - Interest rate swap agreements	$ -	$ 4,545	$ -	$ 4,545

The College's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period.

The following table sets forth a summary of the changes in the fair value of the College's Level 3 assets for the year ended June 30, 2019:

	Fair Value at July 1, 2018	Total Realized Losses	Maturing of Trust	Fair Value at June 30, 2019
Beneficial interest in trusts	$ 2,846	$ (303)	$ (521)	$ 2,022

(all amounts in thousands)

Note 7 - Fair Value Measurements (Continued)

The following table summarizes the valuation methods and inputs used to determine fair value at June 30, 2019 for assets and liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs):

	Fair Value at June 30, 2019	Valuation Technique	Unobservable Inputs	Range of Inputs
Assets:				
Beneficial interest in lead trusts	$ 1,460	Discounted cash flow	Life expectancy risk-free rate	11 - 100 years 4.31% - 7.75%
Beneficial interest in perpetual trusts	562	Present value of estimated distributed income	Market value of underlying assets and distributions	N/A

Investments in Entities that Calculate Net Asset Value per Share

The College holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at June 30, 2019			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Hedge - Event driven (a)	$ 15,634	$ -	Quarterly - Annually	45 days - 90 days
Hedge - Directional equity (b)	26,532	-	Quarterly - Annually	45 days - 90 days
Hedge - Fund of hedge funds (c)	4,249	-	Quarterly - Annually	60 days - 90 days
Real estate private equity (d)	14,110	5,999	Illiquid	Illiquid
Private equity (e)	38,929	32,056	Illiquid	Illiquid
Mutual funds (f)	65,408	-	Quarterly	60 Days
Total	$ 164,862	$ 38,055		

(a) Event driven - This strategy involves taking a long or short position in any security (stock, bond, or loan) of a corporation that is undergoing some corporate “event.” Events include merger, acquisition, spin-off, bankruptcy, and restructuring. For instance, in a merger or acquisition, event-driven managers usually buy the stock of the company that is being acquired and sell short the stock of the company that it is acquiring, a trade that makes money if and when the two companies consummate their merger. In other types of corporate events, such as bankruptcy, event-driven managers usually use the bankruptcy to purchase the bonds or loans of the bankrupt company in order to profit from the company's restructuring, either through price appreciation of the security purchased, or through actively working with the company to restructure.

Note 7 - Fair Value Measurements (Continued)

(b) Directional equity - This strategy involves buying stock long and selling stock short in order to produce a portfolio that is exposed to far less market exposure than traditional long-only portfolios of stocks. Managers make decisions on which stocks to buy long and which to sell short by using any number of multiple styles, including computer models to model the fundamental health and technical stock movement of companies and traditional fundamental analysis of a company's value and growth prospects.

(c) Fund of hedge funds - This strategy involves generating returns through diversified portfolios of hedge funds and hedge fund strategies. It should be expected that this asset class will have varying levels of exposure to all of the various hedge fund strategies previously identified. The investments in this asset class will be made in securities of offshore corporations and will have an identifiable, although thinly traded, market for liquidity.

(d) Real estate private equity - This strategy involves generating returns predominately through the identification of undervalued or mispriced real estate assets or real estate-related companies. Investments would be expected to be made through either public or private equity securities, convertible notes or warrants, or other acquired or originated debt securities. The exposure within this asset class would be expected to be predominately long-only exposure, and will generally be maintaining a long exposure to direct real estate assets or real estate-related companies and securities. Additionally, it is not expected that these assets would be held as marketable securities with an active or easily identifiable market; however, the asset class overall would be expected to generate some level of current income. This exposure is obtained primarily through investments in long-dated limited partnership vehicles and is considered illiquid.

