Princeton University

Consolidated Financial Statements

June 30, 2019 and 2018

Report of Independent Auditors

To the Trustees of Princeton University:

We have audited the accompanying consolidated financial statements of Princeton University and its subsidiaries (the "University", which as described in Note 2 is legally known as The Trustees of Princeton University), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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

PricewaterhouseCoopers LLP

November 26, 2019

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, New York 10017

Consolidated Statements of Financial Position

Princeton University

June 30, 2019 and 2018

(dollars in thousands)	2019	2018
Assets		
Cash	$ 22,633	$ 23,230
Accounts receivable	122,776	87,710
Receivables associated with investments	71,804	30,526
Educational and mortgage loans receivable	446,784	437,313
Contributions receivable	306,325	273,598
Inventory and deferred charges	19,805	14,648
Managed investments at market value	25,811,952	25,646,173
Funds held in trust by others	114,969	113,070
Other investments	1,000,246	814,483
Property, net of accumulated depreciation	4,156,896	4,141,300
Total assets	**$ 32,074,190**	**$ 31,582,051**
Liabilities		
Accounts payable	$ 42,796	$ 41,393
Liabilities associated with investments	63,361	37,457
Deposits, advance receipts, and accrued liabilities	135,910	167,661
Deposits held in custody for others	138,517	135,916
Liability under planned giving agreements	92,048	94,742
Indebtedness to third parties	3,027,186	3,321,243
Accrued postretirement benefits	501,426	388,086
Total liabilities	**$ 4,001,244**	**$ 4,186,498**
Net assets		
Without donor restrictions controlled by the University	$ 12,220,192	$ 11,881,694
Without donor restrictions attributable to noncontrolling interests	196,767	200,961
Total net assets without donor restrictions	**12,416,959**	**12,082,655**
Total net assets with donor restrictions	**15,655,987**	**15,312,898**
Total net assets	**$ 28,072,946**	**$ 27,395,553**
Total liabilities and net assets	**$ 32,074,190**	**$ 31,582,051**

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University

Year ended June 30, 2019

(dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	2019 Total
Revenues			
Tuition and fees, net of financial aid	$ 132,129	-	$ 132,129
Government grants and contracts	307,405	-	307,405
Private gifts, grants, and contracts	78,140	$ 138,089	216,229
Auxiliary sales and services, net of financial aid	77,155	-	77,155
Other operating revenues	44,620	-	44,620
Investment earnings distributed	602,549	766,150	1,368,699
Total operating revenues	**1,241,998**	**904,239**	**2,146,237**
Net assets released from restrictions	817,690	(817,690)	-
Total revenues and other sources	**2,059,688**	**86,549**	**2,146,237**
Operating expenses			
Salaries and wages	754,530	-	754,530
Employee benefits	213,126	-	213,126
Supplies, services, and other	323,520	-	323,520
Space and occupancy	74,810	-	74,810
Student stipends and prizes	71,651	-	71,651
Depreciation	177,932	-	177,932
Interest on indebtedness	125,132	-	125,132
Total operating expenses	**1,740,701**	**-**	**1,740,701**
Results of operations	**318,987**	**86,549**	**405,536**
Nonoperating activities			
Adjustments to planned giving agreements	-	4,132	4,132
Increase in value of assets held in trust by others	-	1,899	1,899
Private gifts, noncurrent	18,673	191,794	210,467
Net realized and unrealized appreciation on investments	699,343	818,422	1,517,765
Distribution of investment earnings	(602,549)	(766,150)	(1,368,699)
Net periodic benefit cost other than service cost	(6,457)	-	(6,457)
Other postretirement benefit changes	(83,055)	-	(83,055)
Reclassifications, transfers, and other nonoperating	(6,443)	6,443	-
Increase from nonoperating activities	**19,512**	**256,540**	**276,052**
Increase in net assets - University	**338,499**	**343,089**	**681,588**
Change in noncontrolling interests	(4,195)	-	(4,195)
Total increase in net assets	**334,304**	**343,089**	**677,393**
Net assets at the beginning of the year	12,082,655	15,312,898	27,395,553
Net assets at the end of the year	**$ 12,416,959**	**$ 15,655,987**	**$ 28,072,946**

See notes to consolidated financial statements.

Consolidated Statements of Activities

Princeton University

Year ended June 30, 2018

(dollars in thousands)	Without Donor Restrictions	With Donor Restrictions	2018 Total
Revenues			
Tuition and fees, net of financial aid	$ 128,728	-	$ 128,728
Government grants and contracts	292,917	-	292,917
Private gifts, grants, and contracts	96,912	$ 45,834	142,746
Auxiliary sales and services, net of financial aid	74,852	-	74,852
Other operating revenues	62,409	-	62,409
Investment earnings distributed	580,790	730,117	1,310,907
Total operating revenues	**1,236,608**	**775,951**	**2,012,559**
Net assets released from restrictions	789,702	(789,702)	-
Total revenues and other sources	**2,026,310**	**(13,751)**	**2,012,559**
Operating expenses			
Salaries and wages	729,523	-	729,523
Employee benefits	212,348	-	212,348
Supplies, services, and other	315,060	-	315,060
Space and occupancy	71,128	-	71,128
Student stipends and prizes	67,494	-	67,494
Depreciation	173,677	-	173,677
Interest on indebtedness	148,917	-	148,917
Total operating expenses	**1,718,147**	**-**	**1,718,147**
Results of operations	**308,163**	**(13,751)**	**294,412**
Nonoperating activities			
Adjustments to planned giving agreements	(236)	7,295	7,059
Increase in value of assets held in trust by others	-	3,037	3,037
Private gifts, noncurrent	19,227	208,055	227,282
Net realized and unrealized appreciation on investments	1,446,502	1,790,389	3,236,891
Distribution of investment earnings	(580,790)	(730,117)	(1,310,907)
Net periodic benefit cost other than service cost	(17,374)	-	(17,374)
Other postretirement benefit changes	142,114	-	142,114
Reclassifications, transfers, and other nonoperating	(85,265)	85,265	-
Increase from nonoperating activities	**924,178**	**1,363,924**	**2,288,102**
Increase in net assets - University	**1,232,341**	**1,350,173**	**2,582,514**
Change in noncontrolling interests	9,536	-	9,536
Total increase in net assets	**1,241,877**	**1,350,173**	**2,592,050**
Net assets at the beginning of the year	10,840,778	13,962,725	24,803,503
Net assets at the end of the year	**$ 12,082,655**	**$ 15,312,898**	**$ 27,395,553**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Princeton University

Years ended June 30, 2019 and 2018

(dollars in thousands)	2019	2018
Cash flows from operating activities		
Change in net assets	$ 677,393	$ 2,592,050
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	177,932	173,677
Amortization of bond issuance costs and premiums	(12,921)	(18,876)
Property gifts-in-kind	(1,310)	(523)
Adjustments to planned giving agreements	(4,132)	(7,059)
Net realized and unrealized gains on investments	(1,517,765)	(3,236,891)
Loss on disposal of fixed assets	31,824	9,767
Increase in value of assets held in trust by others	(1,899)	(3,037)
Contributions received for long-term investment	(135,976)	(65,641)
Change in noncontrolling interests	4,195	(9,536)
Changes in operating assets and liabilities:		
Receivables	(77,264)	(95,629)
Inventory and deferred charges	(5,157)	(1,960)
Accounts payable	3,966	(29,006)
Deposits, advance receipts, and accrued liabilities	(31,751)	(29,232)
Deposits held in custody for others	2,601	12,421
Accrued postretirement benefits	113,340	(93,501)
Net cash used in operating activities	**(776,924)**	**(802,976)**
Cash flows from investing activities		
Purchases of property, plant, and equipment	(235,775)	(234,736)
Proceeds from disposal of property, plant, and equipment	9,170	4,132
Purchases of investments	(12,159,278)	(13,692,231)
Proceeds from maturities/sales of investments	13,305,932	14,958,334
Net cash provided by investing activities	**920,049**	**1,035,499**
Cash flows from financing activities		
Issuance of indebtedness to third parties	47,150	456,470
Payment of debt principal	(328,286)	(753,739)
Contributions received for long-term investment	135,976	65,641
Transactions on planned giving agreements	1,438	7,354
Net cash used in financing activities	**(143,722)**	**(224,274)**
Net (decrease) increase in cash	**(597)**	**8,249**
Cash at the beginning of the year	**23,230**	**14,981**
Cash at the end of the year	**$ 22,633**	**$ 23,230**
Supplemental disclosures		
Interest paid	$ 139,952	$ 160,877

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2019 and 2018

1. NATURE OF OPERATIONS

Princeton University (the "University") is a private, not-for-profit, nonsectarian institution of higher learning. When originally chartered in 1746 as the College of New Jersey, it became the fourth college in British North America. It was renamed Princeton University in 1896. First located in Elizabeth, and briefly in Newark, the school moved to Princeton in 1756.

