

Bard College, NY

- 1 Dutchess County Local Development Corporation Variable Rate Revenue Bonds (Bard College Project), Series 2024, \$43,225,000, Dated: January 18, 2024
- 2 Dutchess County Local Development Corporation Variable Rate Revenue Bonds (Bard College Project), Series 2023, \$112,905,000, Dated: September 14, 2023
- 3 Dutchess County Local Development Corporation, Tax-Exempt Revenue Bonds, Series 2020A (Bard College Project), \$150,770,000, Dated: December 23, 2020
- 4 Dutchess County Local Development Corporation, Taxable Revenue Bonds, Series 2020B (Bard College Project), \$99,230,000, Dated: December 23, 2020

Series 2020A,B

Pandemic Response (only for fiscal years that have been impacted by COVID-19)

Fiscal Year Ended June 30, 2024

N/A

Series 2024, 2023, 2020A,B

Pension Program

Fiscal Year Ended June 30, 2024

The College has defined contribution retirement plans which cover faculty and staff. Faculty have the option of a TIAA-CREF administered retirement plan after one year of service. The College contributes 12.5% of faculty base salary toward the plan while the individual must contribute 2.5%. Participation in the retirement plan is optional after one year of service. Contributions are vested in the faculty employee immediately. Non-unionized staff automatically receive a contribution to a TIAA CREF administered plan of 10% of base salary after two years of continuous service and the attainment of age 21; there is no required employee contribution. Contributions are vested in the non-unionized staff employee immediately. Unionized employees of the College automatically participate in a defined contribution program administered by TIAA-CREF after one continuous year of service and the attainment of age 21, with the College contributing a percentage of the employee's base salary for each year of service up to a cap of 10% of base salary. Contributions are vested in the unionized staff employee according to a schedule, with full vesting occurring after six years of service.

Series 2024, 2023, 2020A,B

Budget, Planning, and Due Diligence

Fiscal Year Ended June 30, 2024

The College has adopted a strategic planning process to provide a coherent framework for charting its future. The College sets targets for the subsequent five years and updates according for targets in enrollment, net tuition, earned income, and per capita measures of all said figures as well as expense categories. In addition, fundraising is tracked by breadth of donors and amounts by constituents, i.e. alumni/ae, family, foundation, trustee, etc. The plan is revised and updated annually for approval by the Board. The annual review includes an assessment of progress against plan objectives.

In addition to annual updates, the College undertakes internal stress testing of assumptions. The College regularly models variations in enrollment, occupancy and financial aid utilization. The financial management also engages in detailed modeling around expense growth, benefit utilization and personnel costs.

The College operates under a data driven process from its application process and intake around admission and financial aid to monitoring key performance indicators for both income and expenses. The Board is briefed in both regular meetings and between Board meetings via the Executive Committee and Finance Committee, both of which include the Chief Financial Officer's reports to the fiduciaries. In addition, the Business Office regularly monitors and evaluates the trends on income, expenses and burn rates. Adjustments are made early and regularly to offset any overages and regular meetings supplement the reports on fundraising and cost centers. Underperforming programs are subject to restructure and/or closure.

The College assesses progress and deviation based on monthly closing, but only publishes financials at its Board meetings (at least four times a year) and for its annual audit. All Accounts Payable require two-factor authentication on releases and releases over \$10,000 require the signature of the Chief Financial Officer. Contracts are built for net 90 and approved only through the business office, so there is at all times a view of outlays and encumbrances. Line of credit draws require the approval of the Chief Financial Officer and closings are reviewed monthly to anticipate any shortfalls from our desired liquidity level. Bard targets 60 days of liquidity and formally takes action if its liquidity levels equate to 30 days. These levels are linked to cash flow and managed through collection of earned income and payment plans, as well as pledge collection and lines of credit when it comes to smoothing the cash flow cycle.

The College maintains both a budget and cash contingency. For the former, only 90% of the institutional budget amount is made visible/available to individual programs and offices. On rare requests, additional spending and/or unforeseen expenditures draw on this reserve, but most shocks are offset by commensurate spending cuts. Spending requires two-stage authentication and lines without budgets will not process. Year-on-year, budgets requesting additional allocations require a separate review from submission. Annually, several programs are selected to perform zero-based budgeting. These practices are in place to allow for maximum contingencies and in-depth knowledge of program operations in the events that cuts are needed. The College has a policy to operate with a balanced operating budget. The College emphasizes strong financial management and has had a history of balanced operating budgets for several decades.

