Williams College
Consolidated Financial Statements
June 30, 2019 and 2018

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Report of Independent Auditors

To the Board of Trustees of Williams College

We have audited the accompanying consolidated financial statements of Williams College and subsidiaries (the "College"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the College's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Williams College and subsidiaries as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the College changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for profit entity in 2019. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

Hartford, Connecticut
October 14, 2019

Williams College
Consolidated Statements of Financial Position
June 30, 2019 and 2018

		2019		2018 (restated)
Assets				
Cash and cash equivalents		$ 40,013,271		$ 41,162,770
Accounts receivable, net of allowance of $115,372 in 2019 ($117,319 in 2018)		1,892,356		846,728
Contributions receivable, net of allowance of $6,887,166 in 2019 ($5,684,224 in 2018) (Note 2)		110,609,408		145,467,214
Notes receivable - student loans, net of allowance of $145,730 in 2019 ($193,095 in 2018) (Note 3)		1,957,920		2,456,729
Notes receivable - other (Note 4)		13,331,827		13,172,073
Bonds proceeds held by trustee		319,995		26,733,016
Other assets		10,167,993		9,779,651
Investments				
Investments held on behalf of Williams College (Note 5)	$2,943,861,090		$2,807,370,636	
Investments held on behalf of supporting organization	320,685,960		201,909,499	
Total Investments, at fair value		3,264,547,050		3,009,280,135
Land, buildings and equipment, net (Note 7)		681,502,916		621,979,509
Total assets		$4,124,342,736		$3,870,877,825
Liabilities				
Accounts payable and accrued liabilities		$ 34,977,199		$ 34,512,037
Accrued salaries and benefits (Note 8)		42,711,850		37,467,309
Investments held on behalf of supporting organization (Note 6)		320,685,960		201,909,499
Deferred revenue and deposits		1,835,177		1,817,396
U. S. Government advances for student loans		2,284,348		2,256,622
Liabilities related to split interest agreements		57,475,892		57,686,368
Bonds payable (Note 11)		435,544,674		445,364,331
Total liabilities		895,515,100		781,013,562
Net assets				
Without donor restrictions		413,275,501		386,272,881
With donor restrictions		2,814,188,188		2,702,169,684
Total College net assets		3,227,463,689		3,088,442,565
Noncontrolling interests without donor restrictions		1,363,947		1,421,698
Total net assets		3,228,827,636		3,089,864,263
Total liabilities and net assets		$4,124,342,736		$3,870,877,825

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

Williams College
Consolidated Statement of Activities
Year Ended June 30, 2019 with Summarized Comparative Totals for 2018

	2019			2018 (restated)
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenue, gains and other				
Net student revenues				
Tuition, fees, room and board, net of financial aid of $54,581,146 ($50,827,484 in 2018)	$ 88,989,517	$ -	$ 88,989,517	$ 89,073,883
Auxiliary enterprises - other	8,304,246	-	8,304,246	8,864,814
Gifts and grants, net of discount and allowance	31,473,671	9,779,102	41,252,773	44,424,737
Investment income	1,338,436	-	1,338,436	1,251,752
Realized gains utilized	12,532,961	114,799,187	127,332,148	110,405,642
Funds further designated	-	-	-	4,649,985
Other income	1,283,208	-	1,283,208	1,458,977
Net assets released from restrictions	130,321,281	(130,321,281)	-	-
Total operating revenue, gains, and other	274,243,320	(5,742,992)	268,500,328	260,129,790
Operating expenses and other				
Salaries and wages	107,167,204	-	107,167,204	103,720,278
Employee benefits	37,758,628	-	37,758,628	32,373,670
Operating expenses	81,725,174	-	81,725,174	73,478,208
Interest expense	12,488,754	-	12,488,754	11,520,855
Depreciation	34,860,040	-	34,860,040	30,382,635
Total operating expenses and other	273,999,800	-	273,999,800	251,475,646
Change in net assets from operating activities	243,520	(5,742,992)	(5,499,472)	8,654,144
Nonoperating activities				
Investment return, net	31,201,890	222,731,623	253,933,513	331,791,609
Realized gains utilized for current operations	(12,532,961)	(114,799,187)	(127,332,148)	(110,405,642)
Investment income, annuitant payments and change in value of split interest agreements	(842,510)	(1,986,148)	(2,828,658)	360,078
Adjustments for post-employment liabilities	(1,833,326)	-	(1,833,326)	(1,685,910)
Life income and endowment gifts, net	6,240	26,258,073	26,264,313	26,108,217
Unrealized gain (loss) and net settlement on interest rate swaps	(3,683,098)	-	(3,683,098)	2,100,268
Fund retirements	281,218	(281,218)	-	-
Funds further designated	14,161,647	(14,161,647)	-	(4,649,986)
Change in net assets from nonoperating activities	26,759,100	117,761,496	144,520,596	243,618,634
Total change in net assets without donor restriction - Williams College	27,002,620	-	27,002,620	25,936,641
Total change in net assets without restriction - noncontrolling interest	(57,751)	-	(57,751)	1,359,137
Total change in net assets with donor restriction		112,018,504	112,018,504	226,336,137
Total change in net assets	26,944,869	112,018,504	138,963,373	253,631,915
Beginning net assets	387,694,579	2,702,169,684	3,089,864,263	2,836,232,348
Ending net assets	$ 414,639,448	$2,814,188,188	$3,228,827,636	$ 3,089,864,263

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

Williams College
Consolidated Statement of Activities
Year Ended June 30, 2018

	2018 (restated)		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue, gains and other			
Net student revenues			
Tuition, fees, room and board, net of financial aid of $50,827,484)	$ 89,073,883	$ -	$ 89,073,883
Auxiliary enterprises - other	8,864,814	-	8,864,814
Gifts and grants, net of discount and allowance	22,078,600	22,346,137	44,424,737
Investment income	1,251,752	-	1,251,752
Realized gains utilized	10,964,436	99,441,206	110,405,642
Funds further designated	-	4,649,985	4,649,985
Other income	1,458,977	-	1,458,977
Net assets released from restrictions	110,097,847	(110,097,847)	-
Total operating revenue, gains, and other	243,790,309	16,339,481	260,129,790
Operating expenses and other			
Salaries and wages	103,720,278	-	103,720,278
Employee benefits	32,373,670	-	32,373,670
Operating expenses	73,478,208	-	73,478,208
Interest expense	11,520,855	-	11,520,855
Depreciation	30,382,635	-	30,382,635
Total operating expenses and other	251,475,646	-	251,475,646
Change in net assets from operating activities	(7,685,337)	16,339,481	8,654,144
Nonoperating activities			
Investment return, net	43,283,232	288,508,377	331,791,609
Realized gains utilized for current operations	(10,964,436)	(99,441,206)	(110,405,642)
Investment income, annuitant payments and changes in value of split interest agreements	-	360,078	360,078
Adjustments for post-employment liabilities	(1,685,910)	-	(1,685,910)
Life income and endowment gifts, net		26,108,217	26,108,217
Unrealized gain (loss) and net settlement on interest rate swaps	2,100,268	-	2,100,268
Fund retirements	1,370,328	(1,370,328)	-
Funds further designated	(481,504)	(4,168,482)	(4,649,986)
Change in net assets from nonoperating activities	33,621,978	209,996,656	243,618,634
Total change in net assets without donor restriction - Williams College	25,936,641		25,936,641
Total change in net assets without restriction - noncontrolling interest	1,359,137		1,359,137
Total change in net assets with donor restriction		226,336,137	226,336,137
Total change in net assets	27,295,778	226,336,137	253,631,915
Beginning net assets	360,398,801	2,475,833,547	2,836,232,348
Ending net assets	$ 387,694,579	$ 2,702,169,684	$3,089,864,263

