The Trustees of Amherst College
Financial Statements
June 30, 2018
<table>
<thead>
<tr>
<th>Page(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–2</td>
<td>Report of Independent Auditors</td>
</tr>
<tr>
<td>3</td>
<td>Consolidated and Individual Balance Sheet</td>
</tr>
<tr>
<td>4</td>
<td>Statement of Activities - Amherst College</td>
</tr>
<tr>
<td>5</td>
<td>Statement of Activities - Folger Shakespeare Memorial Library</td>
</tr>
<tr>
<td>6</td>
<td>Consolidated Statement of Activities – Total</td>
</tr>
<tr>
<td>7</td>
<td>Consolidated and Individual Statement of Cash Flows</td>
</tr>
<tr>
<td>8–33</td>
<td>Notes to Consolidated Financial Statements</td>
</tr>
</tbody>
</table>
Report of Independent Auditors

To the Board of Trustees of Amherst College

We have audited the accompanying consolidated financial statements of the Trustees of Amherst College and its subsidiary and the individual financial statements of Amherst College and Folger Shakespeare Memorial Library, which comprise the consolidated and individual balance sheets as of June 30, 2018, and the related consolidated and individual statements of activities and of cash flows for the year then ended.

Management's Responsibility for the Consolidated and Individual Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and individual 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 and individual 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 and individual financial statements based on our audit. We conducted our audit 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 and individual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and individual financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated and individual financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company’s preparation and fair presentation of the consolidated and individual 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 Company’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 and individual 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 and individual financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Trustees of Amherst College and its subsidiary and the individual financial positions of Amherst College and Folger Shakespeare Memorial Library as of June 30, 2018, and the consolidated and individual changes in their net assets and their consolidated and individual cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Hartford, Connecticut
October 31, 2018
The Trustees of Amherst College  
Consolidated and Individual Balance Sheet  
June 30, 2018

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amherst College</th>
<th>Folger Shakespeare Memorial Library</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$133,331,447</td>
<td>$8,023,885</td>
<td>$141,355,332</td>
</tr>
<tr>
<td>Short term investments</td>
<td>24,179,340</td>
<td>-</td>
<td>24,179,340</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>8,527,895</td>
<td>2,050,070</td>
<td>10,577,965</td>
</tr>
<tr>
<td>Contributions receivable, net</td>
<td>91,732,841</td>
<td>2,590,823</td>
<td>94,323,664</td>
</tr>
<tr>
<td>Beneficial interest in perpetual trusts</td>
<td>17,667,565</td>
<td>-</td>
<td>17,667,565</td>
</tr>
<tr>
<td>Other assets</td>
<td>4,120,993</td>
<td>1,190,750</td>
<td>5,311,743</td>
</tr>
<tr>
<td>Investments</td>
<td>2,649,766,044</td>
<td>356,799,401</td>
<td>3,006,565,445</td>
</tr>
<tr>
<td>Student loans receivable, net</td>
<td>1,527,168</td>
<td>-</td>
<td>1,527,168</td>
</tr>
<tr>
<td>Property, plant and equipment, net</td>
<td>624,051,622</td>
<td>47,819,063</td>
<td>671,870,685</td>
</tr>
<tr>
<td>Total assets</td>
<td>$3,554,904,915</td>
<td>$418,473,992</td>
<td>$3,973,378,907</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th>Amherst College</th>
<th>Folger Shakespeare Memorial Library</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$18,876,896</td>
<td>$990,566</td>
<td>$19,867,462</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>19,292,884</td>
<td>471,582</td>
<td>19,764,466</td>
</tr>
<tr>
<td>Deferred income and deposits</td>
<td>1,924,134</td>
<td>553,915</td>
<td>2,478,049</td>
</tr>
<tr>
<td>Liability for life income obligations</td>
<td>36,114,680</td>
<td>638,455</td>
<td>36,753,135</td>
</tr>
<tr>
<td>Pension and postretirement benefit obligations</td>
<td>58,389,908</td>
<td>7,274,055</td>
<td>65,663,963</td>
</tr>
<tr>
<td>Bonds payable</td>
<td>478,646,320</td>
<td>-</td>
<td>478,646,320</td>
</tr>
<tr>
<td>Interest rate swap agreement</td>
<td>9,875,892</td>
<td>-</td>
<td>9,875,892</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>3,332,892</td>
<td>182,471</td>
<td>3,515,363</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4,478,123</td>
<td>649,518</td>
<td>5,127,641</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>630,931,729</td>
<td>10,760,562</td>
<td>641,692,291</td>
</tr>
</tbody>
</table>

Net Assets

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Amherst College</th>
<th>Folger Shakespeare Memorial Library</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>1,119,809,538</td>
<td>77,415,578</td>
<td>1,197,225,116</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>1,289,195,669</td>
<td>304,319,113</td>
<td>1,593,514,782</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>514,967,979</td>
<td>25,978,739</td>
<td>540,946,718</td>
</tr>
<tr>
<td>Total net assets</td>
<td>2,923,973,186</td>
<td>407,713,430</td>
<td>3,331,686,616</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$3,554,904,915</td>
<td>$418,473,992</td>
<td>$3,973,378,907</td>
</tr>
</tbody>
</table>
The Trustees of Amherst College  
Statement of Activities - Amherst College  
Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues and other support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student fee revenue</td>
<td>$96,306,083</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Residence and dining hall revenue</td>
<td>24,764,607</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less Amherst College scholarships awarded</td>
<td>(54,170,002)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net student fee revenue</td>
<td>66,900,688</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment distribution</td>
<td>41,819,188</td>
<td>66,329,909</td>
<td>-</td>
</tr>
<tr>
<td>U. S. Government grants</td>
<td>-</td>
<td>2,267,879</td>
<td>-</td>
</tr>
<tr>
<td>Gifts and other grants</td>
<td>24,655,249</td>
<td>60,042,416</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>12,083,187</td>
<td>397,029</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions for operations</td>
<td>138,859,218</td>
<td>(138,859,218)</td>
<td>-</td>
</tr>
<tr>
<td>Total operating revenues and other support</td>
<td>284,317,530</td>
<td>(9,821,985)</td>
<td>-</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction and academic programs</td>
<td>59,667,782</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Academic support</td>
<td>20,754,407</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Student services</td>
<td>33,285,308</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Library</td>
<td>10,816,703</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research and public programs</td>
<td>5,318,561</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutional support</td>
<td>32,727,820</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Academic prizes, fellowships and awards</td>
<td>1,394,313</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary activities</td>
<td>30,607,266</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>8,835,366</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>203,407,526</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in net assets from operations</td>
<td>80,910,004</td>
<td>(9,821,985)</td>
<td>-</td>
</tr>
<tr>
<td>Nonoperating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and change in unrealized gains on investments, and investment income</td>
<td>67,991,088</td>
<td>176,414,941</td>
<td>(297,139)</td>
</tr>
<tr>
<td>Allocation of endowment spending to operations</td>
<td>(41,819,188)</td>
<td>(66,329,909)</td>
<td>-</td>
</tr>
<tr>
<td>Change in net value of life income funds</td>
<td>-</td>
<td>2,337,256</td>
<td>1,262,552</td>
</tr>
<tr>
<td>Unrealized gain and net settlement on interest rate swap</td>
<td>2,416,307</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gifts to life funds, endowment, and plant</td>
<td>1,228,599</td>
<td>1,259,657</td>
<td>14,140,039</td>
</tr>
<tr>
<td>Change in post-retirement benefits, other than periodic benefit cost</td>
<td>4,384,753</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers between net asset categories</td>
<td>-</td>
<td>(900,000)</td>
<td>900,000</td>
</tr>
<tr>
<td>Net assets released from restrictions for nonoperations</td>
<td>2,307,010</td>
<td>(2,307,010)</td>
<td>-</td>
</tr>
<tr>
<td>Total nonoperating activities</td>
<td>36,508,569</td>
<td>110,474,935</td>
<td>16,005,452</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>117,418,573</td>
<td>100,652,950</td>
<td>16,005,452</td>
</tr>
</tbody>
</table>

Net assets  
Beginning of year | $1,002,390,965 | $1,188,542,719 | 498,962,527 | $2,689,896,211 |
End of year | $1,119,809,538 | $1,289,195,669 | $514,967,979 | $2,923,973,186 |

The accompanying notes are an integral part of these consolidated financial statements.
The Trustees of Amherst College  
Statement of Activities - Folger Shakespeare Memorial Library  
Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues and other support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student fee revenue</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Residence and dining hall revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less Amherst College scholarships awarded</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net student fee revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment distribution</td>
<td>10,858,948</td>
<td>4,117,181</td>
<td>-</td>
</tr>
<tr>
<td>U. S. Government grants</td>
<td>-</td>
<td>792,892</td>
<td>-</td>
</tr>
<tr>
<td>Gifts and other grants</td>
<td>1,068,736</td>
<td>3,935,453</td>
<td>386,818</td>
</tr>
<tr>
<td>Other</td>
<td>3,686,059</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions for operations</td>
<td>20,108,632</td>
<td>(20,108,632)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenues and other support</strong></td>
<td>35,722,375</td>
<td>(11,263,106)</td>
<td>386,818</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction and academic programs</td>
<td>3,737,153</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Library</td>
<td>5,856,062</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research and public programs</td>
<td>4,915,501</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutional support</td>
<td>6,290,315</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>20,799,031</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in net assets from operations</td>
<td>14,923,344</td>
<td>(11,263,106)</td>
<td>386,818</td>
</tr>
<tr>
<td><strong>Nonoperating activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and change in unrealized gains on investments, and investment income</td>
<td>185,770</td>
<td>33,872,401</td>
<td>17,112</td>
</tr>
<tr>
<td>Allocation of endowment spending to operations</td>
<td>(10,858,948)</td>
<td>(4,117,181)</td>
<td>-</td>
</tr>
<tr>
<td>Change in net value of life income funds</td>
<td>-</td>
<td>(21,013)</td>
<td>(9,888)</td>
</tr>
<tr>
<td>Gifts to life funds, endowment, and plant</td>
<td>588</td>
<td>5,063,754</td>
<td>315,404</td>
</tr>
<tr>
<td>Change in post-retirement benefits, other than periodic benefit cost</td>
<td>2,225,606</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total nonoperating activities</strong></td>
<td>(8,446,984)</td>
<td>34,797,961</td>
<td>322,628</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>6,476,360</td>
<td>23,534,855</td>
<td>709,446</td>
</tr>
</tbody>
</table>