(e) Private equity - Domestic - This strategy involves making investments through limited partnership structures and is illiquid in nature. Investments are typically made in unlisted companies (companies not traded on public exchanges), or, in some cases, listed companies are purchased and taken private. Private equity encompasses a broad array of strategies and securities. Buyout, growth equity, and venture capital strategies purchase equity in private companies at different stages of the company's life cycle. Other strategies, such as mezzanine or special situations, will invest in debt, preferred equity, or other parts of a company's capital structure. Investments may be in any sector of the economy or geography in the United States, although funds will typically specialize in specific industries and regions.

(f) Mutual funds - This strategy is to provide endowment funds and nonprofit organizations long-term capital growth. These funds invest in a portfolio of equity investments in small capitalization issuers domiciled in the U.S. and internationally or whose securities are principally traded in the U.S and internationally. The equity investments may include common stock, preferred stock, securities convertible into common stock, warrants, rights, and American and international depositary receipts. In addition, such investments may include futures, options, swaps, and other instruments with similar economic exposures.

(all amounts in thousands)

Note 8 - Contributions Receivable

Contributions receivable are recorded at their net present value using a discount rate equal to the 30-year Treasury bond rate on June 30 of the year in which the gift was received (ranging from 2.30 percent to 6.25 percent). The contributions have been made primarily for capital and operating purposes and are expected to be received as follows:

Less than one year	$ 4,730
One to five years	3,678
Total contributions receivable	8,408
Less unamortized discount	(232)
Less allowance for uncollectibles	(686)
Present value of contributions receivable	$ 7,490

Note 9 - Land, Buildings, and Equipment

Land, buildings, and equipment consist of the following as of June 30, 2019:

Land and land improvements	$ 25,576
Buildings	271,707
Equipment and other	35,763
Construction in progress	5,143
Total cost	338,189
Less accumulated depreciation	129,964
Net land, buildings, and equipment	$ 208,225

Depreciation expense was $10,045 for the year ended June 30, 2019.

(all amounts in thousands)

Note 10 - Notes Payable and Long-term Debt

The College has notes payable as of June 30, 2019 as follows:

Michigan Finance Authority General Revenue and Refunding Variable Rate Demand Bonds, Series 2015 - In the amount of $13,940, issued to advance refund the remaining portion of the Series 2004 bonds, due serially each April 1 in amounts ranging from $540 to $915, plus interest payable monthly at a variable weekly rate. The 2015 bonds mature in fiscal year 2034	$	10,150
Michigan Finance Authority General Revenue and Refunding Variable Rate Demand Bonds, Series 2013 - In the amount of $16,225, issued to advance refund the remaining portion of the Series 2002B bonds, due serially each April 1 in amounts ranging from $685 to $1,145, plus interest payable monthly at a variable weekly rate. The 2013 bonds mature in fiscal year 2032		12,205
Michigan Finance Authority General Revenue and Refunding Variable Rate Demand Bonds, Series 2012 - In the amount of $11,220, issued to provide funding for the renovation or construction of student housing facilities, the renovation of student dining facilities, and to advance refund the remaining portion of the Series 2002A bonds, due serially each April 1 in amounts ranging from $15 to $1,340, plus interest payable monthly at a variable weekly rate. The 2012 bonds mature in fiscal year 2032		11,135
Economic Development Corporation of Ottawa County General Revenue and Refunding Variable Rate Demand Bonds, Series 2011 - In the amount of $10,000, issued to advance refund a portion of the Series 2002A bonds, due serially each April 1 in amounts ranging from $955 to $1,075, plus interest payable monthly at a variable weekly rate. The 2011 bonds mature in fiscal year 2022		3,160
Michigan Finance Authority General Revenue and Refunding Variable Rate Demand Bonds, Series 2010 - In the amount of $10,200, issued to advance refund a portion of the Series 1999 bonds, with the final principal payment of $1,295 due on October 1, 2019, plus interest payable monthly at a variable weekly rate.		1,295
Total	$	37,945

The above debt is unsecured, and the revenue of the College is pledged as collateral to the debt. The bonds are also subject to various financial covenants.