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

Williams College
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flow from operating activities		
Total change in net assets	$ 138,963,373	$ 253,631,915
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation, amortization and accretion, net	33,295,455	28,265,049
Provision for doubtful accounts receivable and student loans	(4,810)	(58,888)
Realized gains and change in unrealized gains on investments and income	(255,620,620)	(333,522,776)
Change in noncontrolling interests without donor restrictions	(57,751)	1,359,137
Gain (loss) on real property held for resale	(195,294)	-
Gain (loss) on disposal of plant assets	(102,005)	2,811,173
Gifts restricted for long-term investment	(47,567,642)	(40,401,095)
Donated securities	(13,989,177)	(15,444,004)
Proceeds from sale of donated securities	1,894,263	1,602,489
Gifts in kind	(581,773)	(897,726)
Changes in operating assets and liabilities		
Accounts receivable	(1,043,681)	940,076
Contributions receivable	34,857,806	16,141,677
Other assets	(159,754)	(643,982)
Accounts payable and accrued liabilities	1,779,508	(495,925)
Present value of beneficiary payments	5,126,723	4,518,870
Accrued salaries and benefits	5,244,541	(1,321,848)
Deferred revenue and deposits	17,781	(142,324)
Net cash (used in) operating activities	(98,143,057)	(83,658,182)
Cash flow from investing activities		
Proceeds from sale of investments	498,744,962	278,842,775
Purchase of investments	(479,614,796)	(286,536,012)
Additions to land, buildings and equipment	(95,162,689)	(104,834,979)
Bond proceeds held by trustee	26,413,021	70,085,467
Proceeds from the sale of real estate	655,650	310,866
Student loans granted	(108,915)	(116,060)
Student loans repaid	610,587	758,893
Net cash (used in) provided by investing activities	(48,462,180)	(41,489,050)
Cash flow from financing activities		
Gifts restricted for long-term use	47,567,642	40,401,095
Proceeds from sale of donated securities restricted for endowments	12,094,914	13,841,516
Payments to beneficiaries	(5,337,199)	(5,438,411)
Proceeds from supporting organization	100,000,000	100,000,000
Deposits made for bond payments	(546,345)	823,000
Repayment of debt	(8,351,000)	(9,174,000)
U.S. Government (payments) advances for student loans	27,726	(998,705)
Net cash provided by financing activities	145,455,738	139,454,495
Net increase in cash	(1,149,499)	14,307,263
Cash		
Beginning of year	41,162,770	26,855,507
End of year	$ 40,013,271	$ 41,162,770
Supplemental disclosures		
Cash paid during the year for interest	$ 15,073,885	$ 15,150,739
Noncash transactions		
Donated securities	13,989,177	15,444,005
Exchange of land for notes receivable	(85,000)	100,800
Amounts included in accounts payable related to construction in progress	12,249,030	12,913,803

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

1. Summary of Significant Accounting Policies

Basis of Presentation
The consolidated financial statements of Williams College (the "College") have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

The consolidated financial statements include the accounts of Williams College, the Williams Inn, LLC, Williams Renewables, LLC and Williams College Foundation (UK) Limited. Collectively, all of these entities are referred to as the "College". All significant inter-entity transactions and balances have been eliminated upon consolidation.

The College is the sole shareholder of Williams Renewables, LLC. Williams Renewables, LLC was established to facilitate Williams' investments in renewable energy projects. During 2017, Williams Renewables, LLC entered into an agreement with Simonds Road Solar, LLC. As a result of the agreement, Williams Renewables, LLC has a controlling interest in Simonds Road Solar, LLC. As of June 30, 2019 and 2018, assets of Simonds Road Solar, LLC totaled $5.1 million and $5.2 million, liabilities totaled $0 and $0, and net operating gain (loss) totaled ($0.58) million and $0.44 million, respectively. The College has reflected noncontrolling interest without donor restrictions related to a third party's interest in Simonds Road Solar of $1.4 million.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined as follows:

Net Assets Without Donor Restriction - Net assets derived from tuition and other institutional resources which are not subject to donor-imposed restrictions. Net assets without donor restrictions also include board designated funds functioning as endowment and net investment in plant.

Net Assets With Donor Restriction - Net assets which are subject to donor-imposed restrictions that can be fulfilled by actions of the College pursuant to those restrictions or that expire by the passage of time. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets for general or specific purposes.

Revenues are reported as increases in net assets without donor restriction unless use of the revenue is restricted by donor-imposed restrictions.

Expenses are reported as decreases in net assets without donor restriction.

Gains and losses on investment and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is defined by donor-imposed restrictions.

Expirations or changes in donor-imposed stipulations are reported as net assets released from restrictions and reclassifications between net asset classes.

Periodically a donor may decide to clarify or no longer restrict their gift, such changes are reflected as funds further designated at the time they are identified.

Measure of Operations

The measure of operations is the change in net assets from operating activities, which includes revenue support for operating activities without donor restriction and with donor restrictions that are not long-term in nature. Tuition, net of certain scholarships and fellowships, fees, contributions for operations and the allocation of endowment spending for operations are included in the measure of operations.

Nonoperating activities include transactions of a capital nature including realized and changes in unrealized gains and losses on investments to be reinvested by the College to generate a return that will support operations, additions to or changes in the value of split-interest arrangements, unrealized gain (loss) and net settlement of interest rate swaps, and life income and endowment gifts.

Revenues

The College considers tuition, room and board as one contract with three performance obligations under ASU 2014-09. The College is a residential community with the large majority of students living in campus housing and dining in campus facilities. Tuition is charged per semester at the same rate for all students. Tuition, room and board are all fully earned by June 30. Financial aid is calculated based on total cost of attendance.

The College records student related revenue within the fiscal year in which services are provided. Institutional financial aid includes amounts funded by the college's operations, endowments, and gifts and provide funding to offset the published price of tuition and fees, room, and board for students. Grants to students for costs in excess of published prices are reported as student services and expense in the consolidated statement of activities.

Student related revenue by performance obligation is as follows:

	2019			
	Tuition & Fees	Room	Board	Total
Student charge	$ 116,526,817	$ 13,924,760	$ 13,119,086	$ 143,570,663
Allocation of financial aid	(44,299,908)	(5,293,765)	(4,987,473)	(54,581,146)
Total net student charges	$ 72,226,909	$ 8,630,995	$ 8,131,613	$ 88,989,517

	2018			
	Tuition & Fees	Room	Board	Total
Student charge	$ 113,389,756	$ 13,820,435	$ 12,691,176	$ 139,901,367
Allocation of financial aid	(41,195,566)	(5,021,094)	(4,610,824)	(50,827,484)
Total net student charges	$ 72,194,190	$ 8,799,341	$ 8,080,352	$ 89,073,883

Cash and Cash Equivalents
Cash represents highly liquid investments with a maturity of three months or less at the date of purchase. Cash included in the College's investment pool is reported as part of investments.

Contributions
Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions with donor-imposed restrictions (together with the associated investment return on such contributions) are reported as revenues with donor restrictions. When an expenditure is incurred that satisfies the donor-imposed restriction, the contribution is reclassified to net assets without donor restrictions. Contributions restricted for the acquisition of land, buildings and equipment are reported as revenues with donor restrictions. These contributions are reclassified to net assets without donor restrictions upon acquisition of the assets or when the asset is placed into service. Gifts-in-kind are reported as revenue without donor restrictions unless use of the asset is restricted by the donor.

Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

Contributions to be received after one year are measured at fair value using a discount rate commensurate with the terms of the contribution. Discount rates range from 1.34% to 3.55% based on the year the pledge was recorded. Amortization of the discount is recorded as contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution. An allowance is made for uncollectible contributions based upon management's judgment, past collection experience and other relevant factors. The current year increment to such allowance, along with modifications to contributions receivable for changes in payment methodology, are netted against current year contribution revenue. Amounts netted to (against) contribution revenue were $22,686 and $(525,742) for the years ended June 30, 2019 and 2018, respectively.

Other Assets
Other assets consist of prepayment of bonds, prepaid expenses and inventories. Inventories consist primarily of supplies and are valued at the lower of cost (determined using a first-in, first-out methodology) or market value.

Investments
The College reports investments at fair value in accordance with GAAP. Fair value is defined as the amount that would be received as a result of selling an asset, or the amount that would be paid to transfer a liability (i.e., the exit price), in an orderly transaction between market participants at the measurement date.

The fair values of investments are determined as follows:

Investments	Value as Recorded
Cash and cash equivalents, including cash at banks and short-term, highly liquid investments with an original maturity of three months or less at the time of purchase	At cost which approximates fair value
Stocks, bonds, mutual funds, and other publicly traded securities	At quoted market value, representing fair value
Privately held investment vehicles including investments in funds with managers managing global long/short equities, absolute return strategies, venture capital, buyouts, real estate, real assets, and other strategies	Estimated fair value determined by the manager of the privately held partnership

Certain investment vehicles do not have quoted market prices. These include 1) hedge fund investments with managers of global long/short equities and absolute return strategies; 2) investments in venture capital, buyout, real asset and real estate partnerships; and 3) certain other commingled funds. In the absence of quoted market prices of these investment vehicles, the fair value is determined by the College based on information provided by external managers. Most of these external managers calculate the College's capital account or Net Asset Value (NAV) at fair value in accordance with, or in a manner consistent with, GAAP. GAAP permits the College to estimate the fair value of these investments by using the reported NAV provided by the external managers as a practical expedient. The College has performed due diligence procedures on these investments to support recognition at fair value as of June 30, 2019 and 2018. Due to the inherent uncertainties of valuation, these estimated fair values may differ significantly from the values that would have been reported had a readily available market for these investments existed, and these differences could be material.

