AFFORDABILITY AND DISTINCTION THROUGH GROWTH

STRATEGIC DIRECTION ANNUAL REPORT MAY 2019

AFFORDABILITY AND DISTINCTION THROUGH GROWTH

LAFAYETTE

TO THE BOARD OF TRUSTEES AND THE COLLEGE COMMUNITY

This marks the third year in which we have presented a report to the Board on the progress of our Affordability and Distinction through Growth initiative. We are pleased to share this report with the community as well.

We are at an important inflection point in Lafayette's trajectory. Our strategic direction, approved by faculty and the Board of Trustees in February 2016, is now a campus-wide effort with shared responsibilities. A faculty ad hoc committee has been created to annually assess the impact of the growth initiative as part of its role in the shared governance of the College, and a full afternoon at the February board meeting was devoted to a retreat with trustees, faculty and administrators to review our progress and discuss the challenges ahead.

We are proud of the measurable progress that we have made. Our financial aid budget is up 30 percent since the start of the plan, buoyed by the goal-shattering success of the *Live Connected, Lead Change* campaign. Enrollment is up by more than 100 students and the quality and diversity of the student body are rising as well, demonstrating that increasing our financial aid resources is improving our ability to attract and enroll the very best students.

We have already filled 10 of the 40 new tenure-track faculty lines that are part of the plan, allowing us to bring our student-faculty ratio down to 10:1. A strategic hiring initiative has increased the number of faculty from underrepresented groups, and the number of women faculty in STEM fields, with overall compensation levels that ensure we can recruit and retain the highest quality faculty. A new academic plan approved by faculty this fall outlines six areas of focus that will enhance the distinctiveness of a Lafayette education. And our alumni engagement, as evidenced by our successful fundraising campaign and expanded alumni participation in our career-planning programs, adds to our ability to prepare students for future success.

At the same time, we recognize the challenges involved in managing both growth and change. The opening this fall of the Rockwell Integrated Sciences Center will provide needed space and cutting-edge facilities for our expanding curriculum. Our housing capacity will be increased by the planned opening of mixed-use residential housing along McCartney Street in the fall of 2020. Much of our conversation on campus has been devoted to the importance of ensuring that even as we work to bring an increasingly talented and diverse student body to Lafayette, we must work to prepare Lafayette to be a welcoming and supportive home for all students.

I am grateful to the Board and to the entire community for the ambition and commitment that has made this progress possible. Thank you for your support.

Alison Byerly

Alison R. Byerly
President

INCREASED FUNDING for financial aid comes from the following sources:

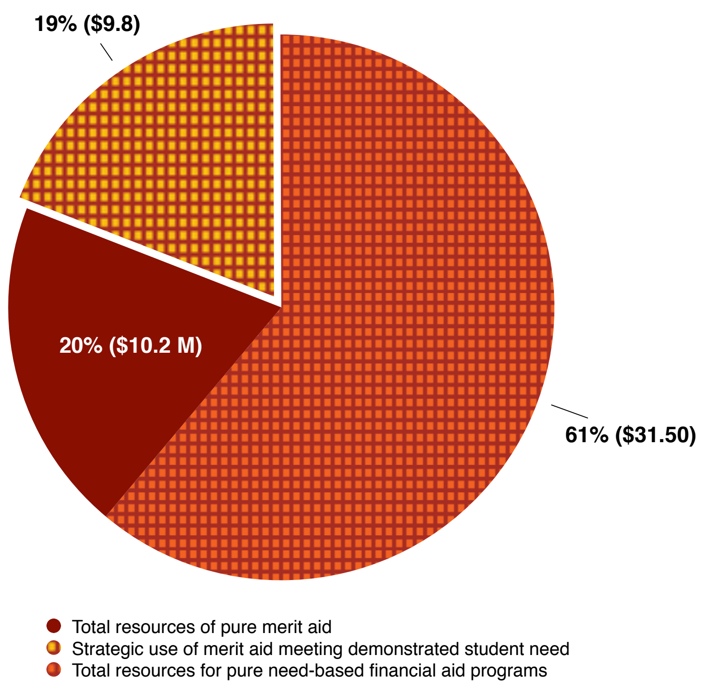
- ➤ Additional net tuition revenue realized by adding 400 students over eight years.
- ➤ Setting aside a portion of each year's tuition increase specifically for financial aid.
- ➤ Ongoing philanthropy through the ambitious President's Challenge for Financial Aid
- ➤The strategic use of some merit-based aid to also meet student financial need.

INCREASING AFFORDABILITY

The central purpose of Lafayette's strategy is increasing the College's ability to admit more and more students without regard for their ability to pay. By aggressively growing our financial aid budget, we are better able to compete with aspirant peer institutions for the very best students, we can offer a transformational Lafayette education to students whom we could not otherwise enroll, and we enrich the entire community by crafting a student body that is more diverse on a wide range of factors, including socio-economic status.

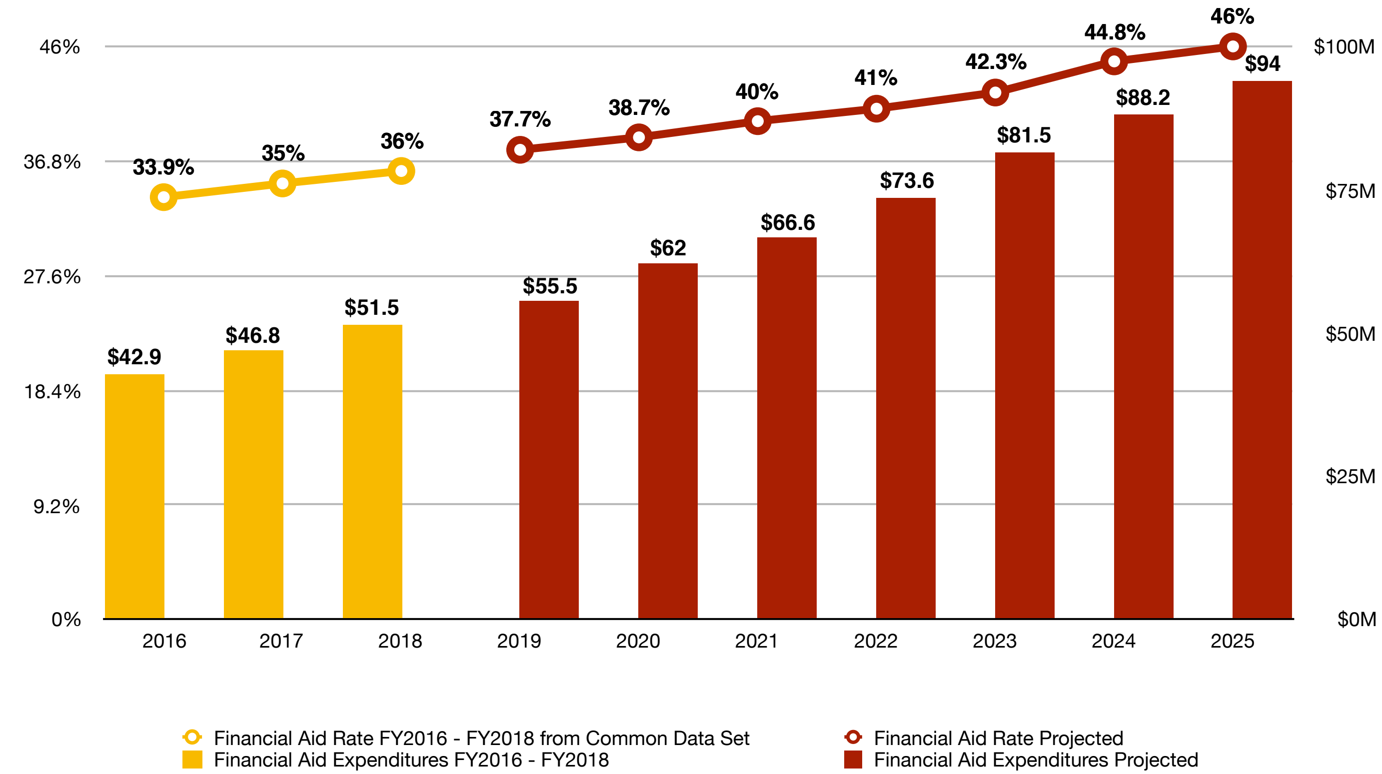
The bar graphs depicted on the right plot the growth of the financial aid rate, commonly referred to as the discount rate, the total and projected expenditure on financial aid, as well as our fundraising goals specific to financial aid. Meanwhile the pie chart (below) underscores how the college strategically uses a large portion of merit-based financial aid to meet student need.