The balance of the above debt matures as follows:

2020	$	4,015
2021		2,395
2022		2,450
2023		2,315
2024		2,405
Thereafter		24,365
Total	$	37,945

The College has an unsecured line of credit with a bank, which has available borrowings of $8,000. Interest is payable monthly at a rate of LIBOR plus an applicable margin. The line expires on June 29, 2020 and is subject to various financial covenants. There were no borrowings outstanding on this line of credit as of June 30, 2019.

(all amounts in thousands)

Note 11 - Derivative Financial Instruments

The College is exposed to certain risks in the normal course of its business operations. The main risks are those relating to the variability of future earnings and cash flows, which are managed through the use of derivatives. All derivative financial instruments are reported in the statement of financial position at fair value.

In particular, interest rate swaps are used to manage the risk associated with interest rates on variable-rate borrowings.

Any gains or losses recognized on derivatives are recognized in current year earnings.

Below is a summary of the swaps held by the College as of June 30, 2019:

	Outstanding Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty
Series 2002B and Series 2004, refunded by Series 2013 and Series 2015	$ 19,500	June 17, 2008	3.607%	One-week LIBOR	$ (3,777)	April 3, 2034	JPMorgan
Series 2010	1,295	December 17, 2010	0.875%	65 percent of one-month LIBOR	2	October 1, 2019	PNC
Series 2011	3,160	December 14, 2011	1.699%	80 percent of one-month LIBOR	(20)	April 1, 2022	PNC
Series 2012	11,135	May 1, 2012	2.277%	80 percent of one-month LIBOR	(750)	April 1, 2032	PNC

An unrealized loss totaling $1,806 is included as a fair value adjustment to nonoperating revenue for the year ended June 30, 2019. The realized loss in the amount of $663 on the four agreements has been recognized in interest expense for the year ended June 30, 2019.

Note 12 - Beneficial Interest and Obligations Under Split-interest Agreements

The College is party to split-interest agreements with certain donors. These agreements include contracts entered into with certain donors and trust agreements from which the College benefits (matching unitrusts, pooled life revenue funds, and irrevocable trusts). Under each agreement, the donor has contributed funds to be held in trust with the College as the beneficiary. As a condition of accepting the gift, the College is required to pay a specified amount each year to the donor or a designated beneficiary until his or her death. Upon death of the beneficiaries, the remaining funds become the property of the College. The market value of assets related to these agreements totals $10,346 and is included in cash and cash equivalents and investments.

Net assets related to these agreements are classified as with donor restriction based on donor stipulations.

Obligations under split-interest agreements represent the present value of future payments to beneficiaries required under the agreements. The present value is computed based on the normal life expectancy of the beneficiaries, using discount rates ranging from 2.30 percent to 7.00 percent.

The College is also named as the beneficiary on certain charitable remainder trusts, lead trusts, and perpetual trusts.

Note 12 - Beneficial Interest and Obligations Under Split-interest Agreements (Continued)

The assets of the lead trusts are held with third-party trustees and the College is designated as a beneficiary to receive distributions from the trusts for a designated period of time. The monies received from these lead trusts are treated as restricted income. Income distributions restricted for scholarships and the sciences received from these trusts totaled approximately $606 for the year ended June 30, 2019. The beneficial interest amounts under these agreements represent the College's designated value of the underlying investments in the trust and amounted to $1,460 as of June 30, 2019.

The assets of the perpetual trusts are held with third-party trustees, and the College is designated as a beneficiary to receive distributions from the earnings of the trusts at least annually. The monies received from these irrevocable trusts are treated as restricted income. Income distributions restricted for scholarships and the sciences received from these trusts totaled approximately $63 for the year ended June 30, 2019. The beneficial interest amounts under these agreements represent the College's designated value of the underlying investments in the trusts and amounted to $562 as of June 30, 2019.