The student body numbers approximately 5,267 undergraduates and 2,946 graduate students in more than 90 departments and programs. The University offers instruction in the liberal arts and sciences and in professional programs of the School of Architecture, the School of Engineering and Applied Science, and the Woodrow Wilson School of Public and International Affairs. The faculty numbers approximately 1,290, including visitors and part-time appointments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of Princeton University (now legally known as "The Trustees of Princeton University") are prepared on the accrual basis and include the accounts of its wholly owned subsidiaries, foundation, and investments controlled by the University. Financial information conforms to the statements of accounting principles of the Financial Accounting Standards Board (FASB) and to the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Entities*. Relevant pronouncements include FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

External consolidated financial statements of not-for-profit organizations require the preparation of a consolidated statement of financial position, a consolidated statement of activities, and a consolidated statement of cash flows. The classification of the organization's net assets and its revenues and expenses into two categories according to the existence or absence of donor-imposed restrictions — net assets with donor restrictions and net assets without donor restrictions — is also required. Changes, including reclassification and transfers, in each category are reflected in the Consolidated Statements of Activities, certain of which are further categorized as nonoperating. Such nonoperating activities primarily reflect transactions of a long-term investment or capital nature, contributions receivable in future periods, contributions subject to donor-imposed restrictions, gains and losses on investments in excess of the University's spending rule, postretirement benefit changes and other nonrecurring activities.

Unconditional promises to give are recognized as revenues in the year made, not in the year in which the cash is received. The amounts are discounted based on timing of expected collections. Amounts received from donors to planned giving programs are shown in part as a liability for the present value of annuity payments to the donor; the balance is shown as a gift of net assets with donor restrictions.

Other significant accounting policies are described elsewhere in these notes.

The preparation of the University's consolidated financial statements in conformity with generally accepted accounting principles (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 dates of the Consolidated Statements of Financial Position, and the reported amounts of revenues and expenses included in the Consolidated Statements of Activities. Actual results could differ from such estimates.

NEW AUTHORITATIVE PRONOUNCEMENTS

Revenue Recognition

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU implements a single framework for revenue recognition ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled in exchange for goods and services. The University adopted ASU 2014-09 in 2019 using a full retrospective method of application. The adoption of ASU 2014-09 resulted in changes to the presentation and disclosure of revenue primarily related to tuition, fees, and auxiliary services as described below.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides additional guidance for evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance, and for determining whether a contribution is conditional or unconditional. The University adopted ASU 2018-08 in 2019 using a modified prospective basis of application. The amendments in this ASU were applied only to the portion of revenue or expense that had not yet been recognized before the effective date in accordance with prior guidance, and no prior-period results were restated.

The adoption of ASU 2018-08 resulted in changes to the recognition of revenue from certain non-government sponsors of grants, primarily private foundations. Incremental revenue in the amount of $62 million from private grants that were determined to be unconditional was immediately recognized in the 2019 Consolidated Statement of Activities. Grants from government and certain private sponsors were determined to be conditional, and, consequently, the policy of recognizing revenue over time as qualified expenditures are incurred or milestones are met is unchanged. New disclosures about sponsored grants and contracts are included below.

Revenue from Tuition, Fees, and Auxiliary Services

Revenue from tuition, fees, and auxiliary services, which consist primarily of student room and board, are presented at transaction prices, which typically are determined based on standard published rates for the services provided, less any institutional financial aid awarded by the University to qualifying students. For the years ended June 30, 2019 and 2018, revenue from tuition, fees, and auxiliary services was as follows:

2019 *(dollars in thousands)*	**At published rates**	**Institutional aid**	**Total net**
Tuition and fees	$ 394,183	($ 262,054)	$ 132,129
Room, board, and other	99,745	(22,590)	77,155
Total	**$ 493,928**	**($ 284,644)**	**$ 209,284**

2018 *(dollars in thousands)*	**At published rates**	**Institutional aid**	**Total Net**
Tuition and fees	$ 369,223	($ 240,495)	$ 128,728
Room, board, and other	95,315	(20,463)	74,852
Total	**$ 464,538**	**($ 260,958)**	**$ 203,580**

Of the $209 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2019, $169 million was from undergraduate students, $22 million was from graduate students, and $18 million was from other sources. Of the $204 million in net total tuition, fees, and auxiliary revenue recognized in fiscal year 2018, $164 million was from undergraduate students, $21 million was from graduate students, and $19 million was from other sources.

Tuition, fees, and auxiliary revenues are recognized and associated performance obligations are satisfied over time during the course of the fiscal year in which the student services are provided.

Revenue from Sponsored Grants and Contracts

The University receives sponsored program funding in the form of grants and contracts from governments, foundations, industry, and other private sources generally for research activities. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the university, the funding organization's mission, or the public at large.

Grants and contracts that are reciprocal in nature include certain private grants and the contract with the U.S. Department of Energy to operate the Princeton Plasma Physics Laboratory. Revenue from exchange agreements generally is recognized over time as performance obligations are satisfied, which in most cases occur as related costs are incurred.

Revenue from non-exchange transactions (contributions/gifts and certain grants) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenue from conditional non-exchange transactions is recognized when the barrier is satisfied which is generally as costs are incurred or certain milestones are achieved. Conditions on grants, such as Federal government grants, typically include limitations on how research activities must be conducted, such as compliance with OMB cost principles. In addition, the University has elected the simultaneous release option for conditional contributions that are subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted contributions for which the purpose restrictions are met in the same reporting period as the revenue is recognized. Revenue from non-exchange agreements that are considered unconditional, such as most foundation grants, generally is recognized as revenue with donor restrictions when the grant funds are awarded, and is released into net assets without donor restrictions when the purpose has been met.

As of June 30, 2019, the University has unrecorded conditional grant agreements of $417 million from government sponsors and $93 million from non-government sponsors. Indirect costs recovered on federally sponsored programs generally are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors.

Other Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The new ASU establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permissible. The University is evaluating the impact of the new standard on the University consolidated financial statements.

The FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments (Topic 230)* in August 2016, and ASU 2016-18, *Restricted Cash (Topic 230)* in November 2016. ASU 2016-15 includes guidance on the presentation of eight specific cash flow areas in an effort to reduce diversity in practice regarding how certain transactions are classified within the statement of cash flows. ASU 2016-18 addresses the presentation, disclosure, and cash flow classification of restricted cash and requires that the statement of cash flow explains the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Entities also would be required to reconcile these amounts on the balance sheet to the statement of cash flows and disclose the nature of the restrictions. The guidance is effective for the University for fiscal years beginning after December 15, 2018. The University currently is assessing the impact the adoption of these standards will have on its consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. This ASU removes certain disclosures, modifies certain disclosures, and adds additional disclosures related to fair value measurement. The University is evaluating the impact of the new standard on the University consolidated financial statements.

In March 2019, the FASB issued ASU 2019-03, *Updating the Definitions of Collections, Not-for-Profit Entities (Topic 958)*. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. This ASU modifies the term "Collections," which in turn may change collection recognition policies, and also adds certain disclosure requirements. The University is evaluating the impact of the new standard on the University consolidated financial statements.