**Net assets**

- **Beginning of year**: 70,939,218  
  280,784,258  
  25,269,293  
  376,992,769  
- **End of year**: $ 77,415,578 $ 304,319,113 $ 25,978,739 $ 407,713,430

The accompanying notes are an integral part of these consolidated financial statements.
The Trustees of Amherst College  
Consolidated Statement of Activities - Total  
Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
</table>

### Operating revenues and other support

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student fee revenue</td>
<td>96,306,083</td>
<td>-</td>
<td>-</td>
<td>96,306,083</td>
</tr>
<tr>
<td>Residence and dining hall revenue</td>
<td>24,764,607</td>
<td>-</td>
<td>-</td>
<td>24,764,607</td>
</tr>
<tr>
<td>Less Amherst College scholarships awarded</td>
<td>(54,170,002)</td>
<td>-</td>
<td>-</td>
<td>(54,170,002)</td>
</tr>
<tr>
<td>Net student fee revenue</td>
<td>66,900,688</td>
<td>-</td>
<td>-</td>
<td>66,900,688</td>
</tr>
<tr>
<td>Endowment distribution</td>
<td>52,678,136</td>
<td>70,447,090</td>
<td>-</td>
<td>123,125,226</td>
</tr>
<tr>
<td>U.S. Government grants</td>
<td>-</td>
<td>3,060,771</td>
<td>-</td>
<td>3,060,771</td>
</tr>
<tr>
<td>Gifts and other grants</td>
<td>25,723,985</td>
<td>63,977,869</td>
<td>386,818</td>
<td>90,088,672</td>
</tr>
<tr>
<td>Other</td>
<td>15,769,246</td>
<td>397,029</td>
<td>-</td>
<td>16,166,275</td>
</tr>
<tr>
<td>Net assets released from restrictions for operations</td>
<td>158,967,850</td>
<td>(158,967,850)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Operating expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction and academic programs</td>
<td>63,404,935</td>
<td>-</td>
<td>-</td>
<td>63,404,935</td>
</tr>
<tr>
<td>Academic support</td>
<td>20,754,407</td>
<td>-</td>
<td>-</td>
<td>20,754,407</td>
</tr>
<tr>
<td>Student services</td>
<td>33,285,308</td>
<td>-</td>
<td>-</td>
<td>33,285,308</td>
</tr>
<tr>
<td>Library</td>
<td>16,672,765</td>
<td>-</td>
<td>-</td>
<td>16,672,765</td>
</tr>
<tr>
<td>Research and public programs</td>
<td>10,234,062</td>
<td>-</td>
<td>-</td>
<td>10,234,062</td>
</tr>
<tr>
<td>Institutional support</td>
<td>39,018,135</td>
<td>-</td>
<td>-</td>
<td>39,018,135</td>
</tr>
<tr>
<td>Academic prizes, fellowships and awards</td>
<td>1,394,313</td>
<td>-</td>
<td>-</td>
<td>1,394,313</td>
</tr>
<tr>
<td>Auxiliary activities</td>
<td>30,607,266</td>
<td>-</td>
<td>-</td>
<td>30,607,266</td>
</tr>
<tr>
<td>Other</td>
<td>8,835,366</td>
<td>-</td>
<td>-</td>
<td>8,835,366</td>
</tr>
</tbody>
</table>

### Nonoperating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized and change in unrealized gains on investments, and investment income</td>
<td>68,176,858</td>
<td>210,287,342</td>
<td>(280,027)</td>
<td>278,184,173</td>
</tr>
<tr>
<td>Allocation of endowment spending to operations</td>
<td>(52,678,136)</td>
<td>(70,447,090)</td>
<td>-</td>
<td>(123,125,226)</td>
</tr>
<tr>
<td>Change in net value of life income funds</td>
<td>-</td>
<td>2,316,243</td>
<td>1,252,664</td>
<td>3,568,907</td>
</tr>
<tr>
<td>Unrealized gain and net settlement on interest rate swap</td>
<td>2,416,307</td>
<td>-</td>
<td>-</td>
<td>2,416,307</td>
</tr>
<tr>
<td>Gifts to life funds, endowment, and plant</td>
<td>1,229,187</td>
<td>6,323,411</td>
<td>14,455,443</td>
<td>22,008,041</td>
</tr>
<tr>
<td>Change in post-retirement benefits, other than periodic benefit cost</td>
<td>6,610,359</td>
<td>-</td>
<td>-</td>
<td>6,610,359</td>
</tr>
<tr>
<td>Transfers between net asset categories</td>
<td>(900,000)</td>
<td>900,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions for nonoperations</td>
<td>2,307,010</td>
<td>(2,307,010)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total nonoperating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>123,894,933</td>
<td>124,187,805</td>
<td>16,714,898</td>
<td>264,797,636</td>
</tr>
</tbody>
</table>

### Net assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of year</td>
<td>1,073,330,183</td>
<td>1,469,326,977</td>
<td>524,231,820</td>
<td>3,066,888,980</td>
</tr>
<tr>
<td>End of year</td>
<td>$ 1,197,225,116</td>
<td>$ 1,593,514,782</td>
<td>$ 540,946,718</td>
<td>$ 3,331,686,616</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
The Trustees of Amherst College  
Consolidated and Individual Statement of Cash Flows  
Year Ended June 30, 2018

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

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Amherst College</th>
<th>Folger Shakespeare Memorial Library</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in net assets</td>
<td>$234,076,975</td>
<td>$30,720,661</td>
<td>$264,797,636</td>
</tr>
<tr>
<td>Adjustments to reconcile increase in net assets to net cash used in operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>14,679,816</td>
<td>1,037,071</td>
<td>15,716,887</td>
</tr>
<tr>
<td>Realized and unrealized gains on investments</td>
<td>(225,904,722)</td>
<td>(31,850,829)</td>
<td>(257,755,551)</td>
</tr>
<tr>
<td>Unrealized gain on interest rate swap agreement</td>
<td>(3,893,290)</td>
<td>-</td>
<td>(3,893,290)</td>
</tr>
<tr>
<td>Change in beneficial interest in perpetual trusts</td>
<td>(461,810)</td>
<td>-</td>
<td>(461,810)</td>
</tr>
<tr>
<td>Contributions for long term investment</td>
<td>(12,478,344)</td>
<td>(2,805,956)</td>
<td>(15,284,300)</td>
</tr>
<tr>
<td>Change in bond discount and issue costs</td>
<td>200,085</td>
<td>-</td>
<td>200,085</td>
</tr>
<tr>
<td>Increase in assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(3,256,507)</td>
<td>(1,469,880)</td>
<td>(4,726,387)</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>(58,833,624)</td>
<td>(2,571,416)</td>
<td>(61,405,040)</td>
</tr>
<tr>
<td>Other assets</td>
<td>(231,300)</td>
<td>(100,070)</td>
<td>(331,370)</td>
</tr>
<tr>
<td>Increase (decrease) in liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>180,297</td>
<td>406,840</td>
<td>587,137</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>11,667,792</td>
<td>289,532</td>
<td>11,957,324</td>
</tr>
<tr>
<td>Deferred income and deposits</td>
<td>(500,436)</td>
<td>(743,606)</td>
<td>(1,244,042)</td>
</tr>
<tr>
<td>Liability for life income obligations</td>
<td>(893,792)</td>
<td>30,901</td>
<td>(862,891)</td>
</tr>
<tr>
<td>Pension and postretirement benefit obligations</td>
<td>6,217</td>
<td>(1,565,063)</td>
<td>(1,558,846)</td>
</tr>
<tr>
<td>Asset retirement obligations</td>
<td>610,537</td>
<td>6,594</td>
<td>617,131</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>237,777</td>
<td>32,132</td>
<td>269,909</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(44,794,329)</td>
<td>(8,583,089)</td>
<td>(53,377,418)</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | | |
| Purchases of plant and equipment, net | (117,526,746) | (3,607,456)                        | (121,134,202) |
| Net change in student loans receivable | 161,584       | -                                  | 161,584 |
| Purchases of short term investments | (139,420,066) | -                                  | (139,420,066) |
| Proceeds from sales of short term investments | 230,191,408 | -                                  | 230,191,408 |
| Purchases of investments            | (328,766,143) | (44,194,091)                       | (372,960,234) |
| Proceeds from sales and maturities of investments | 429,205,776 | 56,869,187                         | 486,074,963 |
| Net cash provided by investing activities | 73,845,813   | 9,067,640                          | 82,913,453 |

| Cash flows from financing activities | | | |
| Contributions for long term investment | 12,478,344    | 2,805,956                          | 15,284,300 |
| Payments to beneficiaries under split interest agreements | (4,447,570) | (58,673)                           | (4,506,243) |
| Payments on long-term debt            | (20,180,000)  | -                                  | (20,180,000) |
| Net cash (used in) provided by financing activities | (12,149,226) | 2,747,283                          | (9,401,943) |
| Net change in cash and cash equivalents | 16,902,258   | 3,231,834                          | 20,134,092 |

| Cash and cash equivalents | | | |
| Beginning of year | 116,429,189 | 4,792,051 | 121,221,240 |
| End of year | $133,331,447 | $8,023,885 | $141,355,332 |

| Supplemental data | | | |
| Interest and net swap settlements paid | $18,872,154 | - | $18,872,154 |
| Gifts in kind | 705,874 | - | 705,874 |
| Purchases of plant and equipment included in accounts payable | 1,653,796 | 272,555 | 1,926,351 |
| Contributed securities | $7,056,150 | 670,135 | $7,726,285 |

The accompanying notes are an integral part of these consolidated financial statements.
1. Accounting Policies

Organization
The Trustees of Amherst College (the “Institution”) comprises a legal entity and board overseeing the activities of Amherst College (the “College”) and Folger Shakespeare Memorial Library (the “Library”). All entities and activities within the Institution are ultimately governed by the board. The Institution qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

The College is an academically rigorous, residential, full-time, private, nonsectarian institution of higher education committed to the liberal education of young men and women. The Library is a center for advanced research in Shakespeare and the early modern period. It also sponsors a rich and varied season of cultural, educational and academic programs and is the home of The Shakespeare Quarterly publication.

