

**ALUMNAE ASSOCIATION OF
MOUNT HOLYOKE COLLEGE
FINANCIAL STATEMENTS**

JUNE 30, 2024 AND 2023

**ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
FINANCIAL STATEMENTS**

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LaPier, Dillon & Associates, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alumnae Association of Mount Holyoke College
50 College Street
South Hadley, Massachusetts

Opinion

We have audited the accompanying financial statements of the Alumnae Association of Mount Holyoke College (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alumnae Association of Mount Holyoke College as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Summarized Comparative Information

We have previously audited the Alumnae Association of Mount Holyoke College's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

LaPier, Dillon & Associates P.C.

LaPier, Dillon & Associates, P.C.
West Springfield, MA
January 9, 2025

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Assets		
Cash	\$ 542,441	\$ 522,011
Prepaid expenses	54,329	52,015
Distribution carryovers	49,244	89,189
Due from College	9,556	59,344
Fixed assets, net	408	1,225
Investments on deposit with the College	<u>9,875,794</u>	<u>9,417,421</u>
Total assets	<u>\$ 10,531,772</u>	<u>\$ 10,141,205</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accrued expenses	\$ 78,524	\$ 45,716
Amounts held on behalf of others	<u>43,340</u>	<u>31,741</u>
Total liabilities	<u>121,864</u>	<u>77,457</u>
Net assets		
Without donor restrictions		
Undesignated	<u>484,870</u>	<u>557,138</u>
Alumnae Association board designated:		
Cash reserves and distribution carryovers	49,244	89,189
Investments on deposit with the College	<u>9,875,794</u>	<u>9,417,421</u>
	<u>9,925,038</u>	<u>9,506,610</u>
Total net assets	<u>10,409,908</u>	<u>10,063,748</u>
Total liabilities and net assets	<u>\$ 10,531,772</u>	<u>\$ 10,141,205</u>

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

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Revenue and support		
Mount Holyoke College support	\$ 1,447,945	\$ 1,447,945
Less: committed savings	(96,196)	(105,865)
Contributed nonfinancial support (in-kind)	<u>50,000</u>	<u>50,000</u>
Mount Holyoke College, net support	1,401,749	1,392,080
Conferences	7,080	30,570
Reunion fees	468,759	347,083
Travel program	6,651	10,072
Other income	<u>30,507</u>	<u>15,821</u>
Total revenue and support	<u>1,914,746</u>	<u>1,795,626</u>
Expenses		
Program activities	1,922,250	1,721,695
Management and general	<u>522,709</u>	<u>498,614</u>
Total expenses	<u>2,444,959</u>	<u>2,220,309</u>
Change in net assets before non-operating activity	(530,213)	(424,683)
Non-operating activity		
Change in investments on deposit with the College	<u>876,373</u>	<u>637,204</u>
Total non-operating activity	<u>876,373</u>	<u>637,204</u>
Total change in net assets	346,160	212,521
Net assets, beginning of year	<u>10,063,748</u>	<u>9,851,227</u>
Net assets, end of year	<u>\$ 10,409,908</u>	<u>\$ 10,063,748</u>

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

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Program Activities				Management and General	2024 Total	2023 Total
	Reunion	Quarterly	Other Programs	Total			
Employee compensation and related costs							
Salary, wages and taxes	\$ 184,758	\$ 129,475	\$ 363,783	\$ 678,016	\$ 287,966	\$ 965,982	\$ 828,972
Employees benefits	54,086	37,006	108,172	199,264	85,399	284,663	264,779
	238,844	166,481	471,955	877,280	373,365	1,250,645	1,093,751
Other expenses							
Consulting fees and services	13,425	38,221	769	52,415	42,444	94,859	202,464
Depreciation	-	-	-	-	817	817	817
Equipment maintenance and expenses	29,543	-	-	29,543	3,361	32,904	26,137
Event conference fees and meals	383,261	-	106,355	489,616	-	489,616	357,821
Facilities management fees and services	4,523	73	70	4,666	804	5,470	2,370
Fellowships and sponsorships	392	-	7,474	7,866	-	7,866	7,500
Office expenses	12,607	-	3,122	15,729	473	16,202	15,271
Postage expenses	3,231	136,025	1,266	140,522	408	140,930	130,272
Printing and publication expenses	8,828	115,202	428	124,458	999	125,457	136,768
Professional fees	-	-	-	-	52,077	52,077	34,596
Rent (in-kind)	9,500	6,500	19,000	35,000	15,000	50,000	50,000
Software licenses and maintenance	4,667	4,194	60,489	69,350	1,405	70,755	69,426
Supplies	14,086	-	23,879	37,965	3,151	41,116	27,925
Tax expense - federal and state	-	-	5,309	5,309	-	5,309	500
Travel, rooms and meals	1,702	-	30,829	32,531	28,405	60,936	64,691
Total expenses	\$ 724,609	\$ 466,696	\$ 730,945	\$ 1,922,250	\$ 522,709	\$ 2,444,959	\$ 2,220,309