3. INVESTMENTS

Managed Investments

All managed investments are reported at fair value. The fair value of marketable equity, debt, and certain derivative securities (which include both domestic and foreign issues) generally is based upon a combination of published current market prices and exchange rates. The fair value of restricted securities and other investments for which published market prices are not available is based on estimated values using discounted cash flow analysis and other industry standard methodologies. Where applicable, independent appraisers and engineers assist in the valuation. The fair value of limited partnerships and similar investment vehicles is based on the net asset value of such investments and generally is estimated by external investment managers, including general partners or valuation committees. These valuations necessarily involve assumptions and methods that are reviewed, evaluated, and adjusted, if necessary, by the University. Changes in assumptions could have a significant effect on the fair values of these investments. Actual results could differ from these estimates and could have a material impact on the consolidated financial statements. These investments generally are less liquid than other investments, and the values reported may differ from the values that would have been reported had a ready market for these securities existed. Securities transactions are reported on a trade-date basis. Realized gains and losses are calculated using the specific identification cost method.

A summary of managed investments by asset category at fair value at June 30, 2019 and 2018 is presented below. The managed investment categories are presented on a "manager-mandate" basis, that is, all of the assets and market value of the underlying funds and accounts are included in the asset class that is the primary focus of the fund or account. (Many funds and accounts have contractual flexibility to invest across more than one asset class.)

(dollars in millions)	2019	2018
Managed investments:		
Developed markets	$ 2,501.5	$ 3,165.8
Emerging markets	2,500.1	2,358.6
Independent return	6,567.1	6,496.8
Private equity	9,459.3	8,717.3
Real assets	3,672.1	3,741.7
Fixed income	896.3	844.2
Cash and other	215.6	321.8
Gross managed investments[1]	**$ 25,812.0**	**$ 25,646.2**
Receivables (liabilities) associated with investments – net	8.4	(6.9)
Noncontrolling interests	(196.8)	(201.0)
Net managed investments	**$ 25,623.6**	**$ 25,438.3**

[1]Includes derivative financial instruments at fair value

The Princeton University Investment Company (PRINCO) manages investments for a foundation that the University controls, the Stanley J. Seeger Hellenic Fund, and deposits held in custody for others. The investment balances managed by PRINCO for these entities as of June 30, included in the University's consolidated financial statements, are as follows:

(dollars in millions)	2019	2018
Princeton University	$ 25,455.2	$ 25,270.5
Stanley J. Seeger Hellenic Fund	49.0	48.8
Deposits held in custody for others	119.4	119.0
Net managed investments	**$ 25,623.6**	**$ 25,438.3**

The composition of net investment return from managed and other investments for the years ended June 30 was as follows:

(dollars in millions)	2019	2018
Net realized and unrealized gains (losses)	$ 1,324.7	$ 3,059.6
Interest, dividends, and other income	193.1	177.3
Total	**$ 1,517.8**	**$ 3,236.9**

Princeton University investments, together with the Stanley J. Seeger Hellenic Fund and deposits held in custody for others, are invested in a single unitized pool. The market value of each unit was $12,233.51 and $12,187.80 at June 30, 2019 and 2018, respectively. The average value of a unit during the years ending June 30, 2019 and 2018 was $11,921.94 and $11,626.71, respectively.

The average invested market balance in the unitized pool during the years ending June 30, 2019 and 2018 was $24.887 billion and $24.221 billion, respectively.

The University follows a spending rule for its unitized investments, including funds functioning as endowment, that provides for regular increases in spending while preserving the long-term purchasing power of the endowment. Earnings available for spending are shown in operating revenue, and the balance is shown as nonoperating revenue. Amounts distributed per unit under that rule were $650.40 and $625.38 for fiscal years 2019 and 2018, respectively.

The University invests in various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Derivative Financial Instruments

As part of its investment strategy, the University enters into transactions utilizing a variety of financial instruments and strategies, including futures, swaps, options, short sales, and forward foreign currency contracts. These financial instruments and strategies allow the University to fine-tune the asset allocation of the investment portfolio. In the case of forward currency exchange contracts, options, and swap contracts, these instruments are traded through securities and commodities exchanges. These financial instruments are executed with creditworthy banks and brokerage firms, are subject to an enforceable master netting arrangement or similar agreement, and are presented at fair value on a net basis on the Consolidated Statements of Financial Position.

Investment-related derivative exposures at June 30 are as follows:

2019 *(dollars in millions)*	Long Notional[1]	Short Notional[1]	Net Derivative Assets (Liabilities)	Gains (Losses)[2]
Index futures	-	$ (366.3)	$ (6.0)	$ (38.3)
Equity swaps	$ 170.9	(23.7)	8.5	36.1
Forward contracts	-	-	-	(11.9)
Total	$ 170.9	$ (390.0)	$ 2.5	$ (14.1)

2018 *(dollars in millions)*	Long Notional[1]	Short Notional[1]	Net Derivative Assets (Liabilities)	Gains (Losses)[2]
Index futures	$ 259.4	$ (255.3)	$ (4.4)	$ (22.7)
Equity swaps	220.3	(215.2)	19.3	(6.2)
Forward contracts	-	-	-	(29.2)
Total	$ 479.7	$ (470.5)	$ 14.9	$ (58.1)

[1] Notional amounts are representative of the volume and activity of each derivative type during the years ended June 30, 2019 and 2018

[2] Gains and losses on derivatives are recorded under "Net realized and unrealized appreciation on investments" in the Consolidated Statements of Activities

Investment-related derivative assets, liabilities, and collateral by counterparty at June 30 are as follows:

2019 *(dollars in millions)*	Gross Derivative # of Contracts	Fair Value: Gross Derivative Assets	Fair Value: Liabilities	Collateral (Held) Pledged	Net
Counterparty A	1	-	$ (6.0)	$ 21.9	$ 15.9
Counterparty B	3	$ 9.9	-	-	9.9
Counterparty C	1	-	(1.5)	-	(1.5)
Total	5	$ 9.9	$ (7.5)	$ 21.9	$ 24.3

2018 *(dollars in millions)*	Gross Derivative # of Contracts	Fair Value Gross Derivative Assets	Collateral (Held) Liabilities	Pledged	Net
Counterparty A	5	$ 21.0	$ (18.5)	$ 18.5	$ 21.0
Counterparty B	1	5.3	-	-	5.3
Counterparty C	1	7.0	-	-	7.0
Total	7	$ 33.3	$ (18.5)	$ 18.5	$ 33.3

Funds Held in Trust by Others

The University is the income beneficiary of various trusts that are held and controlled by independent trustees. In addition, the University is the income beneficiary of entities that qualify as supporting organizations under Section 509(a)(3) of the U.S. Internal Revenue Code. Funds held in trust by others are recognized at the estimated fair value of the assets or the present value of the future cash flows when the irrevocable trust is established or the University is notified of its existence. Funds held in trust by others, stated at fair value, amounted to $115.0 million in 2019 and $113.1 million in 2018.

Other Investments

Other investments include working capital (consisting primarily of U.S. Treasury bonds), a small number of funds that must be separately invested due to donor or legal restrictions, planned giving investments, proceeds from debt, and local real estate holdings expected to be liquidated strategically over several years. A summary of other investments at fair value at June 30, 2019 and 2018 is as follows:

(dollars in millions)	**2019**	**2018**
Working capital	$ 658.4	$ 427.1
Planned giving investments	175.9	176.6
Proceeds from debt	66.5	125.1
Strategic real estate investments	32.7	31.6
Other	66.7	54.1
Total	**$ 1,000.2**	**$ 814.5**

4. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosure about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Fair value should be based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). The University applies fair value measurements to certain assets and liabilities, including the University's managed investments, other investments, and funds held in trust by others, in accordance with the requirements described above.

The University maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications, is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value using discounted cash flow and other income valuation approaches.

The University utilizes the following fair value hierarchy, which prioritizes, into three broad levels, the inputs to valuation techniques used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities that the University has the ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of a broadly traded range of equity and debt securities.

Level 2: Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.

