Juniata College

Financial Statements

May 31, 2026 and 2025

Juniata College

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Independent Auditors' Report

To the Board of Trustees of
Juniata College

Opinion

We have audited the financial statements of Juniata College (the College), which comprise the statements of financial position as of May 31, 2026 and 2025, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of May 31, 2026 and 2025, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Baker Tilly US, LLP

Pittsburgh, Pennsylvania
October 28, 2026

Juniata College

Statements of Financial Position
May 31, 2026 and 2025

	2026	2025
Assets		
Cash and cash equivalents	$ 6,564,632	$ 3,970,100
Accounts receivable:		
Student, net	1,300,638	1,092,196
Governmental agencies	1,136,062	1,474,748
Other	218,319	242,930
Unconditional promises to give, net	9,377,390	3,511,896
Inventory	362,843	335,179
Prepaid expenses	2,442,334	2,379,129
Investments	138,337,675	122,199,479
Real estate investments	3,938,390	3,305,990
Cash surrender value of life insurance	9,966,022	9,199,267
Student loans receivable	394,734	373,678
Funds held in trust by others	3,771,478	3,327,433
Collections	2,099,577	1,698,807
Right-of-use assets	421,453	728,722
Other assets, net	30,845	119,448
Plant assets, net	92,904,022	95,109,179
Total assets	$ 273,266,414	$ 249,068,181
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 857,432	$ 946,174
Accrued payroll and related liabilities	4,803,491	4,867,938
Student deposits and prepayments	246,874	246,441
Deferred summer tuition	1,260,885	1,444,757
Refundable advances	565,406	913,389
Funds held in custody for others	147,993	175,583
Bonds and notes payable	68,069,708	69,542,940
Operating lease obligations	421,452	728,721
Postretirement benefits	3,166,195	3,177,538
Annuities payable	4,191,797	4,220,387
Advance from federal government for student loans	133,267	153,895
Total liabilities	83,864,500	86,417,763
Net Assets		
Without donor restrictions	41,784,357	38,991,785
With donor restrictions	147,617,557	123,658,633
Total net assets	189,401,914	162,650,418
Total liabilities and net assets	$ 273,266,414	$ 249,068,181

See notes to financial statements

Juniata College

Statement of Activities
Year Ended May 31, 2026 (With Comparative Totals for 2025)

	2026			2025
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenues				
Tuition and fees, net	$ 22,842,795	$ -	$ 22,842,795	$ 22,934,425
Federal, state and local grants and contracts	2,095,087	-	2,095,087	2,218,610
Private gifts, grants and bequests of cash and financial assets	5,866,779	12,696,031	18,562,810	9,971,483
Private gifts, grants and bequests of nonfinancial assets	524,064	-	524,064	1,500,000
Investment income, net	283,439	2,249,064	2,532,503	2,065,726
Endowment return, designated for operations	3,994,732	5,478,252	9,472,984	7,985,524
Other income	898,417	95,238	993,655	1,041,462
Auxiliary enterprises	17,926,621	-	17,926,621	16,847,650
Net assets released from restrictions:				
Satisfaction of program restrictions	4,647,367	(4,647,367)	-	-
Appropriation from endowment	5,478,252	(5,478,252)	-	-
Total operating revenues	64,557,553	10,392,966	74,950,519	64,564,880
Operating Expenses				
Educational and general:				
Program expenses:				
Instructional	19,447,651	-	19,447,651	18,900,577
Research and public service	1,611,991	-	1,611,991	2,409,956
Academic support	5,100,402	-	5,100,402	5,676,757
Student services	12,499,203	-	12,499,203	12,351,548
Institutional support:				
Management and general	10,879,840	-	10,879,840	10,694,567
Development	2,603,951	-	2,603,951	2,397,742
Total educational and general	52,143,038	-	52,143,038	52,431,147
Auxiliary enterprises	12,808,908	-	12,808,908	12,642,336
Total operating expenses	64,951,946	-	64,951,946	65,073,483
Change in net assets from operating activities	(394,393)	10,392,966	9,998,573	(508,603)
Nonoperating Activities				
Endowment investment return, net of amount designated for operations	3,160,148	13,493,143	16,653,291	2,322,521
Gain (loss) on funds held in trust by others	-	444,045	444,045	(72,930)
Change in valuation of split-interest agreements	26,817	(371,230)	(344,413)	(478,784)
Change in net assets from nonoperating activities	3,186,965	13,565,958	16,752,923	1,770,807
Change in net assets	2,792,572	23,958,924	26,751,496	1,262,204
Net Assets, Beginning	38,991,785	123,658,633	162,650,418	161,388,214
Net Assets, Ending	$ 41,784,357	$ 147,617,557	$ 189,401,914	$ 162,650,418

See notes to financial statements

Juniata College

Statement of Activities
Year Ended May 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Tuition and fees, net	$ 22,934,425	$ -	$ 22,934,425
Federal, state and local grants and contracts	2,218,610	-	2,218,610
Private gifts, grants and bequests of cash and financial assets	5,991,493	3,979,990	9,971,483
Private gifts, grants and bequests of nonfinancial assets	1,500,000	-	1,500,000
Investment income, net	611,018	1,454,708	2,065,726
Endowment return, designated for operations	2,443,652	5,541,872	7,985,524
Other income	853,266	188,196	1,041,462
Auxiliary enterprises	16,847,650	-	16,847,650
Net assets released from restrictions:			
Satisfaction of program restrictions	5,058,349	(5,058,349)	-
Appropriation from endowment	5,541,872	(5,541,872)	-
Total operating revenues	64,000,335	564,545	64,564,880
Operating Expenses			
Educational and general:			
Program expenses:			
Instructional	18,900,577	-	18,900,577
Research and public service	2,409,956	-	2,409,956
Academic support	5,676,757	-	5,676,757
Student services	12,351,548	-	12,351,548
Institutional support:			
Management and general	10,694,567	-	10,694,567
Development	2,397,742	-	2,397,742
Total educational and general	52,431,147	-	52,431,147
Auxiliary enterprises	12,642,336	-	12,642,336
Total operating expenses	65,073,483	-	65,073,483
Change in net assets from operating activities	(1,073,148)	564,545	(508,603)
Nonoperating Activities			
Endowment investment return, net of amount designated for operations	392,435	1,930,086	2,322,521
Loss on funds held in trust by others	-	(72,930)	(72,930)
Change in valuation of split-interest agreements	-	(478,784)	(478,784)
Change in net assets from nonoperating activities	392,435	1,378,372	1,770,807
Change in net assets	(680,713)	1,942,917	1,262,204
Net Assets, Beginning	39,672,498	121,715,716	161,388,214
Net Assets, Ending	$ 38,991,785	$ 123,658,633	$ 162,650,418