Beneficial and perpetual trusts are held at fair value by third parties are recorded at the present value of the future distributions expected to be received over the term of the agreement. These methods may result in a fair value measurement that may not be indicative of net realizable value or reflective of future fair values.

While the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Liquidity

The College regularly monitors the availability of resources required to meet its general operating expenditures.

As of June 30, 2019 and 2018 financial assets and liquidity resources available within one year for general expenditure, such as operating expense, interest and principal payments, and capital renewal programs were as follows:

		2019		2018
Financial assets, at June 30:		$ 3,111,665,872		$ 3,010,476,150
Less financial assets due in more than one year or with donor-imposed restrictions				
Contributions restricted by donor with time or purpose restrictions	105,220,958		144,329,687	
Endowment assets	2,729,896,193		2,612,003,491	
Split income gift assets	47,807,845		46,565,333	
Other investments	7,091,550		11,151,876	
Notes due in over one year	12,760,013		12,594,292	
		2,902,776,559		2,826,644,679
Financial assets available for operating expenses		208,889,313		183,831,471
Endowment distribution approved by Board for spending		134,655,991		127,332,148
Total financial assets available for operating expense		$ 343,545,304		$ 311,163,619

To manage liquidity, the College maintains $175 million of lines of credit that is drawn upon as needed to manage both operating and endowment cash flow. Cash flows are subject to seasonal variations attributable to the timing of tuition billings, receipts of gifts and grants, pledge payments and endowment draws. In addition, the College had an additional $226,335,810 and $260,052,353 for 2019 and 2018, respectively, of board designated endowment that is available to support general operations with Board approval.

Land, Buildings and Equipment

Capital expenditures for and gifts of land, buildings and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of buildings (40-60 years), building systems, renovations and land improvements (20 years), equipment (3-10 years) and software (3 years).

Interest is capitalized on capital projects in process until the project is substantially complete.

The College's art and rare book collections are recorded at cost or appraised value at the date of acquisition. Collections are not depreciated. The College does not capitalize the cost of library books and periodicals.

Conditional Asset Retirement Obligation

The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, in accordance with ASC 410, Asset Retirement and Environmental Obligations. The liability is reflected in accounts payable and accrued liabilities. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statements of activities.

	2019	2018
Change in asset retirement obligation		
Asset retirement obligation at beginning of year	$ 5,166,686	$ 5,920,799
Settlement of obligation	(598,468)	(900,212)
Additional obligations	-	-
Accretion expense	106,896	146,099
Asset retirement obligation at end of year	$ 4,675,114	$ 5,166,686

Employee Benefits
Retirement benefits for substantially all full-time employees are individually funded and vested under a defined contribution retirement program with the Teachers Insurance and Annuity Association and the College Retirement Equities Fund ("TIAA" and "CREF", respectively). Under this agreement, the College and plan participants make periodic contributions to TIAA and CREF. The College's expense under defined contribution retirement plans amounted to approximately $8,996,622 and $8,733,995 for 2019 and 2018, respectively.

The College provides postretirement benefits that include retiree life insurance and a portion of early retiree medical, dental and life insurance premiums.

The College accrues postemployment benefits which may include salary continuation, severance benefits, workers' compensation and other disability related benefits, and the post employment continuation of health care benefits, life insurance benefits and similar benefits to certain employees and beneficiaries.

U.S. Government Advances for Student Loans
Funds provided by the United States Government under the Federal Perkins Loan program are loaned to qualified students and may be reloaned after collection. If the College were to terminate the Federal Perkins Loan Program, these funds would be refundable to the government and, therefore, are recorded as a liability.

Split Interest Agreements and Outside Trusts
For those trusts for which the College serves as trustee, the assets held are included with its pooled investments. Assets under these agreements are recorded at fair value. Contribution revenues are recognized at the dates the trusts are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities of $57,475,892 and $57,686,368 as of June 30, 2019 and 2018, respectively, recorded in present value of beneficiary payments on the consolidated statements of financial position, are adjusted during the term of the trusts for changes in the value of the assets, amortization of the discount and other changes in the estimates of future benefits.

For those irrevocable charitable remainder trusts for which the College does not serve as trustee, the College records its beneficial interest in those assets as contribution revenue and contributions receivable at the present value of the expected future cash inflows. Such trusts are recorded at the date the College has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual. Changes in the value of these assets related to the amortization of the discount or revisions in the income beneficiary's life expectancy are recorded as a nonoperating change in the valuation of contributions receivable of net assets with donor restrictions.

The College is also the beneficiary of certain perpetual trusts held and administered by others. The fair value of these trusts, which is reported by the outside trustee, is included in investments. Distributions from the trusts are recorded as investment income in the period they are received. Changes in fair value of the trusts are recorded as nonoperating gains or losses with donor restricted and without donor restricted net assets.

Allocation of Interest, Depreciation and Operation and Maintenance of Plant
Certain expenses have been allocated to functional areas based on the following:

- Interest – by bond issue, by functional nature of building use
- Depreciation – by square footage, by functional nature of building use
- Operation and maintenance of plant – by specific identification where applicable and by square footage, by functional nature of building use

Use of Estimates
The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The College's significant estimates include the fair value of its investments, its valuation of contributions receivable, recognition of its asset retirement obligations, its postretirement health benefits and other accruals for expenses incurred which will be settled in the future. Actual results could differ from those estimates.

Income Taxes/Tax-Exempt Status
The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act impacts the College in several ways, including new excise taxes on executive compensation and net investment income, increases to unrelated business taxable income (UBTI) by the amount of certain fringe benefits for which a deduction is not allowed, changes to the net operating loss rules, repeal of the alternative minimum tax (AMT), and the computation of UBTI separately for each unrelated trade or business. Further, the Act reduces the US federal corporate tax rate and federal corporate unrelated business income tax rate from 35% to 21%.

For the tax year ended June 30, 2019, the College made a reasonable estimate of the effect of the net investment income excise tax on deferred tax balances. Regulatory guidance in connection with calculating the tax remains uncertain and the full impact of the Act will not be known until further regulatory guidance is provided to assist the College with calculating its liability. The College continues to evaluate the impact of tax reform on the organization.

Recently Adopted Authoritative Pronouncements

ASU 2016-04: "Presentation of Financial Statements of Not-for-Profit Entities"
The College adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-04, Presentation of Financial Statements of Not-for-Profit Entities in 2019. These changes were applied retrospectively to ensure comparability with the prior year.

Under the new guidance, the College is required to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories:

with donor restrictions and without donor restrictions. Endowments that have a current fair value that is less than the original gift amount (underwater) are classified in net assets with donor restrictions and expanded disclosures are required. Additional new disclosure requirements are required under the new guidance including disclosure of board-designated net assets, expanded disclosures relating to the College's liquidity of financial assets, expanded reporting to present expenses by function and natural classifications and eliminating the requirement to disclose investment expenses that are netted against investment return.

ASU 2014-09: "Revenue from Contracts with Customers"
In May 2014, the FASB issued ASU No. 2014-09, which along with amendments issued in 2015 and 2016 supersedes the revenue recognition requirements in ACS 605, "Revenue Recognition" and most industry-specific guidance. The guidance applies to all contracts, but specifically excludes contribution income. The College adopted ASU 2014-09 as of July 1, 2018 using the modified retrospective transition method. There was no material impact to revenues for the year ended June 30, 2019 as a result of applying ASU 2014-09.

ASU 2018-08: "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made"
In June 2018 the FASB issued ASU 2018-08, that aims to assist entities in (1) evaluating whether transactions should be accounted for as contributions or exchange transactions and (2) determining whether a contribution is conditional. The College adopted ASU 2018-08 simultaneously with ASC 606 as of July 1, 2018. The College applied the new standard on a modified prospective basis. The adoption of the standard did not have a material impact to the College's consolidated statement of activities for the year ended June 30, 2019.

ASU 2017-07 "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"
On July 1, 2016, the College early adopted new accounting standard related to Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. The standard requires service costs be reported as an employee cost within operating income. The other components are reported separately outside of operations. The amendment allows for practical expedient for comparative purposes as the estimate basis for applying the retrospective requirement. The College has used the practical expedient. The disclosure change can be seen in footnote 8 for both fiscal years 2019 and 2018.