Level 3: Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity for the asset or liability. Instruments categorized in Level 3 primarily consist of limited partnership interests and other similar investment vehicles.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Fair value measurements are categorized as Level 3 when a significant proportion of price or other inputs that are considered to be unobservable are used in their valuations.

Investments in investee funds that are valued using the net asset value (NAV) of the underlying investee fund as a practical expedient have been excluded from the fair value hierarchy and are shown as a separate column in the fair value leveling table. Where the University has the ability to redeem its investment with the investee at net asset value per share (or its equivalent) using the practical expedient, such investments have been excluded from the fair value hierarchy. Certain of these investments may be subject to modest holdback provisions to cover audit and other potential expenses or adjustments in the event of a complete withdrawal.

The University has various processes and controls in place to ensure investment fair value is reasonable and performs due diligence procedures on its investments, including an assessment of applicable accounting policies, a review of the valuation procedures employed, and consideration of redemption features and price transparency. The University holds direct real estate investments categorized as Level 3. Valuation for material directly held real estate investments is determined from periodic valuations prepared by independent appraisers or broker opinions.

The following tables present the University's assets that are measured at fair value for each hierarchy level, at June 30, 2019 and 2018.

2019 *(dollars in millions)*	Total	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
Assets at fair value					
Managed investments (gross):					
Developed markets	$ 2,501.5	$ (6.0)	$ 0.0	$ 1.0	$ 2,506.5
Emerging markets	2,500.1	710.2	-	-	1,789.9
Independent return	6,567.1	-	-	1.1	6,566.0
Private equity	9,459.3	-	(1.4)	138.6	9,322.1
Real assets	3,672.1	318.6	9.9	3.9	3,339.7
Fixed income	896.3	896.3	-	-	-
Cash and other	215.6	217.7	(2.1)	-	-
Total managed investments (gross)	**25,812.0**	**2,136.8**	**6.4**	**144.6**	**23,524.2**
Funds held in trust by others	115.0	-	-	115.0	-
Other investments	1,000.2	792.0	-	208.2	-
Total	**$ 26,927.2**	**$ 2,928.8**	**$ 6.4**	**$ 467.8**	**$ 23,524.2**

2018 *(dollars in millions)*	Total	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient
Assets at fair value					
Managed investments (gross):					
Developed markets	$ 3,165.8	$ 122.5	$ (1.1)	$ 0.9	$ 3,043.5
Emerging markets	2,358.6	428.1	-	-	1,930.5
Independent return	6,496.8	-	-	3.1	6,493.7
Private equity	8,717.3	29.2	-	199.9	8,488.2
Real assets	3,741.7	306.4	20.4	4.1	3,410.8
Fixed income	844.2	844.2	-	-	-
Cash and other	321.8	329.7	(7.9)	-	-
Total managed investments (gross)	**25,646.2**	**2,060.1**	**11.4**	**208.0**	**23,366.7**
Funds held in trust by others	113.1	-	-	113.1	-
Other investments	814.5	608.2	-	206.3	-
Total	**$ 26,573.8**	**$ 2,668.3**	**$ 11.4**	**$ 527.4**	**$ 23,366.7**

Assets and liabilities of a majority-owned and -controlled investment fund have been consolidated for reporting purposes at June 30, 2019 and 2018. Gross managed investments, specifically the independent return asset class, include consolidated investment fund assets of $1,087.3 million and $1,096.9 million at June 30, 2019 and 2018, respectively, and liabilities associated with investments include consolidated investment fund liabilities of $10.2 million and $5.4 million at June 30, 2019 and 2018, respectively. The portion of consolidated net assets not owned by the University is reported as a noncontrolling interest.

The following tables present the net change in the assets measured at fair value on a recurring basis and included in the Level 3 fair value category for the years ended June 30, 2019 and 2018:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						
(dollars in millions)	June 30, 2018	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2019
Assets at fair value							
Managed investments (gross):							
Developed markets	$ 0.9	$ 0.1	-	-	-	-	$ 1.0
Emerging markets	-	-	-	-	-	-	-
Independent return	3.1	(1.2)	-	$ (0.8)	-	-	1.1
Private equity	199.9	(31.7)	$ 4.6	(18.7)	-	$ (15.5)	138.6
Real assets	4.1	0.1	-	(0.3)	-	-	3.9
Total managed investments (gross)	**208.0**	**(32.7)**	**4.6**	**(19.8)**	-	(15.5)	**144.6**
Funds held in trust by others	113.1	1.9	-	-	-	-	115.0
Other investments	206.3	(3.7)	12.1	(6.5)	-	-	208.2
Total Level 3 investments	$ 527.4	$ (34.5)	$ 16.7	$ (26.3)	-	$ (15.5)	$467.8

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						
(dollars in millions)	June 30, 2017	Total gains or losses included in changes in net assets	Purchases	Sales and settlements	Transfers into Level 3	Transfers out of Level 3	June 30, 2018
Assets at fair value							
Managed investments (gross):							
Developed markets	$ 1.2	$ (0.3)	-	-	-	-	$ 0.9
Emerging markets	219.1	-	-	-	-	$ (219.1)	-
Independent return	4.2	(0.7)	-	$ (0.4)	-	-	3.1
Private equity	146.9	(13.8)	$ 5.1	(58.0)	$ 119.7	-	199.9
Real assets	4.9	(1.2)	0.8	(0.4)	-	-	4.1
Total managed investments (gross)	**376.3**	**(16.0)**	**5.9**	**(58.8)**	**119.7**	**(219.1)**	**208.0**
Funds held in trust by others	110.0	2.8	0.4	(0.1)	-	-	113.1
Other investments	207.8	-	4.8	(6.3)	-	-	206.3
Total Level 3 investments	$ 694.1	$ (13.2)	$ 11.1	$ (65.2)	$ 119.7	$ (219.1)	$ 527.4

The University assesses the valuation hierarchy for each asset or liability measured on an annual basis. From time to time, assets or liabilities will be transferred within hierarchy levels as a result of changes in valuation methodologies, liquidity, and/or redemption terms. One transfer out of Level 3 to NAV assets occurred in the year ended June 30, 2019. The University's policy is to recognize transfers at the beginning of the reporting period.

Realized losses of $36.0 million and gains of $33.7 million related to Level 3 investments and unrealized losses of $0.3 million and $49.7 million related to Level 3 investments are included in net realized and unrealized appreciation on investments in the Consolidated Statements of Activities for the years ended June 30, 2019 and 2018, respectively.

The following tables and disclosures set forth the significant terms of the agreements with investment managers or funds by major category at June 30, 2019 and 2018. The information is presented on a "manager-mandate" basis.

2019 *(dollars in millions)*	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	$ 2,501.5	$ 75.0	daily–annually	7–90 days
Emerging markets (b)	2,500.1	86.7	daily–annually	7–90 days
Independent return (c)	6,567.1	678.4	monthly–annually	30–90 days
Fixed income and cash (d)	1,111.9	-	daily	1 day
Marketable asset classes	$ 12,680.6	$ 840.1		
Private equity (e)	9,459.3	2,562.7		
Real assets (f)	3,672.1	1,841.0		
Nonmarketable asset classes	$ 13,131.4	$ 4,403.7		
Total gross managed investments	$ 25,812.0	$ 5,243.8		

2018 *(dollars in millions)*	June 30 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Managed investments (gross)				
Developed markets (a)	$ 3,165.8	$ 122.9	daily–annually	4–90 days
Emerging markets (b)	2,358.6	220.3	daily–annually	7–90 days
Independent return (c)	6,496.8	598.3	monthly–annually	30–90 days
Fixed income and cash (d)	1,166.0	-	daily	1 day
Marketable asset classes	$ 13,187.2	$ 941.5		
Private equity (e)	8,717.3	2,703.7		
Real assets (f)	3,741.7	1,543.9		
Nonmarketable asset classes	$ 12,459.0	$ 4,247.6		
Total gross managed investments	$ 25,646.2	$ 5,189.1		

(a) Developed Markets: This asset class includes funds and accounts primarily invested in equities traded on domestic exchanges, over-the-counter markets, or equity and debt securities traded on exchanges in countries with developed economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds. Investments representing approximately 9 percent of the market value of this asset class are in nonredeemable assets.