See notes to financial statements

Juniata College

Statement of Functional Expenses
Year Ended May 31, 2026

	Program Expenses				Institutional Support				
	Instructional	Research and Public Service	Academic Support	Student Services	Management and General	Development	Auxiliary Enterprises	Facilities, Operations and Maintenance	Total
Operating Expenses									
Compensation:									
Salaries and wages	$ 9,641,408	$ 476,590	$ 1,506,221	$ 4,444,051	$ 3,546,625	$ 1,249,334	$ 934,102	$ 1,045,217	$ 22,843,548
Benefits	3,856,436	144,278	625,635	1,970,112	1,860,819	548,546	246,334	890,710	10,142,870
Depreciation and amortization	1,301,917	289,315	578,630	723,287	619,014	-	1,109,041	289,315	4,910,519
Auxiliary cost of sales	-	-	-	-	-	-	5,626,785	-	5,626,785
Other	187,077	15,572	106,344	585,967	473,586	10,083	22,701	12,036	1,413,366
Software, office and instructional supplies	704,100	240,580	659,251	1,100,406	992,636	274,195	408	14,570	3,986,146
Professional services	167,348	31,716	354,278	836,063	1,984,591	318,986	913,030	359,256	4,965,268
Interest on indebtedness	1,360,524	-	-	347,368	-	-	752,630	434,210	2,894,732
Utilities	-	23,457	13,423	-	47,242	-	938,264	1,365,292	2,387,678
Travel	231,609	35,855	444,327	1,009,788	170,600	76,273	-	-	1,968,452
Bad debt expense	-	14,618	-	1,993	79,879	-	-	35,876	132,366
Equipment repair and maintenance	142,080	30,964	55,765	106,423	596,663	63,267	263,921	959,476	2,218,559
Student employees	171,441	204,148	104,047	353,635	-	7,103	-	5,682	846,056
Programming	64,831	60,006	57,201	208,825	168,574	56,164	-	-	615,601
	17,828,771	1,567,099	4,505,122	11,687,918	10,540,229	2,603,951	10,807,216	5,411,640	64,951,946
Allocation of facilities, operations and maintenance	1,618,880	44,892	595,280	811,285	339,611	-	2,001,692	(5,411,640)	-
Total operating expenses	$ 19,447,651	$ 1,611,991	$ 5,100,402	$ 12,499,203	$ 10,879,840	$ 2,603,951	$ 12,808,908	$ -	$ 64,951,946

See notes to financial statements

Juniata College

Statement of Functional Expenses
Year Ended May 31, 2025

	Program Expenses				Institutional Support				
	Instructional	Research and Public Service	Academic Support	Student Services	Management and General	Development	Auxiliary Enterprises	Facilities, Operations and Maintenance	Total
Operating Expenses									
Compensation:									
Salaries and wages	$ 9,327,564	$ 664,726	$ 1,713,577	$ 4,314,876	$ 3,578,884	$ 1,078,113	$ 947,776	$ 904,792	$ 22,530,308
Benefits	3,958,331	179,522	680,566	1,955,107	1,893,265	476,672	246,014	754,536	10,144,013
Depreciation and amortization	1,254,759	278,835	557,671	697,088	616,324	-	1,068,869	278,835	4,752,381
Auxiliary cost of sales	-	-	-	-	-	-	5,580,375	-	5,580,375
Other	42,461	120,369	156,521	498,982	321,612	7,154	255,360	25,233	1,427,692
Software, office and instructional supplies	546,845	442,693	604,622	992,059	947,216	313,045	1,464	3,956	3,851,900
Professional services	264,643	126,922	621,064	905,961	2,150,956	353,425	996,068	196,706	5,615,745
Interest on indebtedness	1,450,906	-	-	370,444	-	-	802,629	463,055	3,087,034
Utilities	-	-	19,569	-	-	-	782,763	1,154,575	1,956,907
Travel	252,442	115,718	330,802	1,091,631	123,359	69,066	-	-	1,983,018
Bad debt expense	10,109	-	-	9,988	318,905	-	-	481,034	820,036
Equipment repair and maintenance	166,528	174,895	42,439	88,595	382,874	33,973	139,683	658,277	1,687,264
Student employees	102,824	222,182	100,453	501,629	-	7,507	-	5,946	940,541
Programming	57,347	18,471	307,509	187,373	66,782	58,787	-	-	696,269
	17,434,759	2,344,333	5,134,793	11,613,733	10,400,177	2,397,742	10,821,001	4,926,945	65,073,483
Allocation of facilities, operations and maintenance	1,465,818	65,623	541,964	737,815	294,390	-	1,821,335	(4,926,945)	-
Total operating expenses	$ 18,900,577	$ 2,409,956	$ 5,676,757	$ 12,351,548	$ 10,694,567	$ 2,397,742	$ 12,642,336	$ -	$ 65,073,483

See notes to financial statements

Juniata College
Statements of Cash Flows
Years Ended May 31, 2026 and 2025

	2026	2025
Cash Flows From Operating Activities		
Change in net assets	$ 26,751,496	$ 1,262,204
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	4,910,519	4,752,381
Realized and unrealized gain on investments	(26,126,275)	(10,308,045)
Amortization of bond issuance costs and premium	(121,101)	(61,959)
(Gain) loss on funds held in trust by others	(444,045)	72,930
Loss on disposal of plant assets	22,747	15,469
In-kind private gifts of plant assets	(524,064)	(1,500,000)
Private gifts restricted for long-term investment	(1,572,115)	(1,844,491)
Private gifts restricted for purchase of property and equipment	(6,706,550)	(1,721,944)
Contribution of collection items	(400,770)	-
Noncash operating lease expense	307,269	375,819
Bad debt expense	132,366	820,036
Changes in assets and liabilities:		
Accounts receivable	842,525	2,276,727
Unconditional promises to give	(4,971,759)	(597,013)
Inventory	(27,664)	(37,446)
Prepaid expenses	(63,205)	(873,035)
Accounts payable	193,253	(2,002,169)
Accrued payroll and related liabilities	(64,447)	547,681
Deferred summer tuition	(183,872)	70,719
Refundable advances	(347,983)	815,906
Funds held in custody for others	(27,590)	50,576
Student deposits and prepayments	433	21,299
Operating lease obligations	(307,269)	(375,819)
Postretirement benefits	(11,343)	(1,240,874)
Net cash used in operating activities	(8,739,444)	(9,481,048)
Cash Flows From Investing Activities		
Proceeds from sales of investments	32,217,172	17,538,570
Purchases of investments	(22,229,093)	(9,269,282)
Change in cash surrender value of life insurance	(766,755)	(562,324)
Proceeds from sale of plant assets	10,791	17,620
Purchases of plant assets	(3,040,628)	(4,426,358)
Student loans advanced	(55,359)	-
Student loans collected	34,303	39,061
Net cash provided by investing activities	6,170,431	3,337,287
Cash Flows From Financing Activities		
Payments on bonds, notes payable and finance leases	(1,352,131)	(635,099)
Proceeds from contributions restricted for long-term investments	1,510,065	2,198,080
Proceeds from contributions restricted for purchase of property and equipment	5,054,829	1,308,075
Repayments to federal government for student loans	(20,628)	(19,623)
Proceeds from annuity obligations	110,000	406,913
Payments of annuity obligations	(138,590)	(249,617)
Net cash provided by financing activities	5,163,545	3,008,729
Net change in cash and cash equivalents	2,594,532	(3,135,032)
Cash and Cash Equivalents, Beginning	3,970,100	7,105,132
Cash and Cash Equivalents, Ending	$ 6,564,632	$ 3,970,100
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 2,894,732	$ 3,087,034
Supplemental Disclosure of Noncash Operating, Investing and Financing Activities		
Plant assets included in accounts payable	$ 297,025	$ 579,020
Right-of-use assets obtained in exchange for operating lease obligations	$ -	$ 361,026

