SKIDMORE COLLEGE

AUDITED FINANCIAL STATEMENTS

Years ended May 31, 2020 and 2019

SKIDMORE COLLEGE

TABLE OF CONTENTS

UHY LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Skidmore College

We have audited the accompanying financial statements of Skidmore College (a nonprofit organization) (the "College"), which comprise the statements of financial position as of May 31, 2020 and 2019, and the related statements of activities and cash flows for the years 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 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 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.

UHY LLP
Certified Public Accountants

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Skidmore College as of May 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Albany, New York
September 17, 2020

SKIDMORE COLLEGE
STATEMENTS OF FINANCIAL POSITION
May 31, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	**$ 64,788,083**	$ 45,804,315
Accounts receivable, net	**2,652,180**	2,919,439
Inventories	**497,188**	396,462
Prepaid expenses	**2,211,854**	2,776,474
Contributions receivable, net	**17,371,740**	16,316,151
Student loans receivable, net	**658,094**	890,845
Investments	**450,297,838**	473,072,867
Investments under split interest agreements	**7,149,694**	7,380,896
Deposits with bond trustees	**12,071,905**	29,100,827
Pension assets, net	**112,701**	150,168
Land, buildings and equipment, net	**268,644,634**	248,765,947
Total assets	**$ 826,455,911**	$ 827,574,391
LIABILITIES		
Accounts payable and accrued expenses	**$ 16,883,144**	$ 17,338,553
Student tuition deposits and deferred revenues	**9,588,712**	8,299,316
Liabilities to beneficiaries under split interest agreements	**3,999,874**	4,260,065
Accrued postretirement benefits	**51,581,895**	54,505,745
Refundable government loan funds	**566,153**	920,606
Asset retirement obligation	**239,534**	174,534
Long-term debt, net	**90,411,027**	93,819,187
Total liabilities	**173,270,339**	179,318,006
NET ASSETS		
Without donor restrictions		
Board designated for endowment	**139,990,313**	146,760,902
Undesignated	**217,307,033**	203,734,153
With donor restrictions	**295,888,226**	297,761,330
Total net assets	**653,185,572**	648,256,385
Total liabilities and net assets	**$ 826,455,911**	$ 827,574,391

See notes to financial statements.

SKIDMORE COLLEGE
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Tuition and fees, net of institutional aid of approximately $55,646,000	$ 95,390,041	$ -	**$ 95,390,041**
Sales and services of auxiliary enterprises	33,996,217	-	**33,996,217**
Private gifts and grants	2,311,810	7,239,720	**9,551,530**
Government grants and appropriations	162,674	4,258,273	**4,420,947**
Dividends and interest	1,233,246	258,716	**1,491,962**
Realized gains used to support operations	8,162,057	10,938,220	**19,100,277**
Other	1,935,177	360,854	**2,296,031**
Total operating revenue	143,191,222	23,055,783	**166,247,005**
Net assets released from restrictions	25,184,366	(25,184,366)	**-**
Total operating revenue and net assets released from restrictions	168,375,588	(2,128,583)	**166,247,005**
Operating expenses:			
Instruction	59,049,407	-	**59,049,407**
Research	2,762,959	-	**2,762,959**
Academic support	17,965,989	-	**17,965,989**
Student services	19,151,190	-	**19,151,190**
Institutional support	33,244,167	-	**33,244,167**
Auxiliary enterprises	26,799,084	-	**26,799,084**
	158,972,796	-	**158,972,796**
Non-operating:			
Dividends and interest	583,755	89,635	**673,390**
Net realized and unrealized losses	(9,596,911)	(12,165,101)	**(21,762,012)**
Change in value of split interest agreements	-	175,310	**175,310**
Capital gifts	4,576,543	12,155,635	**16,732,178**
Net loss on disposal of fixed assets	(583,240)	-	**(583,240)**
Other net gain	285,371	-	**285,371**
Changes in net assets from non-operating activities	(4,734,482)	255,479	**(4,479,003)**
Increase (decrease) in net assets before pension and postretirement benefit related changes other than net periodic benefit cost	4,668,310	(1,873,104)	**2,795,206**
Pension and postretirement benefit related changes other than net periodic benefit cost	2,133,981	-	**2,133,981**
Increase (decrease) in net assets	6,802,291	(1,873,104)	**4,929,187**
Net assets at beginning of year	350,495,055	297,761,330	**648,256,385**
Net assets at end of year	$ 357,297,346	$ 295,888,226	**$ 653,185,572**

See notes to financial statements.

SKIDMORE COLLEGE
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Tuition and fees, net of institutional aid of approximately $48,468,000	$ 96,023,935	$ -	**$ 96,023,935**
Sales and services of auxiliary enterprises	36,991,742	-	**36,991,742**
Private gifts and grants	3,905,574	6,893,126	**10,798,700**
Government grants and appropriations	189,765	4,177,850	**4,367,615**
Dividends and interest	1,247,400	352,910	**1,600,310**
Realized gains used to support operations	8,112,672	10,730,830	**18,843,502**
Other	2,080,344	1,005,786	**3,086,130**
Total operating revenue	148,551,432	23,160,502	**171,711,934**
Net assets released from restrictions	21,175,242	(21,175,242)	**-**
Total operating revenue and net assets released from restrictions	169,726,674	1,985,260	**171,711,934**
Operating expenses:			
Instruction	61,493,581	-	**61,493,581**
Research	3,259,706	-	**3,259,706**
Academic support	19,620,955	-	**19,620,955**
Student services	20,164,502	-	**20,164,502**
Institutional support	34,721,719	-	**34,721,719**
Auxiliary enterprises	28,771,440	-	**28,771,440**
	168,031,903	-	**168,031,903**
Non-operating:			
Dividends and interest	313,195	89,826	**403,021**
Net realized and unrealized losses	(3,153,678)	(5,413,506)	**(8,567,184)**
Change in value of split interest agreements	-	(357,664)	**(357,664)**
Capital gifts	2,957,481	10,736,596	**13,694,077**
Net loss on disposal of fixed assets	(259,770)	-	**(259,770)**
Other net gain	307,472	8,220	**315,692**
Changes in net assets from non-operating activities	164,700	5,063,472	**5,228,172**
Increase in net assets before pension and postretirement benefit related changes other than net periodic benefit cost	1,859,471	7,048,732	**8,908,203**
Pension and postretirement benefit related changes other than net periodic benefit cost	1,596,496	-	**1,596,496**
Increase in net assets	3,455,967	7,048,732	**10,504,699**
Net assets at beginning of year	347,039,088	290,712,598	**637,751,686**
Net assets at end of year	$ 350,495,055	$ 297,761,330	**$ 648,256,385**

See notes to financial statements.