(b) Emerging Markets: This asset class includes funds primarily invested in public equity and debt securities traded in countries with emerging economies. The fair values of the investments in this asset class have been estimated using the net asset value per share of the investee funds or, in the case of custodied accounts, the fair value of the securities held, at prevailing exchange rates. Investments representing approximately 16 percent of the market value of this asset class are invested in nonredeemable assets.

(c) Independent Return: This asset class includes funds invested in equity and debt securities and financial instruments such as options, swaps, futures, and other derivatives. Funds in this asset class may hold both long and short positions in any of these instruments and pursue a variety of investment strategies such as long/short equity investments and event-driven/arbitrage based upon the fund's investment mandate and the current opportunity set. Investments representing approximately 22 percent of the market value of this asset class are invested in nonredeemable assets.

(d) Fixed Income and Cash: On a combined basis, these asset classes primarily include U.S. government and U.S. government–guaranteed securities held in separate accounts at the custodial bank. Virtually all of the investments in these asset classes can be liquidated on a daily basis.

(e) Private Equity: This asset class includes funds primarily invested in buyouts or venture capital. The fair values of the investments in this asset class generally have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. Distributions from investee funds in the portfolio are received as the underlying investments of the funds are liquidated.

(f) Real Assets: This asset class includes funds primarily invested in real estate, energy, and timber. The fair values of the investments in this asset class have been estimated using partners' capital statements issued by the funds, which reflect the University's ownership interest. Generally, investments in this asset class are not redeemable. However, a small portion, $493.3 million at June 30, 2019, and $474.6 million at June 30, 2018, was invested in redeemable funds. More broadly, distributions from investee funds are received as the underlying investments of the funds are liquidated.

Investments in the marketable asset classes generally are redeemable, made in entities that allow the University to request withdrawals in specified circumstances. However, approximately $2.0 billion of the marketable asset classes are invested in "nonredeemable assets," which are not eligible for redemption by the University. Nonredeemable assets are specific investments within a fund designated by the fund manager as ineligible for withdrawal. Due to the illiquid nature of nonredeemable assets, it is impossible for the University to predict when these assets will liquidate and the proceeds be distributed to investors.

In addition to nonredeemable assets, the University may be limited in its ability to effect a withdrawal if a fund manager invokes a "gate" provision restricting redemptions from its fund. Gates generally are triggered when aggregate fund withdrawal requests exceed a contractually predetermined threshold. No withdrawal requests were impacted by a gate in the year ended June 30, 2019.

The University is obligated under certain agreements to fund capital calls periodically up to specified commitment amounts. At June 30, 2019, the University had unfunded commitments of $5.2 billion. Such commitments generally are called over periods of up to 10 years and contain fixed expiration dates or other termination clauses.

5. ENDOWMENT

The University's endowment consists of approximately 4,700 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the University to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the University to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

ASC 958, *Not-for-Profit Entities,* provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which was enacted in the state of New Jersey in June 2009.

Interpretation of relevant law — The University interprets the UPMIFA as requiring the preservation of the fair value at the original gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also classified as net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. The University 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 University 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 University
(7) The investment policies of the University

Endowment net asset composition by type of fund as of June 30, 2019 and 2018 was:

2019 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Restricted in perpetuity	-	$ 2,051,038	$ 2,051,038
Appreciation	-	12,817,590	12,817,590
Board-designated endowment funds	$ 10,631,017	-	10,631,017
Total	**$ 10,631,017**	**$ 14,868,628**	**$ 25,499,645**

2018 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Restricted in perpetuity	-	$ 1,947,377	$ 1,947,377
Appreciation	-	12,747,483	12,747,483
Board-designated endowment funds	$ 10,621,362	-	10,621,362
Total	**$ 10,621,362**	**$ 14,694,860**	**$ 25,316,222**

Changes in endowment net assets for the years ended June 30, 2019 and 2018 were:

2019 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 10,621,362	$ 14,694,860	$ 25,316,222
Net investment return	636,689	813,899	1,450,588
Contributions	8,208	95,170	103,378
Appropriation of endowment assets for expenditure	(593,514)	(757,818)	(1,351,332)
Reclassifications, transfers, and board designations	(41,728)	22,517	(19,211)
Endowment net assets, end of year	**$ 10,631,017**	**$ 14,868,628**	**$ 25,499,645**

2018 *(dollars in thousands)*	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 9,702,394	$ 13,542,695	$ 23,245,089
Net investment return	1,411,787	1,783,798	3,195,585
Contributions	11,732	73,695	85,427
Appropriation of endowment assets for expenditure	(572,259)	(724,456)	(1,296,715)
Reclassifications, transfers, and board designations	67,708	19,128	86,836
Endowment net assets, end of year	**$ 10,621,362**	**$ 14,694,860**	**$ 25,316,222**

Funds with Deficiencies — From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the University to retain as a fund of perpetual duration. There were no funds with deficiencies at June 30, 2019 and 2018. Deficiencies can result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions while continued appropriations are deemed prudent by the Board of Trustees.

In accordance with the terms of donor gift instruments, the University is permitted to reduce the balance of restricted endowments below the original amount of the gift. Subsequent investment gains then are used to restore the balance up to the fair market value of the original amount of the gift. Both fund deficiencies and subsequent gains above that amount are recorded in net assets with donor restrictions.

Return objectives and risk parameters — The University has adopted investment and spending policies for endowment assets that attempt to support the University's current and future operating needs, while preserving intergenerational equity. Endowment assets include those assets of donor-restricted funds that the University must hold in perpetuity or for donor-specified periods as well as University-designated funds. Under these policies, the endowment assets are invested in a manner intended to produce returns that exceed both the annual rate of spending and University inflation.

Strategies employed for achieving objectives — The vast majority of the endowment assets are actively managed by PRINCO, which is structured as a University office but maintains its own Board of Directors, and operates under the final authority of the University's Board of Trustees (the "Trustees").

In pursuit of the investment return objectives, PRINCO maintains an equity-biased portfolio and seeks to partner with best-in-class investment management firms across diverse asset categories.

Spending policy and how the investment objectives relate to spending policy — Each year, the Trustees decide upon an amount to be spent from the endowment for the following fiscal year. In their deliberations, the Trustees use a spending framework designed to enable sizable amounts to be spent in a reasonably stable fashion, while allowing for reinvestment sufficient to preserve purchasing power in perpetuity. The framework targets annual spending rates of between 4.0 percent and 6.25 percent.

The endowment must seek investment returns sufficient to meet spending policy targets as well as to maintain future purchasing power without deterioration of corpus resulting from University inflation.

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Statement of Financial Position were as follows:

(dollars in thousands)	2019	2018
Financial assets:		
Cash	$ 22,633	$ 23,230
Accounts receivable	75,474	49,564
Educational and mortgage receivable	16,183	16,532
Contributions receivable	95,578	77,963
Working capital	658,427	427,100
Investments: appropriated for spending in the following year	1,412,000	1,357,000
Total financial assets available within one year	**$ 2,280,295**	**$ 1,951,389**
Liquidity resources:		
Taxable debt and commercial paper (unexpended)	291,512	254,991
Bank lines of credit (undrawn)	290,500	290,100
Total financial assets and resources available within one year	**$ 2,862,307**	**$ 2,496,480**

As part of the University's liquidity management strategy, the University structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements in short-term working capital investments. Cash withdrawals from the managed investment pool normally coincide with the endowment spending distribution, but may be adjusted higher or lower based on the timing of gift receipts, capital calls, income and capital distributions, operating expenses, and other factors affecting available cash. Endowment funds appropriated for spending are distributed to University department and program budgets for spending, subject to donor restrictions where applicable; however, cash withdrawals from the investment pool are available for general liquidity purposes. To help manage unanticipated liquidity needs, the University has committed bank lines of credit in the amount of $300 million, which it could draw upon, and a taxable commercial paper program authorized to a maximum level of $280 million.