See notes to financial statements

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Juniata College (the College), which is a not-for-profit educational institution organized under the laws of the Commonwealth of Pennsylvania, located in Huntingdon, Pennsylvania, was established in 1876 to provide higher education to students. The College awards grants-in-aid and scholarships to individuals who meet the College's academic standards. The amounts of such awards are determined primarily based upon the academic performance and financial needs of each applicant. Additional financial aid is provided to students from federal and state programs in which the College participates and from monies contributed to the College by alumni and friends.

During the years ended May 31, 2026 and 2025, the College provided student financial aid from internal resources of approximately $49,547,000 and $45,652,000, respectively, which represented 65% and 63% of gross tuition and fees revenue each year, respectively. During the years ended May 31, 2026 and 2025, the College provided student financial aid from monies contributed to the College by alumni and friends of approximately $3,722,000 and $3,783,000, respectively.

The College evaluated subsequent events for recognition or disclosure through October 28, 2026, the date the financial statements were available to be issued. See Note 7.

Basis of Presentation

The financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), including accounting standards as they relate to financial statements of not-for-profit organizations. The Financial Accounting Standards Board (FASB) guidance requires the reporting of total assets, liabilities and net assets in a statement of financial position; reporting the change in net assets in a statement of activities; and reporting the sources and uses of cash and cash equivalents in a statement of cash flows.

Net assets and revenues, gains, expenses and losses are classified as without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

Net Assets With Donor Restrictions - Net assets whose use by the College is subject to donor-imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Additionally, funds received as gifts and bequests which have been accepted with the donor stipulation that the principal be maintained intact in perpetuity are reported as net assets with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related asset is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which assets are placed in service. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as contributions without donor restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments, with original maturities of three months or less, that are not held for endowment or other long-term purposes. The College maintains its cash accounts in various financial institutions. Portions of the College's cash balances may exceed FDIC insurance coverage at various times throughout the year. Management considers these excesses to be normal business risks.

Accounts Receivable

Accounts receivable are reported net of expected credit losses. Accounts receivable are not collateralized. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for credit losses is estimated based on the College's historical losses.

Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in private gifts, grants and bequests. An allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Conditional promises to give are promises for which donor-imposed conditions specify future and uncertain events of which occurrence or failure to occur release the donors from the obligation to transfer assets in the future. If and when such conditions have been substantially met, these promises cease to be conditional, and revenues are recorded, as appropriate.

Investments

Equity securities with readily determinable fair values and debt securities are valued at fair value based on quoted market prices as reported by the College's investment custodians. Adjustments to reflect increases or decreases in market value, referred to as unrealized gains and losses, are reported in the statements of activities.

Investments received as gifts are recorded at fair value as determined upon receipt. The cost of investments sold is determined by use of the specific identification method.

All realized and unrealized gains and losses arising from the sale or appreciation (depreciation) in fair value of investments, and all income from investments, are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations, or by law.

Alternative investments, representing ownership in debt and equity funds, private partnerships and other alternative investments, are based on the net asset values (NAVs) provided by external investment managers or on audited financial statements when available. The NAVs provided by external investment managers are based on estimates, assumptions and methods that are reviewed by management.

Real estate investments are stated primarily at net book value. Net book value is determined in accordance with the College's policy for plant assets described below.

Investment-related fees are expensed when incurred and are netted against investment income in the statements of activities.

The College's principal financial instruments subject to credit risk are its investments. The investments are managed by professional advisors subject to the College's investment policy. The degree and concentration of credit risk varies by type of investment. The fair values reported in the statements of financial position are exposed to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near term.

Funds Held in Trust by Others

Funds held in trust by others represent the College's share of these funds based on the terms of various irrevocable trusts. These funds are not in the possession of the College. Such terms provide that the College is to receive annually a certain percentage of the income earned by the funds which are held in trust. The College does not have access to the principal. The present values of the estimated future cash flows from the trusts are recognized as assets and contribution revenues at the dates the trusts are established. Distributions from the trusts are recorded as investment income and the carrying value of the assets is adjusted for changes in the estimates of future receipts. Because of the irrevocable right of the College to its share of the trusts' earnings, the College reports its share of these trusts on its financial statements as funds held in trust by others.

Collections

The College considers its collection of works of art and rare books as inexhaustible because they have cultural, aesthetic or historical value that will be preserved and, therefore, does not depreciate those assets. These items are held for educational, research and curatorial purposes. Any proceeds from the sale of collection items are reinvested in other collection items or used for the direct care of existing collection items.

Other Assets

Branding and logo costs are considered other assets and are amortized on a straight-line basis over 10 years. For the years ended May 31, 2026 and 2025, the College incurred amortization expense of approximately $89,000 and $105,000, respectively.

Plant Assets

Plant assets are stated at cost, if purchased, or fair value at the date of gift, if donated, less accumulated depreciation, computed on a straight-line basis over their estimated useful lives: buildings (40 years); land improvements (20 years); equipment (5-10 years). Maintenance and repairs are charged to expense as incurred; replacements and betterments are capitalized.

Life Income Agreements

The College's life income agreements with donors consist of charitable remainder trusts, charitable gift annuities and pooled income fund agreements for which the College serves as trustee. Assets held in these trusts are included in investments. Contribution revenues are recognized at the date the trusts are established after recording annuities payable for the present value of the estimated future payments to be made to the donors and/or other beneficiaries.

Advance From Federal Government for Student Loans

The College is a participant in the federal Perkins Loan program, which makes student loans available to eligible participants. This program is funded by both the federal government and the College, with the portion estimated to be allocable to the federal government recorded as a liability in the statements of financial position, and the portion allocable to the College included in net assets without donor restrictions.

The Extension Act amended Section 461 of the Higher Education Act to end the College's authority to make new Perkins Loans after May 31, 2018. The College is not required to assign the outstanding Perkins Loans to the U.S. Department of Education (ED) or liquidate their Perkins Loan revolving funds due to the wind-down of the Perkins Loan Program; however, the College may choose to liquidate at any time in the future. As of May 31, 2026 and 2025, the College continues to service the Perkins Loan program.

Bond Issuance Costs and Bond Premium, Net

Costs and premiums incurred in connection with bond financing have been deferred and are amortized over the term of the related bonds using the straight-line method, which approximates the interest method. Bond issuance costs and bond premium, net are recorded directly to bonds and notes payable in the statements of financial position.

