KPMG

HAMILTON COLLEGE

Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

HAMILTON COLLEGE

Table of Contents

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Hamilton College:

We have audited the accompanying financial statements of Hamilton College, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Hamilton College as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

November 12, 2021

HAMILTON COLLEGE

Statements of Financial Position

June 30, 2021 and 2020

(Dollars in thousands)

Assets		**2021**	**2020**
Cash and cash equivalents	$	27,546	21,559
Short-term investments		10,261	13,213
Student and other accounts receivable including loans, net		2,067	3,547
Contributions receivable, net		23,203	19,643
Beneficial interest trusts		6,603	5,138
Deposits with trustees of debt obligations		44,537	4,808
Collateral received for securities lending		1,978	1,993
Medium-term investments		1,732	5,317
Receivable for investments sold		6,853	33,339
Investments		1,465,369	1,034,831
Other assets		6,197	5,612
Property, plant and equipment, net		250,829	245,894
Total assets	$	1,847,175	1,394,894
Liabilities and Net Assets			
Accounts payable and accrued liabilities	$	12,442	9,040
Deposits and advances		2,827	4,388
Liability under securities lending transactions		1,978	1,993
Annuity and life income obligations		15,913	14,698
Accumulated postretirement benefit obligation		2,538	2,562
Other long-term obligations		5,135	3,689
Long-term debt		166,688	130,994
Total liabilities		207,521	167,364
Net assets:			
Without donor restrictions		370,529	299,427
With donor restrictions		1,269,125	928,103
Total net assets		1,639,654	1,227,530
Total liabilities and net assets	$	1,847,175	1,394,894

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statement of Activities

Year ended June 30, 2021
(with summarized information for the year ended June 30, 2020)

(Dollars in thousands)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenues:				
Tuition and fees, net of $38,088 scholarship aid in 2021	$ 73,682	—	73,682	73,442
Room and board, net of $8,361 scholarship aid in 2021	16,502	—	16,502	12,871
Net student fees	90,184	—	90,184	86,313
Investment return designated for operations	9,511	34,539	44,050	42,498
Other investment income	435	—	435	287
Private gifts and grants	7,022	5,844	12,866	9,259
Other sources	5,993	—	5,993	4,447
Net assets released from restrictions	30,515	(30,515)	—	—
Total operating revenues	143,660	9,868	153,528	142,804
Operating expenses:				
Instruction	57,408	—	57,408	59,766
Research	841	—	841	752
Academic support	19,980	—	19,980	20,145
Student services	22,524	—	22,524	20,773
Institutional support	21,053	—	21,053	21,716
Auxiliary enterprises	24,504	—	24,504	20,900
Total operating expenses	146,310	—	146,310	144,052
Increase (decrease) in net assets from operations	(2,650)	9,868	7,218	(1,248)
Nonoperating activities:				
Private gifts	5,620	36,178	41,798	24,006
Investment return, net of amounts designated for operations	62,407	300,551	362,958	21,331
Change in annuity and life income obligations	—	150	150	(1,481)
Net assets released from restriction and changes in restriction	5,725	(5,725)	—	—
Other	—	—	—	(2,004)
Increase in net assets from nonoperating activities	73,752	331,154	404,906	41,852
Increase in net assets	71,102	341,022	412,124	40,604
Net assets, beginning of year	299,427	928,103	1,227,530	1,186,926
Net assets, end of year	$ 370,529	1,269,125	1,639,654	1,227,530

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statement of Activities

Year ended June 30, 2020

(Dollars in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues:			
Tuition and fees, net of scholarship aid of $36,542	$ 73,442	—	73,442
Room and board, net of scholarship aid of $8,546	12,871	—	12,871
Net student fees	86,313	—	86,313
Investment return designated for operations	8,130	34,368	42,498
Other investment income	287	—	287
Private gifts and grants	7,216	2,043	9,259
Other sources	4,447	—	4,447
Net assets released from restrictions	31,890	(31,890)	—
Total operating revenues	138,283	4,521	142,804
Operating expenses:			
Instruction	59,766	—	59,766
Research	752	—	752
Academic support	20,145	—	20,145
Student services	20,773	—	20,773
Institutional support	21,716	—	21,716
Auxiliary enterprises	20,900	—	20,900
Total operating expenses	144,052	—	144,052
Increase (decrease) in net assets from operations	(5,769)	4,521	(1,248)
Nonoperating activities:			
Private gifts	7,716	16,290	24,006
Investment return, net of amounts designated for operations	8,508	12,823	21,331
Change in annuity and life income obligations	—	(1,481)	(1,481)
Net assets released from restriction and changes in restriction	351	(351)	—
Other	(2,004)	—	(2,004)
Increase in net assets from nonoperating activities	14,571	27,281	41,852
Increase in net assets	8,802	31,802	40,604
Net assets, beginning of year	290,625	896,301	1,186,926
Net assets, end of year	$ 299,427	928,103	1,227,530

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statements of Cash Flows

Years ended June 30, 2021 and 2020

(Dollars in thousands)