Note 13 - Donor-restricted and Board-designated Endowments

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.

Interpretation of Relevant Law

The College is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of trustees of the College had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the College considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The College has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

(all amounts in thousands)

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

	Endowment Net Asset Composition by Type of Fund as of June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 40,579	$ -	$ 40,579
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	152,291	152,291
Accumulated investment gains	-	40,643	40,643
Total	$ 40,579	$ 192,934	$ 233,513

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ 40,005	$ 187,663	$ 227,668
Investment return			
Investment income	52	4,946	4,998
Appreciation in fair value	-	4,579	4,579
Total investment return	52	9,525	9,577
Contributions	522	5,223	5,745
Appropriation of endowment assets for expenditure	-	(9,477)	(9,477)
Endowment net assets - End of year	$ 40,579	$ 192,934	$ 233,513

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration. Deficiencies of this nature exist in 66 donor-restricted endowment funds, which together have an original gift value of $4,977, a current fair value of $4,828, and a deficiency of $149 as of June 30, 2019. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of trustees.

Return Objectives and Risk Parameters

The College has adopted a policy to ensure a total return (yield plus capital appreciation) necessary to preserve and enhance (in real dollar terms) the principal of the funds and at the same time provide a dependable source of support for current projects of the College.

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 a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 13 - Donor-restricted and Board-designated Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The College has adopted a policy to utilize a spending rate up to 5.5 percent of the trailing 12-quarter moving average of the fund's marketable securities. For the year ended June 30, 2019, the College used a rate of 4.5 percent. The College has established an unrestricted endowment fund balance that meets or exceeds any deficiencies in donor-restricted endowments.

Note 14 - Employee Retirement Plans

The College has the following employee retirement benefit plans that cover substantially all nonstudent employees:

1949 Plan

This noncontributory defined benefit plan was replaced by the 1966 plan. During fiscal year 2019, the Board of Trustees approved the purchase of annuity contracts for the three remaining participants and terminated the plan, effective December 15, 2018.

1966 Plan

This is a defined contribution plan covering substantially all regular faculty members, administrative employees, and other employees. The College contributes 10.5 percent of the regular compensation of covered employees after each payroll to TransAmerica Retirement Solutions, which then allocates those dollars to each employee's designated investment choice(s). Total contributions to the plan by the College were $4,162 in 2019. Employees may also make voluntary contributions to the plan up to certain limitations allowed by law. All contributions vest immediately.

Early Retirement Program

An early retirement program is available to tenured faculty members who have reached the age of 60 and have completed 20 years of full-time service to the College. A discount rate of 3.75 percent was used to calculate the liability for this program. This program is in effect until July 31, 2022, at which time it shall terminate, unless it is renewed by the College's board of trustees.

Postretirement Benefits

The College also provides healthcare benefits to faculty who retire after attaining age 60 with 10 years of service and to all retirees beginning at age 65. Effective April 1995, this plan was amended to discontinue offering postemployment health insurance to new employees hired after June 1, 1995. Employees hired after June 1, 1995 can receive retiree health insurance, but will be required to pay 100 percent of the monthly premiums. Effective January 1, 2005, the plan was further amended to include a level of retiree contribution by employees hired before June 1, 1995 based upon years of service and employment date. A discount rate of 3.75 percent was used to calculate the benefit.

(all amounts in thousands)

Note 14 - Employee Retirement Plans (Continued)

The change in the accumulated postretirement benefit costs and other employee retirement plans for the year ended June 30, 2019 is as follows:

	1949 Plan	Early Retirement Program	Postretirement Benefits Plan	Total
Accumulated (asset) benefit costs - July 1, 2018	$ (19)	$ 656	$ 8,041	$ 8,678
Service costs on benefits earned	-	44	108	152
Interest costs on accumulated benefit obligation	-	28	339	367
Amortization (deferral) of prior service cost	-	93	(118)	(25)
Recognition of net actuarial gain	-	(143)	(100)	(243)
Net periodic benefit cost	-	22	229	251
Expected benefit payments - Net of retiree payments	-	-	(497)	(497)
Unrecognized actuarial gain and other	-	371	215	586
Settlement	19	-	-	19
Accumulated benefit costs - June 30, 2018	$ -	$ 1,049	$ 7,988	$ 9,037

The primary source of actuarial gain (loss) recognized above relates to a change in the actuarial discount rate. The service cost on the benefit earned in the above table is included in operating expenses. The remaining components of the postretirement benefit expense are included as nonoperating.

