Trinity College

Consolidated Financial Statements

June 30, 2015 and 2014

Trinity College
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June 30, 2015 and 2014

Independent Auditor's Report

To the Board of Trustees of Trinity College

We have audited the accompanying consolidated financial statements of Trinity College (the "College"), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014 and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity College at June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

October 23, 2015

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Trinity College
Consolidated Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 15,345,366	$ 10,093,305
Restricted cash	1,000,000	-
Short-term investments	1,255,956	19,942,017
Loan receivable	3,993,947	4,146,667
Receivables, net of allowance for doubtful accounts of $490,000 and $380,000	1,450,473	1,756,634
Government grants receivable	264,186	571,712
Contributions receivable, net of allowance for doubtful accounts of $1,059,015 and $865,796	24,507,505	23,288,035
Student loans receivable, net of allowance for doubtful accounts of $668,000 and $718,000	5,915,501	5,679,753
Investments, at fair value	569,927,701	528,559,148
Funds held by bond trustee	4,750,736	6,632,023
Beneficial interest in funds held in trust by others	34,708,170	33,963,031
Other assets	3,364,082	3,764,387
Fixed assets, net of accumulated depreciation	250,040,705	250,871,532
Total assets	$ 916,524,328	$ 889,268,244
Liabilities		
Accounts payable and accrued expenses	$ 18,519,343	$ 19,219,623
Federal student loan funds	3,205,015	3,205,015
Accrued postretirement benefits	5,923,536	5,390,844
Split interest obligations	5,383,254	5,532,714
Bonds and notes payable	133,244,144	138,614,480
Asset retirement obligation	26,619,336	26,095,901
Other liability	603,962	500,441
Total liabilities	193,498,590	198,559,018
Net Assets		
Unrestricted	104,726,439	102,717,664
Temporarily restricted	316,682,841	304,524,170
Permanently restricted	301,616,458	283,467,392
Total net assets	723,025,738	690,709,226
Total liabilities and net assets	$ 916,524,328	$ 889,268,244

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

Trinity College
Consolidated Statements of Activities
Year Ended June 30, 2015 with Summarized Comparative Totals for 2014

	2015				2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating revenues and other net assets					
Tuition and fees	$ 113,267,638	$ -	$ -	$ 113,267,638	$ 109,557,388
Room and board	21,298,338			21,298,338	23,538,745
Less: financial aid	(39,288,418)			(39,288,418)	(36,560,378)
Net tuition and fees	95,277,558	-	-	95,277,558	96,535,755
Federal and state grants	1,640,520			1,640,520	2,171,954
Contributions	7,641,664	8,817,579		16,459,243	13,753,337
Endowment income distribution	1,714,111	19,943,170		21,657,281	20,718,699
Net gain (loss) on investments	(178,491)	7,819		(170,672)	(167,493)
Other investment income	939,417	62,040	56,219	1,057,676	686,062
Other operating income	3,584,104	271,955	18,948	3,875,007	5,993,941
Revenues of auxiliary enterprises	5,880,191			5,880,191	5,196,829
Net assets released from restrictions	27,776,715	(27,776,715)		-	-
Total operating revenues and other net assets	144,275,789	1,325,848	75,167	145,676,804	144,889,084
Expenses					
Instruction, research and related programs	58,676,783			58,676,783	58,480,807
Academic support	19,633,590			19,633,590	18,946,094
General institutional services	24,985,255			24,985,255	25,694,411
Student services	13,947,557			13,947,557	13,548,470
Auxiliary expenses	22,549,136			22,549,136	25,614,865
Total expenses	139,792,321	-	-	139,792,321	142,284,647
Other changes in net assets					
Defeasance of CHEFA Series H	(208,341)			(208,341)	-
Postretirement related changes other than net periodic cost	(1,068,561)			(1,068,561)	(413,939)
Gain from accounting sale of Crescent Street	-			-	567,861
Operating and other fund transfers	28,742	(28,742)		-	-
Transfers from (to) endowment	6,864,683	(11,329)		6,853,354	(23,260)
Total other changes	5,616,523	(40,071)	-	5,576,452	130,662
Increase (decrease) in operating and other net assets	10,099,991	1,285,777	75,167	11,460,935	2,735,099
Endowment and similar net assets					
Endowment income	114,613	1,590,200	191,808	1,896,621	2,303,025
Net gains on investments	572,350	33,773,814	520,182	34,866,346	78,838,642
Endowment distributed for spending	(1,714,111)	(20,010,324)	67,154	(21,657,281)	(20,718,699)
Investment management fees	(84,643)	(4,116,346)	(56,000)	(4,256,989)	(5,947,265)
Other changes	(602,992)	(411,360)		(1,014,352)	(516,790)
Net investment gain and amounts distributed for spending	(1,714,783)	10,825,984	723,144	9,834,345	53,958,913
Contributions	28,457	133,156	16,206,217	16,367,830	10,326,184
Change in value of split-interest agreements	35,641	1,223,149	247,966	1,506,756	3,686,098
Other endowment changes and transfers	424,152	(1,320,724)	896,572	-	-
Transfers (to) from operating funds	(6,864,683)	11,329		(6,853,354)	23,260
Other endowment changes	(6,376,433)	46,910	17,350,755	11,021,232	14,035,542
Increase (decrease) in endowment and similar net assets	(8,091,216)	10,872,894	18,073,899	20,855,577	67,994,455
Net assets, beginning of year	102,717,664	304,524,170	283,467,392	690,709,226	619,979,672
Total increase in net assets	2,008,775	12,158,671	18,149,066	32,316,512	70,729,554
Net assets, end of year	$ 104,726,439	$ 316,682,841	$ 301,616,458	$ 723,025,738	$ 690,709,226