		2021	2020
Net cash flows from operating activities:			
Increase in net assets	$	412,124	40,604
Adjustments to reconcile increase in net assets to net cash used in operating activities:			
Contributions for endowment and facilities		(41,798)	(24,006)
Depreciation and amortization		16,521	19,536
Realized and unrealized gains on investments		(408,442)	(64,102)
Changes in assets and liabilities that provide (use) cash:			
Student and other accounts receivable including loans, net		1,332	(6)
Contributions receivable		(3,560)	(3,935)
Beneficial interest trusts		(1,465)	(2,419)
Other assets		(585)	(1,736)
Accounts payable and accrued liabilities		3,364	(688)
Deposits and advances		(1,561)	2,724
Accumulated postretirement benefit obligation		(24)	(53)
Annuity and life income obligations		1,215	1,218
Cash flows used in operating activities		(22,879)	(32,863)
Net cash from investing activities:			
Purchase of property, plant and equipment, net of change in construction costs payable		(19,153)	(12,730)
Purchases of investments		(284,748)	(394,189)
Proceeds from sales and maturities of investments		281,069	417,425
Change in deposits held by trustees of debt obligations		(39,729)	(48)
Student loans, net		148	60
Contributions to donor advised funds		1,409	2,019
Cash flows (used in) provided by investing activities		(61,004)	12,537
Net cash from financing activities:			
Proceeds from debt issuance		46,456	—
Contributions for endowment and facilities		41,798	24,006
Payments on long-term debt		(9,440)	(13,255)
Payments to beneficiaries of split interest agreements		(1,881)	(2,032)
Cash flows provided by financing activities		76,933	8,719
Net decrease in cash and cash equivalents		(6,950)	(11,607)
Cash and cash equivalents:			
Beginning of year		34,772	46,379
End of year	$	27,822	34,772
Supplemental disclosure of noncash investing and financing activities:			
Change in construction related payables	$	2,110	(175)
Change in receivables for investments sold		(26,486)	33,339
Supplemental disclosure:			
Cash paid for interest	$	6,284	6,771

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

Originally founded in 1793 as the Hamilton-Oneida Academy, Hamilton College (the College) was chartered in 1812 and is the third oldest college in New York State. The College is a coeducational, independent, liberal arts college located in Clinton, New York, with an enrollment of approximately 1,850 students representing 49 states and 49 countries. The College offers 43 majors in the liberal arts, science and mathematics and also offers pre-professional/cooperative programs in Business, Education, Engineering, Law, and Medicine and the opportunity to study abroad in numerous foreign destinations. The College's open curriculum gives students the freedom to shape their own liberal arts education within a research-and writing-intensive framework.

(b) Basis of Presentation

The financial statements of the College are prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the College and changes therein are classified and reported as follows:

Net Assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by the College's Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Net Assets with donor restrictions – Net assets subject to donor-imposed stipulations. These stipulations may require the net assets be maintained into perpetuity by the College, or they may expire with the passage of time or fulfilled by actions pursuant to the stipulations. Generally, where the donor has stipulated that the net assets be maintained into perpetuity, the donors permit the College to use all or part of the income earned on these assets for general or specific purposes.

The College reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The statement of activities reflects a subtotal for the change in net assets from operations. This subtotal includes revenues the College received for operating purposes, investment return used for operations and all expenses. Nonoperating activity reflects all other activity, including, contributions received other than for the annual fund, contributions and grant income to fund long-lived assets, pension adjustments other than service costs, and miscellaneous items not related to the College's academic or research activities. Amounts also included the investment return in excess of the amount appropriated under the Board of Trustees' approved spending formula and contributions for endowment and plant purposes.

(Dollars in thousands)

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of certain investments, the carrying amount of property, plant and equipment, valuation allowances for receivables, and the determination of the accumulated postretirement benefit obligation. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents and Short-term Investments

Cash equivalents representing operating funds that are short-term, highly liquid investments with an original maturity of three months or less are included in cash and cash equivalents unless they are part of medium-term or long-term investment funds or deposits with trustees of debt obligations. Cash and cash equivalents are reported at cost which approximates fair value. At June 30, 2021 and 2020, the College has cash and cash equivalents in banks exceeding the FDIC limit. The College places its cash and cash equivalents with high quality financial institutions, has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Short-term investments are recorded at fair value. The College periodically invests excess operating cash generally in select fixed income securities on a short-term basis.

In accordance with Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, cash equivalents included in short-term investments are included as cash and cash equivalents for the purposes of the statement of cash flows. The following table provides a reconciliation of cash and cash equivalents as reported in the statements of financial position to cash and cash equivalents reported in the statements of cash flows:

		2021	**2020**
Cash and cash equivalents	$	27,546	21,559
Cash and cash equivalents included in short-term investments		276	13,213
Total cash and cash equivalents shown in the statement of cash flows	$	27,822	34,772

(e) Medium-Term Investments

Medium-term investments are also recorded at fair value and primarily represent proceeds from the Hamilton College Taxable Bonds, Series 2013. The investments are intended to be used by the College to refund all or a portion of certain existing bonds as further discussed in note 6, Long-Term Debt. During the year ended June 30, 2021, funds were used to advance refund $1,594 of the College’s Series 2002 Bonds.

(f) Investments

Investments are recorded at fair value. Net appreciation or depreciation on the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized in the statement of activities. Realized gains and losses on the sale of investments are generally determined using the specific identification method on the trade date.

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Financial instruments are measured and reported at fair value. Except for investments reported at net asset value or its equivalent (NAV) as a practical expedient to estimate fair value, the College uses a three-tiered hierarchy to categorize those assets and liabilities carried at fair value based on the valuation methodologies applied. Investments are classified and disclosed in one of the following categories based on the lowest level input that is significant to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 inputs are quoted prices for markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 inputs are unobservable inputs that are used when little or no market data is available.

The fair values of debt and equity securities with readily determinable fair values are generally based on quoted market prices obtained from active markets. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year.