In accordance with the terms of the wills of Henry Clay Folger, class of 1879, and his wife, Emily Jordan Folger, the Institution established the Folger Shakespeare Memorial Library. The original gift to establish the Library provides that 25% of the Folger Fund’s annual investment income up to a maximum of $226,000 is to be distributed for the general operations of the College. The maximum was distributed in fiscal year 2018.

The Institution owns 100% of the common stock of its subsidiary, Amherst Inn Company (the “Inn”). The Inn has been consolidated in the Institution’s consolidated financial statements. For purposes of presentation, the Inn’s activity is included within the Amherst College financial information.

Basis of Presentation
The consolidated financial statements have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and revenues, gains and expenses recognized during the reporting period. Actual results could differ from those estimates.

The Institution’s significant estimates include the fair value of certain of its investments, reserves for contributions, student loans, retirement and postretirement benefit obligations, and its liability for life income obligations.

The classifications of net assets and revenues, expenses, gains, and losses are determined by the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been reported as follows:

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Institution. Generally, the donors of these assets permit the Institution to use all or part of the income earned on these assets. Such assets primarily include the Institution’s permanent endowment funds.
Temporarily Restricted -  Net assets whose use by the Institution is subject to donor-imposed stipulations that can be fulfilled by actions of the Institution or that expire by the passage of time. Realized and unrealized gains and losses on permanently and temporarily restricted donor funds are recorded as temporarily restricted net assets in accordance with Massachusetts law.

Unrestricted -  Net assets that are not subject to donor-imposed stipulations. Net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Contributions are reported as increases in the applicable category of net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in the applicable category of unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Revenues from other sources are generally reported as increases in unrestricted net assets. Expirations of temporary restrictions recognized on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from temporarily restricted net assets to unrestricted net assets. Temporary restrictions on gifts to acquire long lived assets are considered met in the period in which the assets are acquired or placed in service.

Contributions, including unconditional promises to give, are recognized as revenues in the period in which the commitment is received. Contributions received with donor imposed restrictions are reported as permanently or temporarily restricted revenues depending upon the specific restriction. 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 gift. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as contribution revenue. Allowance is made for uncollectible contributions based upon management’s judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors. Grant revenue from exchange contracts is recognized in the period in which the grant expenditures are incurred.

Nonoperating activities include transactions of a capital nature such as realized and changes in unrealized gains and losses on investments to be reinvested by the Institution to generate a return that will support operations, additions or changes in the value of split-interest agreements, contributions to endowment, life income and plant, unrealized gains and net settlement on interest rate swaps, postretirement benefit changes other than net periodic pension cost, transfers between net asset categories, and net assets released from restrictions.
Interpretation of Relevant Law
Absent explicit donor stipulations to the contrary, The Board of Trustees of the Institution has interpreted Massachusetts' Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) statute, which was enacted in July 2009, and related Commonwealth of Massachusetts Attorney General guidance to require the preservation of donor-restricted endowment funds at their fair value measured on the date of the gift. As a result of this interpretation, the Institution classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institution in a manner consistent with the standard of prudence prescribed by UPMIFA.

Investments
The Institution has established a diversified investment portfolio in accordance with the investment strategy determined by the Investment Committee of the Board of Trustees.

Investments are recorded at fair value. The values of publicly traded fixed income and equity securities are based upon quoted market prices at the close of business on the last day of the fiscal year. Investments in units of nonpublicly traded pooled funds are valued at the unit value determined by the fund’s administrator based on quoted market values of the underlying securities. Private equities and certain other nonmarketable securities, including alternative investments, are valued using current estimates of fair value based upon the net asset value of the funds determined by the general partner or investment manager for the respective funds. Because alternative investments are not readily marketable, the estimated fair value is subject to uncertainty and may differ from the value that would have been used had a ready market for the investments existed. Such differences could be material. The Institution’s alternative investments include venture capital funds, private equity funds and investments in real estate and natural resources. These alternative investments represented approximately 35% of the Institution’s investments at June 30, 2018.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities could occur in the near term and that such changes could materially affect investment balances and results included in the consolidated financial statements.

Under the terms of certain limited partnership agreements that represent venture capital, private equity, real estate and natural resources investments, the Institution is obligated to remit additional funding periodically as capital calls are exercised.

Purchases and sales of investments are recorded on the trade date of the transaction. Realized investment gains and losses are recorded based on the average cost method for all investments except where specific identification is required by tax law.
Derivative Financial Instruments
The Institution’s investment policies allow for the use of derivative financial instruments to manage currency exchange and interest rate risks arising from investments in nonderivative assets in proportion to the assets at risk. Such potential instruments consist of forward foreign exchange and interest rate futures contracts entered into as part of the investments of the Institution.

The College utilizes swap agreements to moderate its exposure to interest rate risk on certain bond issuances. (Note 6)

The Institution also has investments which participate directly, or have the option to participate in, derivative financial instruments. These investments represent 27% of the Institution’s total consolidated endowment funds. Derivatives held by fund managers in which the Institution invests pose no off balance sheet risk to the Institution due to the limited liability structure of the investment.

Beneficial Interest in Perpetual Trusts
Beneficial interest in perpetual trusts represent resources neither in the possession of nor under the control of the Institution, but held and administered by outside fiscal agents, with the College deriving income from such funds. The trusts are recorded at their respective fair values, which are reported periodically to us by the outside fiscal agent.

Property, Plant and Equipment
Property, plant and equipment are recorded at cost. The cost of collections at the College are expensed as incurred.

The Institution capitalizes the cost of construction and major improvements to buildings, and purchases of equipment, and library books. Depreciation is calculated on a straight line basis over the estimated useful life of the asset. Purchases for the Library’s collections are recorded at cost. (Note 11)

Cash Equivalents
Cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase. Cash and cash equivalents representing assets of endowment and similar funds and life income funds are included in long-term investments. Cash equivalents are recorded at cost which approximates fair value.

Short Term Investments
Short term investments are comprised of equity securities received as gifts and identified for liquidation by the Institution, as well as funds identified for specific capital projects expected to be liquidated in the short term.

Life Income Obligations
Life income obligations result from annuity and life income agreements which are irrevocable charitable remainder agreements. The assets held for these agreements are reported as part of the Institution’s investments at their fair value. The Institution records contribution revenue for the gift, net of the liability calculated as the present value of the estimated future payments to be made to the beneficiaries. The liability has been determined using discount rates ranging from 1.0% to 6.9% dependent upon the year in which the agreement was entered. The obligation is adjusted during the term of the agreement for changes in the value of the assets, amortization of the discount and other changes in the estimates of future benefits.
Asset Retirement Obligations
An asset retirement obligation (“ARO”) is a legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the Institution records period to period changes in the ARO resulting from the passage of time or revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The Institution reduces the ARO when the related obligations are settled.

Uncertain Tax Positions
The Institution is generally exempt from federal and state income taxes. Management performs an annual review for uncertain tax positions along with any related interest and penalties. Management believes that the Institution has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate, upon the Institution’s balance sheet, or the related statements of activities, or cash flows.

In December 2017, The Tax Cuts and Jobs Act (the “Act”) was enacted. The Act could impact the Institution in several ways, including new excise taxes on executive compensation and net investment income, increases to unrelated business taxable income (“UBTI”) by the amount of certain fringe benefits for which a deduction is not allowed, changes to the net operating loss rules, repeal of the alternative minimum tax, and the computation of UBTI separately for each unrelated trade or business. Further, the Act reduces the US federal corporate tax rate and federal corporate unrelated business income tax rate from 35% to 21%. The overall impact of the Act remains uncertain and the full impact of the Act will not be known until further regulatory guidance is provided to assist the College with calculating income and excise tax liabilities. The College continues to evaluate the impact of tax reform on the organization.

New Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. Under the new guidance, recognition of revenue from customer contracts is a principles-based framework. ASU No. 2014-09 is effective for the fiscal year ended June 30, 2019; the Institution is currently evaluating the impact that its adoption will have on the consolidated financial statements, but does not expect any material impact.

In February 2016, the FASB issued ASU No. 2016-02, “Leases” (Topic 842) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for the fiscal year ended June 30, 2020; the Institution is currently evaluating the impact that its adoption will have on the consolidated financial statements.
In August 2016, the FASB issued ASU No. 2016-14, “Presentation of Consolidated Financial Statements for Not-for-Profit Entities”. Under the new guidance, the existing three-category classification of net assets will be collapsed into two categories: with donor restrictions and without donor restrictions. Endowments that have a current fair value that is less than the original gift amount (underwater) will be classified in net assets with donor restrictions and expanded disclosures will be required. Additional requirements include disclosure of board-designated net assets, expanded reporting to present expenses by function and natural classification and eliminating the disclosure of investment expenses that are netted against investment returns. ASU No. 2016-14 is effective for the fiscal year ended June 30, 2019; the Institution is currently evaluating the impact that its adoption will have on the consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost”. The amendments in this update require that an employer report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the statement of activities separately from the service cost component and outside a subtotal of income from operations. The amendments in this update also allow only the service cost component to be eligible for capitalization when applicable. ASU No. 2017-17 is effective for the fiscal year ended June 30, 2020; the Institution is currently evaluating the impact its adoption will have on the consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made”. This update assists not-for-profit entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and in determining whether a contribution is conditional. ASU No. 2018-18 is effective for the fiscal year ended June 30, 2019; the Institution is currently evaluating the impact its adoption will have on the consolidated financial statements.