Recent Accounting Pronouncements, not yet effective

ASU 2016-02: "Leases (Topic 842)"
In February 2016, the FASB issued ASU 2016-02. The objective of this standard update is to provide a representation of an entity's leasing activities. This standard update requires that lease assets and lease liabilities be recognized on the balance sheet and all key information about leasing arrangements be disclosed. The standard update is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The College is currently assessing the potential impact of this standard update on its consolidated financial statements.

ASU 2018-13: "Fair Value Measurements (Topic 820)"
In August 2018, the FASB issued Accounting Standards Update ("ASU") 2018-13, Fair Value Measurements (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). Following this new guidance, the College is no longer required to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy. For investments in certain entities that calculate net asset value, the requirement to disclose the estimated period of time over which the underlying assets might be liquidated is

modified to only require disclosure if the investee has communicated the timing to the College or announced the timing publicly. The guidance is effective for financial statements fiscal years beginning on or after December 15, 2019. The College has determined not to early adopt ASU 2018-13 within these financial statements.

Reclassifications and Restatements

Certain prior year balances were reclassified to conform to the current year presentation.

As a result of adopting ASU 2016-14, the College restated its July 1, 2017 net assets and consolidated statement of activities by combining prior year amounts for temporarily restricted and permanently restricted activities and net assets into net assets with donor restrictions to arrive at 2018 opening balances as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
2018 beginning net assets as previously presented:			
Unrestricted	$ 360,398,801	$ -	$ 360,398,801
Temporarily restricted	-	1,808,263,436	1,808,263,436
Permanently restricted	-	667,570,111	667,570,111
2018 beginning net assets	$ 360,398,801	$ 2,475,833,547	$ 2,836,232,348

The College has early adopted ASU 2017-07, as a result, service costs are shown as operating expense and all other pension costs are reflected as non-operating expense. Operating and non operating expenses for 2018 were reclassified on the consolidated statement of activities.

For fiscal year 2018, the adoption of the standard moved $1,685,910 of net periodic benefit cost from operating expenses to non-operating. This amount can now be seen in the line titled "Adjustments for post-employment liabilities" on the consolidated statement of activities. The remaining $951,667 service cost that was reflected in the defined benefit and post-retirement expense is included in institutional support. These changes had no effect on total net assets.

The components of net periodic benefit cost other than the service cost component are included in the line item "Adjustment for post-employment liabilities" in the consolidated statement of activities.

The College elected to disclose expenses in their natural classification. 2018 expenses were reclassified to reflect this new presentation.

Tuition revenue was reclassified to conform with ASU 2014-19, Revenues from Contracts with Customers. Tuition revenue in 2018 was reclassified to be shown net on the consolidated statement of activities.

2. Contributions Receivable

Contributions receivable are as follows at June 30:

	2019	2018
Expected collection period		
Less than one year	$ 39,746,760	$ 48,701,056
One year to five years	44,624,936	70,741,297
Over five years	2,770,220	6,850,080
Less: Discount to present value	(6,606,131)	(8,093,689)
Allowance for uncollectible contributions	(6,887,166)	(5,684,224)
Net contributions receivable	73,648,619	112,514,520
Charitable remainder trusts held by others	36,960,789	32,952,694
Contributions receivable, net	$ 110,609,408	$ 145,467,214

At June 30, 2019 and 2018, the College had also received conditional promises to give of approximately $100,394,754 and $98,095,535, respectively. These conditional promises to give are not recognized as assets until the removal or lapse of the condition.

During fiscal 2019, the College implemented ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made". Awarded resources unexpended from the federal government, totaling $2,274,877 and $1,878,557 as of June 30, 2019 and June 30, 2018 respectively, are considered non-exchange transactions and include a barrier and a right of return. As such, these conditional promises to give are not recognized as revenues until the College expends the resources.

Funds held in trust by others totaled $36,960,794 and $32,952,694 at June 30, 2019 and 2018, respectively, are valued using Level 3 inputs (see Note 5 for discussion on classification of fair value measurements). Following is a reconciliation of funds held in trust by others in which significant unobservable inputs (Level 3) were used in determining value.

	2019	2018
Beginning of year balances	$ 32,952,694	$ 39,423,195
Change in unrealized losses	3,536,603	(6,459,024)
Net additions (retirements)	471,492	(11,477)
End of year balances	$ 36,960,789	$ 32,952,694

3. Notes Receivable – Student Loans

The College holds notes receivable from student loans (net of allowance) totaling $1,957,920 and $2,456,729 as of June 30, 2019 and 2018, respectively. The College is required to disclose the fair value of student loans receivable. Management believes that it is not practicable to determine the fair value of loans receivable because they are primarily federally sponsored student loans with U.S. government mandated interest rates and repayment terms subject to significant restrictions as to their transfer or disposition. College sponsored and donor provided loans are similarly restricted as to interest rate and disposition.

4. Notes Receivable – Other

The College holds mortgages on residences of eligible faculty and staff members that amounted to $9,663,842 and $9,239,641 as of June 30, 2019 and 2018, respectively. The average stated interest rate paid on the mortgages as of June 30, 2019 and 2018 was 2.60% and 2.65% respectively. The College holds other notes receivable totaling $3,667,985 and $3,932,432 as of June 30, 2019 and 2018, respectively.

5. Investments

Investments held by the College are comprised of:

	2019	2018
Williams College		
Investment Pool	$ 3,109,647,655	$ 2,851,562,926
Investment Pool interests held for supporting organization	(220,685,960)	(101,909,499)
Investment Pool - Williams College	2,888,961,695	2,749,653,427
Split interest agreements	47,807,845	46,565,333
Other investments	7,091,550	11,151,876
Total Investments - Williams College	2,943,861,090	2,807,370,636
Investments held on behalf of supporting organization		
Investment Pool interests held for supporting organization	220,685,960	101,909,499
Advanced subscription to the Investment Pool	100,000,000	100,000,000
Total Investments - supporting organization	320,685,960	201,909,499
Total Investments	$ 3,264,547,050	$ 3,009,280,135

Investment Pool Governance

The Investment Committee, a standing committee of the Board of Trustees, is responsible for setting asset allocation, investment policy and the strategic direction of the Williams College Investment Pool. The Investment Committee approves the operating budget and annual goals for the investment office and monitor investment results to ensure policy objectives are met. In addition, three Advisory Committees (Marketable Assets, Non-Marketable Assets and Real Assets) serve as sub-committees of the Investment Committee and provide focused asset class advice. The Chief Investment Officer ("CIO") reports to the College President and oversees and manages the College's Investment Office, including the selection of investments, investment managers and consultants, subject to the approval of the Investment Committee and in accordance with the Committee's policies and procedures.

Investment Pool Mission, Objectives and Strategy

The mission of the Investment Pool is to contribute financial support to both the present and future needs of the College as well as to provide sufficient liquidity to meet such needs on a timely basis.

The College's overall investment objective is to achieve the highest level of investment performance that is compatible with its risk tolerance and prudent investment practices. The

College's risk tolerance is informed by the degree to which it relies on the Investment Pool to support its operations.

The College's investment strategy is designed to meet its investment objective and has the following characteristics: an equity bias to help achieve the College's long-term return objective; diversification to dampen volatility; an emphasis on alternative investments; and a sufficient liquidity position.

Investment Pool Asset Allocation

The asset allocation, asset class benchmarks, and allowable ranges for each asset class for the Williams College Investment Pool is approved by the Investment Committee upon the recommendation of the CIO and reviewed every year. The target asset allocation for 2019 and 2018 is summarized below.

	Target Policy Portfolio at June 30,	
Asset Class	**2019**	**2018**
Global equity	23 %	23 %
Global long/short equity	19	19
Absolute return	19	19
Venture capital	6	6
Buyouts	9	9
Real assets	6	5
Real estate	6	6
Investment grade fixed income	-	2
Noninvestment grade fixed income	10	10
Cash	2	1
	100 %	100 %

In addition to the asset class diversification targets presented above, the College diversifies its investments among various investment strategies. The investments are managed by a select group of external investment management firms and held in custody by a major commercial bank, except for assets structured as partnerships, LLCs and commingled funds, which have separate arrangements appropriate to their legal structure.

ASC 820 Disclosure - Fair Value Hierarchy

US GAAP contains an established framework to measure fair value, with required disclosures about fair value measurements. *FASB Accounting Standards Codification ASC 820 on Fair Value Measurements*, favors the use of market-based information over entity-specific information. The standard prescribes a three-level hierarchy for fair value measurements based on the observability of inputs used in the valuation of an investment as of the measurement date. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Quoted prices are available in active markets for identical investments as of the reporting date, without adjustment. The type of investments in Level 1 include cash and cash equivalents, listed equity securities held in the name of the College in separately managed accounts and exchange traded mutual fund investments.