Nonoperating Activities

The statements of activities include a performance measure of operations labeled as change in net assets from operating activities. In addition to revenues and expenses generated from the College's operations, this measure also includes net assets released from restrictions, endowment investments designated for operations and other transfers of nonoperating funds to support current operating activities. Nonoperating activities excluded from this measure are endowment investment returns, net of the amount designated for operations, gains and losses on funds held in trust by others and change in the valuation of split-interest agreements.

Revenue Recognition

Tuition and fees revenue is recognized in the fiscal year in which the academic programs are delivered. Sales and services of auxiliary enterprises revenue, which consists of room and board and related services, is recognized when the related service is provided or performed. Tuition and fees and auxiliary enterprise contracts are considered to have a duration of less than one year.

Transaction prices for tuition, fees, room and board are determined based on applicable College pricing schedules. Institutional financial aid and discounts provided by the College are reflected as a reduction of tuition and fees revenue with the exception of specifically identified auxiliary discounts such as room grants, which are reflected as a reduction in auxiliary revenue. The College awards grants-in-aid and scholarships to individuals who meet the College's academic standards. The amounts of such awards are based upon the financial needs and/or merit of each applicant.

Amounts are due for tuition, fees, room and board at the beginning of each semester. In accordance with the College's refund policies, undergraduate students may receive a full or partial refund until 60% of the semester has expired. Student accounts receivable includes amounts to which the College is unconditionally entitled.

The following table presents the opening and closing balances of accounts receivable and deferred revenue as of:

	May 31, 2026	May 31, 2025	May 31, 2024
Accounts receivable, net	$ 2,655,019	$ 2,809,874	$ 5,206,311
Deferred summer tuition	1,260,885	1,444,757	1,374,038
Student deposits and prepayments	246,874	246,441	225,142
Refundable advances	565,406	913,389	97,483

Deferred summer tuition for billed services not yet performed consists primarily of amounts related to summer sessions. The deferred summer tuition at May 31, 2026 will be recognized as revenue in fiscal year 2027 as academic services are provided. The deferred summer tuition at May 31, 2025 was recognized as revenue in fiscal year 2026 as academic services were provided.

Student deposits and prepayments represent matriculation deposits paid to the College by students upon enrollment in order to secure their place in the class. A portion of the deposit is recognized as revenue in the year in which the student initially registers for coursework. The remainder is held as a security deposit that may be applied to any unpaid fees or fines upon the student's separation from the College.

Refundable advances represents funds received but not yet expended. The refundable revenue will be recognized as revenue in the year the funds are spent.

Tuition and Fees, Net

Tuition and fees are presented net of grants-in-aid, scholarships funded from internal resources and private contributions.

A discount to tuition and fees results when the College reduces the obligation of a student by granting financial aid. The following details the gross and net amounts of tuition and fees for the years ended May 31:

	2026	2025
Tuition and fees	$ 76,111,484	$ 72,369,124
Less scholarship allowances	(53,268,689)	(49,434,699)
Tuition and fees, net	$ 22,842,795	$ 22,934,425

Government Grants and Contracts

Operating funds designated by government funding agencies for particular operating purposes are deemed to be earned and reported as revenues when the College has incurred expenditures in compliance with the contract.

Advertising Costs

Advertising costs are expensed as incurred and amounted to approximately $458,000 in 2026 and $545,000 in 2025.

Fundraising Costs

Fundraising costs are expensed as incurred and amounted to $2,603,951 in 2026 and $2,397,742 in 2025 and are included in institutional support in the statements of activities.

Donor-Restricted Gifts

All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as gifts with donor restrictions that increase the with donor restrictions net asset classification. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

For contributed property and equipment, and contributions restricted by donors for purchases of property and equipment, the contributions are recorded as restricted support. In the absence of such stipulations, these types of contributions are recorded as gifts without donor restrictions.

Functional Expenses

Certain operating and maintenance expenses, primarily interest and depreciation expense, are allocated based on building square footage by functional area (i.e., instructional, academic support, student services, institutional support and auxiliary enterprises) as a percentage of total square footage of all buildings/area campus wide. In addition, expenses related to conferences and events are allocated based on the nature of the event related to the functional areas of the College.

Income Taxes

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The College accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined there were no tax uncertainties that met the recognition threshold at May 31, 2026 and 2025.

Title IV Requirements

The College participates in government Student Financial Assistance Programs (Title IV) administered by the ED for the payment of student tuitions. Substantial portions of the revenue and collection of ending accounts receivable as of May 31, 2026 and 2025 are dependent upon the College's continued participation in the Title IV programs.

Institutions participating in the Title IV programs are also required by ED to demonstrate financial responsibility. ED determines an institution's financial responsibility through the calculation of a composite score based upon certain financial ratios as defined in the regulations. Institutions receiving a composite score of 1.5 or greater are considered fully financially responsible. Institutions receiving a composite score between 1.0 and 1.4 are subject to additional monitoring, and institutions receiving a score below 1.0 are required to submit financial guarantees in order to continue participation in the Title IV programs. As of May 31, 2026 and 2025 and for the years then ended, the College's composite score exceeded 1.5.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified for comparative purposes to conform to the current year presentation.

2. Accounts Receivable, Student

Student accounts receivable represent amounts due for tuition, fees and room and board from currently enrolled and former students. The College extends unsecured credit to students and parents of dependent students in connection with their studies.

Student accounts receivable consists of the following at May 31:

	2026	2025
Accounts receivable, student	$ 1,389,438	$ 1,186,783
Allowance for credit losses	(88,800)	(94,587)
Total	$ 1,300,638	$ 1,092,196

3. Unconditional Promises to Give

Unconditional promises to give are recognized as revenue when the donor's commitment is received. Unconditional promises to give to be received after one year are recognized at the estimated net present value of future cash flows, net of allowances.

Unconditional promises to give at May 31 are as follows:

	2026	2025
In one year or less	$ 5,265,466	$ 1,681,635
Between one year and five years	5,254,999	2,711,627
Thereafter	624,046	950
Less:		
Discount	(1,431,469)	(697,474)
Allowance for doubtful accounts	(335,652)	(184,842)
Total	$ 9,377,390	$ 3,511,896

The net present value of these cash flows was determined by using risk-adjusted discount rates of 4.02% and 3.88% to account for the time value of money in 2026 and 2025, respectively.

Management believes the College's allowance for doubtful accounts at May 31, 2026 and 2025 is adequate based upon information currently known. However, events impacting donors can occur in subsequent years that may cause a material change in the allowance for doubtful accounts.