### 2. Investments

The Institution records its investments at fair value. Fair value is the amount that would be received when selling an asset or paying to transfer a liability in an orderly transaction between market participants at the measurement date. The degree of judgment utilized in developing those assumptions generally correlate to the level of pricing observability. The availability of observable inputs can vary among financial assets and liabilities.

For investments, fair value is affected by a wide variety of factors including the type of investment, whether the investment is new and not yet established in the market place and other characteristics particular to the investment. The inputs used for valuing investments are not necessarily an indication of the risk associated with investing in those securities.
The Institution’s investments have been categorized based upon a fair value hierarchy comprised of the following three broad levels:

**Level 1** Valuations based on observable inputs that reflect quoted prices in active markets for identical assets and liabilities. Assets and liabilities utilizing Level 1 inputs include exchange traded securities, short term money market funds and actively-traded obligations issued by the U.S. Treasury.

**Level 2** Valuations based upon quoted prices for identical or similar assets or liabilities in markets that are less active or other significant market-based inputs which are observable, either directly or indirectly.

**Level 3** Valuations based on unobservable inputs that are significant to determining an overall fair value measurement. Assets and liabilities utilizing Level 3 inputs include real estate partnerships, private equity investments, and other illiquid securities with little, if any, market activity that is not recorded at Net Asset Value (“NAV”). Valuation of these instruments entails a significant degree of estimation and judgment. The investments of the Institution classified as Level 3 are perpetual trusts where the College has been named a beneficiary, investments described above not at NAV, and certain investments held in custody by TIAA and further disclosed in Note 8.

In accordance with ASU 2015-07, *Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*, the Institution has displayed those investments valued at NAV outside of the leveling table. The Institution has performed due diligence procedures related to these investments to support recognition at fair value as of June 30, 2018.

The comparison of fair value and cost for investments in accordance with the fair value hierarchy was as follows as of June 30, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>NAV</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$81,718,348</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>$81,718,348</td>
</tr>
<tr>
<td>Domestic equities</td>
<td>140,022,539</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>140,022,539</td>
</tr>
<tr>
<td>Global equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>272,066,128</td>
<td>272,066,128</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>356,111,304</td>
<td>356,111,304</td>
</tr>
<tr>
<td>Private equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>686,792,349</td>
<td>686,792,349</td>
</tr>
<tr>
<td>Fixed income</td>
<td>159,245,935</td>
<td>-</td>
<td>-</td>
<td>3,001,881</td>
<td>162,247,816</td>
</tr>
<tr>
<td>Absolute return</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>715,599,878</td>
<td>715,599,878</td>
</tr>
<tr>
<td>Real estate and natural resources</td>
<td>-</td>
<td>-</td>
<td>4,143,526</td>
<td>220,597,434</td>
<td>224,740,960</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,466,722</td>
<td>10,466,722</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>380,986,822</td>
<td>-</td>
<td>4,143,526</td>
<td>2,264,635,696</td>
<td>2,667,433,609</td>
</tr>
<tr>
<td><strong>Beneficial interest in perpetual trusts</strong></td>
<td>-</td>
<td>-</td>
<td>17,667,565</td>
<td>-</td>
<td>17,667,565</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>$380,986,822</td>
<td>$</td>
<td>$21,811,091</td>
<td>$2,264,635,696</td>
<td>$2,667,433,609</td>
</tr>
</tbody>
</table>
As of June 30, 2018, the College had interest rate swaps with a fair value liability of $9,875,892 which were valued using significant other observable inputs (Level 2).

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>NAV</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$ 10,330,656</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 10,330,656</td>
</tr>
<tr>
<td>Domestic equities</td>
<td>18,982,686</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>18,982,686</td>
</tr>
<tr>
<td>Global equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,788,608</td>
<td>36,788,608</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,153,141</td>
<td>48,153,141</td>
</tr>
<tr>
<td>Private equities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>92,867,619</td>
<td>92,867,619</td>
</tr>
<tr>
<td>Fixed income</td>
<td>20,718,733</td>
<td>-</td>
<td>-</td>
<td>405,912</td>
<td>21,124,645</td>
</tr>
<tr>
<td>Absolute return</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>96,762,956</td>
<td>96,762,956</td>
</tr>
<tr>
<td>Real estate and natural resources</td>
<td>-</td>
<td>-</td>
<td>560,285</td>
<td>29,829,048</td>
<td>30,389,333</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,399,757</td>
<td>1,399,757</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$ 50,032,075</td>
<td>-</td>
<td>- $ 560,285</td>
<td>$ 306,207,041</td>
<td>$ 356,799,401</td>
</tr>
</tbody>
</table>

The Institution had no Level 3 investment assets as of June 30, 2017. Transfers into Level 3 during fiscal year 2018 were due to adjustments to NAV resulting from changes in the underlying investments.

The Institution’s investments as of June 30, 2018 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment assets</td>
<td>$ 2,377,537,246</td>
<td>$ 352,920,464</td>
<td>$ 2,730,457,710</td>
</tr>
<tr>
<td>Other assets invested</td>
<td>188,501,111</td>
<td>2,815,030</td>
<td>191,316,141</td>
</tr>
<tr>
<td>Life income assets</td>
<td>83,727,687</td>
<td>1,063,907</td>
<td>84,791,594</td>
</tr>
</tbody>
</table>

The Institution’s major investment categories are comprised of the following:

**Domestic Equities**

The Domestic Equities category includes investments in separate accounts and institutional commingled funds that invest primarily in the equity securities of U.S. domiciled corporations. Fund managers generally hold long portfolio capital assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, free cash flow, profitability, strategic advantage, and corporate management quality. The fair values of the investments in this category are estimated using the NAV per share of the fund, or in the case of the majority of these assets where the securities are directly owned in a separate account, they are recorded at the market value of the underlying securities at the close of business on June 30. Level 1 securities are marketable securities for which there exists readily determinable prices, which usually derive from exchanges or other active markets.
Global Equities
The Global Equities category includes investments in institutional commingled funds that invest primarily in the equity securities of both U.S. domiciled and non-U.S. domiciled corporations. Fund managers generally hold long portfolio capital assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, free cash flow, profitability, strategic advantage, and corporate management quality. The fair values of the investments in this category are estimated using the NAV per share of the funds.

Foreign Equities
The Foreign Equities category includes investments in institutional commingled funds that invest primarily in the equity securities of non-U.S. domiciled corporations. Fund managers generally hold long portfolio capital assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, free cash flow, profitability, strategic advantage, and corporate management quality. The fair values of the investments in this category are estimated using the NAV per share of the funds.

Private Equities
The Private Equities category includes investments in limited partnerships that invest primarily in unlisted, non-public U.S. and non-U.S. domiciled companies. Private Equity includes venture capital (early-stage) and buyout (later-stage) investments. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, uniqueness of market and product, strategic advantage, corporate management quality, financial conditions and financing requirements, and anticipated exit strategies. These investments are generally illiquid, with partnership commitment terms of often at least ten years. The fair values of the investments in this category are estimated using the General Partner’s valuation of investments, generally equal to or based upon the reported capital account or NAV of the underlying investee funds.

Fixed Income
The Fixed Income category includes investments in separate accounts and commingled funds that invest primarily in the debt securities of U.S. domiciled corporations. Fund managers hold long and short portfolio capital assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, duration, convexity, liquidity, credit risk, term structures, and strategic advantage. Liquidity for these funds is provided daily. The fair values of the investments in this category are estimated using the NAV per share of the funds or in the case of the separate accounts where the securities are directly owned, they are recorded at the market value of the underlying securities at the close of business on June 30. Level 1 securities are marketable securities for which there exists readily determinable prices, which usually derive from exchanges or other active markets.

Absolute Return
The Absolute Return category includes investments in commingled funds that invest primarily in the equity, debt, and derivative securities of U.S. and non-U.S. domiciled corporations. Unlisted, non-public assets and/or other alternative asset classes may be held by the funds as well. Fund managers hold long and short portfolio capital assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, free cash flow, profitability, strategic advantage, and corporate management quality. The fund managers may also invest in securities related to interest rates, exchange rates, and privately held assets. The fair values of the investments in this category are estimated using the NAV per share of the funds.
Real Estate and Natural Resources

The Real Estate and Natural Resources category includes investments in limited partnerships that invest primarily in unlisted, non-public U.S. and non-U.S. real estate, timber, and oil and gas, and renewable assets. Underlying investment securities in the funds are selected based upon several criteria, including, but not limited to: absolute and relative valuation, uniqueness of market and product, strategic advantage, corporate management quality, financial conditions and financing requirements, and anticipated exit strategies. Further, the investment office encourages its investment managers to incorporate consistent and thoughtful environmental considerations into their investment processes. Investment managers are aware that sustainability is a key diligence criterion for the Institution. These investments are generally illiquid, with partnership commitment terms of often at least ten years. The fair values of the investments in this category are estimated using the General Partner’s valuation of investments, generally equal to or based upon the reported capital account or NAV of the underlying investee funds.