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

Trinity College
Consolidated Statements of Activities
Year Ended June 30, 2014

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues and other net assets				
Tuition and fees	$ 109,557,388	$ -	$ -	$ 109,557,388
Room and board	23,538,745	-	-	23,538,745
Less: financial aid	(36,560,378)	-	-	(36,560,378)
Net tuition and fees	96,535,755	-	-	96,535,755
Federal and state grants	2,171,954	-	-	2,171,954
Contributions	7,646,370	6,106,967	-	13,753,337
Endowment income distribution	2,697,016	18,021,683	-	20,718,699
Net gain (loss) on investments	(238,752)	71,259	-	(167,493)
Other investment income	580,683	43,892	61,487	686,062
Other operating income	5,784,511	189,194	20,236	5,993,941
Revenues of auxiliary enterprises	5,196,829	-	-	5,196,829
Net assets released from restrictions	24,367,562	(24,367,562)	-	-
Total operating revenues and other net assets	144,741,928	65,433	81,723	144,889,084
Expenses				
Instruction, research and related programs	58,480,807	-	-	58,480,807
Academic support	18,946,094	-	-	18,946,094
General institutional services	25,694,411			25,694,411
Student services	13,548,470			13,548,470
Auxiliary expenses	25,614,865	-	-	25,614,865
Total expenses	142,284,647	-	-	142,284,647
Other changes in net assets				
Postretirement related changes other than net periodic cost	(413,939)	-	-	(413,939)
Gain from accounting sale of Crescent Street	567,861	-	-	567,861
Operating and other fund transfers	165,619	(165,619)	-	-
Transfers from (to) endowment	(2,680)	(20,580)	-	(23,260)
Total other changes	316,861	(186,199)	-	130,662
Increase (decrease) in operating and other net assets	2,774,142	(120,766)	81,723	2,735,099
Endowment and similar net assets				
Endowment income	100,623	2,046,195	156,207	2,303,025
Net gains on investments	2,319,388	75,136,190	1,383,064	78,838,642
Endowment distributed for spending	(2,697,016)	(18,278,470)	256,787	(20,718,699)
Investment management fees	(173,875)	(5,700,037)	(73,353)	(5,947,265)
Other changes	(483,699)	(33,758)	667	(516,790)
Net investment gain and amounts distributed for spending	(934,579)	53,170,120	1,723,372	53,958,913
Contributions	7,881,379	-	2,444,805	10,326,184
Change in value of split-interest agreements	(123,177)	1,961,443	1,847,832	3,686,098
Other endowment changes and transfers	1,030,785	(1,135,406)	104,621	-
Transfers (to) from operating funds	2,680	20,580	-	23,260
Other endowment changes	8,791,667	846,617	4,397,258	14,035,542
Increase (decrease) in endowment and similar net assets	7,857,088	54,016,737	6,120,630	67,994,455
Net assets, beginning of year	92,086,434	250,628,199	277,265,039	619,979,672
Total increase in net assets	10,631,230	53,895,971	6,202,353	70,729,554
Net assets, end of year	$ 102,717,664	$ 304,524,170	$ 283,467,392	$ 690,709,226

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

Trinity College
Consolidated Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 32,316,512	$ 70,729,554
Adjustments		
Depreciation, amortization and accretion	11,836,977	11,251,675
Realized and unrealized gains on investments	(34,010,558)	(78,184,455)
Provision for student loans receivables	(50,000)	156,000
Provision for contributions receivable	193,219	(202,206)
Contributions receivable discount	(5,780,660)	(63,070)
Student loans written off	21,071	38,980
Contributions restricted for long-term investments, net	(14,241,962)	(5,042,571)
Post retirement related changes other than net periodic cost	1,068,561	413,939
Change in balances		
Receivables and other assets	785,437	(5,059,275)
Contributions receivable	4,367,971	5,085,568
Accounts payable and other liabilities	(692,363)	(267,881)
Accrued postretirement benefits	(535,869)	(540,744)
Total adjustments	(37,038,176)	(72,414,040)
Net cash used in operating activities	(4,721,664)	(1,684,486)
Cash flows from investing activities		
Student loans granted	(1,111,897)	(1,121,070)
Student loans repaid	905,078	652,055
Purchase of fixed assets	(10,160,671)	(11,913,216)
Purchases of investments	(157,111,955)	(85,581,094)
Sales of investments	149,753,949	96,013,342
Change in short-term investments, net	18,686,061	(4,638,422)
Proceeds from bond issuance deposited with trustee	(7,120,467)	(9,482,285)
Use of bond issuance proceeds deposited with trustee	9,001,755	8,856,275
Net cash provided by (used in) investing activities	2,841,853	(7,214,415)
Cash flows from financing activities		
Contributions restricted for long-term investments, net	14,241,962	5,042,571
Change in value of split-interest obligations	(149,449)	16,850
Change in the value of funds held in trust by others	(745,139)	(3,021,394)
Restricted cash	(1,000,000)	-
Proceeds from bond issuance	22,638,521	-
Repayments of bonds and notes	(27,644,931)	(3,343,626)
Payments on bond issuance costs	(209,092)	-
Net cash provided by (used in) financing	7,131,872	(1,305,599)
Net increase (decrease) in cash and equivalents	5,252,061	(10,204,500)
Cash and cash equivalents		
Beginning of year	10,093,305	20,297,805
End of year	$ 15,345,366	$ 10,093,305
Noncash		
Additions to fixed assets financed through accounts payable	$ 69,439	$ 77,355
Contributed securities	2,078,171	2,723,608
Supplemental disclosure of cash flow information		
Interest paid	$ 5,718,416	$ 5,743,839

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

1. Summary of Significant Accounting Policies

Nature of Organization
Trinity College (the "College") is a private, not-for-profit institution of higher education located in Hartford, Connecticut. The College also operates undergraduate programs internationally. The College provides educational services primarily for students at the undergraduate and graduate levels and performs some research under grants with agencies of the federal government and other sponsoring organizations.

Basis of Presentation
The consolidated financial statements of Trinity College include the accounts of Trinity College and its wholly owned subsidiary, the Barbieri Center, Inc.

The consolidated financial statements have been prepared on the accrual basis of accounting under U.S. Generally Accepted Accounting Principles.

The consolidated financial statements are also prepared following the provisions of the American Institute of Certified Public Accountants' Audit and Accounting Guide "Not-for-Profit Organizations." This guide requires the allocation of depreciation, operation and maintenance of plant and interest expense to functional categories. It also requires tuition to be presented net of financial aid discount.

The College follows the provisions of accounting guidance for revenue recognition for not-for-profit entities for contributions received and contributions made and presentation of financial statements of not-for-profit entities. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Brief definitions of the three classes of net assets are presented below.

Unrestricted Net Assets
Net assets derived from tuition and other institutional resources that are not subject to donor-imposed restrictions. Unrestricted 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. Unrestricted net assets include investment in plant and the appreciation on funds functioning as endowment.

Temporarily Restricted Net Assets
Net assets whose use is restricted by state law or subject to explicit donor-imposed restrictions on the expenditure of contributions or income and gains on contributed assets. Temporary restrictions may expire due to the passage of time or the incurrence of expenditures that fulfill the restrictions. Temporarily restricted net assets include the appreciation on donor-restricted endowment funds.