Conditional pledges and bequest intentions totaling approximately $134,228,000 in 2026 and $111,071,000 in 2025 have been excluded from unconditional promises to give and are not recorded in the financial statements due to the fact that they are conditional. Restrictions on these conditional pledges and bequest intentions are as follows:

	2026	2025
Buildings	$ 3,171,000	$ 3,671,000
Budget relief	45,018,000	38,860,000
Programming	17,011,000	16,424,000
Unrestricted	39,498,000	36,700,000
Unknown	29,530,000	15,416,000
Total	$ 134,228,000	$ 111,071,000

4. Fair Value Measurements, Investments and Other Financial Instruments

The College measures its funds held in trust by others and investments at fair value on a recurring basis in accordance with GAAP. Fair value is defined as 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. The framework that the authoritative guidance established for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the College for identical assets or liabilities. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the same term of the asset or liability through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The following tables present the financial instruments measured at fair value as of May 31, 2026 and 2025 by caption on the statements of financial position by the valuation hierarchy defined above:

	2026			
	Level 1	Level 2	Level 3	Total Fair Value
Taxable fixed income funds	$ 12,193,311	$ -	$ -	$ 12,193,311
Equity securities	50,971,743	-	-	50,971,743
Domestic mutual funds	23,900,549	-	-	23,900,549
International mutual funds	22,322,193	-	-	22,322,193
Balanced funds	8,705,250	-	-	8,705,250
Total investments by valuation hierarchy	118,093,046	-	-	118,093,046
Alternative investments reported at net asset value	-	-	-	20,244,629
Total investments	118,093,046	-	-	138,337,675
Cash surrender value of life insurance	-	9,966,022	-	9,966,022
Funds held in trust by others	-	-	3,771,478	3,771,478
Total financial instruments	$ 118,093,046	$ 9,966,022	$ 3,771,478	$ 152,075,175

	2025			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. Treasury obligations	$ -	$ 1,678,776	$ -	$ 1,678,776
Corporate and foreign bonds	-	695,113	-	695,113
International fixed income funds	2,990	-	-	2,990
Taxable fixed income funds	10,031,297	-	-	10,031,297
Nontaxable fixed income funds	426,144	-	-	426,144
Equity securities	52,912,080	-	-	52,912,080
Domestic mutual funds	10,942,875	-	-	10,942,875
International mutual funds	19,967,080	-	-	19,967,080
Balanced funds	5,733,694	-	-	5,733,694
Total investments by valuation hierarchy	100,016,160	2,373,889	-	102,390,049
Alternative investments reported at net asset value	-	-	-	19,809,430
Total investments	100,016,160	2,373,889	-	122,199,479
Cash surrender value of life insurance	-	9,199,267	-	9,199,267
Funds held in trust by others	-	-	3,327,433	3,327,433
Total financial instruments	$ 100,016,160	$ 11,573,156	$ 3,327,433	$ 134,726,179

Valuation Methodologies

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at May 31, 2026 and 2025.

Investments: The valuation methodology of utilizing closing prices in an active exchange market, which are considered Level 1 inputs, was applied to mutual funds, fixed income funds and equity securities. U.S. Treasury and Agency obligations and corporate, foreign and municipal bonds are valued based on quoted prices of similar assets, with similar terms, in actively traded markets and are measured using Level 2 inputs.

Alternative Investments: The College measures the fair value for these alternative investments based on the NAVs as a practical expedient, without further adjustment, unless it is probable that the investment will be sold at a significantly different value. If not determined as of the fund's measurement date, the NAVs are adjusted to reflect any significant events that would materially affect the security's value. Certain attributes that impact the security's fair value may not be reflected in the NAVs, including, but not limited to, the investor's ability to redeem the investment at the measurement date and unfunded purchase commitments. If the College sold all or a portion of its alternative investments, it is reasonably possible that the transaction value could differ significantly from the estimated fair value at the measurement date, because of the nature of the investments, changes in market conditions and the overall economic environment. Investments measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The College may redeem shares in whole or in part per the investment's offering memorandum which typically requires up to a 90-day prior written notice as of the last business day of each quarter. There are various holdback provisions which lapse after audited financial statements are issued ranging from 5% to 10%.

The College has the following unfunded commitments:

	2026	2025
Praesidian Capital	$ 146,048	$ 292,394
Commonfund Capital Partners VII	312,000	312,000
RCP Fund XIV	336,644	488,219
RCP Fund XVIII	1,802,395	2,520,000
LEM Multifamily Fund V	743,313	-
Patriot Financial Partners II	68,966	-
GCM Grosvenor Secondary Opportunities Fund III	1,700,564	1,572,349

The alternative investments represent investments that pursue multiple strategies to diversify risks and reduce volatility. The alternative investments pursue multiple strategies as follows:

- GCM Grosvenor Institutional Partners - GCM Grosvenor is a multi-strategy hedge fund-of-funds manager based in Chicago, IL. The $4.3 billion fund invests with approximately 40 underlying managers in several strategies, including relative value, distressed debt, event driven and others. The investment team of 38 professionals builds the portfolio with the idea of creating an investment that is uncorrelated to traditional asset classes.

- GCM Grosvenor Secondary Opportunities Fund III - GCM Grosvenor is headquartered in Chicago, IL with offices located worldwide. Secondary Opportunities III, a $970 million fund, was formed in June 2020, to seek to generate attractive returns by investing, either directly or indirectly, through secondary market purchases of interests and/or portfolios of interests in established private investment funds.

- Patriot Financial Partners II - Patriot is a Philadelphia, PA based firm specializing in regional banks, both privately and publicly traded. The over $300 million fund has invested in 24 portfolio companies to date. This fund attempts to identify small financial institutions that require capital for expansion or current operations. The fund's general partner will typically take a board seat to better identify opportunities for efficiencies or growth in an attempt to increase operating margins and price-to-book metrics for later sale, either in the public markets or as a takeover by another institution.

- Praesidian Capital - Praesidian is a $300 million private mezzanine debt fund. The firm is based out of New York, NY and focuses solely on private debt offerings to small-to-mid sized businesses in need of financing capital for either: growth and acquisition financing, management and sponsored buyouts or recapitalizations and refinancings. A typical loan will either have first lien and/or equity options as well as a high current coupon.

- RECAP Opportunity Fund III & IV/ HQ Capital- RECAP/HQ is a New York, NY based manager of private real estate partnerships. Both funds acquire well-leased, well-located rental apartments with the goal of generating current returns to the investors with stable quarterly distributions.

- Commonfund Capital Partners VII - Commonfund is based out of Wilton, CT with a focus on generating long-term capital appreciation. The firm, along with its partners, invests in small and mid-size companies with a focus on Venture Capital, Private Equity, Global Private Equity and Natural Resources. The $85 million fund has approximately 90% of commitments called.

- LEM Multifamily Fund V - LEM is a Philadelphia, PA based firm that invests in suburban Class B value-add multifamily properties in primary and secondary U.S. markets. This is their fifth fund and they have approximately $330 million raised for investment.

- RCP Fund XIV & XVIII- Chicago, IL-based RCP works with buyout fund managers with funds between $250 million and $1 billion in committed capital. These fund managers seek to invest in lower middle-sized companies - typically, with $10 million to $250 million in enterprise value. Investments are generally in existing businesses located in North America. RCP aims to diversify underlying investments across industry focus, fund size, geography, strategy and manager experience.