The unfunded commitment and redemption frequencies of the Institution’s investment categories as of June 30, 2018 were as follows:

<table>
<thead>
<tr>
<th>Investment Strategy</th>
<th>Unfunded Commitment</th>
<th>Notice Period and Redemption Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities</td>
<td>$</td>
<td>No notice period; immediate to annual redemption</td>
</tr>
<tr>
<td>Global equities</td>
<td>8,500,000</td>
<td>10 business days to 30 day notice; between monthly and five year redemption</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>-</td>
<td>6-90 day notice; between monthly and five year redemption</td>
</tr>
<tr>
<td>Private equities</td>
<td>376,637,000</td>
<td>Not redeemable</td>
</tr>
<tr>
<td>Fixed income</td>
<td>33,919,000</td>
<td>No notice period; between immediate and not redeemable</td>
</tr>
<tr>
<td>Absolute return</td>
<td>12,500,000</td>
<td>90 day notice; between annual and five year redemption</td>
</tr>
<tr>
<td>Real estate and natural resources</td>
<td>115,389,000</td>
<td>Not redeemable</td>
</tr>
<tr>
<td></td>
<td>$546,945,000</td>
<td></td>
</tr>
</tbody>
</table>

The investments in domestic equities do not possess a defined liquidation period. These investments can be liquidated as deemed appropriate by the Institution. The Institution is unable to redeem its investments in private equities, real estate and natural resources until the underlying partnerships are dissolved and the funds closed, although the Institution would have the ability to liquidate these partnerships through a negotiated transaction in the secondary market. Investments in private equities, real estate and natural resources have remaining durations from one to fifteen years as of June 30, 2018. Lockup periods on the investment strategies above range from thirty days to five years.

The rollforward of the Level 3 total financial assets for the Institution as of June 30, 2018 is as follows:
Spending Policy and How the Investment Objectives Relate to Spending Policy

The Institution has adopted a spending policy that is calculated as a percentage of the average market value of the endowment for the three previous years. This allows for the smoothing of growth and decline in endowment fair values. Specifically, the formula used to set the amount of annual spending increases the prior year’s distribution by a factor equal to inflation plus the percentage growth in the endowment from prior year capital gifts. This amount is compared to the budgetary needs of the Institution and is increased, if possible, with approval of the Board of Trustees to reflect the use of market growth over time. The calculated amount is also evaluated as a percentage of the endowment’s market value and the growth portion of the formula would be held to a rate at or below inflation if the spending rate were to continue to exceed 5.0% over time. It is expected that over time the rate will range between 3.5% and 5.0% of the average market value of the endowment for the three previous years, higher in years of market decline and lower in years of market growth.

The Institution has adopted investment policies for its endowment assets that seek to ensure that current and future spending requirements are supported, while also preserving the endowment fund in perpetuity. Endowment assets include those assets that have been restricted by the donor or designated by the Trustees and are invested to provide future revenue to support the Institution’s activities. Under the Institution’s investment policy, as approved by the Investment Committee of the Board of Trustees, an asset allocation or strategic policy portfolio is developed based on long-term return, risk and correlation assumptions that seek to balance the need for liquidity, preservation of purchasing power, and risk tolerance. The Institution uses two benchmarks to assess aggregate performance:

- Simple Market Benchmark- serves to help evaluate the value added from asset allocation in creating a well-diversified investment program versus a nondiversified market index. This benchmark consists of: 60% S&P 500 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index.

- Strategic Policy Portfolio Benchmark- serves to help evaluate the impact of manager selection and active management versus passive management. This benchmark is a weighted average return derived from applying the target policy weights of each asset class to the performance of the respective asset class benchmarks.

The Institution expects its endowment funds, over time, to provide an average real rate of return of approximately 3.5% percent annually (or a nominal annual rate of return of approximately 6.0%). The investments in the Institution’s endowment portfolio involve various risks, and actual returns in any given year may vary from this anticipated long-term average annual rate of return.

To satisfy its long-term return objectives, the Institution relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Institution has established a strategic policy portfolio that is diversified across asset classes.

3. Endowment and Similar Funds

Included in unrestricted, temporarily restricted, and permanently restricted net assets are the College’s and Library’s endowment and similar funds and life income funds.
Endowment and similar funds is a commonly used term to refer to the resources that have been restricted by donors or designated by the Trustees that will be invested to provide future revenue to support the Institution’s activities. Included in endowment are funds which were not restricted by the donor and, accordingly, are unrestricted net assets of the Institution.

Included in endowment are the consolidated endowment funds for both the College and the Library and separately invested endowment funds. The fair value of the Amherst College consolidated endowment fund as of June 30, 2018 was $2,376,533,855 with a per share fair value of $26.71 ($25.49 at June 30, 2017). The fair value of the separately invested endowment funds as of June 30, 2018 was approximately $1,003,391. The fair value of the Folger fund as of June 30, 2018 was $352,920,464 with a per share fair value of $40.89 ($38.72 at June 30, 2017). The total endowment shares in the Amherst College consolidated endowment Fund as of June 30, 2018 were 88,979,630. The total endowment shares in the Folger fund as of June 30, 2018 were 8,629,950.

Net assets of life income funds represent the difference between the investment assets of the funds and the estimated liability for the obligation to beneficiaries.

Net assets included the following endowment and similar funds at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COLLEGE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>$ 27,530,856</td>
<td>$ 1,193,421,527</td>
<td>$ 466,976,667</td>
<td>$ 1,687,929,050</td>
</tr>
<tr>
<td>Quasi-endowment</td>
<td>689,608,196</td>
<td>-</td>
<td>-</td>
<td>689,608,196</td>
</tr>
<tr>
<td></td>
<td>$ 717,139,052</td>
<td>$ 1,193,421,527</td>
<td>$ 466,976,667</td>
<td>$ 2,377,537,246</td>
</tr>
<tr>
<td>Life income funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 28,624,700</td>
<td>$ 17,907,723</td>
<td>$ 46,532,423</td>
<td></td>
</tr>
<tr>
<td><strong>LIBRARY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment</td>
<td>$ 3,758,328</td>
<td>$ 297,211,439</td>
<td>$ 25,418,150</td>
<td>$ 326,387,917</td>
</tr>
<tr>
<td>Quasi-endowment</td>
<td>26,532,547</td>
<td>-</td>
<td>-</td>
<td>26,532,547</td>
</tr>
<tr>
<td></td>
<td>$ 30,290,875</td>
<td>$ 297,211,439</td>
<td>$ 25,418,150</td>
<td>$ 352,920,464</td>
</tr>
<tr>
<td>Life income funds</td>
<td>$ -</td>
<td>$ 282,153</td>
<td>$ 143,299</td>
<td>$ 425,452</td>
</tr>
</tbody>
</table>


The activity of the endowment and similar funds net assets for the College and Library for the year ended June 30, 2018 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COLLEGE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$672,096,985</td>
<td>$1,118,613,637</td>
<td>$457,429,879</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized and unrealized appreciation</td>
<td>72,821,259</td>
<td>167,238,147</td>
<td>2,289</td>
</tr>
<tr>
<td>Total investment return</td>
<td>73,463,684</td>
<td>167,238,147</td>
<td>1,129,568</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,228,599</td>
<td>907,482</td>
<td>7,082,116</td>
</tr>
<tr>
<td>Appropriation of endowment return for expenditure</td>
<td>(38,156,080)</td>
<td>(93,337,739)</td>
<td>-</td>
</tr>
<tr>
<td>Other changes</td>
<td>8,505,864</td>
<td>-</td>
<td>1,335,104</td>
</tr>
<tr>
<td><strong>Endowment net assets, end of year</strong></td>
<td>$717,139,052</td>
<td>$1,193,421,527</td>
<td>$466,976,667</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIBRARY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$28,905,445</td>
<td>$279,996,558</td>
<td>$25,124,822</td>
</tr>
<tr>
<td>Investment return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized and unrealized appreciation</td>
<td>2,896,382</td>
<td>33,172,636</td>
<td>-</td>
</tr>
<tr>
<td>Total investment return</td>
<td>2,971,682</td>
<td>33,187,975</td>
<td>-</td>
</tr>
<tr>
<td>Contributions</td>
<td>595</td>
<td>5,250</td>
<td>315,403</td>
</tr>
<tr>
<td>Appropriation of endowment return for expenditure</td>
<td>(1,431,775)</td>
<td>(15,978,275)</td>
<td>-</td>
</tr>
<tr>
<td>Other changes</td>
<td>(155,072)</td>
<td>(69)</td>
<td>(22,075)</td>
</tr>
<tr>
<td><strong>Endowment net assets, end of year</strong></td>
<td>$30,290,875</td>
<td>$297,211,439</td>
<td>$25,418,150</td>
</tr>
</tbody>
</table>
Total Return Distribution on Investments
The Institution adds interest and dividends earned on the College’s investments and the Folger Fund, which represent approximately 99% of the investments of its endowments and similar funds, to the income allocation pools from which returns are distributed to the respective funds at a predetermined, per share rate set annually by the Board of Trustees. The Institution’s spending is determined on a total return basis. The total amount distributed for spending in 2018 was $113,103,100 for the College and $15,066,768 for the Library. In addition, investment manager fees and expenses, which include the general partners’ share of gains in limited partnerships, were distributed from this pool and were $36,358,086 for the College and $4,532,728 for the Library. Interest and dividend income earned in 2018 by the Funds was $17,967,367 and $2,189,446 for the College and Library, respectively. The amount distributed in excess of interest and dividend income earned was provided by transferring realized gains from the Institution’s investment pools of $131,493,819 for the College and $17,410,050 for the Library.