STRATEGIC USE OF FINANCIAL AID TO MEET NEED (millions)



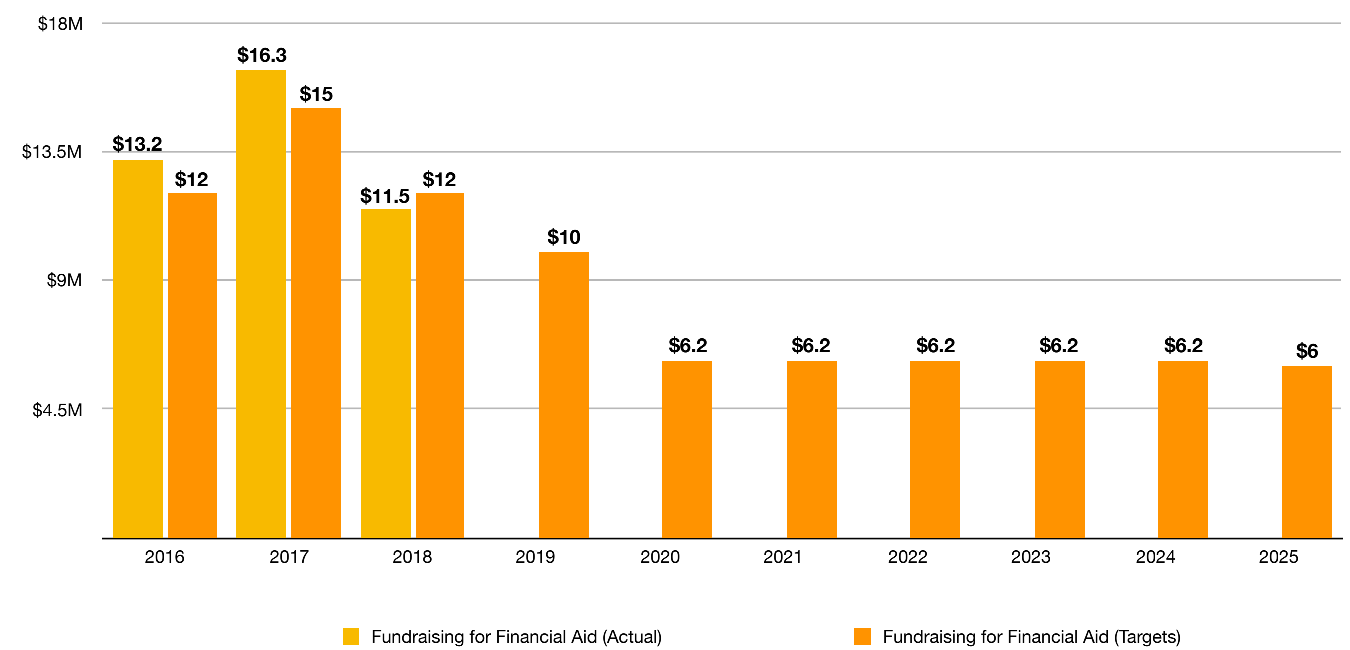
80% PERCENT OF FINANCIAL AID BUDGET DEVOTED TO NEED

FINANCIAL AID RATE AND TOTAL EXPENDITURE



Current data is derived from the Common data set and projected data is from the college financial modeling software.

FUNDRAISING TARGETS FOR FINANCIAL AID (millions)



INCREASING AFFORDABILITY

MEETING THE CHALLENGE OF SOCIOECONOMIC DIVERSITY

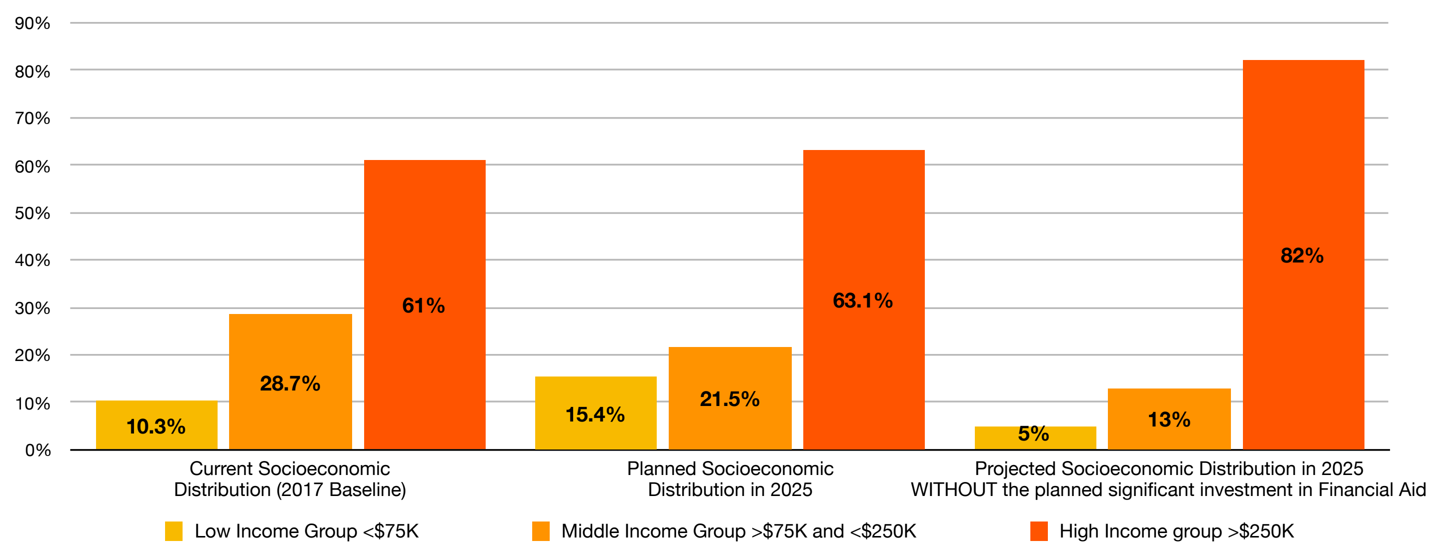
The Affordability and Distinction through Growth plan will enable the college to award admission to more and more students regardless of financial need. To achieve its goal, Lafayette must increase financial aid by 8.6 percent annually to reach a financial aid budget of more than $90 million in 2025.