Additionally, the University has board-designated endowment funds of $10.6 billion as of June 30, 2019 and 2018. Although the University does not intend to spend from its board-designated endowment funds other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 4 for disclosures about investments).

7. EDUCATIONAL AND MORTGAGE LOANS

Educational loans include donor-restricted and federally sponsored educational loans that bear mandated interest rates and repayment terms, and are subject to significant restrictions on their transfer and disposition. These loans totaled $58.9 million and $62.0 million at June 30, 2019 and 2018, respectively.

Through a program designed to attract and retain excellent faculty and senior staff, the University provides home acquisition and financing assistance on residential properties in the area surrounding the University. Notes receivable from faculty and staff and co-ownership interests in the properties are included in mortgage loans and are collateralized by mortgages on those properties. These loans and interests totaled $388.1 million and $375.5 million at June 30, 2019 and 2018, respectively.

Allowance for Doubtful Loans

Management assesses the adequacy of the allowance for doubtful loans by performing evaluations of the loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of borrowers, the economic environment, the level of delinquent loans, and the value of any collateral associated with the loans. In addition to general economic conditions and other factors described above, a detailed review of the aging of loans receivable is considered in management's assessment. The level of the allowance is adjusted according to the results of management's analysis.

Loans less than 120 days delinquent are deemed to have a minimal delay in payment and generally are not written off. Loans delinquent by 120 days or more are subject to standard collection practices, including litigation. Only loans that are deemed uncollectible are written off, and this occurs only after several unsuccessful collection attempts, including placement at an external collection agency. Considering the other factors discussed herein, management considers the allowance for doubtful loans at June 30, 2019 and 2018 to be prudent and reasonable.

Educational and mortgage loans receivable at June 30, 2019 and 2018 are reported net of allowances for doubtful loans of $0.2 million.

8. CONTRIBUTIONS RECEIVABLE

At June 30, 2019 and 2018, the University had received from donors unconditional pledges receivable in the following periods:

(dollars in thousands)	**2019**	**2018**
Less than one year	$ 95,578	$ 77,963
One to five years	205,206	208,186
More than five years	43,469	27,630
Total	**$ 344,253**	**$ 313,779**
Less unamortized discount	30,630	33,676
Less allowance for doubtful pledges	7,298	6,505
Net amount	$ 306,325	$ 273,598

The amounts pledged have been recorded after discounting the future cash flows to the present value (discount rates ranged from 0.72 percent to 6.18 percent). Current-year pledges are included in revenue as additions to net assets with donor restrictions and are included in contributions receivable at fair value based on observable ASC 820 Level 2 inputs.

In addition, at June 30, 2019, the University had received from donors pledges totaling $68.9 million, conditioned upon the raising of matching gifts from other sources and other criteria. These amounts will be recognized as income in the periods in which the conditions have been fulfilled.

9. PROPERTY

Land additions are reported at estimated market value at the date of gift, or on a cost basis. Buildings and improvements are stated at cost. Expenditures for operation and maintenance of physical plant are expensed as incurred.

Items classified as property at June 30, 2019 and 2018 consisted of the following:

(dollars in thousands)	**2019**	**2018**
Land	$ 111,180	$ 112,214
Buildings and improvements	4,868,553	4,766,309
Construction in progress	55,901	31,258
Equipment and systems	431,723	441,933
Rare books	124,993	119,279
Library books, periodicals, and bindings	311,315	299,545
Fine art objects	147,344	141,649
Total property	**$ 6,051,009**	**$ 5,912,187**
Accumulated depreciation	(1,894,113)	(1,770,887)
Total	**$ 4,156,896**	**$ 4,141,300**

Equipment, library books, periodicals, and bindings are stated at cost, net of accumulated depreciation. Equipment includes items purchased with federal government funds; an indeterminate portion of those items are expected to be transferred to the University at the termination of the respective grant or contract.

In addition to making purchases with University funds, the University, since its inception, has received a substantial number of fine art objects and rare books from individual gifts and bequests. Art objects and rare books acquired through June 30, 1973 are carried at insurable values at that date because it is not practicable to determine the historical cost or market value at the date of gift. Art objects and rare books acquired subsequent to June 30, 1973 are recorded at cost or fair value at the date of gift. Works of art, literary works, historical treasures, and artifacts that are part of a collection are protected, preserved, and held for public exhibition, education, and research in furtherance of public service. Collections are not capitalized, and contributed collection items are not recognized as revenues in the University's consolidated financial statements.

The University uses componentized depreciation for buildings and building improvements used for research. The costs of research facilities are separated into building shell, service system, and fixed equipment components that are separately depreciated.

Annual depreciation is calculated on the straight-line method over useful lives ranging from 15 to 50 years for buildings and improvements, 30 years for library books, and 5 to 15 years for equipment and systems. Art objects and rare books having cultural, aesthetic, or historical value are not depreciated.

10. INCOME AND EXCISE TAXES

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income. The University files U.S. federal and various state and local tax returns. The statute of limitations on the University's U.S. federal tax returns remains open for the years ended June 30, 2016 through the present.

On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was enacted. TCJA impacts the University in several ways, including imposing excise taxes on certain excess compensation and net investment income, and establishing new rules for calculating unrelated business taxable income. The University has reflected the tax assets, liabilities, and payables in the consolidated financial statements based on reasonable estimates under the currently available regulatory guidance on the TCJA. The University continues to evaluate the impact of the TCJA on current and future tax positions.

ASC 740, *Income Taxes,* prescribes the minimum recognition threshold that a tax position must meet in connection with accounting for uncertainties in income tax positions taken, or expected to be taken, by an entity before being measured and recognized in the consolidated financial statements. The University continues to evaluate its tax positions pursuant to the principles of ASC 740, and has determined that there is no material impact on the University's consolidated financial statements.

11. INDEBTEDNESS TO THIRD PARTIES

At June 30, 2019 and 2018, the University's debt consisted of taxable bonds, taxable notes, loans through the New Jersey Educational Facilities Authority (NJEFA), commercial paper, various parent loans, and notes as follows:

(dollars in thousands)	2019	2018
Taxable Revenue Bonds		
2009 Series A, 4.95% and 5.70%, due March 2019 and March 2039, net of unamortized discount of $1,098 and $1,730	$ 498,902	$ 748,270
2016 Series A, 1.85%, 2.61%, 3.63%, due July 2021, July 2026, July 2046	100,000	100,000
2017 Series A, 3.84%, due July 2048	150,000	150,000
Taxable Notes		
2012, 3.37%, due July 2042	170,000	170,000
2013, 4.73%, due July 2044	75,000	75,000
NJEFA Revenue Bonds		
2003 Series D, 3.73%, due July 2019, including unamortized premium of $0 and $685	-	11,815
2010 Series B, 4.03%, due July 2040, including unamortized premium of $0 and $992	-	6,777
2011 Series B, 4.09%, due July 2041, including unamortized premium of $11,997 and $12,543	227,843	234,003
2014 Series A, 3.77%, due July 2044, including unamortized premium of $16,045 and $16,687	205,076	208,622
2015 Series A, 2.32%, due July 2035, including unamortized premium of $24,235 and $25,749	141,935	160,484
2015 Series D, 3.40%, due July 2045, including unamortized premium of $17,154 and $17,814	161,569	162,229
2016 Series A, 2.53%, due July 2035, including unamortized premium of $18,648 and $19,814	124,258	125,424
2016 Series B, 1.77%, due July 2027, including unamortized premium of $20,972 and $23,594	130,987	136,614
2017 Series B, 2.91%, due July 2036, including unamortized premium of $48,029 and $50,854	355,734	376,309
2017 Series C, 3.50%, due July 2047, including unamortized premium of $19,937 and $20,649	161,032	161,743
2017 Series I, 2.97%, due July 2040, including unamortized premium of $63,661 and $66,693	415,481	423,798

NJEFA Capital Improvement Fund Bonds	2019	2018
2014 Series B, 3.67%, due September 2033, including unamortized premium of $167 and $178	2,739	2,865
2016 Series A, 2.53%, due September 2020	323	479
Commercial Paper		
Taxable, 2.31% and 2.12%, with maturities up to one year	55,500	28,500
Tax-Exempt, 1.44% with maturities up to one year	12,000	-
Parent Loans, 0.56% to 5.40% with maturities up to nine years	46,505	47,691
Notes	206	376
Total Borrowings	**$ 3,035,090**	**$ 3,330,999**
Unamortized debt issuance costs	(7,904)	(9,756)
Total Borrowings Net of Unamortized Issuance Costs	**$ 3,027,186**	**$ 3,321,243**

The University is authorized by the Trustees to issue new debt up to $350 million annually. The University intends to issue additional debt in the future.