In accordance with UPMIFA statutes, the Institution considers the following factors in making a determination to appropriate or accumulate endowment funds:

1. The duration of the fund
2. The purpose of the Institution and 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 Institution
7. The investment policies of the Institution

4. Contributions

Contributions receivable, net, are summarized as follows at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unconditional promises expected to be collected within</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One year</td>
<td>$17,003,109</td>
<td>$561,351</td>
</tr>
<tr>
<td>Two to five years</td>
<td>56,020,961</td>
<td>2,115,507</td>
</tr>
<tr>
<td>Over five years</td>
<td>26,383,104</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>99,407,174</strong></td>
<td><strong>2,706,858</strong></td>
</tr>
<tr>
<td>Less: Unamortized discount and allowance for uncollectible accounts</td>
<td>(7,674,333)</td>
<td>(116,035)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$91,732,841</strong></td>
<td><strong>$2,590,823</strong></td>
</tr>
</tbody>
</table>
At June 30, 2018 the College had also received conditional promises to give of $55,289,000. These conditional promises will not be recognized as assets until the conditions are substantially met. They are generally restricted for specific purposes stipulated by donors, primarily endowments for faculty support, scholarships, buildings and improvements or general operating support.

5. Property, Plant and Equipment

Property, plant and equipment as of June 30, 2018 consisted of the following:

<table>
<thead>
<tr>
<th>Useful Life</th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>-</td>
<td>$8,552,404</td>
</tr>
<tr>
<td>Land improvements</td>
<td>10</td>
<td>26,994,189</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>50</td>
<td>529,156,655</td>
</tr>
<tr>
<td>Faculty residences</td>
<td>30</td>
<td>14,821,740</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-10</td>
<td>70,591,201</td>
</tr>
<tr>
<td>Library books</td>
<td>10</td>
<td>33,079,423</td>
</tr>
<tr>
<td>Folger collection</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>683,195,612</td>
</tr>
</tbody>
</table>

Less: Accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>(271,101,660)</td>
<td>(19,544,349)</td>
<td></td>
</tr>
<tr>
<td>412,093,952</td>
<td>45,605,871</td>
<td></td>
</tr>
<tr>
<td>211,957,670</td>
<td>2,213,192</td>
<td></td>
</tr>
</tbody>
</table>

$624,051,622 $47,819,063

In fiscal year 2018 depreciation of these assets amounted to $14,679,816 for the College and $1,037,071 for the Library.

The College opened a new science center in the late summer of 2018. This, along with a greenway landscape project surrounding it, is in accordance with the construction schedule set in June 2016.

6. Bonds Payable

The Institution has financed the cost of constructing and renovating various College facilities through the issuance of Massachusetts Development Finance Agency (the "Agency" or "MDFA") bonds. The Institution issued taxable bonds in fiscal year 2009 for working capital and other eligible purposes and in fiscal years 2013 and 2016 issued taxable bonds to finance certain capital projects and other eligible purposes.
The College’s fiscal year 2018 debt service and bonds payable as of June 30, 2018 were as follows:

<table>
<thead>
<tr>
<th>MDFA Series/Taxable Bonds</th>
<th>Final Year of Maturity</th>
<th>2018 Debt Service</th>
<th>Bonds Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>H</td>
<td>2033</td>
<td>$15,414,950</td>
<td>$24,425,000</td>
</tr>
<tr>
<td>I</td>
<td>2028</td>
<td>2,357,855</td>
<td>23,400,000</td>
</tr>
<tr>
<td>J-1</td>
<td>2035</td>
<td>323,285</td>
<td>30,000,000</td>
</tr>
<tr>
<td>J-2</td>
<td>2035</td>
<td>201,200</td>
<td>20,000,000</td>
</tr>
<tr>
<td>K-1</td>
<td>2021</td>
<td>720,917</td>
<td>2,650,000</td>
</tr>
<tr>
<td>K-2</td>
<td>2038</td>
<td>714,358</td>
<td>45,670,000</td>
</tr>
<tr>
<td>Taxable Bonds, Series 2009A</td>
<td>2039</td>
<td>5,875,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Taxable Bonds, Series 2012A</td>
<td>2042</td>
<td>5,406,837</td>
<td>88,140,000</td>
</tr>
<tr>
<td>Taxable Bonds, Series 2015</td>
<td>2045</td>
<td>6,150,000</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Less bond discounts/issue costs</td>
<td></td>
<td>(5,638,680)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>$37,164,402</strong></td>
<td><strong>$478,646,320</strong></td>
</tr>
</tbody>
</table>

The Series H bonds are a variable rate issue and a general obligation of the College. The average interest rate during fiscal year 2018 was 1.41%. The bonds are subject to optional redemption at par plus accrued interest at the option of the College.

The Series I bonds are a variable rate issue and a general obligation of the College. The average interest rate for fiscal year 2018 was 1.08% and the interest rate at June 30, 2018 was 1.44%. The bonds are subject to optional redemption at par plus accrued interest at the option of the College.

The Series J bonds are a variable rate issue and a general obligation of the College. The interest rate on the issue averaged 1.08% for the Series J-1 bonds and 1.01% for the Series J-2 bonds for the fiscal year 2018. The interest rate was 1.41% for the Series J-1 bonds and 1.52% for the Series J-2 bonds at June 30, 2018. The bonds are subject to optional redemption at par plus accrued interest at the option of the College.

The Series K-1 bonds were issued at a fixed rate and are a general obligation of the College. The average interest rate on the issue was 4.06% for the year ended June 30, 2018. The Series K-2 bonds are a variable rate issue and a general obligation of the College. The interest rate during fiscal year 2018 was 1.41%. The proceeds were used for capital projects. The Series K-1 bonds maturing on or after November 1, 2018 are subject to optional redemption after that date, at the option of the Agency with the written consent of the College or at the written direction of the College. The Series K-2 bonds are not subject to optional redemption.

The Series 2009A taxable bonds were issued at a fixed rate of 5.875% and are a general obligation of the College. The proceeds of the bonds were used by the College for the payment of the issuance costs, working capital, and other eligible expenses. The bonds are subject to optional redemption at the discretion of the College with a make-whole provision.

The Series 2012A taxable bonds outstanding during fiscal year 2018 were issued at rates fixed between 1.115% and 3.794% and are a general obligation of the College. The proceeds of the bonds were used by the College for the payment of the issuance costs, certain capital projects, and other eligible expenses. The bonds are subject to optional redemption at the discretion of the College with a make-whole provision.
The Series 2015 taxable bonds were issued at a fixed rate of 4.10% and are a general obligation of the College. The proceeds of the bonds were used by the College for the payment of the issuance costs, certain capital projects, and other eligible expenses. The bonds are subject to optional redemption at the discretion of the College with a make-whole provision.

In connection with the issuance of the Series I and Series J bonds, the College entered into interest rate swap agreements to moderate its exposure to interest rate changes. The swaps were not designated as cash flow hedges for the bonds. The interest rate swap agreements effectively change the interest rate exposure on the issues from a variable rate to a fixed rate of 3.07% for Series I and 3.13% for Series J. The interest rate swap agreements have a notional amount of $73,400,000 as of June 30, 2018 and termination date equal to the maturity date of the respective bonds. On June 30, 2018, the fair value of the interest rate swap agreements was a liability of $9,875,892, which is a Level 2 fair value measurement. The net change in the fair value of the liability from the prior year balance and the net settlements was $2,416,307 for the year ended June 30, 2018.

The principal payments on all of the Institution’s bonds for the fiscal years 2019 through 2023 is $5,275,000; $5,605,000; $5,245,000; $5,480,000; and $5,005,000, respectively. The combined principal payments thereafter approximates $457,675,000.

The Series H, I, J and K-2 bonds are subject to tender by bondholders. As of June 30, 2018, the Series J-2 bonds are set to remarket in a daily mode, the Series I and J-1 bonds set in a weekly mode and Series H and K-2 in a term mode until December 2022 and November 2021, respectively. If these bonds had been fully tendered as of June 30, 2018, or on their next remarketing date, the principal payments for fiscal years 2019 through 2023 would have been approximately, $122,100,000; $3,300,000; $3,000,000; $3,300,000 and $27,050,000, respectively. The principal payments thereafter would have approximated $325,500,000. The College has not experienced a failed remarketing of its bonds.

7. **Lines of Credit**

The College has uncollateralized bank lines of credit for purposes of repurchasing its outstanding bonds if they are unable to be remarketed as of June 30, 2018 as follows:

<table>
<thead>
<tr>
<th>Available Borrowing Capacity</th>
<th>Balance Outstanding</th>
<th>Interest Rate</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000,000</td>
<td>$</td>
<td>Greater of Prime + 1.5%, Federal Funds Rate+ 3.0%, or 7.5%</td>
<td>June 29, 2019</td>
</tr>
</tbody>
</table>

The College has uncollateralized bank lines of credit for operational purposes as of June 30, 2018 as follows:

<table>
<thead>
<tr>
<th>Available Borrowing Capacity</th>
<th>Balance Outstanding</th>
<th>Interest Rate</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$37,500,000</td>
<td>$</td>
<td>LIBOR plus 0.25%</td>
<td>September 1, 2019</td>
</tr>
<tr>
<td>37,500,000</td>
<td>$</td>
<td>LIBOR plus 0.25%</td>
<td>November 30, 2018</td>
</tr>
<tr>
<td>25,000,000</td>
<td>$</td>
<td>LIBOR plus 0.25%</td>
<td>February 25, 2019</td>
</tr>
</tbody>
</table>
8. Pension Benefits

The Institution has defined contribution pension plans administered by TIAA for faculty, administrative and staff employees of the College, and for Library administrative and staff employees. Eligibility for the plans begins following two years of employment for individuals, unless they were previously enrolled in a qualifying plan, or had qualifying service in another institution within six months of employment with the College or Library, in which case they would be immediately eligible. Contributions to the plans, based on a percentage of salaries, were $7,416,929 for the College and $588,192 for the Library for the year ended June 30, 2018.