SKIDMORE COLLEGE
STATEMENTS OF CASH FLOWS
For the Years Ended May 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	**$ 4,929,187**	$ 10,504,699
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	**15,920,983**	15,805,261
Amortization of debt issuance costs, premium and discount	**(318,160)**	(307,472)
Change in contributions receivable discount	**(11,199)**	(179,136)
Loss on disposal of buildings and equipment	**583,240**	259,770
Change in allowance for uncollectable receivables	**132,935**	(210,483)
Net realized and unrealized losses (gains) on investments	**2,661,735**	(10,276,318)
Capital gifts	**(16,732,178)**	(13,694,077)
Gifts in kind	**(4,409,973)**	(2,533,386)
Pension and postretirement benefit related changes other than net periodic benefit cost	**2,133,981**	1,596,496
Changes in operating assets and liabilities:		
Accounts receivable	**288,635**	(433,152)
Inventories	**(100,726)**	(9,078)
Prepaid expenses	**564,620**	496,315
Pension assets, net	**37,467**	85,051
Accounts payable and accrued expenses	**(1,154,549)**	1,720,931
Liabilities to beneficiaries under split interest agreements	**(260,191)**	(48,403)
Student tuition deposits and deferred revenues	**1,289,396**	697,829
Accrued postretirement benefits	**(5,057,831)**	(3,398,455)
Asset retirement obligation	**65,000**	(233,442)
Net cash provided by (used in) operating activities	**562,372**	(157,050)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	**108,444,205**	135,443,277
Purchases of investments	**(88,099,710)**	(119,174,711)
Student loan principal collected	**350,627**	424,360
Purchases of land, buildings and equipment	**(31,273,797)**	(27,030,345)
Net cash used in investing activities	**(10,578,675)**	(10,337,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital gifts	**16,732,178**	13,694,077
Change in contributions receivable	**(1,316,576)**	934,110
Payments on long-term debt	**(3,090,000)**	(2,960,000)
Net change in deposits with bond trustees	**17,028,922**	11,391,179
Net change in refundable government loan funds	**(354,453)**	27,703
Net cash provided by financing activities	**29,000,071**	23,087,069
Net increase in cash and cash equivalents	**18,983,768**	12,592,600
Cash and cash equivalents at beginning of year	**45,804,315**	33,211,715
Cash and cash equivalents at end of year	**$ 64,788,083**	$ 45,804,315
NONCASH INVESTING ACTIVITIES		
Purchases of capital assets included in accounts payable	**$ 4,514,797**	$ 3,815,657
SUPPLEMENTAL DISCLOSURES		
Interest paid	**$ 4,285,944**	$ 4,130,365

See notes to financial statements.

NOTE 1 — ORGANIZATION AND NATURE OF ACTIVITIES

Skidmore College (the "College") was founded in 1903 and is a predominantly residential, independent, nonsectarian, four-year coeducational liberal arts college. The College operates on a 1,500 acre campus located in Saratoga Springs, New York. The College serves approximately 2,600 undergraduate students.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") using the accrual basis of accounting.

Basis of Presentation

The College's net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the College are classified as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, but may be internally designated by the College.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be satisfied either by actions of the College and/or the passage of time or requiring the principal to be invested in perpetuity.

Recently Adopted Accounting Standards

During the year ended May 31, 2020 the College adopted new authoritative guidance regarding the classification of leases. Upon adoption on June 1, 2019, the College recorded a right to use asset (property, plant and equipment) in the accompanying statements of financial position totaling $396,000. The College has also recorded a corresponding liability representing future lease commitments in the accompanying statements of financial position (accounts payable and accrued expenses). The adoption of this authoritative guidance did not have a material effect on the financial statements.

Income Taxes

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes pursuant to Section 501(a) of the Code. However, income from certain activities not directly related to the tax exempt status of the College is subject to taxation as unrelated business income.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The primary income tax position taken by the College for any years open under the various statutes of limitations is that the College continues to be exempt from income taxes except for unrelated business income. The College believes that there are no uncertain tax positions that are material to the financial statements.

None of the College's returns are currently under examination by the Internal Revenue Service ("IRS") or state authorities.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The College considers all highly liquid investments with maturities of three months or less, when purchased, to be cash and cash equivalents. This does not include cash and cash equivalents included in investment pools, which are included in investments in the accompanying statements of financial position. The College has cash and cash equivalents in money market mutual funds and other short term accounts with several financial institutions that are not federally insured. The uninsured balance totaled approximately $64,500,000 and $45,600,000 at May 31, 2020 and 2019, respectively. Based on management's review of the strength of the financial institutions, management believes the risk of loss on these funds is not significant.

Investments and Investment Valuation

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Realized and unrealized gains and losses include gains and losses from purchases and sales of investments as well as changes in the value of assets held during the year and are recognized in the accompanying statements of activities. Gains or losses on investments are recognized as an increase or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in investment values in the near term would materially affect the amounts reported in these financial statements.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annuities and Deferred Giving Arrangements

The College's deferred giving arrangements consist primarily of gift annuities, pooled life income funds and charitable remainder trusts. For irrevocable deferred gifts where the assets are held by the College, contribution revenues are recognized at the date the deferred gift is established along with a corresponding liability for the present value of the estimated future payments to be made to the donors and/or beneficiaries. For irrevocable deferred gifts where the assets are not held by the College, contribution revenue and a related receivable are recorded at the date the College becomes aware of the deferred gift, based on the estimated fair value.

Contributions Receivable

Contributions receivable consist of unconditional promises to give and charitable remainder trusts. Unconditional promises to give are reported at fair value at the date of the pledge and subsequently measured at the present value of future cash flows. Charitable remainder trusts are measured at fair value. Such gifts are recorded as restricted revenue if the gifts are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, i.e. when a stipulated time restriction ends or the purpose of the restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. Gifts received without donor restrictions are recorded as such in the accompanying statements of activities.

Student Loans Receivable

Student loans receivable are reported net of an allowance for uncollectable accounts. A reasonable estimate of the market value of student loans receivable under government loan programs is impracticable because the notes are not saleable and can only be assigned to the U.S. Government or its designees.

Financial Instruments

The carrying amount of cash and cash equivalents, contributions receivable, deposits held by bond trustees, and accounts payable and accrued expenses approximate fair value.

Inventories

Inventories are stated at the lower of cost or net realizable value, based upon the first-in, first-out ("FIFO") method. Inventories consist principally of items held for sale in the College bookstore.

Land, Buildings and Equipment, net

Land, buildings and equipment are carried at cost, if purchased, or at fair market value at the date of receipt, if acquired by contribution, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 45 years. Art collections are stated at cost, if purchased, or fair market value at the date of receipt, if acquired by contribution; however these items are not depreciated. All gifts of land, buildings and equipment are recorded as non-operating revenues without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as non-operating revenues with donor restrictions. Absent donor restrictions on how long those long-lived assets must be maintained, the expiration of donor restrictions are reported as released from restriction when the donated or acquired long-lived assets are placed in service.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Conditional Asset Retirement Obligations

The College recognizes a liability when a legal obligation exists to perform an asset retirement in which the timing or method of settlement is conditional on a future event that may or may not be under the control of the College. An asset retirement obligation ("ARO") is recognized at its net present value with an increase in the carrying amount of the long-lived asset to which the ARO relates. The capitalized asset cost is depreciated over the useful life of the related long lived asset.

Accrued Pension and Postretirement Benefits

The College accounts for pension and other postretirement benefits in accordance with the authoritative guidance. The guidance requires the recognition of defined benefit and defined benefit postretirement plans' funded status as either an asset or liability in the accompanying statements of financial position.