The full faith and credit of the University is pledged in all loan agreements with the NJEFA.

In fiscal year 1999, the University entered into a loan facility with a national bank to fund its parent loan program, which currently is authorized by the Trustees up to $100 million. Fixed or variable rates may be selected on a pass-through basis to the borrowers; terms may be as long as 14 years.

In fiscal year 1998, a commercial paper program was authorized as an initial step of financing to provide construction funds for approved capital projects. The commercial paper proceeds primarily are used to finance construction expenditures until permanent financing from gifts or other sources is made available. The University maintains a taxable and tax-exempt program, which is currently authorized to a maximum level of $400 million.

Principal payments for each of the next five years and thereafter on debt outstanding at June 30, 2019, excluding commercial paper, are as follows:

(dollars in thousands)	Principal Payments
2020	$ 93,888
2021	125,052
2022	86,341
2023	79,246
2024	78,655
Thereafter	2,264,660
Subtotal	**2,727,842**
Unamortized premium	239,748
Net long-term debt	**$ 2,967,590**

The University has committed bank lines of credit totaling $300 million, under which the University may borrow on an unsecured basis at agreed-upon rates. There were $9.5 million and $9.9 million in letters of credit outstanding under these credit facilities at June 30, 2019 and 2018, respectively.

12. EMPLOYEE BENEFIT PLANS

All faculty and staff who meet specific employment requirements participate in a defined contribution plan, which invests in the Teachers Insurance and Annuity Association and College Retirement Equities Fund and Vanguard Fiduciary Trust Funds. The University's contributions were $59.9 million and $62.0 million for the years ended June 30, 2019 and 2018, respectively. The University also provides deferred compensation arrangements for certain officers, faculty, and staff. Accrued benefits of $501.4 million and $388.1 million for the years ended June 30, 2019 and 2018, respectively, include the Accumulated Postretirement Benefit Obligation and deferred compensation.

Postretirement Benefits Other Than Pensions

ASC 715, *Compensation — Retirement Benefits*, requires the recognition of a defined benefit postretirement plan's funded status as either an asset or a liability on the Consolidated Statement of Financial Position. Actuarial gains or losses and prior service costs or credits that arise during the period must be recognized as a component of net assets without donor restrictions. The University calculates its Accumulated Postretirement Benefit Obligation (APBO) in accordance with ASC 715, which initially was elected in 1993 and amortized over 20 years. The University continues to recognize the cost of providing postretirement benefits for employees over the service period until their full retirement eligibility under the plan.

The University provides single-coverage health insurance to its retirees who meet certain eligibility requirements. Participants may purchase additional dependent or premium coverage. The accounting for the plan anticipates future cost-sharing changes to the written plan that are consistent with the University's expressed intent to increase retiree contributions in line with medical costs.

The benefit costs for the years ended June 30, 2019 and 2018 consisted of the following:

(dollars in thousands)	2019	2018
Service cost	$ 17,116	$ 22,835
Interest cost	14,166	17,379
Gain/(loss) amortization	(7,709)	(5)
Total	**$ 23,573**	**$ 40,209**

The APBO at June 30, 2019 and 2018, consisted of actuarially determined obligations to the following categories of employees:

(dollars in thousands)	2019	2018
Retirees	$ 136,152	$ 110,964
Active employees eligible to retire	113,833	88,782
Other active participants	193,810	137,421
Total	**$ 443,795**	**$ 337,167**

As of June 30, 2019 and 2018, the APBO was unfunded.

The assumptions used to calculate the APBO at June 30, 2019 and 2018 were as follows:

	2019	2018
Discount rate	3.50%	4.25%
Healthcare cost trend rate	6.00%	5.88%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2026
Prescription drug cost trend rate	7.50%	7.84%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%
Year the rate reaches the ultimate trend rate	2027	2026

A one-percentage-point change in assumed health care trend rates would have the following effects on postretirement benefits:

(dollars in thousands)	1-Percentage point increase	1-Percentage point decrease
Effect on APBO	$ 101,343	$ (77,249)
Effect on total of service and interest cost	11,287	(8,190)

The table below reflects expected postretirement plan benefit payments over the next 10 years. These amounts reflect the total benefits expected to be paid from the plan, net of the participants' share of the cost and federal subsidies. Expected benefit payments are based on the same assumptions used to measure the benefit obligations and include estimated future employee benefit service.

(dollars in thousands)	
2020	$ 8,863
2021	9,780
2022	10,607
2023	10,987
2024	12,077
2025 – 2029	73,232

The University provides Medicare retiree drug coverage through an employer group waiver plan (EGWP). Under EGWP, the cost of drug coverage is offset through direct federal subsidies, brand-name drug discounts, and reinsurance reimbursements. The net effect of these subsidies has been recognized in the calculation of the University's postretirement benefit obligation as of June 30, 2019 and 2018.

13. NET ASSETS

Net assets are categorized as without donor restrictions and with donor restrictions. Net assets without donor restrictions are derived from gifts and other institutional resources that are not subject to explicit donor-imposed restrictions. This category also includes income and gains on these funds. Included in the total is the net investment in plant and equipment. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under the internal operating budget practices of the University. Net assets with donor restrictions generally are established by donors in support of schools or departments of the University, often for specific purposes such as professorships, research, faculty support, scholarships and fellowships, athletics, the library, the art museum, building construction, and other specific purposes. This category includes gifts, pledges, trusts and remainder interests, and income and gains that can be expended but for which restrictions have not yet been met. Such restrictions include purpose restrictions and time restrictions imposed by donors or implied by the nature of the gift, or by the interpretations of law. Donor restrictions normally are released upon the passage of time or the incurrence of expenditures that fulfill the donor-specified purpose. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts and remainder interests, and income and gains that are required to be permanently retained.

The composition of net assets by restriction and purpose at June 30, 2019 and 2018 was as follows:

2019 **Net Assets**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Net Assets**
(dollars in millions)			
Endowment:			
Teaching and research	$ 1,278	$ 5,552	$ 6,830
Student financial aid	595	4,053	4,648
Department programs and support	2,717	3,596	6,313
Designated for operations	3,445	1,668	5,113
Designated for capital	2,592	-	2,592
Other:			
Pledges	-	306	306
Capital, unallocated gifts, and grants	-	281	281
Annuities and trusts	-	200	200
Net investment in plant	1,742	-	1,742
Operating	(149)	-	(149)
Noncontrolling interests	197	-	197
Total	**$ 12,417**	**$ 15,656**	**$ 28,073**

2018 **Net Assets**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Net Assets**
(dollars in millions)			
Endowment:			
Teaching and research	$ 1,274	$ 5,496	$ 6,770
Student financial aid	593	4,013	4,606
Department programs and support	2,684	3,528	6,212
Designated for operations	3,458	1,659	5,117
Designated for capital	2,612	-	2,612

2018 **Net Assets**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total Net Assets**
Other:			
Pledges	-	273	273
Capital and unallocated gifts	-	149	149
Annuities and trusts	-	195	195
Net investment in plant	1,741	-	1,741
Operating	(480)	-	(480)
Noncontrolling interests	201	-	201
Total	**$ 12,083**	**$ 15,313**	**$ 27,396**

14. EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION

Expenses are presented by functional classification in alignment with the overall mission of the University. The University's primary service mission is academic instruction and research which includes direct supporting functions such as the University's library system and art museum. Student services and support include various student-supporting functions such as admission, health, career, and athletics, as well as auxiliary enterprises and related student aid. The Princeton Plasma Physics Laboratory, which is operated by the University on behalf of the U.S. Department of Energy, is classified as an independent operation.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Depreciation, plant operations, and maintenance expenses are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt.