Even then, the extent of socioeconomic diversity that is achievable is curtailed. Because college costs are rising faster than family incomes and contributions from the endowment, family need is growing. Even with a substantially larger financial aid budget, Lafayette will still need about one-half of its students to pay the full cost of attendance.

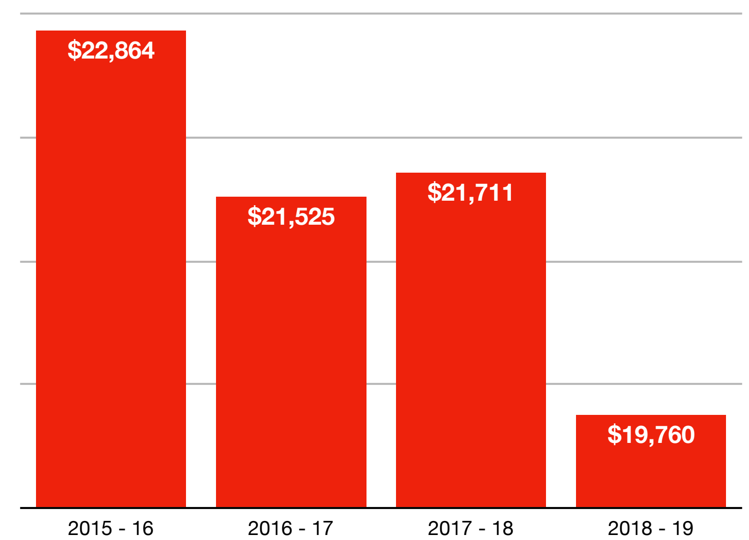
While national research shows that the positive impact on social mobility and earning potential for those in lower income groups attending college is significantly greater than middle- or high-income students, the College is seeking a socio-economic diversity that includes low- and middle-income students, rather than a bifurcated student body of the very rich and the very poor.

This set of issues will be important to monitor and points to the importance of continued fundraising for financial aid. It is clear that not investing in financial aid would significantly worsen socioeconomic diversity.

PERCENT DISTRIBUTION OF STUDENTS BY INCOME GROUP UNDER VARIOUS SCENARIOS

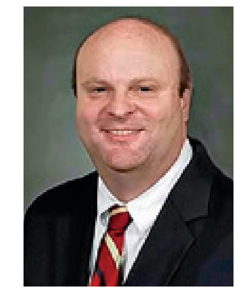


AVERAGE STUDENT INDEBTEDNESS



10.8% OF STUDENTS ARE PELL GRANT RECIPIENTS

NEW AVP FOR FINANCIAL AID



"When I saw the term 'linchpin' used in describing the importance of financial aid to Lafayette's long-term success, I knew President Byerly and the Board of Trustees were unwavering in the goal of becoming need-blind in the admission of talented students from around the world."

—Forrest Stuart, upon joining Lafayette in January 2019

LAFAYETTE COLLEGE

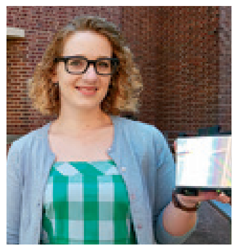
RANKED AMONG **TOP 20** NATIONWIDE IN FINANCIAL AID

The Princeton Review

ENHANCING DISTINCTION

STRENGTHENING FACULTY DIVERSITY

Amauri Gutierréz-Coto
Spanish



Annemarie Exarhos
Physics

Enrolling the best students regardless of their ability to pay is the first step toward enhancing Lafayette's distinctiveness. As predicted, standard quality measurements for our incoming classes are rising at the same time that our student body is becoming more diverse.

The second step toward enhanced distinction is the addition of 40 faculty lines over eight years to lower our student-faculty ratio from 10.4:1 to 10:1. This goal was achieved in the last year, but the ratio will have consistent fluctuations that will require monitoring and adjustments as we move forward. The addition of these positions, combined with recruiting new professors to replace the distinguished educators who will retire, gives us a powerful opportunity to shape the professoriate for the next generation. We will continue to compete for faculty within the strongest possible pool of Ph.D. graduates, with additional emphases on improving our faculty diversity and recruiting scholars who deepen existing disciplines, as well as those who work in emerging fields or areas that transcend traditional academic boundaries.

Our focus on diversity includes the hiring of women in the sciences, engineering and mathematics (with a boost from the new Hanson Center for Inclusive STEM Education), as well as ensuring continued success in adding faculty of color across all disciplines.

BENCHMARK PEER DATA OF KEY ENROLLMENT STATISTICS

School	SAT Writing	SAT Math	ACT	% of First Year Domestic Students of Color Enrolled	Total % Domestic Students of Color Enrolled	% of International First Year Students Enrolled	Total % of International Students Enrolled	Class Size under 20	Total First Year Enrollment	Total Student Enrollment
Lafayette	620-700	630-735	27-32	22%	21%	9%	9%	62%	733	2642
Bucknell	620-690	630-730	28-32	22%	21%	7%	7%	52%	974	3597
Holy Cross	640-710	640-710	28-32	20%	21%	3%	4%	60%	868	3128
Richmond	640-710	650-750	30-33	31%	31%	9%	11%	70%	832	3227
Colgate	650-730	670-780	31-34	25%	25%	9%	9%	NA	815	2958
Davidson	640-720	650-730	29-33	26%	27%	7%	7%	69%	515	1843