Debt Issuance Costs

Debt issuance costs consist of legal, underwriting, and other fees for services rendered in connection with the issuance of long-term debt. Debt issuance costs are amortized using the effective interest rate method over the life of the related debt. The amortization expense approximated $51,000 and $49,000 for the years ended May 31, 2020 and 2019, respectively. Debt issuance costs are netted against long-term debt in the accompanying statements of financial position.

Deposits with Bond Trustees

Certain borrowing arrangements between the College and tax-exempt issuing authorities require the establishment of reserve funds including those for debt service, building and equipment reserves. Balances in these reserves, which are comprised primarily of U.S. treasury notes, are reflected in deposits with bond trustees in the accompanying statements of financial position.

Capital Gift Revenue

Capital gift revenue (non-operating) includes endowed gifts, gifts of equipment or other property, life income funds and/or other gifts that are designated by the College's Board of Trustees for non-operating purposes.

Operating Revenue and Financial Aid

The College recognizes revenue from exchange transactions in a manner that depicts the transfer of goods or services using the required five-step model. The College's academic year coincides with its fiscal year ending May 31. Therefore, the recognition of revenue derived from tuition, fees as well as room and board requires minimal judgement as billing and collection is completed contemporaneously with the fulfillment of services. Revenue is appropriately deferred when collected in advance of the performance of services. Other auxiliary revenue is recognized at the point of sale. As required, the College has presented tuition and fees, net of institutional aid, in the accompanying Statements of Activities. Gross tuition and fees were approximately $151,036,000 and $144,492,000 for the years ended May 31, 2020 and 2019, respectively. Total institutional aid was approximately $55,646,000 and $48,468,000 for the years ended May 31, 2020 and 2019, respectively.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Expenses

A summary of operating expenses by functional and natural classifications has been presented as follows:

	2020		
	Program Expenses	Institutional Support	Total
Wages	$ 58,864,154	$ 13,994,731	$ 72,858,885
Benefits	21,554,282	6,570,795	28,125,077
Services and supplies	26,061,894	9,618,095	35,679,989
Depreciation	13,998,368	1,922,615	15,920,983
Interest	2,520,928	4,000	2,524,928
Other expenses	2,725,003	1,137,931	3,862,934
	$ 125,724,629	$ 33,248,167	$ 158,972,796

	2019		
	Program Expenses	Institutional Support	Total
Wages	$ 59,013,984	$ 13,620,530	$ 72,634,514
Benefits	23,043,097	7,801,556	30,844,653
Services and supplies	32,384,717	10,509,383	42,894,100
Depreciation	13,922,994	1,882,267	15,805,261
Interest	2,656,978	-	2,656,978
Other expenses	2,288,414	907,983	3,196,397
	$ 133,310,184	$ 34,721,719	$ 168,031,903

Total program expenses for the years ended May 31, 2020 and 2019 were approximately $125,725,000 and $133,310,000, respectively. Program expenses include instruction, research, academic support, student services and auxiliary enterprises.

The accompanying statements of activities present operating expenses based on function and include certain natural expenses that are attributable to more than one function. These natural expenses require allocation to each function on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, operation and maintenance of plant, and certain benefits expenses. These natural expenses are allocated primarily on a square-footage basis or proportionally to each function based on relative employee compensation within the function where applicable.

NOTE 3 — ACCOUNTS RECEIVABLE AND STUDENT LOANS RECEIVABLE, NET

Accounts receivable are recognized net of an allowance for uncollectible accounts of approximately $52,000 and $73,000 as of May 31, 2020 and 2019, respectively.

NOTE 3 — ACCOUNTS RECEIVABLE AND STUDENT LOANS RECEIVABLE, NET (Continued)

Student loans receivable and the related allowance for uncollectable accounts were as follows:

	2020			2019		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Student Loans:						
Government revolving	$ 868,603	$ 210,509	$ 658,094	$ 1,219,230	$ 328,385	$ 890,845
Total	$ 868,603	$ 210,509	$ 658,094	$ 1,219,230	$ 328,385	$ 890,845

Student loans receivable are comprised of federally sponsored student loans with U.S. government mandated interest rates and repayment terms. Governmental revolving loans are funded principally with federal advances to the College under the Perkins Loan Program. As of May 31, 2020 and 2019, these advances under the Perkins Loan Program were approximately $566,000 and $921,000, respectively, and are classified as liabilities in the statements of financial position. Interest earned on the revolving loan programs is reinvested in the fund.

The College has an employee loan program where employees can receive zero interest loans for the purchase of certain computer and computer related equipment, subject to various limitations. As of May 31, 2020 and 2019, the outstanding employee computer loans were approximately $39,000 and $44,000, respectively, and are included in accounts receivable, net in the accompanying statements of financial position.

The College assesses the adequacy of the allowance for doubtful accounts by evaluating the loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment in which the borrowers operate, the level of delinquent loans, the value of any collateral, and where applicable, the existence of any guarantees or indemnifications. In addition to these factors, the College reviews the aging of the loans receivable and the default rate in comparison to prior years. The allowance is adjusted based on this analysis. The College considers the allowance at May 31, 2020 and 2019 to be reasonable and adequate to absorb potential credit losses inherent in the loan portfolio.

NOTE 4 — CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable consists of unconditional promises to give, which are presented net of a present value discount and an allowance for uncollectible contributions, and charitable remainder trusts which are measured at fair value.

Contributions receivable as of May 31, 2020 and 2019 were as follows:

	2020	2019
Gross amounts expected to be received within:		
Less than one year	$ 988,509	$ 445,035
One to five years	11,985,777	9,171,841
More than five years	640,040	795,260
	13,614,326	10,412,136
Less: discount to present value (0.89% to 5.01%)	(572,207)	(583,406)
	13,042,119	9,828,730
Less: allowance for doubtful accounts	(1,157,218)	(885,032)
Contributions receivable - pledges	11,884,901	8,943,698
Contributions receivable - charitable remainder trusts	5,486,839	7,372,453
Total contributions receivable, net	$ 17,371,740	$ 16,316,151

NOTE 4 — CONTRIBUTIONS RECEIVABLE, NET (Continued)

As of May 31, 2020 and 2019, the College had also received notification of bequest intentions totaling approximately $37,609,000 and $30,906,000, respectively. These bequests, if received, would be used for general operations, program activities and new facilities. These amounts are not included in contributions receivable due to the conditional nature of the gifts.

The College supports institutional development through the activities of the offices of the Skidmore Fund, foundations and corporate relations, planned giving, campaign, parent relations, and major gifts. The expenses incurred for these activities were approximately $5,407,000 and $5,248,000 for the years ended May 31, 2020 and 2019, respectively. The College also incurs additional institutional development costs through activities such as alumni relations, college events, marketing and communications, and various other administrative costs. The direct expenses for these activities were approximately $5,137,000 and $6,034,000 for the years ended May 31, 2020 and 2019, respectively. These expenses are included in institutional support in the accompanying statements of activities.