The College’s interest in alternative investment funds, which include, private equity, real estate, energy, and hedge funds, are generally reported at the NAV reported by each of the investment managers as a practical expedient for determining the fair value of the investment. In cases where NAV is used as a practical expedient, these investments are redeemable either at NAV under the original terms of the subscription agreements and operations of the underlying funds, or at the discretion of the investment manager when the underlying investments are sold. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the value of the funds and, consequently, the NAV of the College’s interests in the funds. Furthermore, changes to the liquidity provisions of the funds may significantly impact the NAV of the College’s interest in the funds. Additionally, although certain investments may be sold in a secondary market transaction, subject to meeting certain requirements of the governing documents of the funds, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the College were to sell a fund in the secondary market, the sale could occur at an amount different than the reported NAV, and the difference could be material. As of June 30, 2021 and 2020, the College had no specific plans or intentions to sell investments at amounts different than NAV.

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(g) Receivables

The College extends credit, primarily to students, in the form of loans and accounts receivable for educational expenses. Loans to students are expected to be collected over an average of 10 years with interest rates ranging from 0.8% to 6.0%. Loans to students are recorded at their current unpaid principal balance and associated interest income is accrued based on the principal amount outstanding and applicable interest rates.

Allowances for doubtful accounts are recorded and represent the amounts that, in the opinion of management of the College, are necessary to account for probable losses related to current receivables. Allowances are determined based upon numerous considerations, including economic conditions, the specific composition of the receivable balances, as well as trends of delinquencies and write-offs. On a periodic basis, these factors are considered and the allowances for doubtful accounts are adjusted accordingly with a corresponding adjustment to the provision for allowance for doubtful loans and accounts receivable.

Student and other accounts receivable including loans are net of an allowance of $215 and $395 as of June 30, 2021 and 2020, respectively

(h) Deposits with Trustees of Debt Obligations

Deposits with trustees of debt obligations are recorded at fair value, and may be invested in cash, money market and short-term government securities according to the requirements established by the associated bond agreements. The fair value of deposits has been determined using quoted, unadjusted prices in active markets and would be considered to be Level 1 in the fair value hierarchy.

(i) Property, Plant and Equipment

Property, plant and equipment are recorded at cost, including interest on funds borrowed to finance construction, at the date of acquisition or fair value at the date of donation.

Depreciation is recorded on a straight-line basis over the estimated useful lives under the following guidelines: artwork (50 years), buildings (40 years), land improvements, HVAC, roofing and electrical (15 years), landscaping, carpeting and sprinkler systems (10 years), office furniture (7 years), vehicles, computer hardware and related equipment (5 years), and computer software (3 years).

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured based on a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

(j) Annuity and Life Income Gifts

The College accepts certain gifts on the condition that periodic annuity or life income distributions are made to designated beneficiaries. Assets associated with these gifts are recorded at their fair value. The College recognizes contribution revenue in an amount equal to the difference between the fair

(Continued)

value of the contributed asset and the net present value of the payment obligations, and classifies contribution revenue as an increase in net assets with donor restrictions, based on the donor stipulations. Liabilities associated with these gifts (the annuity or life income obligation) represent the present value of payments expected to be made to beneficiaries. Significant assumptions used to determine the annuity and life income obligations include the discount rates, which range from 1.2% to 10.6% determined in accordance with applicable regulations of the Internal Revenue Code, and mortality assumptions of the beneficiaries. Changes in annuity and life income obligations resulting from changes in actuarial assumptions and the accretion of the discount are recorded as increases or decreases net assets with donor restrictions. During 2021 and 2020, the College received annuity and life income gifts of $215 and $78, respectively.

(k) Beneficial Interest Trusts

The College is the beneficiary of certain perpetual trusts held and administered by others which are estimated at the fair value of the College's share of the underlying assets. Inputs used to estimate the fair value of the College's beneficial interest in perpetual trusts are considered unobservable and would be considered to be Level 3 in the fair value hierarchy.

(l) Revenue Recognition

Tuition and fees and certain auxiliary enterprise revenues are earned over the academic year as services are provided. These amounts are reflected on the statement of activities net of any institutional student aid and recognized as services are provided. A student's institutional aid is allocated between tuition and fees and room and board based on the representative share of each portion to the total cost of attendance. Revenue from other exchange transactions, including from certain retail operations, is recognized when goods or services are provided to customers.

Gifts and grants, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. When a stipulated time restriction ends or donor purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants and contracts whose restrictions are met in the same fiscal year as their revenue is recognized are reported as grants and contracts without donor restrictions.

Funds received in advance of services provided are included in deposits and advances. Deposits and advances generally represent tuition and fee revenue received for the subsequent fiscal year and are recognized in revenue in the subsequent period.

(m) Taxation

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income tax on related income.

The College recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the

(Continued)

period in which the change in judgment occurs. The College believes it has taken no significant uncertain tax positions.

(n) Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs associated with loss contingencies are expensed as incurred.

The College recognizes a liability for the fair value of conditional asset retirement obligations if their fair values can be reasonably estimated. This liability is initially recorded as an increase to the associated asset and depreciated over the remaining useful life of the asset.

The College has identified asbestos abatement as a conditional asset retirement obligation. Asbestos abatement costs are estimated using a per square foot estimate for each impacted location. As of June 30, 2021 and 2020, the College has recorded a liability, included within other long-term obligations in the accompanying statements of financial position, of $1,708 and $1,670, respectively, representing the estimated fair value of these conditional asset retirement obligations.

(o) Risks and Uncertainties

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The outbreak has spread globally and has led governments and other authorities to impose measures intended to reduce its spread, including restrictions on freedom of movement and business operations such as travel bans, border closings, business limitations and closures, quarantines and shelter-in-place orders.