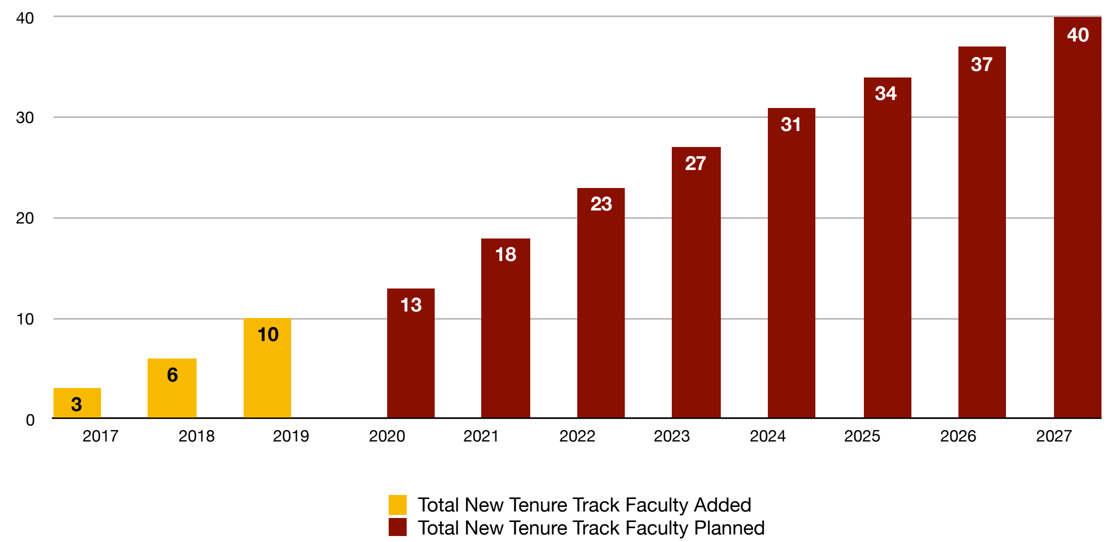
CURRICULAR INNOVATION

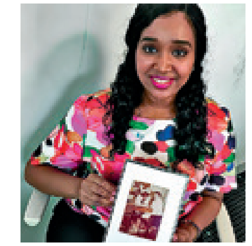
In December 2018, the Faculty approved an academic plan that identifies six key areas of emphasis that will build on Lafayette's ethos of integration across disciplines. The six areas respond to significant global concerns, capitalize on current strengths and investments, and help advance Lafayette's distinctiveness and attraction for the most promising and committed scholars and students. The areas of focus are:

- Data Science and Digital Scholarship;
- Design, Media, and the Arts;
- Environment and Sustainability;
- Global Education;
- Inclusive STEM Education;
- Humanities Center;

Accomplishments to date include the approval of a Data Science minor; the establishment of the Climate Action Plan; fundraising for two chairs in Global Education and a chair in the Humanities; the Lang endowment for the humanities; and the commencement of the search for a director for the Hanson Center for Inclusive STEM Education, which will be housed in the Rockwell Integrated Sciences Center.

FACULTY HIRING PLAN (cumulative)





Aseel Bala
Chemical Engineering

Hafsa Kanjwal
History

Carlos Tavares
Anthropology and Sociology

Randy Gill-Sadler
English

The Washington Post

India's Occupation of Kashmir

HAFSA KANJWAL, assistant professor of history, wrote an opinion piece for *The Washington Post* about how India's occupation of Kashmir is being ignored amid heightened tensions following the Feb. 14 suicide attack near Pulwama. "In the midst of jingoistic fervor in India, the root cause of violence in Kashmir—the Indian occupation—is being completely overlooked," she wrote.


As India beats its war drums over Pulwama, its occupation of Kashmir is being ignored

Not Mourning FilmStruck's Demise

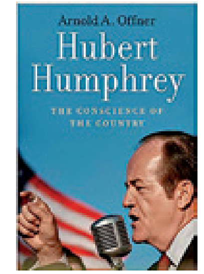
The Washington Post published an opinion piece by **KATHERINE GROO**, assistant professor of film and media studies, arguing that the for-profit streaming platform FilmStruck reinforced outdated ideas about what films are most significant. "What an absolute gift it would be to escape ... the long shadow of a canon that has compelled generations of students to ... wonder about their own exclusion from what they see on screen," she wrote.


Perspective

FilmStruck's demise could be good for movies

The two-year-old service was in thrall to old-fashioned ideas about which films matter.

By Katherine Groo • Read more »



What Democrats Can Learn from Hubert Humphrey

ARNOLD OFFNER, Cornelia F. Hugel Professor of History Emeritus, wrote an op-ed for *The Washington Post* urging Democrats to follow the example of former presidential candidate Hubert Humphrey. Offner is author of the book *Hubert Humphrey: The Conscience of the Country.* Humphrey, he explained, was a successful lawmaker highly respected for remaining committed to his positions.

C-SPAN Records Class

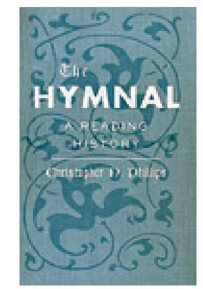
C-SPAN visited Ramer History House in February to record a class taught by **BOB WEINER**, Jones Professor of History, for the course Europe: WWI to Present. Weiner, who serves as Jewish chaplain and is retiring in May, also reminisced about his 50 years at Lafayette and talked about the school's outreach to Easton on radio station WDIY's program "Lehigh Valley Discourse."

C-SPAN

Turn Up the Volume

CHARLOTTE NUNES, director of digital scholarship services, provided expert commentary for an article in *The Christian Science Monitor* about the resurgence of audio storytelling. "Often-overlooked stories create what ... Nunes calls 'community-generated memory' that captures the real stories bubbling up from our culture rather than the official 'top-down' stories deemed important by those in power," the article states.

The Christian Science Monitor Daily



The Hymnal Makes 'Genuine Contribution'

The Wall Street Journal reviewed *The Hymnal: A Reading History* by **CHRIS PHILLIPS**, associate professor of English, which it called "a genuine contribution" to understanding the significance of the hymnbook, once the second-most common book in middle- and working-class households. The book also received a positive review in *Christianity Today.*

The Wall Street Journal

ALUMNI AND PARENT ENGAGEMENT

Lafayette students gained unique career-exploration experiences in January, thanks to the Lafayette College Gateway Career Center Career Tracks program. This innovative program exposed over 160 students to several different industries in urban environments while building their professional networks. Three different tracks in the Lehigh Valley gave student the chance to explore legal, real estate, and innovation/entrepreneurship careers. Tracks in Boston gave students exposure to finance, life sciences, and technology opportunities.

Additional groups gathered in Chicago and New York City. The Career Tracks program combined with our Externship program, which exposed 313 students to career exploration experiences, means over 475 students participated in our January Career Programs. In addition, these two programs culminated with Networking nights in Boston, Chicago, Lehigh Valley, New York City and Philadelphia which engaged over 300 alumni, parents and friends of the college and over 250 students. In total, over 575 volunteers, consisting of alumni, parents and friends of the college engaged in the Gateway Career Center January programs.

David Buck '86, an executive vice president with the Philadelphia Phillies, gave Griffin Ersnt '21, Kelsie McGlynn '21, and Matt Peters '19 a behind-the-scenes look at the operations of Citizens Bank Park.

CAREERS/INTERNSHIPS

78% OF STUDENTS BY THEIR SENIOR YEAR HAVE PARTICIPATED IN AN **EXTERNSHIP, INTERNSHIP,** OR OTHER **FIELD EXPERIENCE**

97% OF GRADS ARE **EMPLOYED, CONTINUING THEIR EDUCATION,** OR IN **INTERNSHIPS** OR **VOLUNTEER** WORK WITHIN SIX MONTHS OF GRADUATION

40% OF GRADUATES FOUND THEIR JOBS THROUGH **CAMPUS RECRUITING** AND OUR **ALUMNI NETWORK**

75% ACCEPTANCE RATE FOR **MEDICAL SCHOOL** ADMISSIONS (FOR STUDENTS WITH GPAS ABOVE 3.60)