NOTE 5 — INVESTMENTS

The fair value and cost of investments, by type, including investments under split interest agreements, as of May 31, 2020 and 2019 were as follows:

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 16,489,856	$ 16,489,856	$ 12,343,597	$ 12,343,597
Equities				
Long Only Equities	112,922,152	105,726,631	107,828,003	89,960,459
Equity Long / Short Investment Funds	126,597,409	112,512,874	134,750,592	118,802,992
Equity Mutual Funds	2,522,035	2,573,966	2,442,772	2,432,830
Fixed Income				
Fixed Income Mutual Funds	55,378,467	56,946,040	40,843,054	42,270,178
Fixed Income Commingled Investment Funds	14,361,952	15,331,202	20,550,024	21,046,347
U.S. Treasuries	-	-	20,000,538	20,000,538
Absolute Return Funds				
Absolute Return Funds	68,077,369	52,678,826	73,645,974	53,502,699
Private Equity Funds				
Private Capital Funds	48,058,130	33,536,857	50,338,706	33,855,518
Private Real Estate Funds	12,720,162	7,371,215	17,390,503	9,761,007
Real Estate Trust				
Real Estate Trust	320,000	320,000	320,000	320,000
Total	$ 457,447,532	$ 403,487,467	$ 480,453,763	$ 404,296,165

Investment management and custodial fees are netted against investment income or reflected as a reduction in net asset value of the investment, and were approximately $8,495,000 and $7,379,000 for the years ended May 31, 2020 and 2019, respectively.

NOTE 5 — INVESTMENTS (Continued)

The fair value and cost of investments by traditional fund classification as of May 31, 2020 and 2019 were as follows:

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Pooled Investments				
Endowment and similar funds	$ 413,509,227	$ 357,822,354	$ 433,736,514	$ 356,059,941
Non-pooled Investments				
Current funds	36,788,611	38,555,897	39,336,353	40,837,733
Life income funds	7,149,694	7,109,216	7,380,896	7,398,491
Total non-pooled	43,938,305	45,665,113	46,717,249	48,236,224
Total	$ 457,447,532	$ 403,487,467	$ 480,453,763	$ 404,296,165

Pooled endowment and similar funds are accounted for on a unit fair value basis. Funds are added to or withdrawn from the pool at the unit market value at the beginning of the month in which the transaction takes place. A summary of changes in the relationship between cost and market value of the pooled investments is as follows:

	2020			
	Pooled Investments			
	Fair Value	Cost	Net Gain (Loss)	Fair Value Per Unit
End of year	$ 413,509,227	$ 357,822,354	$ 55,686,873	$ 13.30
Beginning of year	433,736,514	356,059,941	77,676,573	13.41
Net unrealized loss for year			(21,989,700)	
Net realized gain for year			18,380,737	
Net total loss for year			$ (3,608,963)	$ (0.11)

The average earnings per unit, exclusive of net unrealized and net realized gains and losses, amounted to $0.01 for the year ended May 31, 2020.

	2019			
	Pooled Investments			
	Fair Value	Cost	Net Gain (Loss)	Fair Value Per Unit
End of year	$ 433,736,514	$ 356,059,941	$ 77,676,573	$ 13.41
Beginning of year	440,612,174	346,420,963	94,191,211	13.13
Net unrealized loss for year			(16,514,638)	
Net realized gain for year			25,876,177	
Net total gain for year			$ 9,361,539	$ 0.28

The average earnings per unit, exclusive of net unrealized and net realized gains and losses, amounted to $0.01 for the year ended May 31, 2019.

NOTE 6 — FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") - Accounting Standards Codification provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Cash and Cash Equivalents: Valued at the closing price reported in the active market on which the individual securities are traded.

Long Only Equities: Common stocks are valued at the closing price reported in the active market on which the individual securities are traded. Certain closely held stocks are valued at book value per share which approximates fair value. Investments focus on both U.S. and international markets, in various business sectors including commodities, credit markets, healthcare, telecommunications, energy, information technology, utilities, and others.

Equity Long / Short Investment Funds: Funds generally invest in long and short positions in corporate securities with a focus on both U.S. and international markets, in various business sectors including, commodities, credit markets, healthcare, telecommunications, energy, information technology, utilities, and others. Funds are valued at the net asset value (NAV) of shares held by the College at year end. Management has considered all other rights and obligations associated with these investments and concluded there would be no significant adjustments required to the net asset values.

Equity Mutual Funds: Valued at the closing price reported in the active market on which the individual securities are traded.

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

Fixed Income Mutual Funds: Valued at the closing price reported in the active market on which the individual securities are traded.

Fixed Income Commingled Investment Funds: Funds generally invest in corporate and government debt securities and are typically held in limited partnerships. Funds are valued at the net asset value of shares held by the College at year end. Management has considered all other rights and obligations associated with these investments and concluded there would be no significant adjustments required to the net asset values.

Absolute Return Funds: Funds that utilize strategies with the intent to generate long-term appreciation with limited volatility and limited correlation to common bond and equity indices. Funds are valued at the net asset value of shares held by the College at year end. Management has considered all other rights and obligations associated with these investments and concluded there would be no significant adjustment required to the net asset values.

Private Capital Funds: Funds that are not available for liquidation by the College and are dependent on the fund administration for decisions about sale and asset distribution. The strategy of the funds is to achieve long-term growth primarily through direct and equity investments in the energy industry and distressed securities. The College has limited ability to influence operations of these funds. The College determines the fair value based on the qualitative and quantitative information received such as audited financial statements, tax returns and/or other financial data, including descriptions of underlying investments.

Private Real Estate Funds: Funds that are not available for liquidation by the College and are dependent on the fund administration for decisions about sale and asset distribution. The strategy of the funds is to achieve long-term growth primarily through direct and equity investments in the domestic real estate industry. The College has limited ability to influence operations of these funds. The College determines the fair value based on the qualitative and quantitative information received such as audited financial statements, tax returns and/or other financial data, including descriptions of underlying real estate investments.

U.S. Treasuries: Valued at the closing price reported in the active market on which the individual securities are traded.

Real Estate Trusts: Real estate trusts are reported at fair value as determined by independent appraisals.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 fair value measurement as of the reporting date.

The following presents the College's investments and other financial assets by fair value hierarchy and type at May 31, 2020:

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

Investments	Assets at Fair Value Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 16,301,647	$ -	$ -	$ 16,301,647
Equities				
Long Only Equities	49,782,368	-	32,447,769	82,230,137
Equity Long / Short Investment Funds	-	-	23,820,047	23,820,047
Fixed Income				
Fixed Income Mutual Funds	51,259,017	-	-	51,259,017
Fixed Income Commingled	-	-	5,566,154	5,566,154
Absolute Return Funds				
Absolute Return Fund	-	13,988,409	1,927,639	15,916,048
Private Equity Funds				
Private Capital Fund	-	-	48,058,130	48,058,130
Private Real Estate Fund	-	-	11,073,819	11,073,819
Total Investments Excluding Investments Measured at NAV as Practical Expedient	$ 117,343,032	$ 13,988,409	$ 122,893,558	$ 254,224,999
Investments Measured at NAV as Practical Expedient				196,072,839
Total Investments				$ 450,297,838

Contributions Receivable - Charitable Remainder Trusts	Assets at Fair Value Level 1	Level 2	Level 3	Total
Charitable Remainder Trusts	$ -	$ -	$ 5,486,839	$ 5,486,839
Total Charitable Remainder Trusts	$ -	$ -	$ 5,486,839	$ 5,486,839