The global COVID-19 pandemic has affected and continues to affect the College and its operations. In response to the outbreak, the College prioritized the safety and well-being of its employees and students, including implementing social distancing initiatives, expanding personal protective equipment usage, and enhancing hygiene processes. During the spring 2020 semester, the College transitioned to a remote learning and work environment and refunded students a portion of the room and board revenue for the spring semester. In the fall of 2020, students and faculty returned to campus and the 2020-2021 academic year was successfully completed without a need to return to a fully remote learning and work environment. The College expects that the global COVID-19 pandemic will have a continuing but uncertain impact on its operations in the short and medium-term that may negatively affect its results of operations, financial condition and cash flows and are dependent on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

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During the years ended June 30, 2021 and 2020, the College received funds under the Higher Education Emergency Relief Fund (HEERF), which was established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March, 2020, and received additional funding from the Coronovirus Response and Relief Supplemental Appropriations Act (ARPA) in March, 2021. The College also received funds as part of the American Rescue Plan (ARP) in June, 2021. These programs provide financial aid to students and higher education institutions to offset the loss of revenue and increased expenses as a result of the COVID-19 pandemic. The grants are considered conditional contributions with a right or return and barriers to entitlement. The College utilized these funds to provide financial aid grants to students of approximately $627 and $585 during the years ended June 30, 2021 and 2020, respectively. College has not yet distributed $1,636 of ARP funds to students and anticipates doing so during the fiscal year ending June 30, 2022. In addition, approximately $2,555 HEERF funds were used to mitigate the College’s costs related to the pandemic.

(p) Recent Accounting Pronouncements

ASU 2016-02, *Leases (Topic 842),* issued by the Financial Accounting Standards Board (FASB) in February 2016. ASU 2016-02 was issued to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about lease arrangements. This ASU became effective for the College for the year ended June 30, 2021 and did not have a material effect on the College’s financial statements.

ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement.* The ASU modifies fair value disclosure requirements by removing, modifying, or adding to the required fair value disclosures which affects our disclosure in Note 3, *Investments.* The College adopted the ASU for the year ended June 30, 2021. The ASU did not impact the statement of financial position or the statement of activities.

(q) Reclassifications

Certain reclassifications have been made to the 2020 information to conform with the 2021 presentation.

(Dollars in thousands)

(2) Liquidity and Availability of Financial Resources

At June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt, are as follows:

		2021	2020
Financial assets:			
Cash and cash equivalents	$	27,546	21,559
Student and other accounts receivable including loans, net		1,278	2,768
Short-term investments		10,261	13,213
Subsequent years' board approved endowment appropriation		47,222	45,774
Total financial assets available within one year	$	86,307	83,314

The College's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity, the College also has a $50,000 line of credit. In addition, the quasi endowment of $248,990 and $184,419 and at June 30, 2021 and 2020, respectively, can be made available for general expenditure with approval from the College's Board of Trustees, subject to investment liquidity provisions. The College also has deposits with trustees of $44,537 and $4,808 at June 30, 2021 and 2020, respectively, which represents unspent capital funds or is intended for debt service payments in the subsequent year and medium-term investments of $1,732 and $5,317 at June 30, 2021 and 2020, respectively, which is intended to be used by the College to refund a portion of certain existing long-term debt, subject to investment liquidity positions.

(3) Investments

The investment objective of the College is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The College's investment strategy incorporates a diversified asset allocation approach with exposure to domestic and international equity, fixed income, real estate, commodities, hedge funds, and private equity markets based on targets defined by the Investment Committee of the College's Board of Trustees. The majority of the College's investments are managed in a pooled fund that consists primarily of endowment assets. Other investments are managed separately from the pool. These investments consist of various bond and equity portfolios associated with planned gifts. In addition, a portion of the proceeds of the

(Dollars in thousands)

Series 2013 taxable bond issue are invested in a real estate limited partnership and a fund that structures transactions to provide capital relief to European banks.

(a) Fair Value

The College's investments at June 30, 2021, which include endowment investments of $1,417,737, planned gifts of $47,632, medium-term investments of $1,732, and short-term investments of $10,261, are summarized in the following table by their fair value hierarchy classification. Certain investments that are measured at fair value using NAV as a practical expedient for fair value have been categorized separately.

	June 30, 2021	Level 1	Level 2	Level 3	NAV
Investments:					
Cash equivalents	$ 42,657	42,657	—	—	—
Fixed income securities	25,629	25,629	—	—	—
Equity securities:					
U.S.	334,497	67,335	—	—	267,162
International	251,411	45,986	—	—	205,425
Hedge funds:					
Absolute return (a)	186,894	—	—	—	186,894
Special situations (b)	233,577	—	—	—	233,577
Private equity (c):					
Buy-out	172,799	—	—	—	172,799
Venture capital	152,839	—	—	—	152,839
Real estate (d)	29,921	—	—	8,271	21,650
Energy (e)	32,948	—	—	26,909	6,039
Other	2,197	—	2,197	—	—
	1,465,369	181,607	2,197	35,180	1,246,385
Medium-term investments:					
Cash equivalents	122	122	—	—	—
Hedge funds:					
Other (g)	1,024	—	—	—	1,024
Real estate (d)	586	—	—	—	586
	1,732	122	—	—	1,610
Short-term investments:					
Cash equivalents	276	276	—	—	—
Fixed income securities	9,985	—	9,985	—	—
	10,261	276	9,985	—	—
	$ 1,477,362	182,005	12,182	35,180	1,247,995

(Dollars in thousands)

The College's investments at June 30, 2020, which include endowment investments of $986,982, planned gifts of $47,849, medium-term investments of $5,317, and short-term investments of $13,213, are summarized in the following table by their fair value hierarchy classification. Certain investments that are measured at fair value using NAV as a practical expedient for fair value have been categorized separately.