94% ACCEPTANCE RATE FOR **DENTAL SCHOOL** ADMISSIONS

100% ACCEPTANCE RATE FOR **LAW SCHOOL** ADMISSIONS

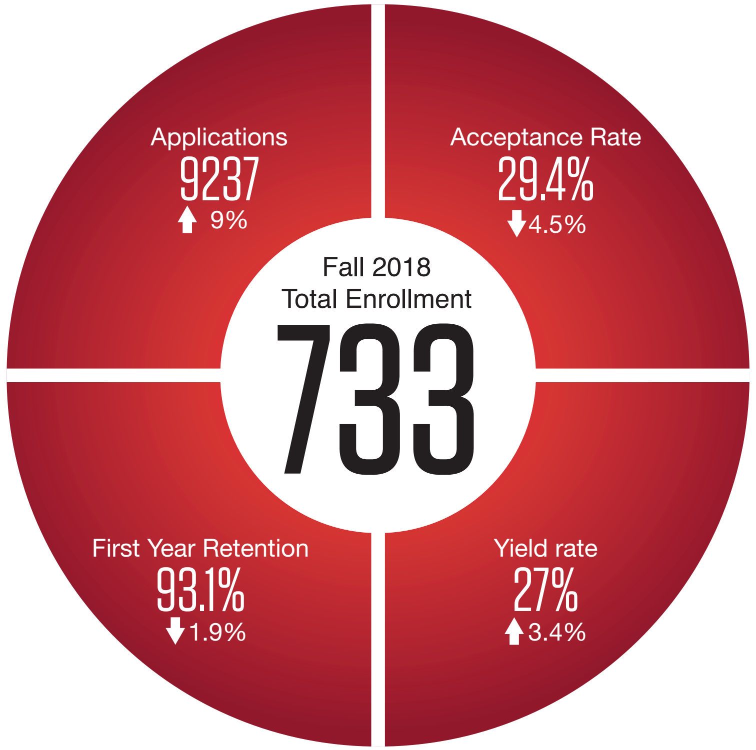
AFFORDABILITY AND DISTINCTION THROUGH GROWTH

In the midst of a $400 million campaign, President Alison Byerly challenged alumni to do even more: place Lafayette among the elite institutions that admit the very best students without considering their family finances.

CHALLENGE ACCEPTED

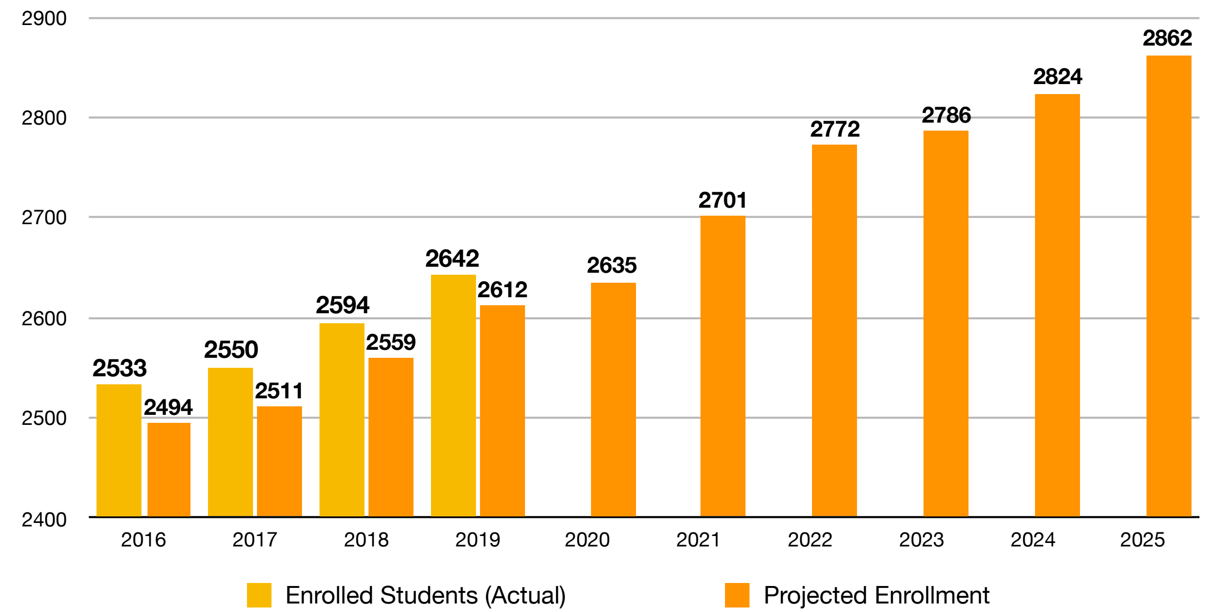
MANAGING GROWTH

The past two years represent the two largest student applicant pools in Lafayette's history, with current enrollment at 2642 students, which is an all-time high. As we convert this growing interest in a Lafayette education into a larger student body we will need to develop more flexible housing options as well as enhanced academic facilities. As we increase the diversity of the student population and seek to enroll more first-generation students, we will also need additional capacity and innovation in our student-support services.



ENROLLMENT PROJECTIONS

Over the next several years, Lafayette will be in a position to attract a more diverse and highly qualified student body than ever before. During that time, the College is planning to increase its enrollment by about 400 students. That partnered with initiatives to bolster our faculty, increase financial aid, and create more inclusive admissions policies will allow an even stronger Lafayette to emerge.



Current data is derived from the Common data set and projected data is from the college financial modeling software.

GRADUATION RATE 4 YR.

86%

2 percentage point increase from the previous year

GRADUATION RATE 6 YR.