Cash surrender value of life insurance: The College maintains life insurance policies on certain key employees. These policies are recorded at their net surrender value, which represents the amount that could be realized under the contract as of the balance sheet date. The net surrender value is considered a reasonable estimate of fair value and is classified within Level 2 of the fair value hierarchy due to the use of observable inputs provided by the insurance carrier.

Funds held in trust by others: Funds held in trust by others are measured at fair value using the College's percentage of the earnings of the underlying trust assets applied to the fair value of the underlying assets. This is considered a Level 3 measurement because even though the measurement is based on the underlying fair value of the trust assets as reported by the trustee, the College will never receive those assets to have the ability to direct the trustee to redeem them.

Investment Return

The College's total investment return is comprised of the following components at May 31:

	2026	2025
Interest and dividend income	$ 3,015,890	$ 2,542,834
Investment fees	(483,387)	(477,108)
Net realized gain on investments	12,035,799	8,224,158
Net investment income	14,568,302	10,289,884
Unrealized gain on investments	14,090,476	2,083,887
Net investment return	$ 28,658,778	$ 12,373,771

The College's total investment return is reported in the statements of activities as follows at May 31:

	2026	2025
Operating activities:		
Investment income, net	$ 2,532,503	$ 2,065,726
Endowment return, designated for operations	9,472,984	7,985,524
Nonoperating activities:		
Endowment investment return, net of amount designated for operations	16,653,291	2,322,521
Net investment return	$ 28,658,778	$ 12,373,771

5. Plant Assets

The composition of plant assets was as follows at May 31:

	2026	2025
Land	$ 4,242,499	$ 3,908,978
Buildings	149,875,122	150,148,666
Equipment	30,007,752	29,401,319
Land improvements	3,235,113	3,235,113
Construction in progress	2,697,435	1,349,648
Total	190,057,921	188,043,724
Less accumulated depreciation	(97,153,899)	(92,934,545)
Total	$ 92,904,022	$ 95,109,179

The College provides for depreciation using the straight-line method based on useful lives, which, in the opinion of management, is adequate to allocate asset costs over their productive years. Depreciation expense was approximately $4,822,000 in 2026 and $4,648,000 in 2025.

In addition to these assets, the College's endowment owns investments in real estate as follows:

	2026	2025
Land	$ 773,120	$ 900,863
Rental properties	6,099,643	4,617,127
Total	6,872,763	5,517,990
Less accumulated depreciation	(2,934,373)	(2,212,000)
Total	$ 3,938,390	$ 3,305,990

During the year ended May 31, 2026, the College reclassified certain physical assets between the plant and endowment funds. The plant fund received $128,100 in land in exchange for buildings with a book value of $730,700 and accumulated depreciation of $602,600.

Depreciation expense on these rental properties was approximately $120,000 in 2026 and $115,000 in 2025.

Nondepreciable assets, such as collections, totaled $2,099,577 and $1,698,807 as of May 31, 2026 and 2025, respectively.

6. Cash Surrender Value of Life Insurance

The following table summarizes the activities for the years ended May 31:

	2026	2025
Beginning balance	$ 9,199,267	$ 8,636,943
Changes in cash surrender values	766,755	562,324
Ending balance	$ 9,966,022	$ 9,199,267

The change in the cash surrender value is reported on the statements of activities and statements of functional expenses as a reduction of the life insurance premium expense under management and general expenses.

7. Bonds and Notes Payable

Bonds and notes payable at May 31 are comprised of the following:

	2026	2025
Revenue Bonds, Series 2016 OO2 (issued through Huntingdon County General Authority), due in varying annual installments beginning May 2033 through May 2046, fixed interest ranging from 3.0% to 5.0%. Collateralized by the gross revenues of the College.	$ 33,305,000	$ 33,305,000
Revenue Note Series 2016 U2 (issued through Huntingdon County General Authority), due in varying annual installments beginning May 2027 through May 2032, fixed interest at 2.6% through May 2023 and, for the remainder of the term, a variable interest rate equal to the LIBOR rate, or a comparable index, plus 170 basis points converted to a nonbank qualified tax-exempt rate. In April 2023, the interest rate converted to a one-month Secured Overnight Financing Rate (SOFR) plus 1.82%. Collateralized by the gross revenues of the College.	7,690,000	7,690,000
Revenue Bonds, Series 2018 QQ1 (issued through Huntingdon County General Authority), due in varying annual installments beginning April 2025 through April 2039, interest rates ranging from 3% to 4%. Collateralized by the gross revenues of the College.	7,275,000	7,705,000
Revenue Bonds, Series 2021 TT3 (issued through Huntingdon County General Authority), due in varying annual installments beginning October 2025 through October 2051, fixed interest of 5%. Collateralized by the gross revenues of the College. The bond was issued to refinance the 2004 and 2016 U1 notes and fund future capital projects.	15,950,000	16,755,000
Unsecured note, for food service operations and equipment, re-amortized effective July 2025, noninterest-bearing, payable in monthly installments of $7,318, due May 2033	680,612	-
Unsecured note, for food service operations and equipment, interest rate at 4.00%, payable in monthly installments of $11,395, due June 2028.	-	438,309
Unsecured note, for food service operations and equipment, interest rate at 4.00%, payable in monthly installments of $9,345, due June 2028.	-	359,434
	64,900,612	66,252,743
Unamortized bond issuance costs	(550,437)	(583,153)
Unamortized bond premium	3,719,533	3,873,350
Total	$ 68,069,708	$ 69,542,940

The aggregate future scheduled principal payments on bonds and notes payable at May 31, 2026 is as follows:

Years ending May 31:	
2027	$ 2,315,139
2028	2,395,139
2029	2,475,139
2030	2,565,139
2031	2,630,139
Thereafter	52,519,917
Total	$ 64,900,612

Interest expense was $2,894,732 in 2026 and $3,087,034 in 2025. The College capitalizes interest incurred on the cost of property, plant and equipment constructed for its own use along with related loan fees and costs. No amounts were capitalized during 2026 or 2025.

The College is required to meet certain financial covenants under the debt agreements.

On June 18, 2026, the College entered into a $1.4 million construction loan agreement with Kish Bank to finance the construction of the Ellis Hall parking lot. On July 27, 2026, the College entered into an additional $8.0 million construction loan agreement with Kish Bank to finance the construction and equipping of a solar facility. Both loans bear interest at a variable rate of one-month Term SOFR plus 2.25%, with provisions for subsequent conversion to fixed interest rates, and mature in 2031. The loans are secured by certain College assets on a parity basis with existing indebtedness and are subject to financial covenants, including debt service coverage requirements.

On September 29, 2026, the College entered into additional financing agreements with PNC Bank, National Association, totaling approximately $37.4 million. The financing consists of a $34.4 million non-revolving line of credit to finance the construction of a new health sciences facility and refinance approximately $15.1 million of existing indebtedness, and a $3.0 million term loan to provide interim financing in anticipation of grant proceeds. Both agreements bear interest at a variable rate based on Term SOFR plus 2.00%, with outstanding principal and accrued interest due October 1, 2028. The loans are secured by certain College real estate and other pledged collateral. The $34.4 million line of credit is expected to be refinanced through long-term financing provided by the United States Department of Agriculture Rural Development upon substantial completion of construction, subject to satisfaction of applicable conditions.