Level 2 Pricing inputs, including broker quotes, other than exchange traded quoted prices in active markets. The inputs are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are unobservable and includes situations where there is little, if any, market activity for the investment. Fair value for Level 3 assets and liabilities is determined using various valuation methodologies that consider a range of factors, including but not limited to the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, and current and projected operating performance. The inputs generally require significant management judgment. Investments which are generally included in this category are split interest agreements and other investments.

In accordance with Subtopic 820-10, certain investments that are measured at fair value using the practical expedient have not been classified in the fair value hierarchy. As such, the fair value of investments presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position. The College performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with GAAP.

The following table presents the College's consolidated financial instruments carried at fair value as of June 30, 2019 and 2018, by caption on the consolidated statements of financial position and by the ASC 820 fair value valuation hierarchy defined above. The College has no Level 2 investments.

June 30, 2019

	Investment Assets Valued Using NAV As a Practical Expedient	Investment Assets Quoted Prices in Active Markets (Level 1)	Investment Assets Valued With Significant Unobservable Inputs (Level 3)	Total Investment Assets Subject to Fair Value Leveling	Investment Assets Not Subject to Fair Value Leveling	Total Investments
Investment Pool						
Global long equity funds	$ 639,107,703	$ -	$ -	$ 639,107,703	$ -	**$ 639,107,703**
Global long/short equity funds	631,877,331	-	-	631,877,331	-	**631,877,331**
Absolute return funds	562,409,891	-	-	562,409,891	-	**562,409,891**
Venture capital funds	541,628,097	-	-	541,628,097	-	**541,628,097**
Buyout funds	195,080,566	-	-	195,080,566	-	**195,080,566**
Real asset funds	153,956,274	-	-	153,956,274	-	**153,956,274**
Real estate funds	112,682,170	-	-	112,682,170	-	**112,682,170**
Non-investment grade fixed income funds	267,418,031	-	-	267,418,031	-	**267,418,031**
Cash and cash equivalents	-	70,433,350	-	70,433,350	-	**70,433,350**
Subtotal	3,104,160,063	70,433,350	-	3,174,593,413	-	**3,174,593,413**
Advanced subscription to underlying funds	-	-	-	-	20,000,000	**20,000,000**
Redemption receivable from underlying funds	-	-	-	-	15,184,806	**15,184,806**
Other assets and liabilities	-	-	-	-	(130,564)	**(130,564)**
Subtotal	-	-	-	-	35,054,242	**35,054,242**
Subtotal	3,104,160,063	70,433,350	-	3,174,593,413	35,054,242	**3,209,647,655**
Advanced subscription to Investment Pool	-	-	-	-	(100,000,000)	**(100,000,000)**
Total Investment Pool	3,104,160,063	70,433,350	-	3,174,593,413	(64,945,758)	**3,109,647,655**
Supporting Organization Portion	-	-	-	-	(220,685,960)	**(220,685,960)**
Total Investment Pool - Williams College	**3,104,160,063**	**70,433,350**	**-**	**3,174,593,413**	**(285,631,718)**	**2,888,961,695**
Split interest agreements						
Cash and cash equivalents	-	1,011,328	-	1,011,328	-	**1,011,328**
Common and preferred stocks	-	16,231,462	-	16,231,462	-	**16,231,462**
Fixed income securities	-	15,040,297	-	15,040,297	-	**15,040,297**
Real estate mutual funds	-	1,317,590	-	1,317,590	-	**1,317,590**
Perpetual trusts held by others	-	-	14,207,168	14,207,168	-	**14,207,168**
Total Split Interest Agreements	**-**	**33,600,677**	**14,207,168**	**47,807,845**	**-**	**47,807,845**
Other investments	**-**	**809,750**	**6,281,800**	**7,091,550**	**-**	**7,091,550**
Investments Total - Williams College	**3,104,160,063**	**104,843,777**	**20,488,968**	**3,229,492,808**	**(285,631,718)**	**2,943,861,090**
Investments held for supporting organization						
Investments held in the Investment Pool	-	-	-	-	220,685,960	**220,685,960**
Advanced subscription to Investment Pool	-	-	-	-	100,000,000	**100,000,000**
Total Investments at fair value	**$ 3,104,160,063**	**$ 104,843,777**	**$ 20,488,968**	**$ 3,229,492,808**	**$ 35,054,242**	**$ 3,264,547,050**

	June 30, 2018					
	Investment Assets Valued Using NAV As a Practical Expedient	Investment Assets Quoted Prices in Active Markets (Level 1)	Investment Assets Valued With Significant Unobservable Inputs (Level 3)	Total Investment Assets Subject to Fair Value Leveling	Investment Assets Not Subject to Fair Value Leveling	Total Investments
Investment Pool						
Global long equity funds	$ 621,687,932	$ -	$ -	$ 621,687,932	$ -	**$ 621,687,932**
Global long/short equity funds	552,375,884	-	-	552,375,884	-	**552,375,884**
Absolute return funds	528,849,871	-	-	528,849,871	-	**528,849,871**
Venture capital funds	440,138,570	-	-	440,138,570	-	**440,138,570**
Buyout funds	148,390,740	-	-	148,390,740	-	**148,390,740**
Real asset funds	153,365,250	-	-	153,365,250	-	**153,365,250**
Real estate funds	89,364,827	-	-	89,364,827	-	**89,364,827**
Non-investment grade fixed income funds	268,525,927	-	-	268,525,927	-	**268,525,927**
Cash and cash equivalents	-	41,125,042	-	41,125,042	-	**41,125,042**
Subtotal	2,802,699,001	41,125,042	-	2,843,824,043	-	**2,843,824,043**
Advanced subscription to underlying funds	-	-	-	-	50,000,000	**50,000,000**
Redemption receivable from underlying funds	-	-	-	-	57,855,925	**57,855,925**
Other assets and liabilities	-	-	-	-	(117,042)	**(117,042)**
Subtotal	-	-	-	-	107,738,883	**107,738,883**
Subtotal	2,802,699,001	41,125,042	-	2,843,824,043	107,738,883	**2,951,562,926**
Advanced subscription to Investment Pool	-	-	-	-	(100,000,000)	**(100,000,000)**
Total Investment Pool	2,802,699,001	41,125,042	-	2,843,824,043	7,738,883	**2,851,562,926**
Supporting Organization Portion	-	-	-	-	(101,909,499)	**(101,909,499)**
Total Investment Pool - Williams College	**2,802,699,001**	**41,125,042**	**-**	**2,843,824,043**	**(94,170,616)**	**2,749,653,427**
Split interest agreements						
Cash and cash equivalents	-	783,044	-	783,044	-	**783,044**
Common and preferred stocks	-	15,626,119	-	15,626,119	-	**15,626,119**
Fixed income securities	-	14,703,741	-	14,703,741	-	**14,703,741**
Real estate mutual funds	-	1,189,401	-	1,189,401	-	**1,189,401**
Perpetual trusts held by others	-	-	14,263,028	14,263,028	-	**14,263,028**
Total Split Interest Agreements	**-**	**32,302,305**	**14,263,028**	**46,565,333**	**-**	**46,565,333**
Other investments	**-**	**1,207,108**	**9,944,768**	**11,151,876**	**-**	**11,151,876**
Investments Total - Williams College	**2,802,699,001**	**74,634,455**	**24,207,796**	**2,901,541,252**	**(94,170,616)**	**2,807,370,636**
Investments held for supporting organization						
Investments held in the Investment Pool	-	-	-	-	101,909,499	**101,909,499**
Advanced subscription to Investment Pool	-	-	-	-	100,000,000	**100,000,000**
Total Investments at fair value	**$ 2,802,699,001**	**$ 74,634,455**	**$ 24,207,796**	**$ 2,901,541,252**	**$ 107,738,883**	**$ 3,009,280,135**

Level 3 Rollforward

The following table is a rollforward of the amounts presented on the consolidated statements of financial position for financial instruments classified by the College within Level 3 of the fair value hierarchy defined above:

2018 to 2019

Split Interest Agreements

	Beginning	Realized Gains (Losses)	Change in Unrealized Gains (Losses)	Additions (Retirements)	Ending
Perpetual trusts	$ 14,263,028	$ -	$ (55,859)	$ -	$ 14,207,169

Other Investments

	Beginning	Realized Gains (Losses)	Change in Unrealized Gains (Losses)	Gifts and Purchases	Redemptions	Ending
Other investments	$ 9,944,768	$ 205,730	$ 68,455	$ 3,050,000	$ (6,987,153)	$ 6,281,800

There were no transfers into (out of) Level 3 investments during the year ended June 30, 2019.