As shown on the preceding table, the College has achieved a balanced operating budget in past fiscal years. In fiscal year 2024, approximately 23% of total operating income was generated by net tuition and fees, 59% from gifts and donations (including net assets released from restrictions for operating purposes), 12% from auxiliary enterprises and 6% from other sources. Over the past several years, enrollment at Bard has been relatively consistent. Bard has experienced a greater level of undergraduate applications resulting in greater selectivity. In addition, Bard has seen improved retention even through the pandemic, which will translate to larger enrollment and growth in its transfer pools.

Scholarships and other financial aid for students at Bard has increased 35% over the past five years while tuition and fee revenues have increased 11% over the same period with most of the financial aid growth coming from special scholarships to refugee students, much of which had dedicated fundraising. While some institutions are seeing falling net tuition due to financial aid outlays outpacing tuition gains, Bard believes its need based aid policy helps to protect stabilization of earned income.

The College's endowment over the past several years has increased in value to a current amount of \$371,489,913 as of June 30, 2024. This has had a positive effect on the current operations with additional endowment income included in the operating budget. The College's unrestricted philanthropy need shows a decline from previous years as the College meets several provisions for releasing restricted funding and endowment distributions increase.

The expenses of the College have increased modestly over the past five years, driven primarily by instructional expenses representing faculty salaries and the added cost of operation during the pandemic. The College has also seen an increase in debt interest over those years. It is one of the administration's aims to reduce costs where possible, including slowing any cost increases related to salary. In FY 2018-2019, ASU 2016-14 required additional reporting on expenses by functionality requiring interest and maintenance and operations expenses to be allocated out proportionately across other expense categories resulting in the appearance of a large increase in those categories.

The following tables reflect applications received by Bard from prospective students, acceptances, percent accepted of those who applied, first-year enrollments and the percentage enrolled of those accepted for the academic years indicated. Bard does a complete review of all applicants, reading the application in its entirety to determine work ethic, intellectual curiosity and strength. No applications are sorted on scores alone; however, Bard expects all applicants to be in the top 20% of their class based on GPA (with preference given to those in the top 10% of their classes) and to have a robust offering of AP/IB and extracurricular activities. Particular weight is put on strength of schedule (meaning students must take the most advanced courses available in their curriculum) and four years of math, science, language and, ideally, foreign language. For extra-curricular studies, quality is weighted above quantity, with favorable consideration going to four years or more in a given activity and leadership therein; for example, team captain, state and national qualifications, honor societies, first chair (music) and production lead (theater). The College places much weight on letters of recommendation, writing samples and interviews. Bard uses the CommonApp but has supplemental questions to assess fit and depth of program knowledge. Bard has been test-optional since 1974 (a distinguishing factor from its competitor institutions); however, for accepted applicants, average test scores are as follows: 31 (ACT); 710 (SAT Reading and Writing); and 700 (SAT Math).

	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
First-Year Applicants	4969	5361	6359	6628	7583
First-Year Acceptances	2830	3096	2838	3066	3752
First-Year Matriculants	388	473	481	416	505
Transfer Applicants	439	381	1933	406	494
Transfer Acceptances	263	269	391	243	273
Transfer Matriculants	95	81	169	80	76
Graduate Applicants	877	908	929	1068	1083
Graduate Acceptances	358	350	397	385	371
Graduate Matriculants	183	212	210	214	294
Percent Accepted (first-year)	57%	58%	45%	52%	49%
Percent Accepted (overall)	55%	56%	39%	51%	48%
Percent Enrolled (first-year)	14%	15%	17%	12%	7%
Percent Enrolled (overall)	19%	21%	20%	17%	10%

Series 2024, 2023, 2020A,B

Headcount and full-time equivalent (“FTE”) enrollment

	<u>Fall 2020</u>	<u>Fall 2021</u>	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>
Headcount Enrollment					
Main Campus					
Undergraduate	1846	1890	1956	1956	2037
Graduate	375	420	409	395	475
	2221	2310	2365	2351	2512
Satellite Campuses	4123	4137	4402	4037	4358
	6344	6447	6767	6388	6870
FTE Enrollment					
Main Campus					
Undergraduate	1696	1852	1795	1859	1963
Graduate	310	362	339	348	413
	2006	2149	2134	2207	2376

Series 2024, 2023, 2020A,B

Student Fees

	<u>Bard</u>				
	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Tuition	\$ 55,566.00	\$ 57,498.00	\$ 59,800.00	\$ 62,790.00	\$ 65,614.00
Room Charge	\$ 16,272.00	\$ 16,760.00	\$ 17,180.00	\$ 18,040.00	\$ 18,852.00
Board					
Other Fees	\$ 470.00	\$ 470.00	\$ 470.00	\$ 470.00	\$ 470.00
Total Cost	\$ 72,308.00	\$ 74,728.00	\$ 77,450.00	\$ 81,300.00	\$ 84,936.00
Annual Change %	1%	3%	4%	5%	5%