8. Pension Plan

The College sponsors a defined contribution pension plan. Pension expense related to this plan was approximately $1,433,000 in 2026 and $1,772,000 in 2025.

9. Postretirement Benefits

The College provides postretirement benefits for early retirees. For medical and prescription drug coverage, the College's share of the premium is 2.5% for each year of service up to a maximum of 50%. If a member was less than age 50 as of January 1, 1997, the member's years of service were frozen as of January 1, 1999. For individuals past age 65, the College continues to pay the same percentage of premium as pre-65 for a Medicare Supplement Plan provided by the College. In addition, the College pays $30/month for retirees to select their own Medicare Part D Plan.

The postretirement benefit obligations relate to the following categories of participants at May 31, 2026 and 2025:

	2026	2025
Retirees	$ 2,931,585	$ 2,909,686
Actives fully eligible	207,361	247,045
Actives not fully eligible	27,249	20,807
Total	$ 3,166,195	$ 3,177,538

Net periodic postretirement benefit cost consists of the following at May 31, 2026 and 2025:

	2026	2025
Service cost	$ 883	$ 884
Interest cost	166,361	213,558
Amortization of net gain	(72,084)	-
Total	$ 95,160	$ 214,442
Actual cost (cash flow)	$ 333,086	$ 403,333

The estimated future benefit payments over the next five fiscal years are as follows:

Years ending May 31:	
2027	$ 329,115
2028	291,708
2029	275,566
2030	262,598
2031	258,195

No contributions in excess of expected benefits are scheduled during the next five fiscal years.

The measurement dates used to determine the benefit obligation information were May 31, 2026 and 2025.

The following table sets forth the change in benefit obligation and the amounts recognized in the statements of financial position at May 31, 2026 and 2025:

	2026	2025
Change in accumulated postretirement benefit obligation:		
Benefit obligation, beginning of year	$ 3,177,538	$ 4,418,412
Service cost	883	884
Interest cost	166,361	213,558
Change due to change in experience	72,285	(185,681)
Change due to plan amendment	(2,017)	-
Change in actuarial assumptions	84,231	(866,302)
Benefits paid	(333,086)	(403,333)
Accumulated postretirement benefit obligation, end of year	$ 3,166,195	$ 3,177,538
Fair value of plan assets	$ -	$ -
Funded status	(3,166,195)	(3,177,538)
Accumulated postretirement benefit cost	$ (3,166,195)	$ (3,177,538)

In 2026, the decrease in the postretirement benefit obligation is due to change in per capita claims costs. In 2025, the decrease in the postretirement benefit obligation is due to an increase in the discount rate.

The discount rate used to determine the accumulated postretirement benefit obligation and the net periodic postretirement benefit cost was 5.36% and 5.42% in 2026 and 2025, respectively.

The assumed health care cost trend rates at May 31, 2026 and 2025 were as follows, based on the Society of Actuaries Long-Run Medical Cost Trend Model:

	2026	2025
Health care cost trend rate assumed for next year	7.00 %	7.00 %
Rate to which the cost trend rate is assumed to decline	4.0	4.0
Year that the rate reaches the ultimate trend rate	2075	2075

Sensitivity to Health Care Cost Trend Rate

The following is a sensitivity analysis of the annual net periodic postretirement benefits cost and the accumulated postretirement benefits obligation to changes in the health care cost trend rate. The table below presents the annual net periodic postretirement benefits cost and the accumulated postretirement benefits obligation calculated using the health care cost trend rate of 7.00% as well as what the annual net periodic postretirement benefits cost and the accumulated postretirement benefits obligation would be if it were to be calculated using a health care cost trend rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	2026		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Annual net periodic postretirement benefits cost	$ 84,260	$ 95,160	$ 107,644
Accumulated postretirement benefits obligation	2,948,277	3,166,195	3,415,709

	2025		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
Annual net periodic postretirement benefits cost	$ 202,958	$ 214,442	$ 227,663
Accumulated postretirement benefits obligation	2,949,999	3,177,538	3,439,267

The following were other significant assumptions used in the valuations as of May 31:

	2026	2025
Rates of Retirement	2% at ages 55-61; 35% at age 62; 25% at ages 63-64; 40% at ages 65-69; and 100% at age 70	2% at ages 55-61; 35% at age 62; 25% at ages 63-64; 40% at ages 65-69; and 100% at age 70
Mortality	Pre-2012 Total Dataset Headcount-Weighted Mortality Table, incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.	Pre-2012 Total Dataset Headcount-Weighted Mortality Table, incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Employer contributions which are equivalent to benefits paid under the Plan were $333,086 in 2026 and $403,333 in 2025.

10. Net Assets

Net assets without donor restrictions are available for the following purposes as of May 31, 2026 and 2025:

	2026	2025
Investment in plant	$ 18,354,288	$ 16,171,024
Board-designated for endowment funds	40,812,209	37,388,505
Undesignated	(17,382,140)	(14,567,744)
Total net assets without donor restrictions	$ 41,784,357	$ 38,991,785

Net assets with donor restrictions are related to, or restricted for, the following as of May 31, 2026 and 2025:

	2026	2025
Gifts available for capital purposes	$ 9,296,915	$ 3,874,573
Gifts available for scholarship and other academic purposes	11,654,717	9,444,897
Accumulated income and gains on donor endowment funds	39,111,740	24,716,872
Investments held in perpetuity by donor stipulations and Pennsylvania law, the income from which is generally available for scholarships	76,445,624	75,631,261
Funds held in trust by others	3,771,478	3,327,433
Loan funds held in perpetuity	1,289,690	1,511,225
Seed money	771,258	771,258
Gift annuity, pooled income and charitable trusts	5,276,135	4,381,114
Total net assets with donor restrictions	$ 147,617,557	$ 123,658,633

Net assets are released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of events specified by the donors. Net assets released from restrictions consisted of the following for the years ended May 31, 2026 and 2025:

	2026	2025
Satisfactions of program restrictions	$ 4,647,367	$ 5,058,349
Appropriation from donor endowment	5,478,252	5,541,872
Total net assets released from restrictions	$ 10,125,619	$ 10,600,221

Included in gifts available for scholarship and other academic purposes as of May 31, 2026 and 2025 is approximately $512,000 and $960,000, respectively, of the 2026 and 2025 endowment draw that was unspent and available for use in future years.

During the course of the year, net assets whose use by the College was subject to donor-imposed restrictions were fulfilled by actions of the College pursuant to those restrictions, the expiration of time or the designation of law. These assets are shown in the statements of activities as a release of net assets from donor restrictions.

The Board of Trustees of the College has several standing policies that affect the presentation of Board designations on net assets. Bequests without donor restrictions are designated for long-term investment (quasi-endowment). The quasi-endowment fund balance totaled $40,812,209 and $37,388,505 at May 31, 2026 and 2025, respectively.