2017 to 2018

Split Interest Agreements

	Beginning	Realized Gains (Losses)	Change in Unrealized Gains (Losses)	Additions (Retirements)	Ending
Perpetual trusts	$ 13,780,703	$ 482,325	$ -	$ -	$ 14,263,028

Other Investments

	Beginning	Realized Gains (Losses)	Change in Unrealized Gains (Losses)	Gifts and Purchases	Redemptions	Ending
Other investment	$ 9,618,786	$ -	$ (27,940)	$ 356,922	$ (3,000)	$ 9,944,768

There were no transfers into (out of) Level 3 investments during the year ended June 30, 2018.

Additional Fair Value Disclosure

The College uses NAV to determine the fair value of investments which (a) do not have a readily determinable fair value (e.g. private equity partnerships) and (b) prepare their financial statements consistent with the measurement principals of an investment company or have the attributes of an investment company. In accordance with US GAAP, the following required disclosure lists specified investment types by major category.

		2019	
Investment Pool/ Strategy	**Expected Remaining Life**	**Amount of Unfunded Commitments**	**Redemption Terms**
Absolute return funds	1 to 32 Years/ Some funds have an undefined life.	$ 30,826,355	Ranges from quarterly to annual redemptions with 30 to 90 days notice required for redemption. One fund is subject to a 3 year rolling lock-up and allows redemptions in the last year of the lock-up. and three funds are commitment based with no ability to redeem. Five funds are in the process of liquidating. Some funds are subject to investor-level gates.
Buyout funds	1 to 13 Years	199,532,509	N/A[1]
Global long equity funds	23 Years Some funds have an undefined life.	-	Ranges from 5-day to annual redemptions with 1 day to 60 days notice required for redemption. One fund is subject to a 3 year rolling lock-up. One fund is subject to 3 year lock-up with slow-pay provisions after the first year of lock-up. One fund is in the process of liquidating.
Global long/short equity funds	2 Years Some funds have an undefined life.	9,315,294	Ranges from monthly to annual redemptions with 45 to 90 days notice required for redemption. One fund is subject to a 3 year rolling lock-up. One fund is subject to a 3 year lock-up with slow-pay provisions after the end of the lock-up. One fund is subject to a 2 year lock-up with slow-pay provisions after the end of the first year of the lock-up. One fund is illiquid.
Noninvestment grade fixed income funds	1 to 25 Years/ Some funds have an undefined life.	91,939,656	Ranges from quarterly to annual redemptions with 60 to 120 days notice required for redemption. Some funds are commitment based with no ability to redeem.
Real asset funds	1 to 15 Years/	81,321,517	N/A[1]
Real estate funds	1 to 20 Years	154,084,547	N/A[1]
Venture capital funds	1 to 12 Years	82,961,084	N/A[1]
Total investment pool		$ 649,980,963	

[1] N/A: These funds are in private equity structures, with no ability to be redeemed.

Other Investment-Related Disclosures

The College is obligated, under certain limited partnership agreements, to make additional capital contributions up to contractual levels. The timing and amounts of the contributions are determined by the general partners. The College has unfunded commitments of $649,980,963 and $561,869,993 as of June 30, 2019 and 2018, respectively.

The following table reflects the total return for the year:

	2019	2018
Realized and change in unrealized gain, net of investment management fees and costs	$ 271,223,999	$ 341,426,242
Reinvested endowment income	1,485,975	2,274,865
Net investment income (other than reinvested amounts)	1,338,436	1,251,752
Net investment income from trusts	1,682,108	1,731,168
Earnings related to supporting organization	(18,776,461)	(11,909,499)
Total	$ 256,954,057	$ 334,774,528

Investment management fees and costs are netted against investment returns, reducing the reported nonoperating returns on investments. Investment management fees are comprised of management fees earned by fund managers of the commingled funds in which the College invests. Costs are comprised of endowment accounting and investment office expenses.

In connection with the investments managed by external investment advisors, derivative financial instruments, principally options, futures and options on futures, may be employed by certain advisors. Derivative financial instruments are not an integral part of the College's direct overall investment strategy.

As of June 30, 2019 and 2018, included in investments are redemptions receivable from underlying funds of $15,184,806 and $57,855,925, respectively.

As of June 30, 2019 and 2018, included in investments are advanced subscriptions in underlying funds of $20,000,000 and $50,000,000, respectively.

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position and consolidated statements of activities.

6. Investments Held for Supporting Organization

In February of 2017, the College and a supporting organization ("Organization") entered into a participation agreement wherein the Organization will transfer substantially all of its endowment over a three-year period to the College to invest in the College's investment pool. The College will manage the investments on the Organization's behalf. The funds are invested in accordance with the College's investment policies and objectives. As of June 30, 2019, the College has received $290,000,000 pursuant to this agreement, which is reflected as Investments held on behalf of supporting organization with an offsetting liability on the consolidated statements of financial position.

	2019	2018
Held in the investment pool	$ 220,685,960	$ 101,909,499
Advanced subscriptions to investment pool	100,000,000	100,000,000
Investments held for supporting organization	$ 320,685,960	$ 201,909,499

7. Land, Buildings and Equipment

Land, buildings and equipment of the College consist of the following at June 30:

	2019	2018
Land and land improvements	$ 83,173,280	$ 79,169,890
Buildings	766,517,478	733,815,639
Equipment	108,734,524	106,391,032
	958,425,282	919,376,561
Less: Accumulated depreciation	(414,686,577)	(381,359,219)
	543,738,705	538,017,342
Construction in progress	87,260,840	34,616,529
Art collections	50,503,371	49,345,638
	$ 681,502,916	$ 621,979,509

Depreciation expense was $35,197,932 and $30,487,822 for the years ended June 30, 2019 and 2018, respectively. During fiscal year 2019, the College disposed of certain assets with an original cost of $2,228,925 and accumulated depreciation of $1,870,574.

Interest costs of $1,249,797 and $1,851,082 were capitalized in 2019 and 2018, respectively.

8. Postretirement Benefits Other than Pensions

The College accounts for the funded status of its postretirement plan and recognizes its benefit liability for the plan in accrued salaries and benefits with an offsetting adjustment to unrestricted net assets in the consolidated statement of financial position.

	2019	2018
Change in accumulated postretirement benefit obligation		
Postretirement benefit obligation at beginning of year		
Actives not fully eligible to retire	$ 12,092,143	$ 13,497,325
Actives fully eligible to retire	7,399,799	7,250,253
Retirees	8,402,122	8,189,746
	27,894,064	28,937,324
Service cost	888,635	951,667
Interest cost	1,100,002	1,042,910
Plan participants' contributions	127,505	133,140
Actuarial loss (gain)	1,996,997	(1,979,456)
Benefits paid	(1,315,734)	(1,191,521)
Postretirement benefit obligation at end of year	$ 30,691,469	$ 27,894,064
Actives not fully eligible to retire	$ 13,001,632	$ 12,092,143
Actives fully eligible to retire	8,167,155	7,399,799
Retirees	9,522,682	8,402,122
	$ 30,691,469	$ 27,894,064
Change in plan assets		
Fair value of plan assets at beginning of year	$ -	$ -
Employer contribution, net of retiree contributions	1,010,772	938,863
Implicit subsidy from active benefit payments	177,457	119,518
Plan participants' contributions	127,505	133,140
Benefits paid	(1,315,734)	(1,191,521)
Fair value of plan assets at end of year	-	-
Reconciliation of funded status		
Funded status - postretirement benefit liability	$ 30,691,469	$ 27,894,064

The components of the liability include:

	2019	2018
Current liability	$ 1,241,155	$ 1,215,256
Noncurrent liability	29,450,314	26,678,808
Total liability	$ 30,691,469	$ 27,894,064

	2019	2018
Components of the net periodic postretirement benefit cost		
Service cost	$ 888,635	$ 951,667
Interest cost	1,100,002	1,042,910
Amortization of prior service cost	338,018	387,065
Amortization of actuarial loss	137,113	228,340
	$ 2,463,768	$ 2,609,982

Amounts unrecognized and amortization amounts in following year	2019	2018
Amounts unrecognized in net periodic postretirement cost		
Prior service cost	$ -	$ 338,018
Net actuarial loss	6,005,622	4,145,738
	$ 6,005,622	$ 4,483,756
Amortization amounts in following year		
Prior service cost	$ -	$ 338,018
Net actuarial (gain) loss	255,377	125,868
	$ 255,377	$ 463,886