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

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ 346,160	\$ 212,521
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	817	817
Change in investments on deposit with the College	(876,373)	(637,202)
Change in assets and liabilities:		
Prepaid expenses	(2,314)	(4,085)
Due from College, Founder's and Bequest Funds	89,733	91,438
Accrued expenses	32,808	(46,292)
Amounts held on behalf of others	11,599	1,593
Due to College	<u>-</u>	<u>(428,233)</u>
Net cash used by operating activities	<u>(397,570)</u>	<u>(809,443)</u>
Cash flows from financing activities		
Distributions from investments on deposit with the College	<u>418,000</u>	<u>392,503</u>
Net cash provided by investing activities	<u>418,000</u>	<u>392,503</u>
Net change in cash	20,430	(416,940)
Cash, beginning of year	<u>522,011</u>	<u>938,951</u>
Cash, end of year	<u>\$ 542,441</u>	<u>\$ 522,011</u>
Supplemental disclosure of cash flow information:		
Income taxes paid	\$ 5,309	\$ 500

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

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. NATURE OF ACTIVITIES:

The Alumnae Association of Mount Holyoke College (the “Organization”) is a nonprofit, independent organization providing diverse programs, expertise and resources to foster lifelong learning and empower alums to connect with each other and Mount Holyoke College (the “College”). The Organization connects the global community of College alums with each other and the College to create meaningful change in the world. The College is an independent, residential, liberal arts college.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The statements of financial position present assets and liabilities based upon their relative liquidity.

Basis of presentation

The Organization follows the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Revenue Recognition and Presentation of Financial Statements. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* - represent available resources other than donor-restricted resources. Net assets without donor restrictions used for operations represent the ongoing activity of the Organization, exclusive of certain activities designated by the Board of Directors (the “Board”). These funds are available to be used for the general purposes of the Organization. Designated net assets consist of net assets without donor restrictions designated by the Board. Any portion of board-designated funds may be expended with the approval of the Board.
- *Net assets with donor restrictions* – represent net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. There were no net assets with donor restrictions as of June 30, 2024 and 2023.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Accounts receivable

Revenue is recognized on the accrual basis. The Organization extends unsecured credit in the ordinary course of business and records a receivable at the aggregate unpaid balance. The Organization does not charge interest on unpaid balances. All amounts determined to be collectible are expected to be received within one year. There were no amounts owed for the years ended June 30, 2024 and 2023.

On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts. The allowance is based on the prior years' experience and management's analysis of specific accounts receivable.

Distribution carryovers

Distribution carryovers consist of unspent amounts due from the College from the Organization's annual distributions in accordance with the College's spending policy (see Note 2, "Investments on deposit with the College").

Fixed assets

Fixed assets are carried at cost less accumulated depreciation. The Organization capitalizes fixed assets over \$5,000 with a useful life greater than one year. Lesser amounts are expensed. Donations of fixed assets are recorded as contributions at their estimated fair value. The cost of fixed assets is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line basis using estimated useful lives between 3 and 10 years.

The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the change in net assets for the period.

Investments on deposit with the College

The Organization's Board voted in 1972 to transfer administration of its funds to the Board of Trustees (the "Trustees") of the College to manage and invest. The Organization recognizes its interest in the net assets of the College in accordance with FASB ASC for *Revenue Recognition: Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. The standard requires the Organization to recognize its interest in the net assets of the College (a financially interrelated organization) and adjust that interest for its share of the change in the College's net assets. The Organization recognizes its interest as "Investments on deposit with the College" on its statement of financial position and the "Change in investments on deposit with the College" on its statement of activities.

The College holds investments, stated at fair value using methodologies as discussed in Note 4. The Organization's funds consist of quasi-endowment funds, Board designated funds for which a fund was established to function as an endowment.