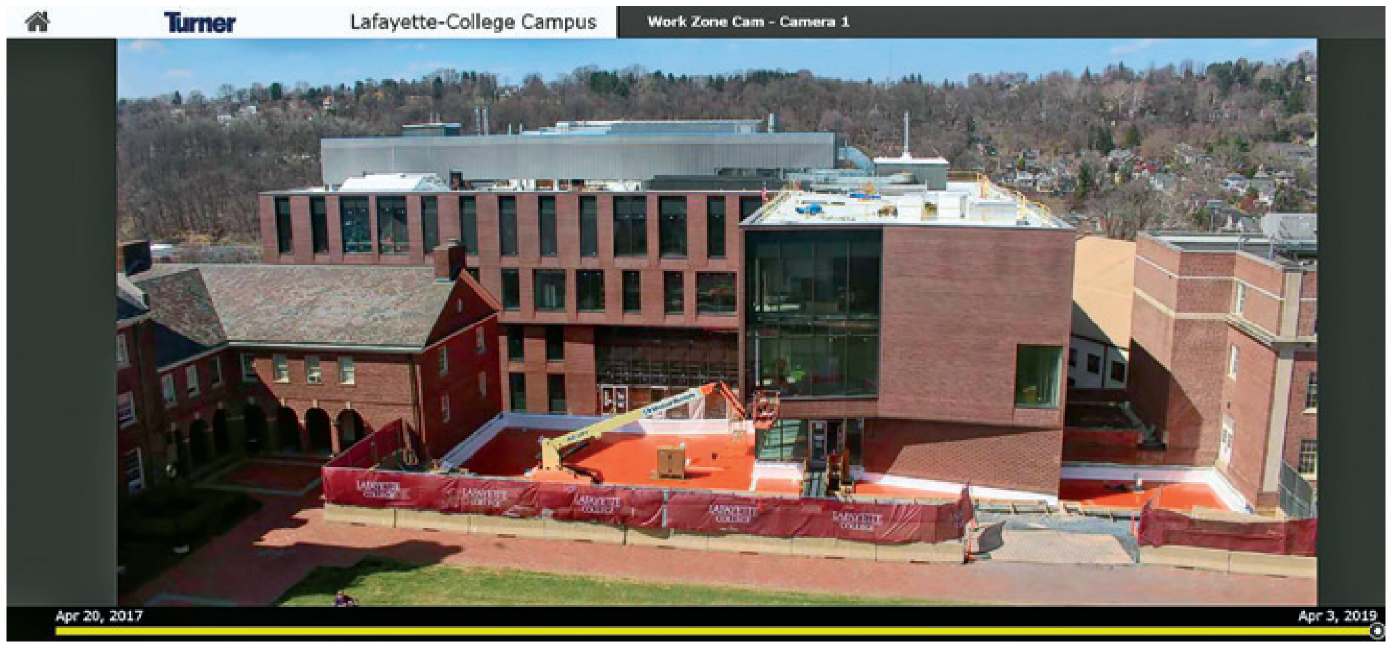
87%

3 percentage point decrease from the previous year

Lafayette's strong retention rate reflects relatively small numbers of students who withdraw or transfer and can fluctuate from year to year. The Retention Committee works with faculty, administrators, coaches, peer mentors, and resident advisors to gather information about trends over time that can help to retain students from identified groups who may face specific challenges.

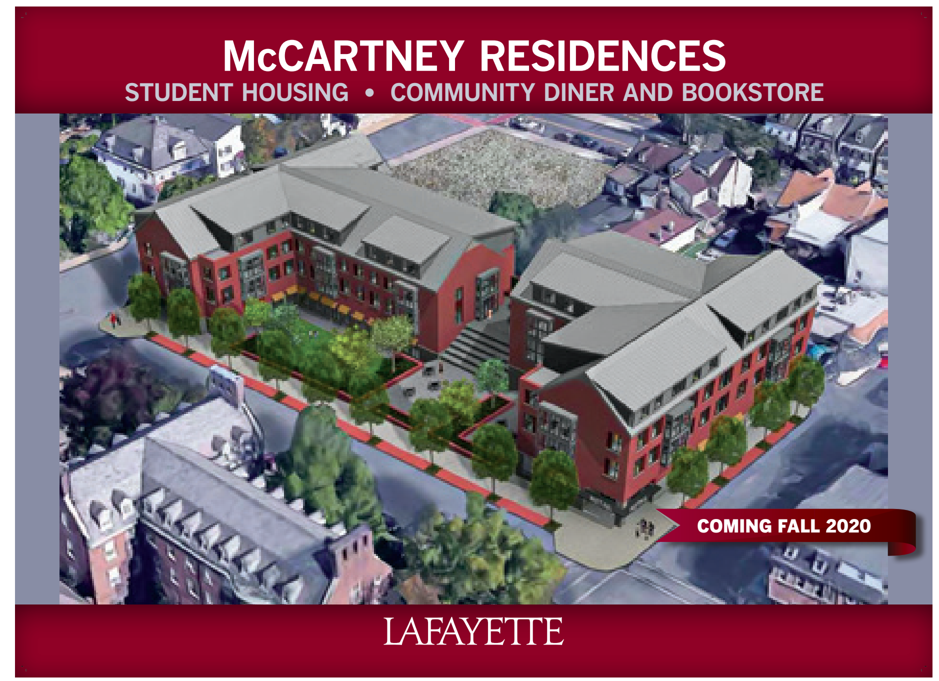
ENHANCING FACILITIES

S. Kent Rockwell (left) and students (right) sign one of the structural I-beams that will be displayed in the Rockwell Integrated Sciences Building when it opens in the fall of 2019.



A signature academic building, the Rockwell Integrated Sciences Center will open this fall as the new home for biology, computer science, the office of sustainability, and environmental studies, as well as the Hanson Center for Inclusive STEM Education and the Dyer Center for Innovation and Entrepreneurship. The building will also play host to a new cafe, a greenhouse, new engineering labs and increased study space for individuals and group work. Our commitment to sustainability is evident as the Rockwell Center is on track to achieve a LEED Platinum certification, meaning the building will use fewer resources, reduce waste, have fewer negative environmental impacts and decrease life cycle costs.

Construction begins this spring on a mixed-use residential project along McCartney Street that will provide beds for 165 students when it opens in fall 2020. The project will also include a new campus and community diner and bookstore. Finally, opening the Rockwell Integrated Sciences Center will allow for the renovation of Kunkle Hall to support academic needs which will include approximately 40 new offices, 6 new classrooms and a renovated amphitheater.



MEETING THE CHALLENGE OF SUPPORTING GEN Z STUDENTS

AMY BLYTHE

As director of the Family and Parent Relations Program, Amy Blythe helps enhance the Lafayette experience for students and their families. She and her team produce Parent Orientation and Family Weekend, and they publish the Parent Handbook and the Hill to Home e-newsletter, all of which help parents help their sons and daughters navigate the college experience.

Being a student-ready college requires a commitment to evolving services to meet the needs of current and future generations. Digital natives in every sense, today's students grew up online (The Pew Research Center found that 45 percent of teens are online almost constantly and 98 percent consider YouTube the most important site they use). But today's students also crave authentic connections and deeper meaning in their interactions. Students are arriving on-campus with fewer experiences related to alcohol and drugs but bring higher needs in terms of mental and physical health. More debt averse than previous generations, Gen Z gravitates toward subtanitive support services as opposed to rock-walls and lazy rivers.

A liberal arts education is ideal for preparing students to face complex, interdisciplinary challenges, but students' desire for individualization and customization that can come across as vocationally focused. Key challenges lie in aligning resources to best support student needs and ensuring student success by delivering services to an increasingly diverse student population whose needs vary dramatically, eliminating a one size fits all approach to support.

Lafayette is committed adapting and innovating the student life and learning experience on campus to encourage student growth, resilience and success. Over the last year the College has:

- added a transition specialist focused on first generation students
- increased the availability of counseling services
- created an innovative model for peer intervention in the One Pard program
- partnered with LVAIC and LANta (Lehigh and Northampton Area Transit Authority) to provide bus fares at no cost to students, faculty and staff
- redesigned dining spaces to create efficiencies in food delivery and options along with greater opportunities for student collaboration.

The One Pard kickoff included a balloon launch on the Quad.

DR. MICHAEL OLIN

As the College's transition specialist, a newly-created position in the Office of Advising & Co-curricular Programs, Michael Olin oversees the development and delivery of programs and resources geared toward students in transition (particularly first-gen and transfer students). He joined Lafayette from Princeton, where he worked in student affairs for 10 years.