The Institution has maintained a TIAA noncontributory, defined benefit pension plan for College staff employees who, prior to July 1, 1994, were not covered by the defined contribution plan, were at least twenty-one years of age, and had completed one year of service. All participants in this plan are fully vested as of June 30, 2018. Retirement benefits are calculated based on a percentage of final three-year average salary times the participant’s years of service with a minimum benefit payable equal to $50 per year times the number of years of credited service. Years of service for purposes of calculating the benefit accrual were frozen on June 30, 1994, when all active College employees began participating in the defined contribution plan. The defined benefit plan continues to provide prior service benefits for participants active at July 1, 1994, and supplemental benefits to certain long-term employees whose retirement benefit would have been negatively affected by the change.

The Institution has a TIAA noncontributory, defined benefit pension plan for Library employees who are not covered by the defined contribution plan, who are at least twenty-one years of age, and who have completed one year of service. An employee is fully vested after five years of participation in the plan. Retirement benefits are calculated based on a percentage of final three-year average salary times the participant’s years of service with a minimum benefit payable equal to $50 per year times the number of years of credited service. Effective July 1, 2013, the Library Plan was amended to close the Plan to new participants, discontinue service accruals for participants less than the age of forty, and to determine the amount of offset attributable to participation in the defined contribution plan as the earlier of the employee’s termination or retirement date.

For those who have participated in the defined contribution plans, benefits purchased by employer contributions will reduce the benefits from these defined benefit plans. This defined contribution offset benefit is the annual single life annuity retirement benefit commencing at the normal retirement date which is the actuarial equivalent of the defined contribution account balance using the applicable mortality and interest rates under the Internal Revenue Code.

The Institution contributes to each defined benefit pension plan an amount equal to the required minimum plan contribution as of the beginning of the plan year with interest to the date of payment. The Institution contributed $163,463 and $142,573 to the College’s and Library’s plans, respectively.

The accumulated benefit obligation at June 30, 2018 was approximately $24,180,000 and $3,100,000 for the College Plan and Library Plan, respectively. Net actuarial loss amortization of $164,176 is expected to be recognized in fiscal year 2019 for the College Plan. Amortization of prior service cost of $5,391 is expected to be recognized in fiscal year 2019 for the Library Plan.
The following were the components of net periodic pension cost for the defined benefit pension plans for the fiscal year ended June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$741</td>
<td>$83,901</td>
</tr>
<tr>
<td>Interest cost</td>
<td>912,500</td>
<td>159,990</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(1,415,939)</td>
<td>(168,530)</td>
</tr>
<tr>
<td>Amortization of unrecognized prior service cost</td>
<td>-</td>
<td>(5,391)</td>
</tr>
<tr>
<td>Amortization of net actuarial loss</td>
<td>566,174</td>
<td>53,171</td>
</tr>
<tr>
<td><strong>Net periodic pension cost</strong></td>
<td><strong>$63,476</strong></td>
<td><strong>$123,141</strong></td>
</tr>
</tbody>
</table>

The following is a summary of the projected benefit obligation, plan assets, and funded status of the defined pension plans as of June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in projected benefit obligation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected benefit obligation, June 30, 2017</td>
<td>$26,715,141</td>
<td>$4,276,183</td>
</tr>
<tr>
<td>Decrease due to benefits paid</td>
<td>(1,424,234)</td>
<td>(145,239)</td>
</tr>
<tr>
<td>Increase due to employee service</td>
<td>741</td>
<td>83,901</td>
</tr>
<tr>
<td>Increase due to accrual of interest</td>
<td>912,500</td>
<td>159,990</td>
</tr>
<tr>
<td>Decrease due to changes in actuarial assumptions and other sources</td>
<td>(1,241,919)</td>
<td>(742,990)</td>
</tr>
<tr>
<td><strong>Projected benefit obligation, June 30, 2018</strong></td>
<td><strong>$24,962,229</strong></td>
<td><strong>$3,631,845</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in plan assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets, June 30, 2017</td>
<td>$19,595,824</td>
<td>$2,275,743</td>
</tr>
<tr>
<td>Actual return</td>
<td>2,025,131</td>
<td>213,626</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>163,463</td>
<td>142,573</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(1,424,234)</td>
<td>(145,239)</td>
</tr>
<tr>
<td>Change in surrender charge</td>
<td>35,303</td>
<td>(1,315)</td>
</tr>
<tr>
<td><strong>Fair value of plan assets, June 30, 2018</strong></td>
<td><strong>$20,395,487</strong></td>
<td><strong>$2,485,388</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funded status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>(24,962,229)</td>
<td>(3,631,845)</td>
</tr>
<tr>
<td>Fair value of assets</td>
<td>20,395,487</td>
<td>2,485,388</td>
</tr>
<tr>
<td><strong>Funded status</strong></td>
<td><strong>$ (4,566,742)</strong></td>
<td><strong>$ (1,146,457)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative net actuarial loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative net actuarial loss, June 30, 2017</td>
<td>$5,868,195</td>
<td>$784,811</td>
</tr>
<tr>
<td>Amortization</td>
<td>(566,174)</td>
<td>(53,171)</td>
</tr>
<tr>
<td>Net gain</td>
<td>(1,886,414)</td>
<td>(786,771)</td>
</tr>
<tr>
<td><strong>Cumulative net actuarial loss (gain), June 30, 2018</strong></td>
<td><strong>$3,415,607</strong></td>
<td><strong>$ (55,131)</strong></td>
</tr>
</tbody>
</table>
Defined benefit plan assets consist of Deposit Administration Group Annuity Contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund.

The discount rates used in determining benefit obligations as of June 30, 2018 were 3.94% for the College Employee Plan and 4.09% for the Library Employee Plan. The rate of compensation increase used in determining benefit obligations and the net periodic pension cost was 3.00% for both plans. The discount rates used in determining the net periodic pension cost were 3.52% for the College Employee Plan and 3.78% for the Library Employee Plan. The long-term expected rate of return was 7.50% for both plans.

The expected long-term rate of return on plan assets is determined by reviewing historical returns, taking into account current asset diversification between equity and fixed income investments. Current market factors such as inflation and interest rates are evaluated. The asset allocations at June 30, 2018 of the defined benefit plans were as follows:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>$ 17,281,153</td>
<td>$ 1,665,404</td>
</tr>
<tr>
<td>Fixed income</td>
<td>3,114,334</td>
<td>819,984</td>
</tr>
<tr>
<td></td>
<td>$ 20,395,487</td>
<td>$ 2,485,388</td>
</tr>
</tbody>
</table>

The defined benefit plans’ assets are valued using the same fair value hierarchy as the Institution’s investments as described in Note 2, Investments.

The following table summarizes the Institution’s fair values of investments by major type held by the defined benefit plans at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>$</td>
<td>$ 17,281,153</td>
<td>$</td>
<td>$ 17,281,153</td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>-</td>
<td>3,114,334</td>
<td>3,114,334</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$ 17,281,153</td>
<td>$ 3,114,334</td>
<td>$ 20,395,487</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>$</td>
<td>$ 1,665,404</td>
<td>$</td>
<td>$ 1,665,404</td>
</tr>
<tr>
<td>Fixed income</td>
<td>-</td>
<td>-</td>
<td>819,984</td>
<td>819,984</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$ 1,665,404</td>
<td>$ 819,984</td>
<td>$ 2,485,388</td>
</tr>
</tbody>
</table>
The reconciliation of Level 3 total investments for the defined benefit plans as of June 30, 2018 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$ 4,115,662</td>
<td>$ 768,902</td>
<td>$ 4,884,564</td>
</tr>
<tr>
<td>Interest income</td>
<td>291,232</td>
<td>145,239</td>
<td>436,471</td>
</tr>
<tr>
<td>Sales, net</td>
<td>(1,292,560)</td>
<td>(94,157)</td>
<td>(1,386,717)</td>
</tr>
<tr>
<td></td>
<td>$ 3,114,334</td>
<td>$ 819,984</td>
<td>$ 3,934,318</td>
</tr>
</tbody>
</table>

The equity securities account seeks a favorable long-term return through both appreciation of capital and investment income by investing primarily in a broadly diversified portfolio of common stocks. The account is divided into three segments. One segment is designed to track U.S. equity markets and invests in the Russell 3000 Index. Another segment contains stocks that are selected for their investment potential and the third segment invests in foreign stocks and other equity securities.

The fixed income account guarantees both principal and a specified interest rate. The account seeks to achieve the highest rate of return over long periods of time, within reasonable risk measures. Investments are held in funds which invest in publicly traded bonds, loans to business and industry, commercial mortgages and income producing real estate.

The Institution expects the 2019 contribution to be reasonably consistent with the current year. The following benefit payments, which reflect expected future service, are expected to be paid:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 1,612,000</td>
<td>$ 152,000</td>
</tr>
<tr>
<td>2020</td>
<td>1,541,000</td>
<td>169,000</td>
</tr>
<tr>
<td>2021</td>
<td>1,575,000</td>
<td>182,000</td>
</tr>
<tr>
<td>2022</td>
<td>1,587,000</td>
<td>197,000</td>
</tr>
<tr>
<td>2023</td>
<td>1,635,000</td>
<td>196,000</td>
</tr>
<tr>
<td>2024-2028</td>
<td>8,255,000</td>
<td>1,062,000</td>
</tr>
<tr>
<td></td>
<td>$ 16,205,000</td>
<td>$ 1,958,000</td>
</tr>
</tbody>
</table>

The Institution offers a phased retirement program to faculty of the College. Faculty members may enter the program at any time between age 60 and 65. Upon entering the program, faculty members receive a reduced salary. Participants also receive stipends for part-time work which they can continue until age 70 when they fully retire. The Institution has recorded a liability for this program of approximately $1,300,000 as of June 30, 2018. This program is funded on a cash basis as benefits are paid.
9. Other Postretirement Benefits

The Institution provides a defined benefit health insurance plan to eligible College employees employed before July 1, 2003 who have met certain age and service criteria. The Institution also provides a defined benefit health insurance plan to eligible Library employees and their dependents who have met certain age and service criteria. The Institution funds these plans on a cash basis as benefits are paid.