The investments held by the College are exposed to various risks, such as interest rate, market and credit risk. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments on deposit with the College and related activity reported on the financial statements.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Revenue and support

Revenue is recognized on the accrual basis. Revenue from reunions and conferences are recognized in the year the event occurs. Revenue paid in advance is deferred and subsequently recognized as revenue in the period in which it is earned.

Support and contributions, including unconditional promises to give, are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift.

Committed savings

Support from the College is reported net of committed savings, funds unspent from the budgeted allocation from the College.

Contributed nonfinancial support (in-kind)

Donated space, materials, equipment and services are recorded as contributions in the year received at their estimated values at date of receipt if an objective basis is available to measure such values. When measurable, donated services are recorded as contributions when those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. The Organization's offices are located on the campus of the College, amounts recorded for use of office space totaled \$50,000 for each of the years ended June 30, 2024 and 2023. See also Note 7.

In addition, the Organization is guided by more than 1,000 alum volunteers, who are a driving force behind all that the Organization does. Nearly all events and communications related to College alums are managed by an alum volunteer-staff partnership. The value of this time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Allocation of expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Expenses attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of time and effort. Accordingly, certain costs have been allocated among activities that benefited.

Income taxes

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Organization may be subject to unrelated business income from its travel program. Unrelated business income tax expense on travel commissions totaled \$5,309 and \$500 for the years ended June 30, 2024 and 2023, respectively.

The Organization believes it has not taken any significant uncertain tax positions or any tax positions that would jeopardize the Organization's tax-exempt status. The Organization files tax forms in the United States federal and state jurisdictions and is no longer subject to examinations by tax authorities for years before June 30, 2021.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Fair value of financial instruments

The carrying values of the Organization's cash, receivables, payables, and accrued expenses approximated their fair value based on their maturities as of June 30, 2024 and 2023.

Fair value measurements

All financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC *Fair Value Measurements and Disclosures*. The hierarchy gives the highest priority to valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to valuations based on unobservable inputs that are significant to the valuation (level 3 measurements). An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

This hierarchy prioritizes the inputs into three levels as follows:

Level 1	Quoted market prices for identical instruments in active markets.
Level 2	Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, observable inputs other than quoted prices, inputs derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Valuation models in which significant inputs are unobservable or where there is little, if any, market activity.

Summarized financial information for 2023

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Reclassifications

Certain items in the financial statements for the year ended June 30, 2023 have been reclassified to conform to the 2024 presentation. There was no change to the June 30, 2023 change in net assets as a result of these reclassifications.

Subsequent events

Management has evaluated subsequent events through January 9, 2025 the date which the financial statements were available to be issued.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

3. FIXED ASSETS:

Fixed assets as of June 30 is summarized as follows:

	<u>2024</u>	<u>2023</u>
Cost	\$ 84,552	\$ 84,552
Accumulated depreciation	(84,144)	(83,327)
Fixed assets, net	<u>\$ 408</u>	<u>\$ 1,225</u>

Depreciation expense totaled \$817 for each of the years ended June 30, 2024 and 2023.

4. INVESTMENTS ON DEPOSIT WITH THE COLLEGE:

The Organization's investments on deposit with the College consist of two funds (Founder's Fund and Bequest Fund) designated by the Board to function as endowments (see Note 2). The Board is responsible for the oversight of the investments on deposit with the College. Establishment and implementation of the investment policy, including the establishment of investment guidelines and the selection of investment managers, has been delegated by the Board and Finance Committee of the Organization to the Trustees of the College.

The College's investment objective is to invest in a prudent manner in order to achieve a long-term rate-of-return sufficient to fund a portion of spending and to increase investment value equal to or above inflation. The College uses a diversified investment approach incorporating multiple asset classes, strategies, and managers. The Trustees' Investment Committee oversees the investments and authorizes major investment decisions.

The Organization's funds share in an investment pool on a unit market value basis. Funds are added to and withdrawn from the pool at the then current unit market value of the pooled assets. The pool is valued monthly.

The Board approves spending distributions from the Organization's funds, with the annual spending rate as approved by the Trustees of the College. The spending policy of the College limits the annual distribution of return to a 5% increase over the preceding annual distribution, within a range of 4.5% to 5.5% of a twelve-quarter average market value. For the years ended June 30, 2024 and 2023, the College elected to distribute 4.80% and 4.95% of the average of the prior twelve-quarter end market values as of December 31, 2022 and 2021, respectively.