Assumptions and Effects

	2019	2018
Actuarial assumptions		
Medical/dental trend rate next year	7.5%/5.0%	8.0%/5.0%
Ultimate trend rate	5.0%/5.0%	5.0%/5.0%
Year ultimate trend rate is achieved	2024	2024
Discount rate used to value end of year accumulated postretirement benefit obligations	3.34%	4.03%
Discount rate used to value net periodic postretirement benefit cost	4.03%	3.67%
Effect of a 1% increase in health care cost trend rate on		
Interest cost plus service cost	$ 119,073	$ 121,570
Accumulated postretirement benefit obligation	929,803	887,055
Effect of a 1% decrease in health care cost trend rate on		
Interest cost plus service cost	$ (99,474)	$ (102,249)
Accumulated postretirement benefit obligation	(809,498)	(777,305)
Measurement date	June 30, 2019	June 30, 2018

Expected Future Benefit Payments
Benefit payments are shown net of employee contributions:

Year Ending June 30th:	Total Benefit Payments	Retiree Contribution	Employer Benefit Payment
2020	$ 1,391,681	$ 150,526	$ 1,241,155
2021	1,620,980	193,916	1,427,064
2022	1,714,251	207,546	1,506,705
2023	1,885,481	237,387	1,648,094
2024	1,962,615	246,163	1,716,452
2025 and beyond	9,739,634	1,080,130	8,659,504

Expected Employer Contribution for Next Fiscal Year
For nonfunded plans, employer contributions equal benefit payments (above) for the next fiscal year.

2020	$ 1,241,155

9. Commitments and Contingencies

At June 30, 2019, the College has outstanding construction and purchase contracts totaling approximately $84,000,000. Completion of these projects is estimated to extend through June 2022.

The College has entered into long-term noncancelable operating leases with lease terms extending through the year 2027. The following is a schedule by year of future minimum rental payments required under all operating leases that have initial or remaining noncancelable lease terms of one year or more as of June 30, 2019.

2020	$ 1,098,681
2021	700,433
2022	355,149
2023	361,839
2024	368,530
Thereafter	1,112,837
	$ 3,997,469

10. Self-Insurance

The College uses a combination of insurance and self-insurance mechanisms to provide for potential liabilities for employee healthcare benefits, workers' compensation, general liability, property damage, director and officers' liability and vehicle liability. Liabilities associated with the risks that are retained by the College are not discounted and are estimated, in part, by considering historical claims experience and evaluations of outside experts, demographic factors, severity factors, and other actuarial assumptions. The estimated accrual for these liabilities could be affected if future occurrences and claims differ from these assumptions and historical trends. For the fiscal years ended June 30, 2019 and June 30, 2018, the self-insurance liability, which is specific to employee healthcare benefits, was $1,498,943 and $0, respectively, and is included in accrued and other liabilities in the consolidated statements of financial position.

11. Bonds Payable

Borrowing for plant facilities consists of the following at June 30:

	2019	2018
Massachusetts Health and Educational Facilities Authority Bonds (Williams College)		
Series I, variable rate, due through 2033	$ 19,086,000	$ 20,082,000
Series J, variable rate, due through 2026	22,461,000	24,821,000
Series N, 4 year term bond at 1.45% variable thereafter, due through 2042	50,470,000	50,470,000
Series O, 2.50% to 5.00%, due through 2036	27,340,000	28,340,000
Series P, 2.00% to 5.00% due through 2043	118,235,000	119,020,000
Series Q, 2.50% to 5.00% due through 2046	58,340,000	61,550,000
Series R, taxable variable rate through 2046	10,500,000	10,500,000
Series R, variable rate, due through 2046	40,000,000	40,000,000
Series S, 4.00% to 5.00% due through 2047	52,770,000	52,770,000
Unamortized Premium	38,874,835	40,467,073
Unamortized Bond Costs	(2,532,161)	(2,655,742)
Total net bonds payable	$ 435,544,674	$ 445,364,331

The Series I bonds are variable-rate demand revenue bonds. The annualized interest rate ranged from 0.85% to 2.29% during fiscal year 2019 with an average rate of 1.48% for the year. The bonds bear interest at a variable rate based on the prevailing market rate for equivalent bonds. The College may convert the bonds to a fixed rate at its option. Annual principal payments are currently $1,026,000 and increase to $1,552,000 over the repayment period of the bonds.

The Series J bonds are variable-rate demand revenue bonds. The annualized interest rate ranged from 0.83% to 2.31% with an average rate of 1.49% for the year. The bonds bear interest at a variable rate based on the prevailing market rate for equivalent bonds. The College may convert the bonds to a fixed rate at its option. Annual principal payments are currently $2,444,000 and increase to $3,185,000 over the repayment period of the bonds.

The Series N bonds were converted to a 4-year-term rate mode on June 6, 2017 at a rate of 1.45%. Annual principal payments will range from $9,940,000 to $10,250,000 beginning July 1, 2037. The bonds are callable beginning on January 1, 2021 at 100% of par.

The Series O bonds are fixed-rate revenue bonds issued on March 24, 2011, with an original principal value of $38,740,000 and a premium of $2,867,256. Annual principal payments are currently $1,050,000 to $2,095,000. The bonds are callable beginning on January 1, 2021 at 100% of par.

The Series P bonds are a fixed-rate revenue bond issued on May 30, 2013, with an original principal value of $126,140,000 and a premium of $22,215,419. Annual principal payments are currently $2,740,000 to $15,310,000 over the repayment period of the bonds. The bonds are callable beginning July 1, 2023 at 100% of par.

The Series Q bonds are a fixed-rate revenue bond issued on July 13, 2016, with an original principal value of $64,645,000 and a premium of $13,516,121. Annual principal payments are currently $1,355,000 to $11,135,000 over the repayment period of the bonds. The bonds are callable beginning July 1, 2026 at 100% of par.

The Series R bonds are a $50,500,000 variable-rate private placement loan issued on July 14, 2016. The tax-exempt portion of this loan amounted to $40,000,000. The annualized interest rate ranged from 2.24% to 2.58% with an average rate of 2.44% for the year. Annual principal payments will range from $400,000 to $10,950,000 beginning on July 1, 2030. The taxable portion of this loan amounted to $10,500,000. The annualized interest rate ranged from 2.73% to 3.17% with an average rate of 2.99% for the year. Annual principal payments will begin July 1, 2019 and will range from $282,000 to $485,000.

The Series S bonds are a fixed-rate revenue bond issued on July 6, 2016 with an original principal value of $52,770,000 and a premium of $7,725,031. Annual principal payments are currently $1,400,000 to $6,745,000 over the repayment period of the bonds. The bonds are callable beginning July 1, 2027 at 100% of par.

The bonds are general obligations of the College with no collateral requirements.

Bond issuance costs of $2,655,742 are amortized over the life of the respective bonds. Bond premiums of $38,874,835 at June 30, 2019, are amortized over the life of the respective bonds. Combined debt principal payment requirements for the years 2020 through 2024 approximate $8,897,345, $9,212,502 $9,592,900 $9,962,859 and $11,788,940 respectively.

The Series I and J bonds are subject to tender by bondholders. To the extent that tendered bonds cannot be remarketed, the College is required to repurchase the bonds.

The combined debt principal payment requirements above reflect the repayment of such bonds according to their scheduled maturity dates. If bonds were fully tendered as of June 30, 2019, the debt principal payment requirements for the years 2020 through 2024 would approximate $46,974,345, $5,602,502, $56,323,900, $6,094,859, and $7,780,940 respectively.

Interest expense for the years ended June 30, 2019 and 2018 was $15,073,885 and $15,150,739, respectively.

Forward Interest Rate Swaps
In 2005, the College entered into a forward interest rate swap agreement related to the previously outstanding Series J Bonds. The agreement has a current notional amount of $22,461,000. Under the terms of the agreement, the College pays a fixed rate of 3.457% to a third party who in turn pays a variable rate, estimated as 68% of LIBOR, on the respective notional amount.

In 2016, the College entered into an interest rate swap agreement related to the issuance of the Series R bonds. The agreement has a notional amount of $40,000,000. Under the terms of the agreement, the College pays a fixed rate of 1.2530% to a third party who in turn pays a variable rate, estimated as 67% of LIBOR, on the respective notional amount.

The interest rate swap agreements were not entered into for trading or speculative purposes. Because market risks arise from movements in interest rates, the College entered into the interest rate swap to reduce interest rate volatility on the outstanding debt.

As of June 30, 2019 and 2018, the fair value of the two swaps was a net liability of approximately ($996,088) and net asset of $2,435,076, respectively. The interest rate swaps expire on July 1, 2026 and July 1, 2046 respectively.