Investments Under Split Interest Agreements	Assets at Fair Value Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 188,209	$ -	$ -	$ 188,209
Equities				
Equity Mutual Funds	2,522,036	-	-	2,522,036
Fixed Income				
Fixed Income Mutual Funds	4,119,449	-	-	4,119,449
Other				
Real Estate Trust	-	-	320,000	320,000
Total Investments Under Split Interest Agreements	$ 6,829,694	$ -	$ 320,000	$ 7,149,694

Deposits with Bond Trustees	Assets at Fair Value Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 923	$ -	$ -	$ 923
Fixed Income				
U.S. Treasuries	12,070,982	-	-	12,070,982
Total Deposits with Bond Trustees	$ 12,071,905	$ -	$ -	$ 12,071,905
Total Assets at Fair Value Excluding Investments Measured at NAV as Practical Expedient	$ 136,244,631	$ 13,988,409	$ 128,700,397	$ 278,933,437
Investments Measured at NAV as Practical Expedient				196,072,839
Total Assets at Fair Value				$ 475,006,276

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

The following presents the College's investments and other financial assets by fair value hierarchy and type at May 31, 2019:

Investments	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 12,089,677	$ -	$ -	$ 12,089,677
Equities				
Long Only Equities	53,213,783	-	26,492,662	79,706,445
Equity Long / Short Investment Funds	-	-	17,671,527	17,671,527
Fixed Income				
Fixed Income Mutual Funds	36,478,850	-	-	36,478,850
Fixed Income Commingled	-	-	12,207,476	12,207,476
U.S. Treasuries	20,000,538	-	-	20,000,538
Absolute Return Funds				
Absolute Return Fund	-	14,326,714	1,786,254	16,112,968
Private Equity Funds				
Private Capital Fund	-	-	50,338,706	50,338,706
Private Real Estate Fund	-	-	13,963,027	13,963,027
Total Investments Excluding Investments Measured at NAV as Practical Expedient	$ 121,782,848	$ 14,326,714	$ 122,459,652	$ 258,569,214
Investments Measured at NAV as Practical Expedient				214,503,653
Total Investments				$ 473,072,867

Contributions Receivable - Charitable Remainder Trusts	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Charitable Remainder Trusts	$ -	$ -	$ 7,372,453	$ 7,372,453
Total Charitable Remainder Trusts	$ -	$ -	$ 7,372,453	$ 7,372,453

Investments Under Split Interest Agreements	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 253,920	$ -	$ -	$ 253,920
Equities				
Equity Mutual Funds	2,442,772	-	-	2,442,772
Fixed Income				
Fixed Income Mutual Funds	4,364,204	-	-	4,364,204
Other				
Real Estate Trust	-	-	320,000	320,000
Total Investments Under Split Interest Agreements	$ 7,060,896	$ -	$ 320,000	$ 7,380,896

Deposits with Bond Trustees	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents				
Cash and Cash Equivalents	$ 1,318	$ -	$ -	$ 1,318
Fixed Income				
U.S. Treasuries	29,099,509	-	-	29,099,509
Total Deposits with Bond Trustees	$ 29,100,827	$ -	$ -	$ 29,100,827
Total Assets at Fair Value Excluding Investments Measured at NAV as Practical Expedient	$ 157,944,571	$ 14,326,714	$ 130,152,105	$ 302,423,390
Investments Measured at NAV as Practical Expedient				214,503,653
Total Assets at Fair Value				$ 516,927,043

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

Changes in Level 3 Assets

The following table sets forth a summary of changes in the fair value of the College's Level 3 assets for the year ended May 31, 2020:

Balance at June 1, 2019	$ 130,152,105
Total gains or losses (realized and unrealized) included in non-operating gains	9,030,802
Purchases	10,593,900
Sales	(21,076,410)
Balance at May 31, 2020	$ 128,700,397

The following table sets forth a summary of changes in the fair value of the College's Level 3 assets for the year ended May 31, 2019:

Balance at June 1, 2018	$ 106,916,525
Total gains or losses (realized and unrealized) included in non-operating gains	10,355,041
Purchases	24,432,851
Sales	(11,552,312)
Balance at May 31, 2019	$ 130,152,105

Nature and Risk of Certain Investments

The nature and risk of certain investments by major category at May 31, 2020 are presented as follows:

	Fair Value	Unfunded Commitments	Redemption Provisions	Expected Liquidation Term
Fixed Income				
Fixed Income Commingled Investment Funds	$ 14,361,952	$ -	100% monthly with 10 to 30 days notice	Not applicable
Equities				
Long Only Equities	63,139,784	-	varies from 100% monthly with 6 days notice to no redemption permitted	Not applicable
Equity Long / Short Investment Funds	126,597,409	-	varies from 100% monthly with 6 days notice to no redemption permitted	Not applicable
Absolute Return Funds				
Absolute Return Funds	68,077,369	-	varies from 100% monthly with 65 days notice to no redemption permitted	Not applicable
Private Equity Funds				
Private Capital Funds	48,058,130	24,530,200	no redemption permitted	1 to 10 years
Private Real Estate Funds	12,720,162	8,500,506	no redemption permitted	1 to 5 years
	$ 332,954,806	$ 33,030,706		

NOTE 6 — FAIR VALUE MEASUREMENTS (Continued)

Quantitative and Qualitative Information Regarding Level 3 Fair Value Measurements

The following table presents information about significant unobservable inputs related to the College's investment in assets categorized as Level 3 in the fair value hierarchy at May 31, 2020:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable Remainder Trusts	$ 5,486,839	Discounted cash flow	Discount rates	0.74%-1.42%
			Life expectancy	0-18 years

Investment funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, such funds may hold assets that require the estimation of fair values in the absence of readily determinable market values. Such valuations are determined by fund managers and consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flows analysis, recent sales prices of investments, and other pertinent information and may reflect discounts for the illiquid nature of certain investments held. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had a ready market existed.

The College has processes in place to review fair value estimates, which is overseen by the Vice President for Finance, Administration and Treasurer.

NOTE 7 — ENDOWMENT

FASB Accounting Standards Codification provides guidance regarding Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), and Enhanced Disclosures for All Endowment Funds.

The State of New York has adopted a version of the Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). The College has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor instructions to the contrary. As a result of this interpretation, the College classifies as net assets with donor restrictions (a) the original value of the 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 portion of the donor-restricted endowment fund appropriated for expenditure by the College's Board of Trustees is done in a manner consistent with the standard of prudence prescribed by NYPMIFA.

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 NYPMIFA requires the College to retain as a fund of perpetual duration. Deficiencies would result from unfavorable market fluctuations that occur after the investment of restricted contributions and continued appropriation as deemed prudent by the College. The amount below the original gift value or the amount required to be maintained by the donor or by law approximated $2,049,000 (corpus of $33,893,000) and $468,000 (corpus of $15,047,000) at May 31, 2020 and 2019, respectively.

NOTE 7 — ENDOWMENT (Continued)

Endowment Investment Policy

Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the College's Board of Trustees, the endowment assets are invested in a manner that is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets while assuming a moderate level of investment risk.