College investments are reported at fair value. The values of publicly traded fixed income and equity securities are based on quoted market prices and exchange rates. Fair values of shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. The College's interest in alternative investment funds, which include investments in hedge funds and private equity funds, are generally reported at net asset value or its equivalent (NAV) provided by the fund managers.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

4. INVESTMENTS ON DEPOSIT WITH THE COLLEGE: (CONTINUED)

Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which the ready market exists, and may include stocks, bonds, put or call options, swaps, current hedges and other instruments.

Private equity funds generally employ buyout, venture capital, and debt related strategies, often requiring the estimation of fair values by the fund managers in the absence of readily determinable market values.

NAV is used as a practical expedient to estimate the fair value of the College's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The determination of NAV by the fund managers considers variables such as the financial performance of underlying investments, including comparisons of comparable companies' earnings multiples, cash flow analyses, recent sales prices of investments, and other pertinent information. The estimates of fair values, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

The following schedule summarizes the change in investments on deposit with the College on the statement of financial position at June 30:

	<u>2024</u>	<u>2023</u>
Investments on deposit with the College -		
Beginning of the year	\$ 9,417,421	\$ 9,172,722
Investment results	815,013	589,708
Contributions	61,360	47,496
Spending policy distributions	(418,000)	(392,505)
End of the year	<u>\$ 9,875,794</u>	<u>\$ 9,417,421</u>

The following schedule summarizes the change in investments on deposit with the College on the statement of activities for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Income	\$ 19,715	\$ 6,648
Realized gains (losses), net	222,546	763,857
Unrealized gains (losses), net	691,531	(84,510)
Investment and admin fees	(118,779)	(96,287)
Contributions	61,360	47,496
Change in investments on deposit	<u>\$ 876,373</u>	<u>\$ 637,204</u>

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

4. INVESTMENTS ON DEPOSIT WITH THE COLLEGE: (CONTINUED)

The College investment allocations as of June 30 were:

	<u>2024</u>	<u>2023</u>
Fixed income	6.2%	6.6%
Equity securities	43.1%	41.9%
Hedge funds		
Equity long / short	10.6%	8.6%
Other strategies	12.6%	13.3%
Private equity		
Distressed / inflation hedge	0.0%	1.9%
Buyout	6.9%	6.4%
Other strategies	1.6%	0.0%
Real assets	4.8%	5.0%
Venture capital	13.5%	15.5%
Faculty mortgages	0.3%	0.3%
Unpooled and cash	0.4%	0.5%
College investments at fair value (in thousands)	\$ 1,108,987	\$ 1,044,361
Alumnae Association percentage of ownership (unit shares) in pooled fund	0.8492%	0.9017%

5. RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES:

At June 30, 2024 and 2023 Board designated net assets consisted of the following:

	<u>2024</u>	<u>2023</u>
Investments on deposit with the College		
Founder's Fund	\$ 9,609,552	\$ 9,161,851
Bequest Fund	266,242	255,570
	<u>9,875,794</u>	<u>9,417,421</u>
Distribution carryovers	49,244	89,189
	<u>\$ 9,925,038</u>	<u>\$ 9,506,610</u>

The Board has designated Founder's Fund distributions and carryovers to be primarily used for strategic initiatives and in support of certain operating expenses to further the mission of the Organization. The Board has designated Bequest Fund distributions and carryovers for annual operating expenses to further the mission of the Organization.

ALUMNAE ASSOCIATION OF MOUNT HOLYOKE COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

6. FAIR VALUE MEASUREMENTS:

Assets measured at fair value on a recurring basis were as follows:

Assets at	Total	Level 1	Level 2	Level 3
June 30, 2024				
Investments on deposit with the College	\$ 9,875,794	\$ -	\$ -	\$ 9,875,794
June 30, 2023				
Investments on deposit with the College	\$ 9,417,421	\$ -	\$ -	\$ 9,417,421

The Organization's investments on deposit with the College are stated at fair value using methodologies as discussed in Note 4. The investments on deposit with the College consist of an investment pool in which a large number of individual funds participate in order to benefit from the diversification and economies of scale. The Organization owns an interest in the net assets of the College and not the underlying individual investments (owns a unit of the investment pool). The fair value of its interest is considered a Level 3 input as its value is not supported by observable inputs.