11. Endowment Funds

The College's endowment consists of approximately 600 donor-restricted funds established primarily for scholarships. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees, to function as endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Investments restricted by the donor for endowment purposes are recorded as net assets with donor restrictions based on the original amount of the gift. Dividends, interest and gains on such endowed assets are reflected as an increase in net assets with or without donor restrictions based on the intention stipulated by the donor.

In the event the College's Board of Trustees designates certain nondonor funds as Board-designated endowments, those respective funds are classified as without donor restrictions and the returns on those funds are used to support the general program expenses of the College.

The Board of Trustees of the College has interpreted Pennsylvania law 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 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 donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment and (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the Callan Associates Median Balanced Fund Database while assuming a moderate level of investment risk. The College expects its endowment funds, over time, to provide an average rate of return of approximately 7% net of fees annually. Actual returns in any given year may vary from this amount. Endowment assets consist of cash and cash equivalents, investments, real estate investments and cash surrender value of life insurance within the statements of financial position.

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Commonwealth of Pennsylvania law permits the College to allocate to income each year a portion of endowment return. The law allows not-for-profit organizations to spend a percentage of the market value of their endowment funds, including realized and unrealized gains. The percentage, which by law must be between 2% and 7%, is elected annually by the Board of Trustees. The endowment market value is determined based on an average spanning three years.

The College's policy for fiscal years 2026 and 2025 allowed for a payout no larger than 6% of the average of the past 12 calendar quarters of the endowment's closing market values. In establishing this policy, the College considered the long-term expected return on its endowment.

Changes in endowment net assets for the fiscal years ended May 31:

	Board-Designated	Donor-Restricted	2026 Total
Endowment net assets, beginning of year	$ 37,388,505	$ 100,348,133	$ 137,736,638
Investment return, net	7,364,147	19,873,120	27,237,267
Contributions	-	1,572,115	1,572,115
Appropriation of endowment assets for expenditure	(3,932,685)	(5,478,252)	(9,410,937)
Other	(7,758)	(757,752)	(765,510)
Endowment net assets, end of year	$ 40,812,209	$ 115,557,364	$ 156,369,573

	Board-Designated	Donor-Restricted	2025 Total
Endowment net assets, beginning of year	$ 37,132,081	$ 95,556,388	$ 132,688,469
Investment return, net	3,350,383	8,109,578	11,459,961
Contributions	-	1,844,489	1,844,489
Appropriation of endowment assets for expenditure	(3,093,959)	(5,541,872)	(8,635,831)
Other	-	379,550	379,550
Endowment net assets, end of year	$ 37,388,505	$ 100,348,133	$ 137,736,638

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law. At May 31, 2026 and 2025, there were 20 and 49 donor-restricted funds, respectively, with original gift values in excess of market value.

	Without Donor Restrictions	With Donor Restrictions		Total Funds May 31, 2026
		Original Gift	Accumulated Gain (Losses)	
Board-designated funds	$ 40,812,209	$ -	$ -	$ 40,812,209
Donor-restricted funds:				
Underwater funds	-	3,981,781	(264,448)	3,717,333
Other funds	-	72,463,843	39,376,188	111,840,031
Total	$ 40,812,209	$ 76,445,624	$ 39,111,740	$ 156,369,573

	Without Donor Restrictions	With Donor Restrictions		Total Funds May 31, 2025
		Original Gift	Accumulated Gain (Losses)	
Board-designated funds	$ 37,388,505	$ -	$ -	$ 37,388,505
Donor-restricted funds:				
Underwater funds	-	7,238,249	(978,201)	6,260,048
Other funds	-	68,393,012	25,695,073	94,088,085
Total	$ 37,388,505	$ 75,631,261	$ 24,716,872	$ 137,736,638

12. Commitments and Contingencies

The nature of the educational industry is such that, from time to time, claims will be presented against the College on account of alleged negligence, acts of discrimination, breach of contract or disagreements arising from the interpretation of laws and regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services. Management of the College believes that these claims and their resolution will not have a significant impact on the College's financial position.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The College's management believes disallowances, if any, will not have a significant impact on the College's financial position.

The College owns properties constructed prior to the passage of the Clean Air Act that contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe manner prior to demolition or renovation of the property. The College has not recognized the asset retirement obligation for asbestos removal in its financial statements because it currently has no plans to demolish or renovate these properties and as such, cannot reasonably estimate the fair value of the obligation. If plans change with respect to the use of any of the properties and sufficient information becomes available to estimate the liability, it will be recognized at that time.

13. Line of Credit

The College has a $5,000,000 secured revolving line of credit available from a bank, considered to be a related party. Interest is paid monthly at the one-month Secured Overnight Financing Rate (SOFR) plus 2.90% (6.51% and 7.21% at May 31, 2026 and 2025, respectively), collateralized by the gross revenues of the College. At May 31, 2026 and 2025, no amount was outstanding under this line of credit. The line of credit is on demand and does not contain a maturity date. The agreement is reviewed annually by the bank and the College.

14. Liquidity and Availability of Resources

The following reflects the College's financial assets as of May 31, 2026 and 2025, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditures in the following year.

	2026	2025
Financial assets:		
Cash and cash equivalents	$ 6,564,632	$ 3,970,100
Accounts receivable and unconditional promises to give	12,032,409	6,321,770
Investments, real estate and cash surrender value of life insurance policies	152,242,087	134,704,736
Financial assets at year-end	170,839,128	144,996,606
Less those unavailable for general expenditures within one year, due to:		
Unconditional promises to give without donor restriction collectible beyond one year	(76,912)	(68,840)
Gifts available for capital purposes	(9,296,915)	(3,874,573)
Gifts available for scholarship and other academic purposes	(11,654,717)	(9,444,897)
Board-designated endowments	(40,812,209)	(37,388,505)
Perpetual and term endowments and accumulated earnings	(115,557,364)	(100,348,133)
Add back appropriations scheduled for next year from:		
Endowment income in support of operations	8,765,472	8,482,984
Financial assets available to meet cash needs for general expenditures within one year	$ 2,206,483	$ 2,354,642

The College has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity need, the College could draw upon its Board-designated investments of $40,812,209 and $37,388,505 at May 31, 2026 and 2025, respectively. Additionally, the College has an available line of credit in the amount of $5,000,000 at May 31, 2026 and 2025, which it could draw upon (Note 13).

15. Related-Party Transactions

The College receives private gifts, grants and bequests from related parties. Related-party private gifts, grants and bequests revenue for the years ended May 31:

	2026	2025
Board members	$ 3,084,806	$ 1,316,338
Management	112,950	71,613
Total	$ 3,197,756	$ 1,387,951

Unsecured related-party unconditional promises to give as of May 31:

	2026	2025
Board members	$ 2,813,391	$ 1,696,162
Management	45,810	8,000
Total	$ 2,859,201	$ 1,704,162