Endowment Investment Return Spending Policy

The College has an endowment and similar funds "total return" investment spending policy, which is applied to substantially all of the College's endowment and similar investments. It is intended to preserve the purchasing power of the corpus and insulate program spending from fluctuations in capital markets. The amount of endowment and similar investment return (yield and appreciation) used annually to support operations is equivalent to 5% of the weighted average of these investments over the prior three calendar years. Investment returns equal to the annual spending rate are reflected as operating support and investment returns in excess of the spending rate are reflected as non-operating support in the accompanying statements of activities. Spending in excess of investment return is reflected as a decrease in net assets without donor restrictions. Pooled endowment and similar funds as presented in Note 5 includes certain board designed and approved working capital funds invested with the College's endowment. These working capital funds were approximately $56,434,000 and $59,873,000 as of May 31, 2020 and 2019, respectively. The "total return" investment spending policy for these funds is the same as for the endowment.

Endowment net asset composition by type of fund as of May 31, 2020 was as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Corpus	Total
Donor-restricted funds	$ -	$ 71,005,465	$ 146,079,497	$ 217,084,962
Board-designated funds	139,990,313	-	-	139,990,313
Total funds	$ 139,990,313	$ 71,005,465	$ 146,079,497	$ 357,075,275

Endowment net asset composition by type of fund as of May 31, 2019 was as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Earnings Net of Spending	Corpus	Total
Donor-restricted funds	$ -	$ 84,311,725	$ 142,791,035	$ 227,102,760
Board-designated funds	146,760,902	-	-	146,760,902
Total funds	$ 146,760,902	$ 84,311,725	$ 142,791,035	$ 373,863,662

NOTE 7 — ENDOWMENT (Continued)

Endowment Investment Return Spending Policy (Continued)

Changes in endowment net assets for the fiscal year ended May 31, 2020 were as follows:

	Without Donor Restrictions	With Donor Restrictions: Earnings Net of Spending	With Donor Restrictions: Corpus	Total
Endowment net assets, beginning of year	$ 146,760,902	$ 84,311,725	$ 142,791,035	$ 373,863,662
Contributions	2,159,725	-	3,288,462	5,448,187
Investment income	241,391	-	-	241,391
Net depreciation	(1,343,538)	(1,792,758)	-	(3,136,296)
Amounts appropriated for expenditure	(7,828,167)	(11,513,502)	-	(19,341,669)
Endowment net assets, end of year	$ 139,990,313	$ 71,005,465	$ 146,079,497	$ 357,075,275

Changes in endowment net assets for the fiscal year ended May 31, 2019 were as follows:

	Without Donor Restrictions	With Donor Restrictions: Earnings Net of Spending	With Donor Restrictions: Corpus	Total
Endowment net assets, beginning of year	$ 150,965,525	$ 90,837,352	$ 137,537,353	$ 379,340,230
Contributions	50,863	-	5,253,682	5,304,545
Investment income	332,725	-	-	332,725
Net appreciation	3,484,054	4,578,335	-	8,062,389
Amounts appropriated for expenditure	(8,072,265)	(11,103,962)	-	(19,176,227)
Endowment net assets, end of year	$ 146,760,902	$ 84,311,725	$ 142,791,035	$ 373,863,662

NOTE 8 — LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment, net as of May 31, 2020 and 2019, were as follows:

	2020	2019
Land	$ 4,571,047	$ 4,571,047
Buildings and building improvements	335,892,509	335,860,578
Equipment and furnishings	103,577,218	101,300,782
Library holdings and art collections	54,110,739	48,653,479
Right of use assets	297,874	-
Construction in progress	57,478,062	31,634,132
	555,927,449	522,020,018
Less: accumulated depreciation	(287,282,815)	(273,254,071)
Land, buildings, and equipment, net	$ 268,644,634	$ 248,765,947

Depreciation expense for the years ended May 31, 2020 and 2019 was approximately $15,921,000 and $15,805,000, respectively.

The College capitalizes the interest costs related to outstanding debt for certain qualifying assets under construction. There were approximately $1,709,000 and $1,737,000 capitalized interest costs for the years ended May 31, 2020 and 2019, respectively.

NOTE 8 — LAND, BUILDINGS AND EQUIPMENT, NET (Continued)

Construction in progress includes capital projects not yet completed at year end. The remaining projects as of May 31, 2020 and 2019 include renovation, new buildings and infrastructure, and improvements on the College's campus.

Contingencies Related to Land, Buildings, and Equipment - Asset Retirement Obligation

In the normal course of operation, the College performs maintenance and repairs on its existing facilities and completes new construction projects. As part of these activities, the College has identified areas containing materials that legally require removal in current and future years. The primary material that the College has identified is asbestos that was used in the initial construction of many of the College's buildings.

Contingencies Related to Land, Buildings, and Equipment - Asset Retirement Obligation (Continued)

The following table summarizes the activity of the College's asset retirement obligation ("ARO") for 2020 and 2019:

	2020	2019
ARO, beginning of year	$ 174,534	$ 407,976
New obligations (settlements)	65,000	(233,442)
ARO, end of year	$ 239,534	$ 174,534

NOTE 9 — LONG-TERM DEBT

The College's debt was issued to finance facilities additions/renovations and major equipment purchases, and will be repaid from the general operations of the College.

Long-term debt of the College (including the current portion and any unamortized premium, discount or debt issuance costs) as of May 31, 2020 and 2019, is summarized as follows:

	2020	2019
Dormitory Authority of the State of New York Revenue Bonds, Series '11A; 5.25%; due 2041	$ 26,290,000	$ 27,215,000
Saratoga County Capital Resource Corporation Revenue Refunding Bonds, Series '14A; 3.43%; due 2023	4,930,000	6,185,000
Saratoga County Capital Resource Corporation Revenue Refunding Bonds, Series '14B; 3.43%; due 2034	18,625,000	19,535,000
Saratoga County Capital Resource Corporation Revenue Refunding Bonds, Series '18; 3.93%; due 2049	34,185,000	34,185,000
	84,030,000	87,120,000
Total long-term debt before unamortized premium and debt issuance costs, net	84,030,000	87,120,000
Unamortized premium, Series '14A	682,622	842,989
Unamortized premium, Series '14B	1,990,755	2,100,159
Unamortized premium, Series '18	5,154,650	5,254,938
Debt issuance costs, net	(1,447,000)	(1,498,899)
Total unamortized premium and debt issuance costs, net	6,381,027	6,699,187
Total long-term debt, net	$ 90,411,027	$ 93,819,187

NOTE 9 — LONG-TERM DEBT (Continued)

Interest rates noted are annualized based on a weighted average for the entire issue. All issues are collateralized by certain assets of the College.

A summary of long-term debt service payable for the next five years and thereafter is as follows:

	Principal	Interest	Total
2021	$ 3,140,000	$ 4,145,250	$ 7,285,250
2022	3,755,000	3,977,600	7,732,600
2023	3,925,000	3,785,600	7,710,600
2024	4,110,000	3,587,500	7,697,500
2025	2,970,000	3,415,450	6,385,450
Thereafter	66,130,000	35,946,125	102,076,125
Total	$ 84,030,000	$ 54,857,525	$ 138,887,525

Interest expense for the years ended May 31, 2020 and 2019 totaled approximately $2,521,000 and $2,657,000, respectively.

The College has a financial covenant on certain long-term debt that is defined and calculated using net asset classifications prior to the implementation of ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. For purposes of calculating the expendable resources to debt ratio, as defined, unrestricted and temporarily restricted net assets as of May 31, 2020 were approximately $357,297,000 and $143,669,000 respectively. The College has maintained compliance with this financial covenant and its other financial and non-financial covenants.