Series 2024, 2023, 2020A,B

Peer Institution Tuition Rates (Academic Year 2025)

<u>Institution</u>	<u>Tuition & Fees</u>	<u>Room & Board</u>	<u>Total</u>
Wesleyan University	\$ 69,652.00	\$ 19,872.00	\$ 89,524.00
Oberlin College	\$ 67,366.00	\$ 19,510.00	\$ 86,876.00
Union College	\$ 69,039.00	\$ 17,010.00	\$ 86,049.00
Skidmore College	\$ 67,140.00	\$ 17,940.00	\$ 85,080.00
Vassar College	\$ 70,050.00	\$ 18,240.00	\$ 88,290.00
Hobart & William Smith College	\$ 65,117.00	\$ 17,767.00	\$ 82,884.00
Sarah Lawrence	\$ 66,292.00	\$ 18,426.00	\$ 84,718.00
Bard College	\$ 66,084.00	\$ 18,852.00	\$ 84,936.00
Bowdoin College	\$ 67,198.00	\$ 18,488.00	\$ 85,686.00
Grinnell College	\$ 67,560.00	\$ 16,842.00	\$ 84,402.00
Clarkson University	\$ 58,058.00	\$ 18,252.00	\$ 76,310.00

Series 2024, 2023, 2020A,B

Student Financial Aid

	<u>Bard</u>		
<u>Fiscal Year</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
2019-20	\$ 60,434,181.00	\$ 3,209,742.00	\$ 63,643,923.00
2020-21	\$ 65,029,130.00	\$ 5,796,278.00	\$ 70,825,408.00
2021-22	\$ 72,579,651.00	\$ 3,772,646.00	\$ 76,352,297.00
2022-23	\$ 74,152,225.00	\$ 8,373,496.00	\$ 82,525,721.00
2023-24	\$ 77,974,938.00	\$ 10,276,313.00	\$ 88,251,251.00

Series 2024, 2023, 2020A,B

Gifts, Contributions and Grants

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Without Donor Restriction	\$ 61,187,164.00	\$ 55,760,315.00	\$ 5,724,119.00	\$ 11,968,310.00	\$ 34,780,373.00
With Donor Restriction	\$ 104,395,993.00	\$ 178,436,333.00	\$ 138,797,594.00	\$ 83,287,591.00	\$ 74,809,440.00
Endowment					
Plant	\$ 264,247.00	\$ 684,063.00	\$ 1,727,939.00	\$ 7,823,781.00	\$ 1,286,729.00
Total	\$ 165,847,404.00	\$ 234,880,711.00	\$ 146,249,652.00	\$ 103,079,682.00	\$ 110,876,542.00

Endowment funds of Bard on behalf of itself and its subsidiaries are made up of endowment funds with donor restrictions ("endowment") and endowment funds without restrictions that the Board has designated for investment. The market value of the endowment funds for the fiscal years ending June 30, 2024 and 2023 was and \$330,171,156, respectively.

The College's endowment funds are professionally managed by outside asset management firms. The Investment Committee of the Board of Trustees periodically reviews asset allocation of the investment pool and manager performance fees. The primary financial objective is to provide funds for the current and future operations of the College including its programs and affiliates. An equally important financial goal is to preserve and enhance the endowment fund's inflation-adjusted purchasing power, while providing a relatively predictable, stable and continuous stream of income. Endowment draws are approved at 5% of the two-year rolling average balance.

Series 2024, 2023, 2020A,B
Endowment and Similar Funds

Fiscal Year	Donor Restricted	Board Designated	Beneficial Interest in Perpetual Trust	Bard Endowment Trust	Total
2019-20	\$ 91,298,924.00	\$ 16,026,775.00	\$ 9,507,914.00	\$ 103,971,335.00	\$ 220,804,948.00
2020-21	\$ 130,414,418.00	\$ 25,358,338.00	\$ 11,839,249.00	\$ 125,193,221.00	\$ 292,805,226.00
2021-22	\$ 237,228,858.00	\$ 21,939,208.00	\$ 10,274,802.00	\$ 113,392,010.00	\$ 382,834,878.00
2022-23	\$ 229,035,257.00	\$ 22,879,079.00	\$ 11,306,134.00	\$ 104,950,686.00	\$ 368,171,156.00
2023-24	\$ 232,011,580.00	\$ 25,180,910.00	\$ 13,005,465.00	\$ 101,300,958.00	\$ 371,498,913.00