Expenses by functional and natural classification for the years ended June 30, 2019 and 2018 were as follows:

2019

Natural Classification *(dollars in thousands)*	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	$ 462,423	$ 63,775	$ 175,620	$ 52,712	$ 754,530
Employee benefits	153,519	19,232	23,171	17,204	213,126
Supplies, services, and other	183,833	70,172	34,554	34,961	323,520
Space and occupancy	4,976	5,011	60,338	4,485	74,810
Student stipends and prizes	-	71,651	-	-	71,651
Allocations:					
Depreciation	135,255	33,069	9,538	70	177,932
Interest	67,639	16,536	40,957	-	125,132
Operations and maintenance	86,071	33,811	(119,882)	-	-
Total operating expenses	**1,093,716**	**313,257**	**224,296**	**109,432**	**1,740,701**
Net periodic benefit cost other than service cost	4,357	630	1,116	354	6,457
Total expenses	**$ 1,098,073**	**$ 313,887**	**$ 225,412**	**$ 109,786**	**$ 1,747,158**

2018

Natural Classification *(dollars in thousands)*	Academic & Research	Student Services & Support	General Admin & Operations	Independent Operations	Total
Salaries and wages	$ 441,362	$ 61,183	$ 171,107	$ 55,871	$ 729,523
Employee benefits	156,939	19,049	17,759	18,601	212,348
Supplies, services, and other	187,462	62,362	25,234	40,002	315,060
Space and occupancy	3,405	4,058	59,608	4,057	71,128
Student stipends and prizes	-	67,494	-	-	67,494
Allocations:					
Depreciation	131,979	32,357	9,331	10	173,677
Interest	74,469	18,206	56,242	-	148,917
Operations and maintenance	83,870	33,075	(116,945)	-	-
Total operating expenses	**1,079,486**	**297,784**	**222,336**	**118,541**	**1,718,147**
Net periodic benefit cost other than service cost	11,212	1,563	2,691	1,908	17,374
Total expenses	**$ 1,090,698**	**$ 299,347**	**$ 225,027**	**$ 120,449**	**$ 1,735,521**

Student Financial Aid

The University provides financial aid to undergraduate students in the form of scholarship grants designed to meet 100 percent of demonstrated financial need. All Ph.D. and many master's degree candidates in the Graduate School receive financial support for the duration of their degree program in the form of fellowships, assistantships in research or teaching, and non-University awards. Graduate student support covers the full cost of tuition and fees and a stipend that supports estimated living expenses. Students also may be awarded grants that support various academic or research activities. Undergraduate scholarships and graduate fellowships and assistantships are reported as discounts to tuition and fee revenues in the Consolidated Statements of Activities. Student stipends, awards, and prizes are reported as operating expenses. Student financial aid costs are funded by the University's endowment, Annual Giving, and other University resources.

Total student financial aid costs for the years ended June 30, 2019 and 2018 were as follows:

Student Financial Aid *(dollars in thousands)*	**2019**	**2018**
Scholarships and fellowships	$ 284,644	$ 260,958
Stipends and prizes	71,651	67,494
Total	**$ 356,295**	**$ 328,452**

15. COMMITMENTS AND CONTINGENCIES

At June 30, 2019, the University had authorized major renovation and capital construction projects for more than $2,100.2 million. Of the total, approximately $214.0 million had not yet been expended. Minimum operating lease commitments at June 30, 2019 for space and equipment were as follows:

(dollars in thousands)	**Lease Payments**
2020	$ 11,571
2021	10,339
2022	9,048
2023	8,506
2024	8,097
Thereafter	8,464
Total	**$ 56,025**

The University has entered into certain agreements to guarantee the debt of others. Under these agreements, if the principal obligor defaults on the debt, the University may be required to satisfy all or part of the remaining obligation. The total amount of these guarantees was $18.8 million at June 30, 2019.

The University is subject to certain legal claims that have arisen in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's financial position, consolidated statement of activities, or cash flows.

16. SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 26, 2019, which is the date the consolidated financial statements were issued, and determined that there were no subsequent events requiring adjustment or disclosure in the consolidated financial statements.

17. CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

The following tables present the consolidating statements of financial position of all legal entities of the Trustees of Princeton University as of June 30, 2019 and 2018:

As of June 30, 2019 *(dollars in thousands)*	**Princeton University**	**Affiliates**	**Eliminations**	**Consolidated**
Assets				
Cash	$ 22,633	-	-	$ 22,633
Accounts receivable	122,776	-	-	122,776
Receivables associated with investments	71,804	-	-	71,804
Educational and mortgage loans receivable	446,784	-	-	446,784
Contributions receivable	306,325	-	-	306,325
Inventory and deferred charges	19,805	-	-	19,805
Managed investments at market value	25,376,486	$ 435,466	-	25,811,952
Funds held in trust by others	114,969	3,024	$ (3,024)	114,969
Other investments	1,000,246	-	-	1,000,246
Property, net of accumulated depreciation	4,156,896	-	-	4,156,896
Total assets	**31,638,724**	**438,490**	**(3,024)**	**32,074,190**
Liabilities				
Accounts payable	42,796	-	-	42,796
Liabilities associated with investments	63,361	-	-	63,361
Deposits, advance receipts, and accrued liabilities	135,910	-	-	135,910
Deposits held in custody for others	141,541	-	(3,024)	138,517
Liability under planned giving agreements	79,658	-	-	79,658
Liability for annuity contracts	12,390	-	-	12,390
Indebtedness to third parties	3,027,186	-	-	3,027,186
Accrued postretirement benefits	501,426	-	-	501,426
Total liabilities	**4,004,268**	**-**	**(3,024)**	**4,001,244**
Net assets				
Total net assets without donor restrictions	12,027,445	389,514	-	12,416,959
Total net assets with donor restrictions	15,607,011	48,976	-	15,655,987
Total net assets	**27,634,456**	**438,490**	**-**	**28,072,946**
Total liabilities and net assets	**$ 31,638,724**	**$ 438,490**	**$ (3,024)**	**$ 32,074,190**

Notes to Consolidated Financial Statements

Princeton University

Years ended June 30, 2019 and 2018

As of June 30, 2018 *(dollars in thousands)*	**Princeton University**	**Affiliates**	**Eliminations**	**Consolidated**
Assets				
Cash	$ 23,230	-	-	$ 23,230
Accounts receivable	87,710	-	-	87,710
Receivables associated with investments	30,526	-	-	30,526
Educational and mortgage loans receivable	437,313	-	-	437,313
Contributions receivable	273,598	-	-	273,598
Inventory and deferred charges	14,648	-	-	14,648
Managed investments at market value	25,296,823	$ 349,350	-	25,646,173
Funds held in trust by others	113,070	3,023	$ (3,023)	113,070
Other investments	814,483	-	-	814,483
Property, net of accumulated depreciation	4,141,300	-	-	4,141,300
Total assets	**31,232,701**	**352,373**	**(3,023)**	**31,582,051**
Liabilities				
Accounts payable	41,393	-	-	41,393
Liabilities associated with investments	37,457	-	-	37,457
Deposits, advance receipts, and accrued liabilities	167,661	-	-	167,661
Deposits held in custody for others	138,939	-	(3,023)	135,916
Liability under planned giving agreements	85,272	-	-	85,272
Liability for annuity contracts	9,470	-	-	9,470
Indebtedness to third parties	3,321,243	-	-	3,321,243
Accrued postretirement benefits	388,086	-	-	388,086
Total liabilities	**4,189,521**	**-**	**(3,023)**	**4,186,498**
Net assets				
Total net assets without donor restrictions	11,779,075	303,580	-	12,082,655
Total net assets with donor restrictions	15,264,105	48,793	-	15,312,898
Total net assets	**27,043,180**	**352,373**	**-**	**27,395,553**
Total liabilities and net assets	**$ 31,232,701**	**$ 352,373**	**$ (3,023)**	**$ 31,582,051**