The expected benefits to be paid in the next fiscal years are as follows:

Years Ending	Early Retirement Program	Postretirement Benefits	Total
2020	$ 364	$ 530	$ 894
2021	34	522	556
2022	55	500	555
2023	88	523	611
2024	88	532	620
2025-2029	323	2,460	2,783

The 2019 costs related to the postretirement plan were developed based on the health insurance plan in effect at June 30, 2019. For the year ended June 30, 2019, the actuary assumed that retiree medical cost increases would be 3 percent. The healthcare cost trend rate assumption significantly affects the amounts reported. For example, a one percentage point increase would increase the accumulated postretirement benefit obligation by $909 and a one percentage point decrease would decrease the accumulated postretirement benefit obligation by $769.

(all amounts in thousands)

Note 15 - Self-insurance

The College has a self-insured medical plan covering all of its eligible employees. The College's individual excess risk benefit level per employee for the year ended June 30, 2019 was $300 for the first employee, with $250 for each employee thereafter. There is no total exposure limit. Claims paid and amounts expensed by the College under the plan were $6,025 for the year ended June 30, 2019. The College has recorded an accrual of $1,640 at June 30, 2019 for known claims and estimated claims incurred but not reported.

Note 16 - Related Party Transactions

The College has an interest in Creative Dining Services, Inc., which is reported under the equity method and included in the investments of the College. Creative Dining Services, Inc. provides dining and catering services to the West Michigan area and several other Midwestern states. Services acquired from Creative Dining Services, Inc. totaled $11,088 for the year ended June 30, 2019.

The College provides tuition grants to employees and dependents of employees under an employee tuition plan. Such individuals must meet certain employment and academic requirements. Benefits under the plan do not vest. Tuition grants related to this plan were $3,487 during 2019.

The College holds investments in its endowment funds that involve board members, investment committee members, and other related parties of the College. The investment values totaled $4,249 at June 30, 2019.

Note 17 - Cash Flows

Noncash investing activities during 2019 consisted of noncash gifts and contributions totaling $660. Cash paid for interest during 2019 totaled $1,601.

Note 18 - Functional Expenses

	Instruction	Research	Academic Support	Student Services	Auxiliary Activities	Fundraising	Sales and Services	Institutional Support	Total
Salary and benefits	$ 32,289	$ 3,194	$ 6,968	$ 10,812	$ 6,500	$ 4,069	$ 1,610	$ 4,555	$ 69,997
Depreciation	2,554	262	272	1,023	4,522	425	400	587	10,045
Interest	402	42	44	164	723	68	64	94	1,601
Utilities	567	56	160	240	2,273	98	195	127	3,716
Food service	171	115	106	541	10,974	194	4	75	12,180
Travel	1,112	458	373	1,024	51	216	6	61	3,301
Supplies	520	438	215	398	529	108	52	85	2,345
Other	1,799	1,837	2,560	2,825	3,631	613	168	2,316	15,749
Total	$ 39,414	$ 6,402	$ 10,698	$ 17,027	$ 29,203	$ 5,791	$ 2,499	$ 7,900	$ 118,934

Expenses are presented by functional classification in accordance with the overall service mission of Hope College. Hope College’s primary program service is academic instruction, which includes instruction, student services, auxiliary, and research. Expenses reported as fundraising, academic support, sales and services, and institutional support are incurred in support of this primary program activity. Depreciation, interest, and utilities expenses are allocated to program and supporting activities based upon periodic assessment of facilities usage. Although methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Trustees
Hope College

We have audited the financial statements of Hope College as of and for the year ended June 30, 2019 and have issued our report thereon dated October 11, 2019, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 2019 financial statements as a whole. The combining statement of financial position is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2019 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2019 financial statements as a whole.