Series 2024, 2023, 2020A,B
Outstanding Long Term Indebtedness and Other Obligations

Obligation	Issued	Maturity	Original Debt	6/30/2024 Balance
<i>Bard College Indebtedness</i>				
DCLDC 2020 Bond Issuance	2020	2051	\$ 250,000,000.00	\$ 240,090,000.00
DCLDC 2023 Bond Issuance				\$ 112,905,000.00
DCLDC 2024 Bond Issuance				\$ 43,225,000.00
Trustee Loan			\$ 600,000.00	
Ulster Savings Bank				\$ 220,991.00
Ulster Savings Bank			\$ 375,000.00	\$ 369,543.00
Parlor Session Loan	2023	2024	\$ 10,000,000.00	\$ 10,000,000.00
North Park Properties			\$ 500,000.00	
Subtotal - Bard College				\$ 406,810,534.00
<i>Simon's Rock Indebtedness</i>				
KS State Bank Loan	2019	2023	\$ 416,663.00	
Auto Loan	2020	2024	\$ 33,997.00	
Subtotal - Simon's Rock				
<i>Other Related Entity Indebtedness</i>				
Bard College Berlin - HypoVereinsbank	2019	2038	\$ 1,571,396.00	\$ 869,823.00
Bard College Berlin - HypoVereinsbank	2020	2039	\$ 390,880.00	\$ 300,102.00
Bard College Berlin - HypoVereinsbank	2020	2035	\$ 1,120,000.00	\$ 892,013.00
Bard Real Estate - Berliner Bank	2014	2033	\$ 726,106.00	\$ 295,715.00
Bard Berlin RE LLC and subsidiaries - Hamburger Sparkasse		2031	\$ 13,811,216.00	\$ 13,682,660.00
Subtotal - Other Related Entities				\$ 16,040,313.00
Total				\$ 422,850,847.00

The outstanding short-term indebtedness of the College at June 30, 2024 totaled \$47,560,000. This debt consists of revolving lines of credit used to support operations, \$30 million of which has an outside guarantor.

Series 2024, 2023, 2020A,B
Plant Values (book value of the College's collective land, buildings and equipment)

	2019-20	2020-21	2021-22	2022-23	2023-24
Land and Improvements	\$ 38,899,806.00	\$ 38,899,806.00	\$ 39,079,006.00	\$ 39,274,006.00	\$ 41,897,311.00
Buildings and Improvements	\$ 328,867,834.00	\$ 332,449,527.00	\$ 333,497,338.00	\$ 334,112,977.00	\$ 361,175,858.00
Furniture and Equipment	\$ 17,554,947.00	\$ 17,871,758.00	\$ 18,261,752.00	\$ 18,582,860.00	\$ 21,514,605.00
Infrastructure					
Library Books and media	\$ 3,813,579.00	\$ 3,813,579.00	\$ 3,813,579.00	\$ 3,813,579.00	\$ 3,813,579.00
Musical instruments	\$ -				
Total Accumulated Plant Values	\$ 389,136,166.00	\$ 393,034,670.00	\$ 394,651,675.00	\$ 395,783,422.00	\$ 428,401,353.00
Less Accumulated Depreciation	\$ (162,611,697.00)	\$ (171,281,773.00)	\$ (179,836,689.00)	\$ (188,536,365.00)	\$ (197,970,191.00)
Construction in Progress	\$ 5,024,640.00	\$ 9,211,449.00	\$ 24,559,175.00	\$ 23,388,808.00	\$ 50,523,957.00
Total invested in Plant	\$ 231,549,109.00	\$ 230,964,346.00	\$ 239,374,161.00	\$ 230,635,865.00	\$ 280,955,119.00