Permanently Restricted Net Assets
Net assets that are subject to explicit donor-imposed restrictions that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the investment return on these assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets either because the donor-imposed purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Temporarily restricted revenues for which the restriction is met in the current period are reported as unrestricted revenues.

Operations

The consolidated financial statements reflect all activities of the College, except those specifically related to the endowment funds, as operations.

Fair Value Measurements

The College follows the accounting guidance for fair value measurements and disclosures that defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under this guidance as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance also gives entities the option, at specific election dates, to measure certain financial assets and liabilities at fair value. The College did not elect fair value accounting for any assets or liabilities that are not currently required to be measured at fair value.

Accounting guidance for fair value measurements and disclosures establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under this guidance must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the College for its financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same type of assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The College follows guidance related to the fair value measurements and disclosures standard for estimating the fair value of investments in investment companies (limited partnerships) that have a calculated value of their capital account or net asset value (NAV) in accordance with, or in a manner consistent with generally accepted accounting principles (GAAP). As a practical expedient, the College is permitted under GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the College expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. The College's investments in private equity, real estate and hedge funds are fair valued based on the most current NAV received, which in most cases is June 30.

The College performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with GAAP. The College has assessed factors including, but not limited to, managers' compliance with fair value measurements and disclosure standards, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

The guidance also requires additional disclosures to enable users of the financial statements to understand the nature and risk of the College's investments in investment companies. Furthermore, investments which can be redeemed at NAV by the College on the measurement date or in the near term are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3.

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (Or its Equivalent)." This guidance will require the College to show investments that use net asset value (NAV) as a practical expedient for valuation purposes, separately from other investments categorized in the fair value hierarchy. The guidance will be required for the College for fiscal year 2018 and can be early adopted.

Cash and Cash Equivalents
Cash and cash equivalents include U.S. Treasury notes, money market funds and similar temporary investments with original maturities of three months or less. Included in these amounts are cash received for capital campaign and endowment contributions awaiting further disposition. Cash and cash equivalents awaiting investment in the endowment are reported as investments totaling $19,555,613 and $13,977,912 at June 30, 2015 and 2014, respectively.

The College maintains checking accounts which principally consist of cash and at times are in excess of the financial institution's insurance limits. The College invests available cash with high credit quality institutions. It is the College's policy to monitor the financial strength of these institutions on an ongoing basis.

Restricted Cash
The amount presented as Restricted Cash represents the amount required to be maintained on deposit with a lending institution pursuant to the Series N financing and interest rate swap agreement described in Note 8.

Short-Term Investments
Short-term investments include certificates of deposit, bonds, and other investments with original maturities of greater than three months but which are highly liquid and are used for operating purposes.

Contributions
Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is made. Donor restricted contributions whose restrictions are not satisfied in the year received are reflected in temporarily restricted net assets when received and released from restriction when the related expense is incurred. Contributions of assets other than cash are recorded at their estimated fair value.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-adjusted rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. As of June 30, 2015, the College did not have any conditional promises to give.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted. Contributions received that are awaiting designation by the donor are reported as temporarily restricted net assets.

Credit Losses
The College records an allowance for doubtful accounts (credit losses) for long term receivables including Perkins loans and other student loans. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment, the level of delinquent loans, review of the default rate by category in comparison to prior years, the value of any collateral and, where, applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on actual results. The College’s Perkins loans receivable represents the amounts due from current and former students under the Federal Perkins Loan Program. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the Federal Government in certain nonrepayment situations. In these situations the Federal portion of the loan balance is guaranteed. Management believes that the allowance for credit losses at June 30, 2015 and 2014 is adequate to absorb credit losses inherent in the portfolio as of that date.

Investments
Investments are recorded at fair value. The value of publicly-traded fixed income and equity securities is based upon quoted market prices. Private equities and certain other nonmarketable securities are valued using current information obtained from the general partner or investment manager for the respective funds. Fair values for investments held through certain limited partnerships are estimated by the respective external investment managers if market values are not readily ascertainable. Purchased investments are initially recorded at cost as of the trade date and donated investments at fair market value at the date of receipt. Gains or losses that result from market fluctuations are recognized in the period in which the fluctuations occur.

The College holds interests in certain limited partnerships which invest in securities at the sole discretion of the general partners. The partnerships hold, among other investments, debt and/or equity securities of troubled or restructured companies. These partnerships may also enter into transactions in financial futures, foreign exchange options, forward currency contracts (which are used for hedging and nonhedging purposes), securities purchased under agreements to resell, and securities sold under agreements to repurchase.

The College owns certain pieces of real estate which are recorded at fair value. Fair values of these properties are evaluated annually by the College by obtaining property appraisals from local independent appraisers.

The College records futures contracts at fair value based on the most recent available closing quotations on the applicable exchange.

Split-interest Agreements and Beneficial Interest in Funds Held in Trust by Others
The College's split-interest agreements with donors consist primarily of charitable gift annuities, pooled life income funds and irrevocable charitable remainder trusts. Those for which the College serves as trustee are recorded in the Investments line item of the Statement of Financial Position of the College. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

The College also is the beneficiary of a number of charitable remainder trusts and perpetual trusts for which unrelated third parties serve as trustees, which are recorded as beneficial interest in funds held in trust by others.

Contribution revenues for irrevocable charitable gift annuities and charitable remainder trusts are recognized at fair value at the dates the agreements are established after recording liabilities for the present value of the estimated future payments to be made to the respective donors and/or other beneficiaries. For pooled income funds, contribution revenue is recognized upon establishment of the agreement at the fair value of the estimated future receipts, discounted for the estimated time period to complete the agreement. Discount rates used to calculate the present value of split interest agreements range from approximately 2.5% to 9.0%. Contribution revenue for perpetual trusts is recognized at the time the College is informed of the trust and has sufficient information to record the assets and liability.

The College is aware of certain split interest arrangements in which it has been named as beneficiary. The College has adopted a policy that until such amounts are estimable and under its control, these amounts are not recognized in the financial statements.

Other Assets
Bond issuance costs, prepaid expenses and inventories are categorized within other assets in the financial statements. Bond issuance costs are amortized over the term of the related debt.

Fixed Assets
Fixed assets are comprised primarily of land and land improvements buildings, equipment and capitalized software costs, which are recorded at cost or fair market value for gifts, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of buildings (20-40 years), land improvements (30 years), equipment (5-10 years), and capitalized software costs (5 years). The College capitalizes interest on borrowed funds during construction periods. Capitalized interest is charged to land improvements and building accounts

and amortized over the lives of the related assets. The cost and related accumulated depreciation of fixed assets are removed from the records at the time of disposal.