	June 30, 2020	Level 1	Level 2	Level 3	NAV
Investments:					
Cash equivalents	$ 16,296	16,296	—	—	—
Fixed income securities	15,803	15,803	—	—	—
Equity securities:	—				
U.S.	252,329	63,936	—	—	188,393
International	177,033	33,863	—	—	143,170
Hedge funds:	—				
Absolute return (a)	172,679	—	—	—	172,679
Special situations (b)	202,460	—	—	—	202,460
Private equity (c):	—				
Buy-out	85,466	—	—	—	85,466
Venture capital	59,951	—	—	—	59,951
Real estate (d)	30,443	—	—	7,573	22,870
Energy (e)	20,326	—	—	18,346	1,980
Other	2,045	—	2,045	—	—
	1,034,831	129,898	2,045	25,919	876,969
Medium-term investments:					
Cash equivalents	1,903	1,903	—	—	—
Fixed income securities (f)	209	209			
Hedge funds:					
Other (g)	2,590	—	—	—	2,590
Real estate (d)	615	—	—	—	615
	5,317	2,112	—	—	3,205
Short-term investments:					
Cash equivalents	13,213	—	13,213	—	—
	$ 1,053,361	132,010	15,258	25,919	880,174

(a) This category includes funds that invest in global and U.S. focused long/short equity, relative value fixed income, music rights, multi-strategy funds and a fund that structures Euro denominated transactions to reduce the regulatory capital burden for prime European banks under Basel II and Basel III. It also includes two hedge funds in the liquidation process at June 30, 2021.

(b) This category includes a mix of special situation funds. Included are one that focuses on investments in event driven distressed corporate credit restructurings and other deep value and special situations in middle market companies, an opportunistic credit fund that invests across the capital structure funds that invest across the life sciences, biotechnology, and pharmaceutical industries, a fund with a long-only focus on U.S. small and micro cap companies, a growth-oriented fund that invests in both public and private companies across industrial and geographic sectors, and lastly, an Asian focused fund investing in Japanese, South Korean, and Hong Kong equities.

(c) This category includes investments in several buyout, growth, venture capital, and distressed securities limited partnerships that in turn invest in companies within the technology, transportation, service, broadcast, manufacturing, retail, and health care sectors, as well as distressed debt, leveraged buyouts, and secondary private equity and venture capital market transactions. Investments cannot be redeemed upon request. Instead, distributions are received at the election of the general partner as the underlying investments are monetized, or as in-kind distributions of shares in the underlying investments. It is estimated that the underlying assets of each fund will be distributed over a 3-15 year period from the effective date of the fund.

(d) This category includes real estate limited partnerships that invest in land and several that invest in both U.S. and international commercial real estate, including secondary market transactions in other real estate limited partnerships/funds. Investments cannot be redeemed upon request. Instead, distributions are received at the election of the general partner as the underlying investments are monetized. Based upon the terms of the funds, it is estimated that the underlying assets of each fund will be distributed over a 3-15 year period from the effective date of the fund.

(e) This category includes limited partnerships that invest in oil and gas, equity investments in energy and energy–related companies, as well infrastructure and as communications infrastructure. Also included within this category are direct and indirect investments in natural gas and oil royalty interests, which utilize significant unobservable inputs in determining the estimated fair value. These funds total approximately $23,256 and $14,449 as of June 30, 2021 and 2020, respectively, and utilize the income approach to valuation which calculates the net present value of total estimated future distributions, adjusted for an 8% discount. Investments cannot be redeemed upon request. Instead, distributions are received as cash as the underlying investments are monetized, or as in-kind distribution of shares in the underlying investments at the election of the general partner. Based upon the terms of the funds, it is estimated that the underlying assets of each fund will be distributed over a 3-20 year period from the effective date of the fund.

(f) Included in this category are a commingled fund that invest primarily in bank loans and an LLC that invests in state lottery prize receivables.

(g) This category includes a fund that structures transactions to help European banks meet their capital requirements under Basel II and Basel III.

There were no changes in methodologies used at June 30, 2021 and 2020 and no transfers into or out of Level 3 during the years ended June 30, 2021 and 2020. Acquisitions of Level 3 assets during the years ended June 30, 2021 and 2021, were $476 and $325, respectively, and related to real estate investments. Redemptions of Level 3 assets during the years ended June 30, 2021 and 2020, were $1,948 and $773, respectively.

(Dollars in thousands)

(b) Liquidity

The limitations and restrictions on the College’s ability to redeem or sell investments vary by investment and range from none for publicly traded securities, to required notice periods (generally 30 to 180 days after initial lock-up periods) for certain hedge funds, to dependency on the disposition of portfolio positions and return of capital by the investment manager for private equity, venture capital, energy, and real estate limited partnership interests. Investments with daily liquidity generally do not require any notice prior to withdrawal. Based upon the terms and conditions in effect at June 30, 2021, expected liquidity for the College’s investments can be classified as follows:

	Daily	Weekly	Monthly	Quarterly	Semi-annual	Annual	< 3 years	Illiquid	Total
Cash equivalents	$ 43,055	—	—	—	—	—	—	—	43,055
Fixed income securities	35,614	—	—	—	—	—	—	—	35,614
Equity securities	49,167	31,960	107,449	244,475	—	54,527	98,330	—	585,908
Hedge funds	—	—	—	132,718	175,836	2,882	95,170	14,889	421,495
Private equity	—	—	—	—	—	—	—	325,638	325,638
Real estate	—	—	—	—	—	—	—	30,507	30,507
Energy	—	—	—	—	—	—	—	32,948	32,948
Other	—	—	—	—	—	—	—	2,197	2,197
	$ 127,836	31,960	107,449	377,193	175,836	57,409	193,500	406,179	1,477,362

The “illiquid” category is related to private equity, real estate, and energy limited partnership investments, absolute return hedge funds and special situations funds, where the College has no liquidity until the investments are sold and the monies are distributed by the fund manager. The table below summarizes the value of these investments by their stated terms assuming the partnerships are not extended.