The Institution provides a defined contribution health program for the College employees that do not qualify for the defined benefit plan described above. Under this plan, each year eligible participants (regular, benefited employees) are entitled to a contribution based on 66.7% of the College's Medicare supplemental insurance cost and interest that is credited to a notional account. Eligibility for contributions begins at age 40 for a maximum of 25 years and vesting requires 10 years of service after the age of 40 and attainment of age 62 when retiring from the College.

As of June 30, 2018 a $52,558,554 and $6,127,598 postretirement benefit obligation liability is recorded for the College and Library, respectively.

The components of net periodic postretirement benefit cost for the Institution's plans as of June 30, 2018 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$1,385,841</td>
<td>$235,177</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,997,177</td>
<td>234,917</td>
</tr>
<tr>
<td>Amortization of actuarial loss</td>
<td>1,119,323</td>
<td>67,308</td>
</tr>
<tr>
<td><strong>Net periodic postretirement benefit cost</strong></td>
<td><strong>$4,502,341</strong></td>
<td><strong>$537,402</strong></td>
</tr>
</tbody>
</table>
The following provides a reconciliation of the accumulated benefit obligation, plan assets and funded status of the plans:

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in accumulated postretirement benefit obligation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit obligation, June 30, 2017</td>
<td>$49,999,762</td>
<td>$6,838,678</td>
</tr>
<tr>
<td>Service cost</td>
<td>1,385,841</td>
<td>235,177</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,997,177</td>
<td>234,917</td>
</tr>
<tr>
<td>Medicare Part D subsidy</td>
<td>121,121</td>
<td></td>
</tr>
<tr>
<td>Plan participants' contributions</td>
<td>342,166</td>
<td>14,934</td>
</tr>
<tr>
<td>Actuarial loss (gain), net</td>
<td>997,609</td>
<td>(1,013,718)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(2,285,122)</td>
<td>(182,390)</td>
</tr>
<tr>
<td><strong>Projected benefit obligation, June 30, 2018</strong></td>
<td>$52,558,554</td>
<td>$6,127,598</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in plan assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of plan assets, June 30, 2017</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Employer contribution</td>
<td>1,821,835</td>
<td>167,456</td>
</tr>
<tr>
<td>Plan participants' contributions</td>
<td>342,166</td>
<td>14,934</td>
</tr>
<tr>
<td>Medicare Part D subsidy</td>
<td>121,121</td>
<td></td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(2,285,122)</td>
<td>(182,390)</td>
</tr>
<tr>
<td><strong>Fair value of plan assets, June 30, 2018</strong></td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funded status:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirees and dependents</td>
<td>$ (25,826,293)</td>
<td>$ (2,348,535)</td>
</tr>
<tr>
<td>Actives fully eligible</td>
<td>(2,023,801)</td>
<td>(891,867)</td>
</tr>
<tr>
<td>Actives not fully eligible</td>
<td>(24,708,460)</td>
<td>(2,887,196)</td>
</tr>
<tr>
<td><strong>Accumulated post retirement benefit obligation</strong></td>
<td>(52,558,554)</td>
<td>(6,127,598)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>College Employee Plan</th>
<th>Library Employee Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funded status</strong></td>
<td>$ (52,558,554)</td>
<td>$ (6,127,598)</td>
</tr>
</tbody>
</table>

As of June 30, 2018 the College Plan had a cumulative net actuarial loss of $11,043,770. The Library Plan had a cumulative net actuarial loss of $1,078,221. In fiscal year 2019 the College and Library have an expected amortization from unrestricted net assets into net periodic benefit of $648,869 and $35,613, respectively.

Included in actuarial gains, net for the College Plan and Library Plan are gains from assumption changes in the discount rate amounting to approximately $2,466,000 and $295,000, respectively, and other factors including a mortality gain of $869,000 and $101,000, respectively.

The discount rate used in determining the accumulated postretirement benefit obligation as of June 30, 2018 for the College Plan was 4.05% compared to 3.72% at June 30, 2017. The discount rate for the Library Plan was 4.10% as of June 30, 2018 compared to 3.83% as of June 30, 2017.
The Trustees of Amherst College  
Notes to Consolidated Financial Statements  
June 30, 2018

The assumed health care cost trend rate used in measuring the Amherst Plan’s accumulated postretirement benefit obligation for participants not yet Medicare eligible was 6.00% and the Folger Plan trend rate was 7.00%. A trend rate of 5.0% was used for participants who are Medicare eligible in both Plans. The ultimate trend rate for both plans declines gradually to 5.00% in 2020 for the Amherst Plan and 2019 for the Folger Plan. The discount rate used in determining the net periodic postretirement benefit cost for the fiscal year ending June 30, 2018, which is determined as of July 1, 2017, was 3.72% for the College Plan and 3.83% for the Library Plan.

Following is the effect of a change in the trend rates at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College Plan</th>
<th>Library Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of 1% increase in health care cost trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest cost plus service cost</td>
<td>$ 460,446</td>
<td>$ 104,512</td>
</tr>
<tr>
<td>Accumulated postretirement benefit obligation</td>
<td>7,562,981</td>
<td>1,194,435</td>
</tr>
<tr>
<td>Impact of 1% decrease in health care cost trend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest cost plus service cost</td>
<td>(369,514)</td>
<td>(78,718)</td>
</tr>
<tr>
<td>Accumulated postretirement benefit obligation</td>
<td>(6,183,509)</td>
<td>(935,891)</td>
</tr>
</tbody>
</table>

The following benefit payments, which reflect expected future service, are expected to be paid by the Institution:

<table>
<thead>
<tr>
<th></th>
<th>College Plan</th>
<th>Library Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$ 2,362,000</td>
<td>$ 178,000</td>
</tr>
<tr>
<td>2020</td>
<td>2,387,000</td>
<td>193,000</td>
</tr>
<tr>
<td>2021</td>
<td>2,522,000</td>
<td>205,000</td>
</tr>
<tr>
<td>2022</td>
<td>2,626,000</td>
<td>219,000</td>
</tr>
<tr>
<td>2023</td>
<td>2,763,000</td>
<td>227,000</td>
</tr>
<tr>
<td>2024-2028</td>
<td>15,389,000</td>
<td>1,475,000</td>
</tr>
<tr>
<td></td>
<td>$ 28,049,000</td>
<td>$ 2,497,000</td>
</tr>
</tbody>
</table>
10. Temporarily and Permanently Restricted Net assets

Temporarily restricted net assets were available for the following purposes at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$ 55,815,545</td>
<td>$ 4,251,767</td>
</tr>
<tr>
<td>Student loans</td>
<td>4,071,759</td>
<td>-</td>
</tr>
<tr>
<td>Life income funds</td>
<td>28,624,700</td>
<td>383,823</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>7,047,500</td>
<td>2,472,084</td>
</tr>
<tr>
<td>Realized and unrealized gains</td>
<td>1,193,421,527</td>
<td>297,211,439</td>
</tr>
<tr>
<td>distribution under the limits</td>
<td>214,638</td>
<td>-</td>
</tr>
<tr>
<td>of total return policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>$ 1,289,195,669</strong></td>
<td><strong>$ 304,319,113</strong></td>
</tr>
</tbody>
</table>

Temporarily restricted net assets released from restrictions during the year for the Institution’s activities were used for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$ 70,256,607</td>
<td>$ 6,172,910</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>1,604,207</td>
<td>-</td>
</tr>
<tr>
<td>General</td>
<td>69,305,414</td>
<td>13,935,722</td>
</tr>
<tr>
<td></td>
<td><strong>$ 141,166,228</strong></td>
<td><strong>$ 20,108,632</strong></td>
</tr>
</tbody>
</table>

Permanently restricted net assets are summarized as follows at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>College</th>
<th>Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent endowment</td>
<td>$ 466,976,667</td>
<td>$ 25,418,150</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>12,416,024</td>
<td>408,893</td>
</tr>
<tr>
<td>Life income funds</td>
<td>17,907,723</td>
<td>151,696</td>
</tr>
<tr>
<td>Beneficial interest in perpetual trusts</td>
<td>17,667,565</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>$ 514,967,979</strong></td>
<td><strong>$ 25,978,739</strong></td>
</tr>
</tbody>
</table>

11. Collections

The Folger Shakespeare Memorial Library holds the largest and most complete collection of Shakespeareana in the world and the largest collection of English printed books from 1475 to 1640 outside of England, as well as extensive Continental Renaissance holdings. The collection includes books, manuscripts, documents, paintings, illustrations, tapestries, furnishings, musical instruments, scores, and curios from the Renaissance and theater history.

The Emily Dickinson Museum consists of two historic houses, and their contents, in the center of Amherst, Massachusetts, closely associated with the poet Emily Dickinson and members of her family during the nineteenth and early twentieth centuries.
The Mead Art Museum creates innovative and rigorous exhibitions from its diverse collection of 19,500 works including American art, Russian modernist art, French art, British portraiture, African art, Japanese art, 19th and 20th century photography, and master and modern prints and drawings. Over 150 Amherst College classes visit the Mead’s two study rooms annually to learn from original works of art.

The Beneski Museum of Natural History houses research collections of vertebrate and invertebrate paleontology, minerals, anthropology and modern vertebrates, as well as numerous exhibits which illustrate the evolution and ecology of major groups of animals.

The College and the Library maintain policies and procedures addressing the collections’ upkeep as well as other aspects of their management, including accession and deaccession policies.

12. Subsequent Events

Management has evaluated subsequent events through October 31, 2018 which is the date the consolidated financial statements were issued. Management is not aware of any other subsequent events that would have a material impact on the June 30, 2018 consolidated financial statements.