Collections
Library and art collections are included in fixed assets if the fair value can be readily determined. Contributed collection items are not reflected in the financial statements unless a fair value can be readily determined. Proceeds from the sale of unrecorded collection items or insurance recoveries are reflected as increases in the appropriate net asset class.

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 College records period-to-period changes in the ARO liability resulting from the passage of time and changes to either the timing or the amount of the original estimate of undiscounted cash flows. The College derecognizes ARO liabilities when the related obligations are settled.

Tax Status
The College has a letter of exemption from federal income tax from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and therefore has incurred no income tax expense related to the activities of the College.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. Significant estimates include the valuation of certain investments, collectability of gifts, contributions receivable, student loans receivable and accounts receivable, estimated useful lives of fixed assets, the assumptions used in calculating of the postretirement benefit plan, and asset retirement obligations.

Risks and Uncertainties
Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with such investments, it is at least reasonably possible that changes in values of such investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Reclassifications
The accompanying 2015 financial statements include comparative financial information for 2014. Certain items presented for fiscal 2014 have been reclassified to conform to the current year presentation.

2. Investments

Investments at June 30, 2015 and 2014 consist of:

	Market Value	
	2015	**2014**
Endowment funds		
Short-term investments	$ 24,830,402	$ 13,930,421
Fixed income	16,790,477	16,675,729
Domestic equity	8,299,634	8,351,646
Private equity	121,763,113	115,804,706
Real estate	11,814,221	12,458,442
Hedge funds/absolute return		
Domestic equities	170,599,126	163,346,198
Private equities	1,002,830	1,229,046
Global equities	169,039,422	117,982,219
Other	45,268,384	78,219,303
	569,407,609	527,997,710
Other funds		
Fixed income	3,000	4,000
Domestic and global equities	305,837	339,583
International equity	2,392	6,976
Real estate	89,621	19,621
Other	119,242	191,258
	520,092	561,438
Total investments	$ 569,927,701	$ 528,559,148

At June 30, 2015 and 2014, the College is obligated to fund $78,831,298 and $79,152,776 for future additional contributions to certain limited partnerships. This obligation will be funded by the reallocation of investments future earnings, new contributions or available cash.

A summary of the College's investment return is presented below:

	2015	**2014**
Endowment and other long-term investments		
Investment income	$ 1,896,621	$ 2,303,025
Net realized and unrealized gains, net of investment management fees and other costs	30,609,358	72,891,377
Return on endowment and other long-term investments	32,505,979	75,194,402
Operating investments		
Investment income	1,057,676	686,062
Net realized and unrealized losses	(170,672)	(167,493)
Return on operating investments	887,004	518,569
Total return on investments	$ 33,392,983	$ 75,712,971

The following table presents the financial instruments carried at fair value as of June 30, 2015 and 2014, by caption on the statements of financial position by the fair value measurements and disclosures valuation hierarchy defined in Note 1.

	2015			
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Short term investments	$ 24,830,402	$ -	$ -	$ 24,830,402
Fixed income	16,790,477	3,000		16,793,477
Domestic and global equities	4,264,921		4,340,550	8,605,471
Private equity			121,763,113	121,763,113
International equity	2,392			2,392
Real estate	13,001		11,890,841	11,903,842
Hedge funds/absolute return		369,495,701	16,414,061	385,909,762
Other			119,242	119,242
Total investments	45,901,193	369,498,701	154,527,807	569,927,701
Beneficial interests held by 3rd parties			19,933,246	19,933,246
Perpetual trusts held by 3rd parties			14,774,924	14,774,924
Total assets at fair value	$ 45,901,193	$ 369,498,701	$ 189,235,977	$ 604,635,871

	2014			
	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Short term investments	$ 13,930,421	$ -	$ -	$ 13,930,421
Fixed income	16,675,729	4,000		16,679,729
Domestic and global equities	4,719,184		3,972,045	8,691,229
Private equity			115,804,706	115,804,706
International equity	6,976			6,976
Real estate	13,001		12,465,062	12,478,063
Hedge funds/absolute return		346,072,492	14,704,274	360,776,766
Other			191,258	191,258
Total investments	35,345,311	346,076,492	147,137,345	528,559,148
Beneficial interests held by 3rd parties			18,705,061	18,705,061
Perpetual trusts held by 3rd parties			15,257,970	15,257,970
Total assets at fair value	$ 35,345,311	$ 346,076,492	$ 181,100,376	$ 562,522,179

Following is a description of the College's valuation methodologies for assets and liabilities measured at fair value.

Fair value for Level 1 is based on quoted prices in active markets that the College has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The College does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources including market participants, dealers, and brokers.

Fair value for Level 3, is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

There were no material transfers between any levels during the year ended June 30, 2015.

Investments included in Level 3 primarily consist of the College's ownership in alternative investments (principally limited partnership interests in hedge, private equity, real estate, and other similar funds). The value of certain alternative investments represents the ownership interest in the net assets of the respective partnership. Approximately 22.5% of investments held by the partnerships consists of marketable securities and approximately 77.5% are securities that do not have readily determinable fair values. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals market comparable calculations, income approaches such as discounted cash flows, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration various data points, including the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The College and its investment advisor have performed due diligence around these investments to ensure NAV is an appropriate measure of fair value as of June 30, 2015 and 2014. Fund investments that have observable inputs (published NAVs) and from which the College has the ability to redeem within 90 days of June 30 are classified as Level 2.

Beneficial and perpetual trusts held by 3rd parties are valued at the present value of the future distributions expected to be received over the term of the agreements.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table is a rollforward of the statements of financial position amounts for financial instruments classified by the College within Level 3 of the fair value hierarchy defined above:

	Domestic Equity	Private Equity	Real Estate	Hedge Funds	Other	Total Investments
Fair value at June 30, 2014	$ 3,972,045	$ 115,804,706	$ 12,465,062	$ 14,704,274	$ 191,258	$ 147,137,345
Realized and unrealized gains/(losses)	581,719	12,855,208	(1,818,160)	10,129	(16)	11,628,880
Net Purchases, sales, settlements	(213,214)	(6,896,801)	1,171,939	1,699,658	-	(4,238,418)
Transfers in/out	-	-	72,000	-	(72,000)	-
Fair value at June 30, 2015	$ 4,340,550	$ 121,763,113	$ 11,890,841	$ 16,414,061	$ 119,242	$ 154,527,807

	Beneficial Interests Held By 3rd Party	Perpetual Trusts Held By 3rd Party
Fair value at June 30, 2014	$ 18,705,061	$ 15,257,970
Realized gains (losses)		
Unrealized gains (losses)	1,228,185	129,123
Net purchases, sales, settlements		(612,169)
Transfers in (out)		
Fair value at June 30, 2015	$ 19,933,246	$ 14,774,924

All net realized and unrealized gains (losses) in the table above are reflected in the accompanying statements of activities. Net unrealized gains (losses) relate to those financial instruments held by the College at June 30, 2015 and 2014.