12. Lines of Credit

At June 30, 2019, the College has the following lines of credit:

Expiration Date		**Amount**
July 31, 2019	$	15,000,000
April 17, 2020		50,000,000
April 17, 2020		80,000,000
May 1, 2020		30,000,000
Total lines of credit	$	175,000,000

If drawn upon these lines would be assessed a spread to LIBOR fee depending on the duration of the loan. The unused annual fees range from 0.05% to 0.625% basis points. There were no outstanding amounts on the lines of credit at June 30, 2019 or 2018.

13. Endowments

The College's endowment consists of donor-restricted endowment funds and board-designated endowment funds for a variety of purposes. Split interest agreements that have been designated for endowment are not considered as part of the endowment until funds are received. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

The College pools the majority of its investments in a unitized account similar to an open-ended mutual fund. Funds added or withdrawn from the pool are recorded at their share of the then current fair value of the pool. Investment income of the pools is recognized by the funds owning the assets based on their share of the investment pool, which is determined on a monthly basis.

The College utilizes a total return approach to managing the investment pool. This approach emphasizes total return, which consists of current yield (interest and dividends) as well as the net appreciation (realized and change in unrealized gains) in the fair value of pooled investments.

Under the total return approach, the College appropriated for operations accumulated gains of $127,332,148 and $110,405,642 for the years ended June 30, 2019 and 2018, respectively. Total return in excess of, or less than, the amount appropriated is reported as nonoperating gains or losses.

The College establishes a spending rate expressed as a percentage of the trailing twelve quarter fair value of the investment pool. The spending rate is allocated to pool participants, with the difference between the spending rate and current yield (which typically is lower than the spending rate) recorded as realized gains utilized in operating revenue.

The Board of Trustees has interpreted the Massachusetts “Uniform Prudent Management of Institutional Funds Act” statute, which was effective June 2009 (“UPMIFA”), as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College 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. The remaining portion of the donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The College considers the following factors in making a determination to appropriate or accumulate 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.

Changes in endowment net assets for the year ended June 30:

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Net endowment assets, June 30, 2018	$ 260,052,352	$ 2,351,951,138	$ 2,612,003,490
Gifts and transfers			
Gifts received and pledge activity	-	43,061,074	43,061,074
Transfers and gifts further designated	(42,649,701)	7,178,086	(35,471,615)
Investment return			
Net gains (losses)	21,114,340	214,431,573	235,545,913
Accumulated gains spent for operations	(12,532,961)	(114,799,187)	(127,332,148)
Income earned returned to principal	351,780	1,737,699	2,089,479
Net endowment assets, June 30, 2019	$ 226,335,810	$ 2,503,560,383	$ 2,729,896,193

	2018		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Net endowment assets, June 30, 2017	$ 236,650,300	$ 2,146,283,851	$ 2,382,934,151
Gifts and transfers			
Gifts received and pledge activity	-	19,934,890	19,934,890
Transfers and gifts further designated	3,750,700	9,654,275	13,404,975
Investment return			
Net gains (losses)	30,321,058	274,116,308	304,437,366
Accumulated gains spent for operations	(10,964,436)	(99,441,206)	(110,405,642)
Income earned returned to principal	294,731	1,403,020	1,697,751
Net endowment assets, June 30, 2018	$ 260,052,353	$ 2,351,951,138	$ 2,612,003,491

Endowment Funds with Deficits (Underwater Endowment)
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (deficit). When donor endowment deficits exist, they are classified as a reduction of net assets with donor restrictions. There are no underwater endowment funds at June 30, 2019 or 2018.

Return Objectives and Risk Parameters
The College has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the permanent nature of endowment funds. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to maximize the return against a blended index, based on the endowment's target allocation applied to the appropriate individual benchmarks. The College expects its endowment funds over time, to provide an average rate of return of approximately 5.0% real, that is after adjusting for inflation, annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Investment Objectives
To achieve 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

gains) and current yield (interest and dividends). The College targets a diversified asset allocation to achieve its long-term objectives within prudent risk constraints.

Endowment Spending Allocation and Relationship of Spending Policy to Investment Objectives
Spending from the endowment to support operations, referred to as asset use at Williams, is expected to be 5.5% of the twelve quarter trailing average of the end of year investment pool over the long run. This policy is based on the expectation that the endowment will grow by 5.0% real, that is after adjusting for inflation, and operating expenditures will increase by 4-5% annually, allowing part of the annual growth to support operations, and part for reinvestment to sustain the permanent nature of the endowment. The Trustees' Budget and Financial Planning Committee approves the asset use rate each year.

14. Net Assets

Following is the composition of the College's net assets without donor restrictions and net assets with donor restriction at June 30, 2019 and 2018:

	2019	2018
Net assets without donor restriction		
College unrestricted	$ 186,939,691	$ 126,220,528
Board designated endowment funds	226,335,810	260,052,353
Non-controlling interest	1,363,947	1,421,698
Total net assets without donor restrictions	$ 414,639,448	$ 387,694,579
Net assets with donor restriction		
Spendable gifts for restricted purposes	$ 172,496,548	$ 148,131,604
Contributions receivable	73,648,617	112,514,520
Split-interest agreements, including outside managed trusts	114,898,492	119,343,695
Student loan funds	8,622	108,622
Endowment funds - unspent appreciation	1,816,187,513	1,716,535,981
Endowment funds - original principal	636,948,396	605,535,262
Total net assets with donor restrictions	$ 2,814,188,188	$ 2,702,169,684

15. Expenses by Function and Natural Classification

Expenses reported by natural classification on the Consolidated Statements of Activities are summarized by function for the year ended June 30, 2019 and 2018, respectively.

2019

Operating expenses	Instruction and Departmental Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	$52,264,972	$8,743,330	$18,665,738	$16,994,435	$10,498,729	$107,167,204
Benefits	18,182,878	2,885,358	6,180,202	6,058,993	4,451,197	37,758,628
Operating expenses	21,878,903	9,197,350	16,168,031	11,027,401	23,453,489	81,725,174
Interest	4,948,218	4,582,926	1,734,626	194,889	1,028,095	12,488,754
Depreciation	15,475,097	4,265,559	2,319,706	3,518,836	9,280,842	34,860,040
Total operating expenses	$112,750,068	$29,674,523	$45,068,303	$37,794,554	$48,712,352	$273,999,800
Nonoperating expenses						
Adjustments for post-employment benefit liabilities				$1,833,327		$1,833,327

2018

Operating expenses	Instruction and Departmental Research	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	$50,160,512	$8,469,055	$17,837,088	$17,157,087	$10,096,536	$103,720,278
Benefits	17,223,356	2,886,615	6,039,362	2,723,994	3,500,343	32,373,670
Operating expenses	20,396,672	7,856,771	14,755,288	12,053,625	18,415,852	73,478,208
Interest	4,962,268	4,252,601	1,125,937	131,818	1,048,231	11,520,855
Depreciation	12,340,587	4,294,944	2,259,141	3,225,789	8,262,174	30,382,635
Total operating expenses	$105,083,395	$27,759,986	$42,016,816	$35,292,313	$41,323,136	$251,475,646
Nonoperating expenses						
Adjustments for post-employment benefit liabilities				$1,685,315		$1,685,315

16. Credit Loss Disclosures

Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers and the value of collateral. The College's Perkins receivable represents the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan program are able to be assigned to the Federal Government in certain nonrepayment situations. In these situations the Federal portion of the loan balance is guaranteed.

The College prepares an analysis of all outstanding receivables which includes a detailed review of the aging of the student loan receivable detail and a review of the default rate by loan category in comparison to prior years.

A reserve is established for all delinquent student loans. Delinquent loans over 360 days are fully reserved while loans under 360 days delinquent are reserved at 50%. The College's policy is to write off a student loan when the loan is more than 360 days delinquent and all efforts to collect the loan have been exhausted.

Changes in the allowance for credit losses for the years ended June 30, 2019 and 2018 were as follows:

	June 30, 2019		June 30, 2018	
	Receivable Balance	Related Allowance	Receivable Balance	Related Allowance
Perkins student loans	$ 1,446,273	$ -	$ 1,943,043	$ -
Other student loans	657,377	(145,730)	706,780	(193,095)
Faculty and staff mortgages	9,663,842	-	9,239,641	-
Pine Cobble land notes	2,261,200	-	2,346,200	-
Other notes receivable	1,443,926	(37,141)	1,598,232	(12,000)
	$ 15,472,618	$ (182,871)	$ 15,833,896	$ (205,095)

17. Subsequent Events

The College has performed an evaluation of subsequent events through the date the consolidated financial statements were available to be issued, and determined that there have been no subsequent events that would require recognition in the consolidated financial statements or disclosed in the consolidated notes of the financial statements.