FINANCIAL REPORT

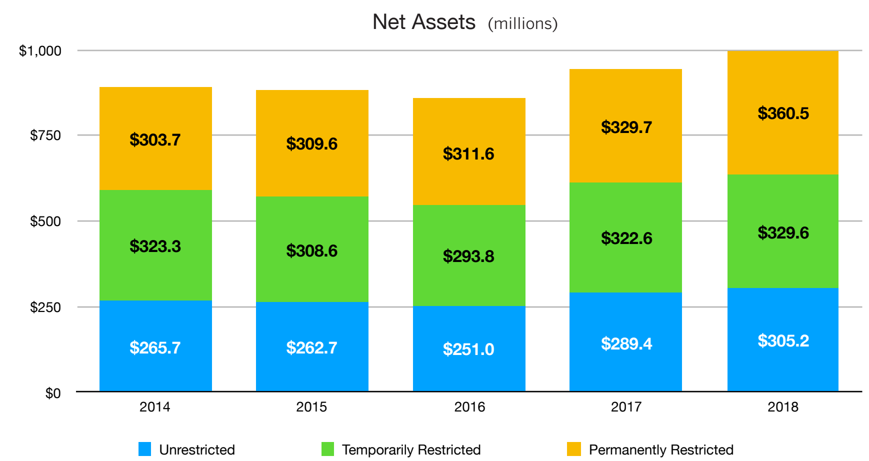
Lafayette College completed fiscal 2018 with a $53.5 million increase in total net assets reflecting revenue growth driven by enrollment-based revenue, fund raising and investment performance. The following management discussion and analysis provides an overview of the College's financial statements. Dollars presented are in thousands, unless otherwise noted.

STATEMENTS OF FINANCIAL POSITION

The Statements of Financial Position is the College's balance sheet, which presents the College's assets, liabilities, and net assets as of June 30, 2018.

The College's assets increased by $43.6 million to total $1.377 billion. Long-term investments and property and equipment comprise 90% of total assets. In all, total assets grew 3% in the past fiscal year and 14.1% over the past five fiscal years, driven by significant growth in endowment from strong investment returns and enhanced fundraising. Over the past fiscal year, the College's long-term investments grew by $49.3 million, or 5.8%, to $902 million. Lafayette's 110-acre campus is home to 80 academic, residential, and student activity buildings as well as athletic playing fields. The book value of property and equipment, the College's second largest asset, net of depreciation, was $333.9 million. The College's new 103 square foot Rockwell Integrated Sciences Center, is on schedule for its opening in September 2019. The College's liquidity is strong; since fiscal 2014, Lafayette has maintained over $230 million of monthly liquidity as measured by Moody's.

The College's liabilities totaled $381.4 million, down 3% from



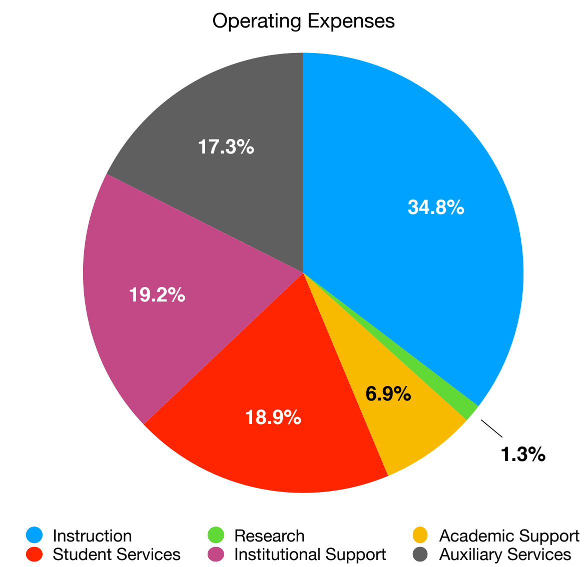
the prior year. Bonds payable is the largest liability balance with $254 million in bonds outstanding. Lafayette College is rated Aa3 and A+ with a stable outlook by Moody's and Standard & Poor's, respectively.

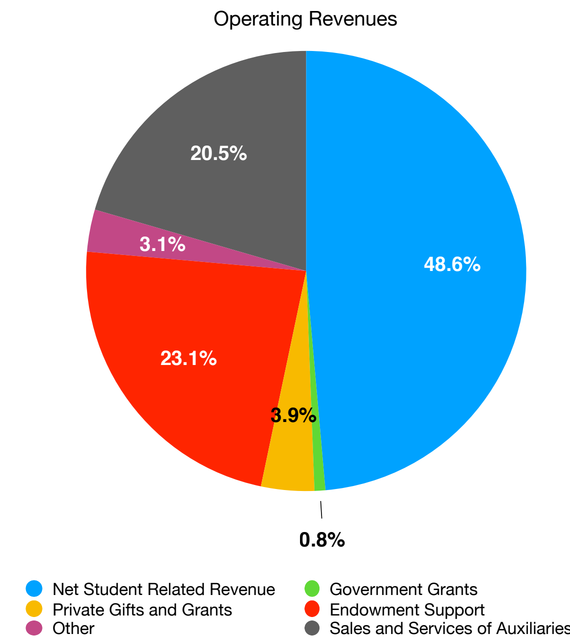
Net Assets totaled $995.3 million with 31% unrestricted and designated for various purposes, 33% as temporarily restricted, and 36% permanently restricted. Net assets increased $102.6 million or 11.5% from fiscal 2014, primarily due to strong operational performance, investment return, and fundraising.

STATEMENTS OF ACTIVITIES

The College strives to maintain a state of "financial equilibrium," defined as (a) a balanced operating budget that provides resources available for investment in College priorities; (b) preservation and enhancement of the physical plant; and (c) growth of its financial assets. The College's operating and capital budgets, long-range financial plan, investment management, and fund-raising efforts are all directed toward maintaining an appropriate balance among these three objectives.

The College has been successful in meeting these objectives. Operating budgets are balanced. The College continues to commit additional resources to the preservation and enhancement of its buildings and campus. The College has demonstrated healthy financial results throughout the past five fiscal years. The budget has generated positive operating cash flow margins





of 18.4%, on average, over this period.

The statement of activities presents the change in net assets, distinguishing between operating and non-operating activities. The change in net assets from unrestricted operating activities is referred to as the "operating measure" and is the operating margin.

The College completed fiscal 2018 with a modest $2.3 million unrestricted operating surplus, or 1.3% contribution margin. The total change in operating activities, including restricted revenues, was $2.9 million, which continues a trend of improving operating performance. Operating revenues totaled $173.2 million, an increase of 2% over the prior fiscal year primarily attributed to tuition and auxiliary sales, reflecting higher enrollments, and endowment support.

With approximately two-thirds of operating revenue derived from student sources, the College's operating performance is driven largely by its student demand. Lafayette's student demand is a function of its strong market position which has contributed to the College's ability to grow enrollment and net tuition while at the same time increasing selectivity.

Operating expenses totaled $170.2 million in fiscal 2018, of which $140.2 million or 82.4% are expenses of educational and general activities and $30 million are expenses of auxiliary operations. Total operating expenses increased in comparison to the prior year by 3 percent.

The College continues to manage its expenses responsibly, aligning institutional resources from all sources to support its mission of education, research and public service.

ENDOWMENT

The College's endowment is composed of approximately 1,450 individual funds established by donors for a variety of purposes, including scholarships, professorships, prizes, faculty development, lectures and facility maintenance. Gifts, funds allocated by the College, and investment return—interest, dividends, and capital appreciation—comprise the source of endowment funds. The College's investment portfolio is managed by its chief investment officer who serves under the auspices of the Board of Trustees' Investment Committee.