The information provided in the table below has been disaggregated based upon sub-strategy of the investments. Available redemption data and uncalled commitments are listed as follows:

Category	Fair Value	Unfunded Commitments	Lockup	Inside/ Outside of Lockup	Redemption Frequency (if Eligible)	Redemption Notice
Hedge funds/absolute return						
Long/short	$ 218,570,264	$ -	None	N/A	Monthly-Quarterly	10-120 Days
Fixed income strategies	15,411,231		36 months rolling	Inside	Every 2 years	90 Days
Multi-strategy	151,928,267		None	N/A	Quarterly	90 Days
Total hedge funds	$ 385,909,762	$ -				
Private equity						
Fund of funds	$ 108,019,224	$ 71,646,234	None	N/A	N/A - Annual	None -180
Buyout	12,884,830	5,254,770	None	N/A	N/A	None
Venture capital	82,049	-	None	N/A	N/A	None
Fixed income	777,010	692,934	None	N/A	N/A	None
Total private equity	$ 121,763,113	$ 77,593,938				
Real estate						
Real estate	$ 11,903,842	$ 1,237,360	None	N/A	N/A	None
Total real estate	$ 11,903,842	$ 1,237,360				
Total	$ 519,576,717	$ 78,831,298				

Derivatives Contracts

The College enters into derivative instruments such as futures for trading purposes. The College uses this strategy to provide short term exposure to the market in a cash efficient manner. These products are not linked to specific assets and liabilities that appear on the balance sheet or to a forecasted transaction and, therefore, do not qualify for hedge accounting. The College is required to disclose derivative and hedging activities and thereby improve the transparency of financial reporting. The following table shows the fair value amounts of derivatives held by the College at June 30, 2015:

Derivatives Not Designated as Hedging Instruments	Consolidated Statements of Financial Position	Fair Value
Index futures contracts	Investments, at fair value	$ (97,420)

As of June 30, 2015 there were 60 futures contracts open. The volume of futures is based on the quarterly number of contracts held during the year. For the year ended June 30, 2015 the average number of contracts for futures was 24.5.

The following table shows the net gains and losses on derivatives held by the College for the year ended June 30, 2015:

Derivatives Not Designated as Hedging Instruments	Consolidated Statements of Activities Location		Net realized or Net Change in Unrealized Gain (Loss)
Net realized gain			
Index futures contracts	Net gains on investments	$	126,355
Net change in unrealized gain (loss)			
Index futures contracts	Net gains on investments	$	(97,420)

3. Endowment Funds

Principal balances at June 30 were as follows:

	Fair Value	
	2015	2014
Endowment funds held by Trinity	$ 547,406,714	$ 527,531,279
Funds held in trust by others	14,774,924	15,257,970
Pledges outstanding	9,851,911	9,008,949
	$ 572,033,549	$ 551,798,198

The College's endowment consists of over 1,000 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees or management to function as endowment. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds functioning as endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Temporarily restricted endowment net assets include accumulated appreciation on donor-restricted endowment funds, as well as donor-restricted, spendable gifts designated by the Board or management for long-term support of the College. Permanently restricted endowment net assets include those funds designated by donors to be invested in perpetuity to provide a permanent source of income.

The College follows the accounting guidance for Presentation of Financial statements of Not-For-Profit-Entities, which requires net asset classification of funds subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and enhanced disclosures for all endowment funds, which establishes guidance on the net asset classification of donor-restricted endowment funds for organizations subject to an enacted Uniform Prudent Management of Institutional Funds Act. The accounting guidance requires not-for-profit entities subject to an enacted version of UPMIFA to classify the portion of the endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets (time restricted) until appropriated for expenditure by the organization.

During 2015, the College transferred an unrestricted gift of $6,864,683 received during fiscal 2014 from the endowment to operating activities to cover costs associated with capital campaign efforts. The transfer was approved by the Trustees of the College.

Interpretation of Relevant Law
The trustees of the College interpret the Uniform Prudent Management of Institutional Funds Act of the State of Connecticut, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the College classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the College and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- The investment policies of the College

Funds with Deficiencies
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the College to retain as a fund of perpetual duration. These deficiencies would be the result of unfavorable market fluctuations that occur after the investment of new permanently restricted contributions and appropriation for certain programs that are deemed prudent by the Board of Trustees. There were no deficiencies of this nature in fiscal 2015, and 2014 respectively.

In accordance with the terms of donor gift instruments, the College is permitted to reduce the balance of several restricted endowments below the original amount of the gift. Subsequent investment gains are then used to restore the balance up to the fair market value of the original amount of the gift. Subsequent gains above that amount are recorded to temporarily restricted net assets.

Endowment Net Asset Composition by Type of Fund as of June 30, 2015.

	Unrestricted Endowment	Temporarily Restricted Endowment	Permanently Restricted Endowment	Total
Donor-restricted endowment funds	$ -	$ 245,784,974	$ 294,179,496	$ 539,964,470
Funds functioning as endowment funds	7,671,321	19,754,140	4,643,618	32,069,079
Total funds	$ 7,671,321	$ 265,539,114	$ 298,823,114	$ 572,033,549

	Unrestricted Endowment	Temporarily Restricted Endowment	Permanently Restricted Endowment	Year to Date as of June 30, 2015
Beginning balance June 30, 2014	$ 15,560,612	$ 255,864,802	$ 280,372,784	$ 551,798,198
Investment Return	(48,318)	(2,613,577)	(56,000)	(2,717,895)
Net appreciation (realized and unrealized)	630,991	33,776,979	725,042	35,133,012
Total investment return	582,673	31,163,402	669,042	32,415,117
Contributions	-	133,156	16,135,435	16,268,591
Appropriation of endowment assets for expenditure	(1,714,111)	(20,010,324)	67,154	(21,657,281)
Other changes, transfers, and releases from restriction	(6,757,853)	(1,611,922)	1,578,699	(6,791,076)
Net assets as of June 30, 2015	$ 7,671,321	$ 265,539,114	$ 298,823,114	$ 572,033,549

Endowment Net Asset Composition by Type of Fund as of June 30, 2014.