Operating Revenues and Support	2019-20	2020-21	2021-22	2022-23	2023-24
Tuition and fees	\$ 154,974,687.00	\$ 147,717,421.00	\$ 156,763,897.00	\$ 165,558,184.00	\$ 172,001,813.00
Less scholarships and financial aid	\$ (83,695,725.00)	\$ (91,941,199.00)	\$ (98,429,856.00)	\$ (109,046,922.00)	\$ (113,155,775.00)
Net tuition and fees	\$ 71,278,962.00	\$ 55,776,222.00	\$ 58,334,041.00	\$ 56,511,262.00	\$ 58,846,038.00
Investment income designated for current	\$ 1,503,294.00	\$ 762,692.00	\$ 2,129,181.00	\$ 3,706,637.00	\$ 3,737,504.00
Gifts and donations	\$ 60,914,193.00	\$ 55,760,316.00	\$ 14,943,531.00	\$ 18,312,800.00	\$ 42,797,774.00
Federal and state grants	\$ 5,878,272.00	\$ 3,885,956.00	\$ 3,700,803.00	\$ 3,950,692.00	\$ 6,644,706.00
Other revenue	\$ 12,999,696.00	\$ 8,971,081.00	\$ 8,063,500.00	\$ 7,546,723.00	\$ 9,128,880.00
Auxiliary enterprises	\$ 27,999,327.00	\$ 22,841,242.00	\$ 29,376,970.00	\$ 31,656,770.00	\$ 32,415,786.00
Net assets released from restrictions	\$ 28,249,814.00	\$ 49,919,155.00	\$ 120,448,252.00	\$ 136,588,403.00	\$ 127,657,536.00
Total operating revenues and support	\$ 208,823,558.00	\$ 197,916,664.00	\$ 236,996,278.00	\$ 258,273,287.00	\$ 281,228,224.00
Operating Expenses:					
Instruction	\$ 104,308,754.00	\$ 100,923,456.00	\$ 115,779,578.00	\$ 127,401,370.00	\$ 125,856,751.00
Academic support	\$ 15,486,041.00	\$ 14,931,723.00	\$ 17,103,306.00	\$ 19,076,339.00	\$ 17,311,929.00
Student services	\$ 19,210,346.00	\$ 17,706,209.00	\$ 18,836,002.00	\$ 19,939,361.00	\$ 17,274,414.00
Operation and maintenance of plant					\$ 21,376,078.00
Institutional support					\$ 4,851,534.00
Institutional support	\$ 29,913,206.00	\$ 30,083,824.00	\$ 28,437,759.00	\$ 33,391,738.00	\$ 31,501,425.00
Public programs	\$ 8,033,708.00	\$ 4,523,956.00	\$ 16,178,164.00	\$ 12,417,019.00	\$ 12,596,600.00
Fisher Center for the Preforming Arts	\$ 9,611,728.00	\$ 6,536,647.00	\$ 6,728,201.00	\$ 14,829,767.00	\$ 7,888,922.00
Levy Economics Institute	\$ 1,288,515.00	\$ 1,044,167.00	\$ 1,271,516.00	\$ 1,135,042.00	\$ 1,191,040.00
Interest on indebtedness					\$ 16,508,063.00
Auxiliary enterprises	\$ 20,587,031.00	\$ 21,521,591.00	\$ 24,291,141.00	\$ 25,140,603.00	\$ 24,702,837.00
Total expenses	\$ 208,439,329.00	\$ 197,271,573.00	\$ 228,625,667.00	\$ 253,331,239.00	\$ 281,059,593.00
Increase in net assets from operations	\$ 384,229.00	\$ 645,091.00	\$ 8,063,232.00	\$ 4,942,048.00	\$ (859,582.00)
Non-Operating Activity:					
Net assets released from restrictions	\$ 484,398.00	\$ 291,655.00	\$ 50,487.00	\$ -	\$ 4,578,198.00
Investment income (loss), net	\$ (19,246.00)	\$ 5,267,239.00	\$ (5,381,826.00)	\$ (1,764,903.00)	\$ 7,472,828.00
amounts designated for current operations			\$ (536,737.00)	\$ (269,545.00)	
End of lease acquisition		\$ (1,341,296.00)			
Profit distributions				\$ 232,596.00	
Berlin investment					
Foreign currency exchange gain (loss)		\$ 144,221.00	\$ (1,232,658.00)		
Loss on Refinancing	\$ (69,009.00)	\$ (1,341,296.00)			
Gain on Sale of Property		\$ 470,307.00	\$ 3,954,884.00		
Depreciation and amortization expense	\$ (11,156,726.00)	\$ (11,309,030.00)	\$ (11,377,572.00)	\$ (11,567,371.00)	\$ (11,683,484.00)
Non-operating activity, net	\$ (10,760,583.00)	\$ (7,818,200.00)	\$ (14,523,422.00)	\$ (8,427,175.00)	\$ (492,040.00)
Net Assets, beginning of year	\$ 317,113,296.00	\$ 392,541,685.00	\$ 555,312,955.00	\$ 613,502,889.00	\$ 559,449,171.00
Net Assets, end of year	\$ 392,541,685.00	\$ 555,312,955.00	\$ 613,502,889.00	\$ 559,449,171.00	\$ 516,789,913.00
Increase (decrease) in unrestricted net assets	\$75,428,389.00	\$ 162,771,270.00	\$ 58,189,934.00	-\$54,053,718.00	(42,659,258.00)

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

N/A