There were no changes in methodologies used at June 30, 2024 and 2023. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes the valuation methods used by the College are appropriate and consistent with others, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the report date.

The following schedule reconciles fair value measurements of the assets using significant unobservable inputs (Level 3) as noted above for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Investments on deposit with the College -		
Beginning of the year	\$ 9,417,421	\$ 9,172,722
Investment results	815,013	589,708
Contributions	61,360	47,496
Distributions (spending policy)	(418,000)	(392,505)
End of the year	\$ <u>9,875,794</u>	\$ <u>9,417,421</u>
Activity included on the statement of activities	\$ 876,373	\$ 637,204

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7. RELATED PARTY TRANSACTIONS:

A Joint Agreement (the “Agreement”) was signed by the Board of the Organization and the Trustees of the College effective November 1, 2017 for a term of ten years. Either party can terminate all or part of the Agreement with a notice period of one year (absent emergency circumstances). The parties shall commence discussions no later than January 2027 regarding any extension, renewal or modification of the Agreement.

As outlined in the Agreement:

- The College funds a significant portion of the Organization’s operating budget to support the Organization’s mission to provide programs and services to the alums of the College. Total support received from the College amounted to \$1,401,749 and \$1,392,080, less committed savings (unspent funds).
- The Association’s financial system was transitioned to the College’s finance department on June 30, 2018, with the College providing financial system support to the Association in exchange for no longer contributing funds to the Association for dedicated financial support.
- All employees of the Organization are College employees who work for the Organization. These employees are on the College payroll, their compensation and benefits are funded through the support from the College and charged to the Organization’s operating budget. The College funds the costs associated with administering the payroll, benefits and administration of human resources at no cost to the Organization.
- Costs typically related to employees such as computer replacements, office equipment (including computers, copiers, printers and office furniture) and office supplies (including printer cartridges) are funded through the support from the College and charged to the Organization’s operating budget.

Various administrative services were provided by the College. The amounts were as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Employee salaries, taxes and benefits	\$ 1,191,199	\$ 1,056,497
Student workers	39,607	37,854
Postage and office services	4,338	5,709
Reunion expenses	327,141	267,757
Rooms and meals	23,393	35,930
Other miscellaneous costs	6,268	10,804
	<u>\$ 1,591,946</u>	<u>\$ 1,414,551</u>

Amounts (due) to or from the College for services provided as of June 30, 2024 and 2023 totaled \$9,556 and \$59,344, respectively.

In addition, the Organization’s offices are located on the campus of the College, in-kind amounts recorded for use of office space totaled \$50,000 for each of the years ended June 30, 2024 and 2023.

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8. CONCENTRATIONS AND FINANCIAL RISK:

Concentrations

The Organization is supported primarily through contributions from the College (see Note 7). The Organization also receives fees from events organized for the alums of the College. Contributions from alums of the College for the Founder's Fund and Bequest Fund are shown as contributions in the change in investments on deposit with the College as non-operating activity on the statement of activities.

Credit risk

The Organization maintains cash balances at a financial institution. The cash account balances are insured by the Federal Deposit Insurance Corporation ("FDIC"). Balances in excess of the FDIC insurance limits are insured by the Depositors Insurance Fund ("DIF"). The Organization has not experienced any losses on its accounts and monitors the creditworthiness of the financial institutions with which it conducts business. Management believes the Organization is not exposed to any significant concentration of credit risk on cash.

The Organization also has investments on deposit with the College (see Note 4). Investments held by the College are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

9. AVAILABILITY AND LIQUIDITY:

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following represents the Organization's financial assets at June 30, 2024:

Financial assets at year end:	
Cash	\$ 542,441
Distribution carryovers	49,244
Investments on deposit with the College	9,875,794
Total financial assets	<u>10,467,479</u>
Less amounts not available to be used within one year:	
Board designated distribution carryovers	49,244
Board designated investments on deposit with the College	9,875,794
Amounts held on behalf of others	43,340
	<u>9,968,378</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>499,101</u>

The Organization regularly monitors liquidity required to meet its operating needs commitments, while also striving to maximize the investment of its available funds. The Organization's investments on deposit with the College is subject to the spending policy as described in Note 2. Although the Organization does not intend to spend from its Board designated funds (other than amounts appropriated for general expenditures as part of the Organization's annual budget approval and appropriation), these amounts could be made available if necessary.