	Unrestricted Endowment	Temporarily Restricted Endowment	Permanently Restricted Endowment	Total
Donor-restricted endowment funds	$ -	$ 236,668,897	$ 275,748,159	$ 512,417,056
Funds functioning as endowment funds	15,560,612	19,195,905	4,624,625	39,381,142
Total funds	$ 15,560,612	$ 255,864,802	$ 280,372,784	$ 551,798,198

	Unrestricted Endowment	Temporarily Restricted Endowment	Permanently Restricted Endowment	Year to Date as of June 30, 2014
Beginning balance June 30, 2013	$ 7,905,983	$ 203,822,237	$ 274,778,932	$ 486,507,152
Investment return				
Investment income (loss), net of fees	(126,037)	(3,693,543)	(72,686)	(3,892,266)
Net appreciation (realized and unrealized)	2,032,205	75,112,553	2,391,032	79,535,790
Total investment return	1,906,168	71,419,010	2,318,346	75,643,524
Contributions	7,764,683	-	1,591,696	9,356,379
Appropriation of endowment assets for expenditure	(2,697,016)	(18,278,470)	256,787	(20,718,699)
Other changes, transfers, and releases from restriction	680,794	(1,097,975)	1,427,023	1,009,842
Net assets as of June 30, 2014	$ 15,560,612	$ 255,864,802	$ 280,372,784	$ 551,798,198

Assets of endowment funds are pooled on a market value basis with each individual fund subscribing to or disposing of units on the basis of the market value per unit at the beginning of the monthly period within which the transactions take place. In addition, the College maintains separately invested funds as stipulated by donors. Endowment income is distributed based on the number of units subscribed to at the end of each month.

The College's endowment spending policy was designed to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. For the 2015 fiscal year the College elected to change its spending policy from a percentage of actual value plus inflation to a percentage of the average market value excluding funds held in trust, for the calendar year trailing twelve quarters. The spending rate approved by the board of trustees for 2015 was 5%. This resulted in approved spending of $22,990,133 and $21,896,256, which includes $21,657,281 and $20,718,619 appropriated for expenditure and $1,332,852 and $1,177,557 unspent in 2015, and 2014 respectively.

The College owns certain strategic neighborhood properties. Total return on these neighborhood properties, which are held as endowment assets, was (12%) and (11%) for the years ended June 30, 2015 and 2014, respectively.

Other endowment changes in the statements of activities include transfers due to changes in donor intent in the amount of $76,914 and $90,030 for the years ended June 30, 2015 and 2014, respectively.

The following table sets forth activity in the pool at June 30:

	2015	2014
Number of units for income allocation	21,721,873	20,943,668
Market value per unit	$ 25.00	$ 25.00
Income earned per unit	1.50	3.53
Income distributed per unit	1.03	1.02

4. Contributions Receivable

Contributions receivable at June 30 consisted of unconditional promises to give (net of discount of $3,476,619 and $9,257,279 and allowance of $1,059,015 and $865,796 for 2015 and 2014, respectively), which are expected to be collected in the following periods:

	2015	2014
In one year or less	$ 11,192,374	$ 7,521,684
Between one year and five years	12,527,854	11,810,867
In more than five years	787,277	3,955,484
	$ 24,507,505	$ 23,288,035

Discount rates used to calculate the present value of contributions receivable ranged from 2.46% to 7.03%.

During fiscal year 2015, the College discovered an error in the calculation of the accretion of the discount applied to contributions receivable that are payable to the College over periods of one or more years. The cumulative effect at June 30, 2014 was $3,260,132 and resulted in understating contributions and contributions revenue. Management has concluded the cumulative impact of the error and the impact on each of the prior individual years is not material, and accordingly the discount has been corrected in the current year by increasing operating contribution revenue by $2,023,824, increasing non-operating (endowment) contribution revenue by $1,236,308, and increasing contribution receivable by $3,260,132.

5. Other Assets

Other assets at June 30 include:

	2015	2014
Bond issuance costs, net of accumulated amortization	$ 2,828,902	$ 3,210,176
Prepaid expenses	253,012	294,517
Inventories	103,305	74,989
Other	178,863	184,705
	$ 3,364,082	$ 3,764,387

6. Fixed Assets

Land and land improvements, buildings and equipment, less accumulated depreciation at June 30, are as follows:

	2015	2014
Land and land improvements	$ 30,943,333	$ 30,943,333
Buildings	385,354,389	378,431,952
Equipment	54,467,953	52,597,975
Construction-in-progress	6,750,137	5,389,800
	477,515,812	467,363,060
Less: Accumulated depreciation	(227,475,107)	(216,491,528)
	$ 250,040,705	$ 250,871,532

Depreciation expense included in operating expense amounted to $12,217,786 and $12,591,665 for the years ended June 30, 2015 and 2014. The cost of the Trinity College main campus purchased in 1873 consisting of 78 acres and smaller parcels purchased in subsequent years is not included in the land total above. The historical cost of this land is not practical to estimate.

7. Asset Retirement Obligations

The College recalculates its asset retirement obligation annually, adjusting the liability to reflect obligations incurred or settled in the current period, accretion expense, and changes in estimated cash flows.

The College recognized accretion on the asset retirement obligations net of abatement and other changes of approximately $523,435 and $406,963 in 2015 and 2014. Accretion is reported as an operating expense in the statements of activities.

8. Bonds and Notes Payable

The following is a summary of bonds and notes payable at June 30:

	2015	2014
Connecticut Health and Educational Facilities Authority (CHEFA) Series F bonds, issued 1998, interest rates ranging from 5.0% to 5.50%; maturities to 2028; insured by Municipal Bond Insurance Authority (MBIA). The trustee held a sinking fund reserve of $269,824 and $269,824 at June 30, 2015 and 2014	$ 9,805,000	$ 9,805,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series H bonds, issued 2005, interest rates ranging from 2.0% to 5.0%; maturities to 2026; insured by MBIA. The trustee held a sinking fund reserve of $0 and $1,935,088 at June 30, 2015 and 2014	-	23,650,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series L bonds, issued 2008, interest with an initial rate of 1.65%; and a maximum rate of 12%; maturities to 2034. The trustee held a sinking fund reserve of $515,719 and $505,620 at June 30, 2015 and 2014	12,505,000	13,010,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series J bonds, issued 2007, interest rates ranging from 4.5% to 5.5%; maturities to 2037; insured by MBIA. The trustee held a sinking fund reserve of $1,101,200 and $1,101,200 at June 30, 2015 and 2014	49,805,000	49,805,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series K bonds, issued 2007, interest rates ranging from 4.5% to 5.5%; maturities to 2037; insured by MBIA. The trustee held a sinking fund reserve of $1,034,216 and $1,017,716 at June 30, 2015 and 2014	21,670,000	22,210,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series M bonds, issued 2010, interest rates ranging from 2.0% to 5.0%; maturities to 2028; not insured. These bonds were used to refinance the callable portion of the Series F bonds. The trustee held a sinking fund reserve of $1,830,496 and $1,083,196 at June 30, 2015 and 2014	18,490,000	19,875,000
Connecticut Health and Educational Facilities Authority (CHEFA) Series N bonds, issued 2014, variable interest rate equal to 0.68 of one-month LIBOR plus 85 bps; maturities to 2026; not insured. These bonds were used to refund the Series H bonds. There is no sinking fund required for this series as the College pays the purchaser directly. However, there is a $1,000,000 compensating balance required by the purchaser.	20,970,070	-
	133,245,070	138,355,000
	(926)	259,480
Total bonds and notes payable	$ 133,244,144	$ 138,614,480

Maturities of the above bonds and notes payable are as follows:

2015-2016	$ 4,402,917
2016-2017	4,517,917
2017-2018	4,657,917
2018-2019	4,762,917
2019-2020	4,867,917
Thereafter	110,035,485

In July 2014, the College borrowed $22,535,000 in the form of CHEFA Revenue Bonds, Series N. The proceeds from the issue were used to refund the College's borrowings under the CHEFA Revenue Bonds, Series H. The proceeds were deposited in a refunding trust to refund the Series H bonds, in the outstanding principal amount of $22,285,000. Under the terms of the refunding trust agreement, the College has not retained control over the trust assets or responsibility for the refunded debt. As a result, the Series H bonds were defeased. The refunding resulted in a redemption price of the Series H bonds and its carrying value, including its unamortized debt issuance costs, in the amount of $208,341 that has been recorded as a loss in the accompanying consolidated statement of activities.

The College has entered into an interest rate swap agreement used to economically hedge the interest rate risk associated with certain of its variable rate debt. The following summarizes the terms for the agreement as of June 30, 2015:

	People's United Bank
Trade/effective date	Nov. 26, 2013
Initial notional amount	$22,535,000
Current notional amount	$20,970,070
Termination date	July 1, 2026
Fixed rate paid by College	2.670%
Rate paid by Counterparty	0.68 of one-month LIBOR plus 85 bps

The net loss that was recognized for this interest rate swap agreement for the years ended June 30, 2015 and 2014 were $103,521 and $500,441, respectively, and have been recorded as interest expense on the consolidated statement of activities. The fair value of the liability for the interest rate swap agreement at June 30, 2015 and 2014 is $603,962 and $500,441, respectively, and recorded as "other liability" on the consolidated statements of financial position.

In July 2008, the College entered into an irrevocable Letter of Credit and Reimbursement Agreement (the "Letter of Credit") in the amount of $15,345,000 with JPMorgan Chase Bank, N.A., which expires August 5, 2016. In the event that the College receives notice of any optional tender on its Series L variable-rate demand bonds, or if these bonds become subject to mandatory tender, the purchase price of the bonds will be paid from the remarketing of such bonds. However, if the remarketing proceeds are insufficient, the College will be obligated to purchase the bonds tendered by drawing on the Letter of Credit (LOC). Amounts borrowed under the Letter of Credit must be repaid in full on the expiration date or, at the option of the College, may be converted to a three year term loan with quarterly payments commencing in the third month following the conversion. The term loan bears interest at the higher of the Federal Funds Effective Rate plus 3.5% or Prime Rate plus 3.0%. If the full amount of the bonds are put and the LOC is utilized, principal amounts on the Series L bonds due over the next five years and thereafter would be $515,000, $525,000, $555,000, $545,000 $540,000 and $9,825,000.

The College has a line of credit agreement with a national financial institution, which provides up to $15 million. There was no balance outstanding at June 30, 2015 or 2014. Interest is assessed at the higher of the bank's prime rate or the one month LIBOR plus 250 basis points for borrowings less than $500,000, and LIBOR plus 75 basis points for borrowings in excess of $500,000. There is also a 10 basis point charge for the unused portion of the credit line, payable quarterly in arrears.

The fair value of the College's long-term debt is estimated at approximately $139,075,709 based on the quoted market prices for the same or similar issues or on the current rates offered to the College for debt of the same remaining maturities.

The College's debt with CHEFA is uncollateralized. The College is subject to certain financial and nonfinancial covenants and was in compliance with these covenants during 2014 and 2015.

9. Unrestricted Net Assets

Unrestricted net assets at June 30, 2015 and 2014 consist of the following:

	2015	2014
Unrestricted endowment	$ 7,671,320	$ 15,560,612
Investment in plant assets	87,452,947	83,188,489
Life income funds	723,206	925,131
Operating funds	8,878,966	3,043,432
Total unrestricted net assets	$ 104,726,439	$ 102,717,664

10. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014 are available for the following purposes:

	2015	2014
Plant additions/renovation	$ 9,870,620	$ 9,164,120
Life income funds	20,003,121	18,804,539
Capital campaign	(24,313)	70,042
Endowment funds	265,539,114	255,864,802
Operating and restricted funds	18,594,335	18,236,465
Loan funds	2,699,964	2,384,202
Total temporarily restricted net assets	$ 316,682,841	$ 304,524,170

11. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2015 and 2014 consist of the following:

	2015	2014
Income restricted		
Instruction funds	$ 99,061,873	$ 98,023,326
Scholarship funds	99,360,180	86,494,102
Library	9,584,343	9,504,596
Chapel funds	839,365	839,365
Athletics	8,769,776	8,567,709
Prize funds	883,272	732,838
Other purposes	14,181,190	10,132,407
Unrestricted as to use of income	66,143,115	66,078,441
Total investments in perpetuity in endowment	298,823,114	280,372,784
Student loan funds	562,104	486,938
Life income funds	2,231,240	2,607,670
Total permanently restricted net assets	$ 301,616,458	$ 283,467,392

12. Net Assets Released From Restrictions

Net assets were released from donor restrictions during the periods ended June 30, 2015 and 2014 as a result of incurred expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Such assets were utilized to fund expenditures in the following categories:

	2015	2014
Instruction and research	$ 8,581,588	$ 7,519,409
Financial aid	6,989,121	4,286,174
Plant	1,318,940	1,163,850
General institutional	7,294,297	8,183,942
Student services	782,311	645,723
Academic support	2,810,458	2,568,464
Total net assets released from restrictions	$ 27,776,715	$ 24,367,562

As described in Note 16, in 2015 College management elected to add two expense categories to its Statement of Activities. For comparative purposes the table below shows the change in categorization for these expenses as they affected fiscal year 2014.