	Amount
Fiscal year:	
2022	$ 33,186
2023	14,686
2024	13,373
2025	11,385
2026	65,297
Thereafter	268,252
	$ 406,179

(c) Commitments

The College has outstanding commitments to private equity, energy, real estate, hedge, and special situation investments that have not yet been drawn down by these funds. Typically, committed capital is drawn down and invested over a several year period. Draw downs on outstanding commitments are funded by distributions from the private equity, energy and real estate portfolios, cash, and other liquid investments. The College has the following outstanding commitments based on the expiration dates of the funds' commitment periods, at June 30, 2021:

(Dollars in thousands)

		Amount
Fiscal year:		
2022	$	56,298
2023		19,634
2024		24,025
2025		50,206
2026		49,640
2027		19,228
2028		6,342
	$	225,373

(d) Securities Lending

The College has determined that it will exit its securities lending program in a manner that will limit its exposure to any significant financial loss. Collateral required under the program is a minimum of 102% of the fair value of securities lent and is adjusted on a daily basis to reflect changes in the market value of the securities lent. The College receives lending fees and continues to earn interest and dividends from the securities on loan. The College's collateral is generally invested in short-term, asset backed securities. In the case of a borrower's failure to deliver securities for any reason within the time specified by the applicable securities loan agreement, the College has rights to this collateral under applicable law. The security lending agent indemnifies the College against losses arising from the failure of a borrower to return securities. As of June 30, 2021 and 2020, the College had loaned certain securities, which are included in the endowment investments, with a fair value of $1,877 and $1,950, respectively, to several financial institutions that have provided collateral of $1,978 and $1,993 as of June 30, 2021 and 2020, respectively, for the loaned securities.

(Dollars in thousands)

(e) Investment Return

The following schedule summarizes total investment return and its classification in the statements of activities for the years ended June 30, 2021 and 2020:

		2021	2020
Investment income, net of investment management fees	$	(999)	14
Net realized and unrealized gains		408,442	64,102
Total return on investments		407,443	64,116
Investment return designated for current operations (spending policy distributions)		(44,050)	(42,498)
Short and medium-term investment income		(435)	(287)
Investment return, net of amounts designated for current operations	$	362,958	21,331

(4) Endowment

The College's endowment and similar funds consist of gifts restricted by donors, funds designated by management and the Board of Trustees for long-term support of the College's activities, and the accumulated investment return on these gifts and designated assets. Accumulated investment return consists of total endowment net investment return that has not been appropriated by the Board of Trustees for expenditures to support the operating and nonoperating activities of the College. Generally, only a portion of accumulated net investment return is made available for spending each year in accordance with an endowment utilization policy approved by the Board of Trustees and in accordance with the laws of the State of New York.

Certain donor restricted endowment funds allow for the expenditure of principal. College designated endowment funds are classified as net assets without restrictions that may be redesignated for authorized expenditures.

The College follows the New York Uniform Prudent Management of Institutional Funds Act (NYPMIFA) in the management of its endowment. The College has interpreted NYPMIFA as allowing the College to spend or accumulate the amount of an endowment fund that the College determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The College classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original values of gifts donated to permanent endowments, (b) the original values of subsequent gifts to permanent endowments, and (c) accumulations to permanent endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

(Dollars in thousands)

In accordance with NYPMIFA, the investment committee considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the College and the 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
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the College
- The investment policies of the College

The following is a summary of the College's endowment net asset composition by type of fund as of June 30, 2021 and 2020:

	2021		
	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	$ —	1,162,546	1,162,546
Board-designated for general purpose	248,990	—	248,990
	$ 248,990	1,162,546	1,411,536

	2020		
	Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	$ —	835,902	835,902
Board-designated for general purpose	184,419	—	184,419
	$ 184,419	835,902	1,020,321

The net assets without donor restrictions amounts at June 30, 2021 and 2020 represent Board-designated funds (quasi-endowment funds). Accumulated investment earnings on net assets with donor restricted endowment funds are reflected as net assets with donor restrictions.

(Dollars in thousands)

The following is a summary of the components of the return on the endowment pool and changes in endowment net assets for the years ended June 30, 2021 and 2020:

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$ 184,419	835,902	1,020,321	157,795	811,567	969,362
Investment return	63,457	327,060	390,517	14,492	48,014	62,506
Private gifts	5,620	29,117	34,737	6,686	7,896	14,582
Released from restriction and changed restrictions	3,423	6,588	10,011	12,246	4,123	16,369
Appropriation of endowment assets for spending	(7,929)	(36,121)	(44,050)	(6,800)	(35,698)	(42,498)
Endowment net assets, end of year	$ 248,990	1,162,546	1,411,536	184,419	835,902	1,020,321

(a) Funds with Deficiencies

From time to time, the fair values of assets associated with individual donor restricted endowment funds may fall below the level that the donor or applicable law requires to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without restrictions and immaterial as of June 30, 2021 and 2020. These deficits generally resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments. Endowment earnings shortfalls are covered by investments held in net assets without donor restrictions.