NOTE 10 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to donor-imposed stipulations to support scholarships, program activities, and new construction. Such stipulations may be or will be satisfied by the actions of the College and/or the passage of time. Net assets with donor restrictions are subject to donor-imposed stipulations that require the principal to be invested in perpetuity. Investment returns are expendable to support scholarships and program activities. Net assets with donor restrictions as of May 31, 2020 and 2019 consisted of the following:

	2020	2019
Net assets restricted by time and purpose		
Student loans	$ 48,604	$ 48,604
Funds for academic programs and scholarships	12,000,144	9,958,040
Funds for capital improvements	46,231,955	41,213,943
Endowment earnings net of spending	71,005,465	84,311,725
Life income and annuity funds	6,892,787	8,781,270
Pledges receivable	7,489,716	6,354,807
	143,668,671	150,668,389
Net assets in perpetuity		
Endowment corpus	146,079,497	142,791,035
Life income and annuity funds	1,744,873	1,713,015
Pledges receivable	4,395,185	2,588,891
	152,219,555	147,092,941
Total net assets with donor restrictions	$ 295,888,226	$ 297,761,330

NOTE 11 — EMPLOYEE BENEFIT PLANS

Pension Plans

During 1990, the College determined that the early retirement option that had been offered to non-unionized employees and administered as a severance pay plan was deemed jurisdictional under Title 1 of ERISA as a defined benefit pension plan. Effective November 15, 1990, the College's Board of Trustees voted to freeze all benefits under the early retirement plan and close the plan to new employees. All non-unionized employees employed at the College on November 15, 1990 were vested under the frozen plan after five years of service.

The following table sets forth the plan's funded status and amounts recognized in the College's statements of financial position as of May 31, 2020 and 2019:

	2020	2019
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 630,135	$ 699,143
Interest cost	27,586	30,507
Benefits paid	(136,229)	(118,141)
Actuarial loss (gain)	27,472	18,626
Benefit obligation at end of year	$ 548,964	$ 630,135
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 780,303	$ 934,362
Actual return on plan assets	17,591	(35,918)
Benefits paid	(136,229)	(118,141)
Fair value of plan assets at end of year	$ 661,665	$ 780,303
Funded status at year end	$ 112,701	$ 150,168
Amounts recognized in net assets without donor restrictions:		
Unamortized net loss	$ 126,360	$ 139,691
Amounts recognized in the statements of financial position consist of:		
Pension assets	$ 112,701	$ 150,168
Net assets without donor restrictions	$ 126,360	$ 139,691
Components of net periodic pension cost:		
Interest cost on projected benefit obligation	$ 27,586	$ 30,507
Expected return on assets	(13,702)	(16,535)
Amortization of unrecognized net loss	12,602	-
Settlement loss	24,312	19,905
Net periodic pension cost	$ 50,798	$ 33,877
Change in unamortized items:		
Actuarial gain	$ 23,583	$ 71,079
Amortization of:		
Actuarial loss	(12,602)	-
Settlement loss	(24,312)	(19,905)
Total changes recognized in net assets without donor restrictions	$ (13,331)	$ 51,174
Total recognized in net periodic pension cost and net assets without donor restrictions	$ 37,467	$ 85,051

NOTE 11 — EMPLOYEE BENEFIT PLANS (Continued)

Pension Plans (Continued)

The College's funding policy is based upon and is in compliance with ERISA requirements. The College made no contributions to the plan for the years ended May 31, 2020 and 2019. Assumed discount rates of 3.44% and 5.15% were used in accounting for the benefit obligation as of May 31, 2020 and 2019, respectively. Assumed discount rate of 5.15% was used in accounting for the net periodic pension cost for the years ended May 31, 2020 and 2019. Expected long-term rates of return on assets of 2.0% were used in accounting for the plan as of May 31, 2020 and 2019.

Estimated future benefit payments reflect expected future service for each fiscal year. Shown below are the expected payments for the next five years and the five years thereafter:

2021	$ 126,398
2022	75,921
2023	87,613
2024	63,099
2025	47,935
Years 2026 - 2030	148,334

Postretirement Health Benefits

The College pays for a portion of medical benefits for retired non-unionized employees with a start date prior to September 4, 2008 based upon years of service at retirement date. The College accrues the expected cost of postretirement benefits over the service life of active employees.

The following tables set forth the status of the plan, which is unfunded, as of May 31, 2020 and 2019:

	2020	2019
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 54,505,745	$ 56,307,704
Service cost	973,405	1,190,798
Interest cost	2,054,553	2,487,857
Plan participant's contribution	43,293	24,006
Actuarial gain	(4,392,451)	(4,249,998)
Benefits paid	(1,602,650)	(1,254,622)
Benefit obligation at end of year	$ 51,581,895	$ 54,505,745
Change in plan assets:		
Fair value of plan assets at beginning of year	$ -	$ -
Employer contribution	1,559,357	1,230,616
Plan participants' contributions	43,293	24,006
Benefits paid	(1,602,650)	(1,254,622)
Fair value of plan assets at end of year	$ -	$ -
Funded status at year end	$ (51,581,895)	$ (54,505,745)
Amounts recognized in net assets without donor restrictions:		
Unamortized prior service credit	$ (5,518,615)	$ (7,790,416)
Unamortized net loss	3,992,781	8,385,232
	$ (1,525,834)	$ 594,816

NOTE 11 — EMPLOYEE BENEFIT PLANS (Continued)

Postretirement Health Benefits (Continued)

	2020	2019
Amounts recognized in the statements of financial position consist of:		
Accrued postretirement benefits liability	$ (51,581,895)	$ (54,505,745)
Net assets without donor restrictions	$ (1,525,834)	$ 594,816
Components of net periodic benefit cost:		
Service cost	$ 973,405	$ 1,190,798
Interest cost	2,054,553	2,487,857
Amortization of net loss	-	497,748
Amortization of unrecognized prior service credit	(2,271,801)	(3,100,076)
Net periodic postretirement benefit cost	$ 756,157	$ 1,076,327
Change in unamortized items:		
Prior service credit	$ -	$ -
Actuarial gain	(4,392,451)	(4,249,998)
Amortization of:		
Prior service credit	2,271,801	3,100,076
Actuarial loss	-	(497,748)
Total changes in recognized net assets without donor restrictions	$ (2,120,650)	$ (1,647,670)
Total recognized in net periodic benefit cost and net assets without donor restrictions	$ (1,364,493)	$ (571,343)

	2020
Expected effect in the net assets without donor restrictions next fiscal year:	
Prior service credit	$ (2,222,112)
Net loss	

Actual contributions by the College for the years ended May 31, 2020 and 2019 totaled approximately $1,559,000 and $1,231,000 respectively. The discount rates used in determining the accumulated postretirement benefit obligation were 3.65% and 4.53% as of May 31, 2020 and 2019, respectively. Assumed discount rates of 4.53% and 4.75% were used in accounting for the net periodic pension cost as of May 31, 2020 and 2019, respectively. The assumed trend rates for pre-65 medical, post-65 medical, and prescription drug costs are 6.75%, 4.50%, and 7.00%, respectively for the next year, decreasing gradually in future years to 3.784% by fiscal 2075 and remaining at that level thereafter. Increasing the assumed health care cost trend rate by 1.0% in each year would increase the accumulated postretirement benefit obligation as of May 31, 2020 by approximately $9,144,000 and increase the aggregate of the service cost and interest cost by approximately $639,000. Decreasing the assumed health care cost trend rate by 1% in each year would decrease the accumulated postretirement benefit obligation as of May 31, 2020 by approximately $7,312,000 and decrease the aggregate of the service cost and interest cost by approximately $495,000.