The managed endowment includes funds that are pooled for investment purposes and funds that are separately invested at the direction of donors. Although investments are pooled, income and appreciation are maintained and recorded on an individual endowment fund level. The managed endowment recovered nicely since the "Great Recession" having grown on average approximately 5.1% per year for the past nine years attributed to investment return, contributions, net of endowment support and other transfers. As of June 30, 2018, the College's managed endowment net assets were valued at $830.6 million as reported in the College's financial statements.

As of June 30, 2018, approximately 27% of the managed endowment net asset value was quasi-endowment, 32% represented appreciation and the remaining 41% represented gift corpus.

Like many colleges and universities, the College invests its endowment using diversified portfolios that place a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. Under the College's investment policy, as approved by the Board of Trustees, the endowment is diversified by asset class and within asset class to limit the impact of large losses in individual investments or managers on the total portfolio. Investments are primarily composed of equity, fixed income and alternative asset classes, which may include private equity, venture funds, real estate, and absolute return strategies.

The endowment return of 8.1% for fiscal 2018 was below the median return of 8.7% of endowments with $500 million to $1 billion in assets and the 8.2% for all endowments according to the NACUBO-TIAA 2018 annual survey. The primary reason for the underperformance versus peers is that Lafayette's endowment has substantially less invested in private investments than our peers. Median private investment returns were approximately 18% for the fiscal year. A multi-year plan to increase the endowment's exposure to private investments was begun several years ago but will take another few years to reach fruition.

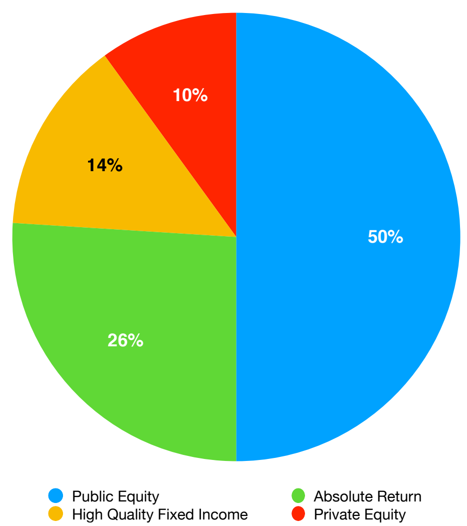
While the endowment's 8.1% return lagged the 8.8% return of the endowment benchmark (made up of asset class benchmarks weighted by target asset class allocations) it exceeded the 70/30 Stock/Bond Benchmark return of 7.6 percent. Excluding private equity, the endowment returned 8.2% versus 7.6% for the endowment benchmark excluding private equity.

The College's endowment spending policy is designed to provide a predictable flow of funds to support annual operations. The spending policy is intended to balance current spending needs and to preserve the endowment's future purchasing power. The Board of Trustees annually reviews and sets a spending rate, currently set at 5%, which is applied to a 36-month rolling average market value of the managed endowment to determine annual spending.

Managed Endowment Annual Returns
June 30

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
-17.6%	13.2%	16.0%	1.3%	12.6%	14.4%	1.5%	-0.8%	11.5%	8.1%

Endowment Asset Allocation



Managed Endowment Fair Value
June 30
(dollars in millions)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
532.3	579.5	657.0	651.1	716.5	799.6	774.2	733.2	790.3	830.6

Lafayette College

Statement of Financial Position
June 30
$ in thousands

		2017	2018
ASSETTS			
Cash & Cash Equivalents	$	33,031	24,093
Short-Term Investments		13,674	19,105
Accounts and Loans Receivable, Net		6,834	6,697
Contributions Receivable and Bequests, net		31,262	27,902
Prepaid Expenses and Other Assets		3,920	2,695
Deposits with Bond and Other Trustees		80,011	60,216
Long-term Investments		852,709	901,969
Property and Equipment, Net		311,548	333,943
Total Assets	**$**	**1,332,989**	**1,376,620**
LIABILITIES and NET ASSETS			
Accounts Payable and Accrued Expenses	$	12,404	12,445
Deposits and Deferred Revenues		4,685	3,525
Funds Held for Others		3,042	3,064
Annuities Payable		23,954	23,010
Postretirement Benefits		47,892	46,883
Federal Student Loans Refundable		2,067	1,246
Interest Rate Hedge/Swap Agreements		14,396	11,205
Conditional Asset Retirement Obligation		1,778	1,806
Capitalized Lease Obligations		4,828	1,749
Mortgages Payble			2,340
Bonds Payable, Net		276,153	274,090
Total liabilities	**$**	**391,199**	**381,363**
NET ASSETS			
Unrestricted	$	289,447	305,160
Temporarily Restricted		322,627	329,596
Permanently Restricted		329,716	360,501
Total Net Assets	**$**	**941,790**	**995,257**
Total Liabilities and Net Assets	**$**	**1,332,989**	**1,376,620**

Lafayette College

Statement of Activities

June 30

$ in thousands

OPERATING REVENUES	2017 Unrestricted	2017 Temporarily Restricted	2017 Permanently Restricted	2017 Total	2018 Unrestricted	2018 Temporarily Restricted	2018 Permanently Restricted	2018 Total
Gross Tuition and Fees	$ 124,413	-	-	124,413	130,773	-	-	130,773
Scholarships and Fellowships	(43,172)	-	-	(43,172)	(46,689)	-	-	(46,689)
Net Tuition and Fees	81,241	-	-	81,241	84,084	-	-	84,084
Sales and Service of Auxiliaries	33,767	-	-	33,767	35,512	-	-	35,512
Government Grants	2,500	21	-	2,521	1,436	21	-	1,457
Private Gifts and Grants	7,754	1,732	-	9,486	6,252	560	-	6,812
Endowment Support	37,722	688	-	38,410	39,288	671	-	39,959
Other	4,404	190	-	4,594	4,798	533	-	5,331
Net Assets Released from Restrictions	1,359	(1,359)	-	-	1,167	(1,167)	-	-
Total Operating Revenues	**$ 168,747**	**1,272**	**-**	**170,019**	**172,537**	**618**	**-**	**173,155**
OPERATING EXPENSES								
Instruction	$ 59,520	-	-	59,520	60,266	-	-	60,266
Research	2,032	-	-	2,032	2,181	-	-	2,181
Academic Support	12,946	-	-	12,946	11,883	-	-	11,883
Student Services	33,147	-	-	33,147	32,699	-	-	32,699
Institutional Support	30,407	-	-	30,407	33,198	-	-	33,198
Auxiliary Services	27,130	-	-	27,130	29,986	-	-	29,986
Total Operating Expenses	**$ 165,182**	**-**	**-**	**165,182**	**170,213**	**-**	**-**	**170,213**
Change in Net Assets from Operating Activities	**$ 3,565**	**1,272**	**-**	**4,837**	**2,324**	**618**	**-**	**2,942**
Change in Net Assets from Non-Operating Activities	**$ 34,851**	**27,549**	**18,081**	**80,481**	**13,389**	**6,351**	**30,785**	**50,525**
Change in Net Assets	**$ 38,416**	**28,821**	**18,081**	**85,318**	**15,713**	**6,969**	**30,785**	**53,467**

LAFAYETTE COLLEGE

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