Plante & Moran, PLLC

October 11, 2019

Combining Statement of Financial Position

June 30, 2019

(with combined totals for June 30, 2018)
(in thousands)

	Current Unrestricted	Current Restricted	Plant	Endowment	Annuities	Agency	Student Loan	Total	2018
Assets									
Cash and cash equivalents	$ 5,780	$ 11,601	$ 6,805	$ 3,073	$ 211	$ 924	$ 1,532	$ 29,926	$ 32,571
Investments	-	-	-	227,569	10,135	-	-	237,704	223,127
Receivables:									
Student accounts and loans receivable - Less allowance for doubtful accounts of $505 at June 30, 2019 and 2018	482	-	-	-	-	-	4,602	5,084	6,216
Contributions receivable	-	2,739	3,933	818	-	-	-	7,490	10,011
Government grants receivable	-	739	-	-	-	-	-	739	819
Other receivables	1,855	-	-	1,678	-	94	-	3,627	5,006
Inventories and other assets	645	-	-	-	-	-	-	645	625
Prepaid and deferred expenses	725	-	187	-	-	-	-	912	1,428
Beneficial interest in trusts	-	1,289	287	446	-	-	-	2,022	2,846
Land, buildings, and equipment - Net	-	-	208,217	-	-	8	-	208,225	208,339
Total assets	**$ 9,487**	**$ 16,368**	**$ 219,429**	**$ 233,584**	**$ 10,346**	**$ 1,026**	**$ 6,134**	**$ 496,374**	**$ 490,988**

Combining Statement of Financial Position (Continued)

June 30, 2019

(with combined totals for June 30, 2018)
(in thousands)

	Current Unrestricted	Current Restricted	Plant	Endowment	Annuities	Agency	Student Loan	Total	2018
Liabilities and Net Assets (Deficit)									
Liabilities									
Accounts payable and tax withholdings	$ 4,497	$ 282	$ 890	$ 71	$ 11	$ 79	$ 1	$ 5,831	$ 4,045
Accrued liabilities	1,593	-	1,118	-	-	-	-	2,711	2,513
Student and other deposits	1,095	-	-	-	-	847	-	1,942	1,842
Deferred tuition and fees	409	-	-	-	-	-	-	409	257
Obligations under split-interest agreements	-	-	-	-	6,198	-	-	6,198	6,776
Fair value of interest rate swaps	-	-	4,545	-	-	-	-	4,545	2,739
Refundable Federal Perkins Loan advances	-	-	-	-	-	-	5,515	5,515	5,696
Accumulated employee postretirement plans	7,988	-	-	-	-	-	-	7,988	8,041
Early retirement benefit	1,049	-	-	-	-	-	-	1,049	656
Notes payable	-	-	37,945	-	-	-	-	37,945	41,850
Total liabilities	16,631	282	44,498	71	6,209	926	5,516	74,133	74,415
Net Assets (Deficit)									
Without donor restrictions	(7,144)	5,357	171,694	40,579	-	100	322	210,908	207,825
With donor restrictions	-	10,729	3,237	192,934	4,137	-	296	211,333	208,748
Total net assets (deficit)	(7,144)	16,086	174,931	233,513	4,137	100	618	422,241	416,573
Total liabilities and net assets (deficit)	**$ 9,487**	**$ 16,368**	**$ 219,429**	**$ 233,584**	**$ 10,346**	**$ 1,026**	**$ 6,134**	**$ 496,374**	**$ 490,988**