(b) Spending Policy

The College uses a spending policy, known as the “mixed rule”. This policy uses 70% of the prior year’s spending adjusted for inflation, plus 5% of the average of the prior four quarters endowment value weighted at 30%. Actual amounts withdrawn for spending, as a percentage of the most recent twelve quarter average market value of the endowment, was 4.8% and 4.6% for the years ended June 30, 2021 and 2020, respectively.

(c) Return Objectives and Risk Parameters

The overall financial objective for the endowment is to achieve a total return that preserves the real value of the principal of the endowment and to augment as much as possible, the real purchasing power of the endowment while exercising due care and fiduciary responsibility, and avoiding excessive risk. It is expected the endowment will need to earn a 6% real annualized return over the long term to meet this goal and provide adequate support for operations while protecting against inflation. The Investment Committee of the Board of Trustees has determined that a well-diversified mix of assets offers the best opportunity to achieve this level of return with an appropriate level of risk. To that end, the securities of any one issuer, except for those of the U.S. government, shall not exceed 5% of the total market value of the endowment and no external investment manager shall manage more than 15% of the market value of the endowment.

(Dollars in thousands)

(5) Contributions Receivable

Contributions receivable are recorded at their estimated net present value assuming a discount rate in effect at the time the pledge was received, ranging from 1.16% to 3.2% at June 30, 2021 and 2020. Contributions estimated to be collected at June 30, 2021 and 2020 are as follows:

		2021	2020
Less than one year	$	11,640	8,798
One to five years		14,005	13,427
		25,645	22,225
Less:			
Present value discount		(942)	(1,082)
Reserve for uncollectible receivables		(1,500)	(1,500)
	$	23,203	19,643

(6) Property, Plant, and Equipment

Property, plant, and equipment consists of the following at June 30, 2021 and 2020:

		2021	2020
Land and improvements	$	40,248	39,831
Buildings		401,427	391,776
Furniture and equipment		92,566	89,108
Total		534,241	520,715
Less accumulated depreciation		(299,788)	(282,441)
Net		234,453	238,274
Construction projects in process		16,376	7,620
Total	$	250,829	245,894

Depreciation expense was $17,347 and $19,498 in 2021 and 2020, respectively. The College has estimated it will incur approximately $12,286 of additional costs to complete the construction projects in process as of June 30, 2021, which include a new Boathouse for the Crew Team and various renewal projects.

(Continued)

(Dollars in thousands)

(7) Long-Term Debt

Long-term debt consists of the following at June 30, 2021 and 2020:

	Maturity date	Interest rate	Original issue	Outstanding at June 30, 2021	Outstanding at June 30, 2020
Oneida County Industrial Development Agency Civic Facility (a):					
Revenue Bonds Series 2002 (b)	September 15, 2032	5.2 %	$ 60,000	—	7,590
Revenue Bonds Series 2013 (c)	July 1, 2044	2.0% – 5.0%	23,010	20,055	20,540
Dormitory Authority of the State of New York Revenue Bonds, Series 2010 (d)	July 1, 2021	3.0% – 5.0%	12,700	1,435	2,800
Hamilton College Taxable Bonds Series 2013 (e)	July 1, 2113	4.75 %	103,000	103,000	103,000
Oneida County Local Development Corporation Revenue Bonds Series 2021 (f)	July 1, 2051	5.00 %	29,355	29,355	—
				153,845	133,930
Unamortized bond issuance costs				(1,903)	(1,934)
Net premium (discount) on bonds payable				14,746	(1,002)
				$ 166,688	130,994

(a) Civic Facility Revenue Bonds are collateralized by the financed property and equipment.

(b) The College refinanced the Series 2002 bonds in September 2008. The bonds were issued at a premium of $3,172, at a fixed rate of 5.2%. $7,590 of these bonds were advanced refunded during the year ended June 30, 2021.

(c) The College issued $23,010 of Civic Facility Revenue Bonds in July 2013 at a premium of $877, with interest rates varying from 2% – 5%.

(d) Dormitory Authority Revenue Bonds are general obligations of the College and are supported by pledges of tuition or net revenues from operation of the financed properties. The Series 2010 bonds were issued at a premium of $1,285 and interest rates varying from 3 – 5%.

(Continued)

(Dollars in thousands)

(e) The College issued $103,000 of Hamilton College Taxable Bonds, Series 2013, in April 2013. The bonds were issued at a discount of $2,627, at a fixed rate of 4.75%. A portion of the proceeds was used on July 1, 2017 to refund all of the Series 2007 bonds.

(f) The College issued $29,355 of Oneida County Local Development Bonds, Series 2021 in February, 2021. The bonds were issued at a premium of $17,252 and fixed rate of 5%. A portion of the proceeds were used to refund the Series 2002 bonds.

Interest expense was $5,949 and $6,572 for the years ended June 30, 2021 and 2020, respectively.

The scheduled principal payments for the next five years and thereafter on long-term debt are reflected in the following table:

2022	$	1,940
2023		535
2024		560
2025		590
2026		620
Thereafter		149,600
	$	153,845

Lines of Credit

On May 28, 2020 the College amended the agreement to extend the term on its line of credit until July 16, 2022.

This line of credit is a revolving, unsecured line in the amount of $50,000, available to be used for working capital and other capital needs. Interest on the outstanding balance of advanced funds is equal to the current 30 day LIBOR plus 75 basis points, so long as that amount is at least 1.5%. There is no annual fee charged on the line of credit. No funds have yet been drawn on this and the outstanding balance at June 30, 2021 and 2020 was $0.