	2014 Original	Reclass	2014 Reclassified
Instruction and research	$ 10,003,572	$ (2,484,163)	$ 7,519,409
Financial aid	4,286,174		4,286,174
Plant	1,163,850		1,163,850
General institutional	8,913,966	(730,024)	8,183,942
Student services		645,723	645,723
Academic support		2,568,464	2,568,464
Total	$ 24,367,562	$ -	$ 24,367,562

13. Employee Benefit Plans

The College participates in the Teacher's Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) as a defined contribution retirement plan for most of its employees. Total benefits expense for the years ended June 30, 2015 and 2014 is $4,028,977 and $3,833,776. The College has no liability for any unfunded costs under this plan.

The College provides health insurance benefits for employees who were full-time employees with at least ten years of service were 60 or older, and who retired by June 30, 2007. Retirees after June 30, 2007 may participate in the plan; however they must pay the full costs. The College also provides life insurance benefits for retired employees who were full-time employees as of December 1, 1977.

The following represents the applicable disclosures as required by accounting guidance for defined benefit postretirement plans.

Pertinent information relating to this plan is as follows, based on a June 30 measurement date:

	2015	2014
Change in benefit obligation		
Benefit obligation at beginning of year	$ 5,390,844	$ 5,517,649
Service cost	4,454	6,297
Interest cost	206,788	200,095
Plan participants' contributions	81,048	82,807
Actuarial loss	704,058	27,950
Benefits paid	(463,656)	(443,954)
Benefit obligation at end of year	5,923,536	5,390,844
Change in plan assets		
Fair value of plan assets at beginning of year	-	-
Employer contributions	382,608	361,147
Plan participants' contributions	81,048	82,807
Benefits paid	(463,656)	(443,954)
Fair value of plan assets at end of year	-	-
Funded status	$ (5,923,536)	$ (5,390,844)
Balances recognized in unrestricted net assets		
Unrecognized prior service benefit	$ (1,321,704)	$ (1,982,558)
Net actuarial loss	3,164,353	2,756,646
	$ 1,842,649	$ 774,088
Postretirement related changes other than net periodic benefit cost		
Current actuarial loss	$ 704,058	$ 27,950
Amortization of unrecognized amounts	364,503	385,989
	$ 1,068,561	$ 413,939
Components of net periodic benefit cost		
Service cost	$ 4,454	$ 6,297
Interest cost	206,788	200,095
Expected return on plan assets	-	-
Amortization of prior service benefit	(660,854)	(660,854)
Amortization of actuarial loss	296,351	274,865
Net periodic benefit gain	$ (153,261)	$ (179,597)
Amortization amounts in following year		
Prior service gain	$ (660,854)	$ (660,854)
Net actuarial loss	256,687	255,774
	$ (404,167)	$ (405,080)

Assumptions

	2015	2014
Discount rate used to determine benefit obligations at June 30	3.68 %	3.40 %
Discount rate used to determine net periodic benefit cost for years ended June 30	3.40 %	3.79 %
Assumed health care cost trend rates at June 30	7.00 %	8.00 %
Health care cost trend rate assumed for next year	6.00 %	7.00 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate	2017	2017

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost	$ 16,133	$ (14,261)
Effect on postretirement benefit obligation	454,954	(403,024)

Contributions
Trinity College expects to contribute $476,121 to its postretirement health insurance benefit plan in fiscal year 2016.

Estimated Future Benefit Payments
Expected benefit payments for the fiscal year ending:

	Postretirement Benefits
2016	$ 476,121
2017	474,544
2018	466,725
2019	457,903
Thereafter	2,108,021

14. Commitments and Contingencies

The College is subject to legal proceedings and claims that arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to those actions will not materially affect the College's financial position, changes in net assets or cash flows.

The College entered into a series of agreements with a third party property developer for the construction of dormitories which were completed during fiscal 2014. The Developer leased the land upon which the Dormitory is constructed from the College and the College manages the property. The Developer bears all financial risk and receives all the financial benefit from the Dormitories. Based on the terms of the agreements, the Developer constructed the Dormitories and funded the project primarily through a commercial bank loan and a $4,000,000 loan from the College. The balance of the loan from the College on June 30, 2015 was $3,852,682. The interest rate is 8% and the term expires January 15, 2029.

15. Related Parties

The College invests a portion of their endowment investments in limited liability partnerships and mutual funds where certain members of the Board of Trustees have significant influence. The total fair value of related party investments was $6,406,574 and $8,551,394 at June 30, 2015 and 2014.

16. Expense Reclassifications

In order to expand transparency over expenses reflected in the Statement of Activities, College management chose to expand its expense classification codes categories. The two new categories are called; 1- Academic Support and 2- Student services. Academic Support (previously part of Instruction) includes the activity from the departments of the Dean of Faculty, IDP, Theater, Dean of Urban Global Studies, Library/Academic Computing and the Athletic Office. Student Services (previously part of General Institutional) includes activity from the departments of Dean of Students, Admissions, Career Development, Office of Study Away, Financial Aid, Counseling Center, Health Center, and the Chapel. The expenses of the College in 2014 have also been reclassified as summarized in the table below. The results of the reclassification had no net impact on the Statement of Activities for 2014.

	2014 Original	Reclassification	2014 Reclassified
Instruction, research and related	$ 77,426,900	$ (18,946,093)	$ 58,480,807
General institutional services	39,242,882	(13,548,471)	25,694,411
Auxiliary expenses	25,614,865		25,614,865
Academic support		18,946,094	18,946,094
Student services		13,548,470	13,548,470
	$ 142,284,647	$ -	$ 142,284,647

17. Subsequent Events

The College has performed an evaluation of subsequent events through October 23, 2015, the date the consolidated financial statements were available to be issued.

On July 15, 2015, the College refinanced all of its CHEFA Series K bonds with CHEFA Series O fixed rate bonds. All of the CHEFA series O bonds were purchased by Farmington Bank. The terms of the agreement are stated below:

Refinancing effective date	July 15, 2015
Principal amount at inception	$ 22,890,000
Maturity date	July 1, 2037
Fixed rate payable by the College	2.675 %