NOTE 11 — EMPLOYEE BENEFIT PLANS (Continued)

Postretirement Health Benefits (Continued)

Expected benefit payments reflect expected future service for each fiscal year. Shown below are the expected gross payments (including prescription drug benefits) for the next five years and the five years thereafter:

	Gross Payments
2021	$ 1,873,332
2022	$ 1,921,175
2023	$ 2,005,636
2024	$ 2,189,247
2025	$ 2,115,125
Years 2026 - 2030	$ 12,683,112

Defined Contribution Plans

The College has a 403(b) defined contribution plan, which covers substantially all non-union employees of the College. The College contributes an amount equal to 10% of base annual salary / wages if an eligible employee is less than age 50, or 11% if age 50 or over, into the plan. In addition, the College contributes an amount equal to 1% of base annual salary / wages of an eligible employee with a start date on or after September 4, 2008 who is a fully benefits eligible employee, but who is not eligible for the College's postretirement healthcare plan. For the years ended May 31, 2020 and 2019, the College's contribution was approximately $5,853,000 and $5,748,000, respectively.

The College also has a 403(b) defined contribution plan, which covers certain union employees of the College. Skidmore College 403(b) Retirement Plan for Employees Represented by UPSEU Local 1222 was adopted on March 1, 2014. The Plan covers all eligible employees of the College represented by UPSEU Local 1222 who work at least 1,000 hours of service in the initial (or subsequent) 12 month computation period. The College contributes an amount equal to $1.75 and $1.70 per hour of service for the years ended May 31, 2020 and 2019, respectively. The College's contribution was approximately $470,000 and $472,000 for the years ended May 31, 2020 and 2019, respectively. The College's agreement with UPSEU expires on May 31, 2022.

Other

The College contributes to pension funds administered by various unions with which the College has collective bargaining agreements. The College made contributions for these other plans totaling $408,000 and $414,000 for the years ended May 31, 2020 and 2019, respectively.

NOTE 12 — CREDIT AGREEMENTS

The College has two $10,000,000 lines of credit for working capital purposes with commercial banks. The amounts available are reduced by certain outstanding construction-related letters of credit as described below. The rate of interest on one line is equivalent to the London Interbank Offered Rate ("LIBOR") plus 100 basis points. The rate of interest on the second line is equivalent to the prime lending rate. There were no borrowings outstanding under the lines of credit as of May 31, 2020 and 2019.

As of May 31, 2020, the College has construction-related letters of credit with commercial banks totaling approximately $685,000. Some of these letters of credit are secured by cash collateral of the College. There were no amounts drawn on the letters of credit as of May 31, 2020.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

The College is subject to certain claims and legal proceedings arising in the ordinary course of business. In the opinion of management, the ultimate disposition with respect to these matters will not have a material adverse effect on the financial position of the College.

NOTE 14 — LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Resources available to the College to fund financial aid, operating expenditures, debt service and capital projects have seasonal variations related to the timing of tuition billing and collection, receipt of grants, gift and pledge payments, endowment spending and other revenues. The College actively manages its financial resources utilizing a combination of short, medium and long-term investment strategies to align its cash inflows with anticipated outflows in accordance with policies approved by its Board of Trustees. As summarized below, the College has significant existing financial assets and liquidity resources available within one year for general expenditures as follows:

Cash and cash equivalents	$ 64,788,083
Accounts receivable, net	2,652,180
Current portion of contributions receivable	988,509
Operating investments	36,788,611
Working capital funds invested with the endowment	56,433,952
	$ 161,651,335

Separately from the available funds described above, the College's endowment as of May 31, 2020 totaled approximately $357,075,000, which is comprised of funds without donor restrictions (board designated funds) and funds with donor restrictions of $139,990,000 and $217,085,000 respectively. Operating investments, working capital funds invested with the endowment, and the endowment are the primary components of total investments in the accompanying statements of financial position. In addition, the College has available lines of credit in the amount of $20,000,000 to draw upon if needed.

NOTE 15 — RISKS AND UNCERTAINTIES

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020, and a national emergency by the President of the United States on March 13, 2020. The outbreak has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide and the higher education landscape in general. On March 22, 2020, the Governor of New York issued declarations of public health and civil preparedness emergencies, and subsequently issued a series of executive orders intended to address the spread of COVID-19, implementing various actions and limiting certain activities, including restrictions on the number of people who can attend gatherings, closure of campuses to most students and the closure of all non-essential businesses. Additional executive orders further restricting activities or easing restrictions may be forthcoming.

NOTE 15 — RISKS AND UNCERTAINTIES (Continued)

The College carefully monitored the COVID-19 pandemic and the associated public health crisis and took a number of measures to protect its campus and surrounding communities for the spring 2020 semester, including:

- Asked students to leave and remain off-campus beginning on March 16, 2020 and credited students who remained off-campus their unused room and meal plan charges;
- Taught classes and administered final examinations remotely through online tools through the end of the spring semester;
- Limited the size of meetings and events at the College;
- Restricted College-sponsored travel;
- Reduced the number of people working on campus by urging most faculty and staff to work remotely beginning March 22, 2020; and
- Canceled all in-person, campus-based summer programs.

Although the College is currently planning to hold the Fall 2020 semester through a combination of in person and online instruction formats, the College cannot predict when it will resume full on-campus instruction or how many students will return when full on-campus instruction resumes. The pandemic is limiting the ability of potential future students from visiting the College's buildings although outdoor campus tours continue with new safety measures.

The College is tracking the impacts of the COVID-19 pandemic on its fiscal year 2021 budget and on its 5-year budget plan. The College is reviewing assumptions in the original fiscal year 2021 budget plan and is also developing and analyzing various scenarios and contingency plans to respond both operationally and financially to the impacts of COVID-19. Based upon current enrollment projections, the College expects to maintain a balanced budget for fiscal year 2021 with the use of $1 million in contingency and undertaking cost containment measures. After use of this contingency, the College will have $2.5 million remaining in contingency for uncertainties during the 2020-21 academic year. The College will continue to adjust its operating and capital budget plans in light of the impacts of COVID-19, and continues to monitor, plan and adjusts its plans as the situation evolves.

While the potential impact on the College cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the College's financial performance. The extent of the impact will depend on future developments beyond the control of the College, including (i) the duration and spread of the outbreak, (ii) any additional restrictions and advisories imposed by federal, state and local governments, (iii) the continued effects of the pandemic on the financial markets and higher education institutions generally, and (iv) the continued effects of the pandemic on the economy overall, all of which are highly uncertain and cannot be predicted.

NOTE 16 — SUBSEQUENT EVENTS

The College has evaluated subsequent events through September 17, 2020, the date that the financial statements were issued.