(8) Employee and Pension Benefits

(a) Postretirement Health Care Benefits

The College provides health insurance benefits for eligible employees upon retirement and recognizes the overfunded or underfunded status of a defined benefit post retirement plan (the Plan) as an asset or liability and to recognize changes in that funded status in the year they occur. The College uses a June 30 measurement date for the Plan. The Plan's funded status, amounts recognized, significant assumptions used, contributions made, and benefits paid included in the College's financial statements as of June 30, 2021 and 2020 are as follows:

(Dollars in thousands)

		2021	2020
Change in benefit obligation:			
Benefit obligation at beginning of year	$	2,562	2,509
Service cost		138	124
Interest cost		56	76
Actuarial gain		(262)	(197)
Benefits paid		(147)	(114)
Participant contributions		191	164
Benefit obligation at end of year	$	2,538	2,562

		2021	2020
Change in plan assets:			
Fair value of assets, beginning of year	$	—	—
Employer contribution		(44)	(50)
Participant contributions		191	164
Benefits paid		(147)	(114)
Fair value of assets, end of year	$	—	—
Amount recognized in the statement of financial position:			
Funded status	$	(2,538)	(2,562)

Amounts recorded in net assets without donor restrictions as of June 30, 2021 and 2020, not yet amortized as components of net periodic benefit costs are as follows:

		2021	2020
Unamortized prior service costs	$	303	563
Unamortized actuarial gain		(3,805)	(3,866)
Amount recognized in net assets without donor restrictions	$	(3,502)	(3,303)

(Dollars in thousands)

A summary of the components of net periodic postretirement benefit cost for the years ended June 30, 2021 and 2020, is as follows:

		2021	2020
Components of net periodic cost (benefit):			
Service cost	$	138	124
Interest cost		56	76
Amortization of unrecognized actuarial gain		(323)	(347)
Amortization of unrecognized prior service cost		261	270
Net periodic postretirement cost	$	132	123

(i) Assumptions

A summary of the weighted average assumptions used to determine the benefit obligation at June 30, 2021 and 2020 is presented below:

	2021	2020
Discount rate	2.46 %	2.28 %
Mortality	PRI.H-2012	PRI.H-2012

A summary of the weighted average assumptions used to determine the net periodic postretirement benefit cost for the years ended June 30, 2021 and 2020 is presented below:

	2021	2020
Discount rate	2.28 %	3.23 %

A summary of the assumed healthcare cost trend rates at June 30, 2021 is presented below:

	Pre-65 Medical trend rates	Post-65 Medical trend rates	Prescription drugs trend rates
Healthcare cost trend rate for next year:			
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.784 %	3.784 %	3.784 %
Year that the rate reaches the ultimate trend rate	2075	2075	2075

(Dollars in thousands)

The following benefit payments, which reflect expected future service for each fiscal year, are expected to be paid:

2022	$	134
2023		130
2024		116
2025		132
2026		144
2027–2031		831

(b) Pension Benefits

The College administers a defined contribution retirement plan for eligible employees. Teachers Insurance Annuity Association of America (TIAA), and Fidelity Investments Inc. are the recordkeepers and custodians of the plan. Total pension expense charged to operations relating to these plans for the years ended June 30, 2021 and 2020 amounted to $5,983 and $5,308, respectively.

(9) Net Assets

Net assets consist of the following at June 30, 2021 and 2020:

	2021			2020		
	Without donor restrictions	With donor restrictions	Totals	Without donor restrictions	With donor restrictions	Totals
Undesignated	$ 121,539	—	121,539	115,008	—	115,008
Capital projects and reserves	—	672	672	—	3,390	3,390
Restricted for operations	—	25,493	25,493	—	22,737	22,737
Planned giving arrangements	—	46,989	46,989	—	36,209	36,209
Loan funds	—	10,222	10,222	—	10,222	10,222
Contributions receivable	—	23,203	23,203	—	19,643	19,643
Endowment:						
Financial Aid	84,544	507,777	592,321	59,411	356,628	416,039
Professorships	23,164	252,925	276,089	24,463	188,027	212,490
Other	141,282	401,844	543,126	100,545	291,247	391,792
Total Endowment	248,990	1,162,546	1,411,536	184,419	835,902	1,020,321
Total	$ 370,529	1,269,125	1,639,654	299,427	928,103	1,227,530

(Dollars in thousands)

(10) Expenses

The College's primary program service is academic instruction. Expenses reported as student services, institutional support and auxiliaries are incurred in support of this primary program activity. Expenses presented by natural classification and function are as follows for the years ended June 30, 2021 and June 30, 2020:

		Salaries	Benefits	Depreciation	Interest	Utilities	Contracted services, supplies, and other	Total
June 30, 2021:								
Instruction	$	31,444	8,973	6,695	3,831	978	5,487	57,408
Research		540	154	—	—	—	147	841
Academic support		9,163	2,615	1,411	156	208	6,427	19,980
Student services		8,627	2,462	2,467	427	358	8,183	22,524
Institutional support		9,961	2,843	445	296	98	7,410	21,053
Auxiliary		2,570	733	6,329	1,239	924	12,709	24,504
Total	$	62,305	17,780	17,347	5,949	2,566	40,363	146,310

		Salaries	Benefits	Depreciation	Interest	Utilities	Contracted services, supplies, and other	Total
June 30, 2020:								
Instruction	$	32,596	9,258	7,523	4,136	983	5,270	59,766
Research		441	—	—	—	—	311	752
Academic support		9,070	2,576	1,586	175	207	6,531	20,145
Student services		8,600	2,442	2,772	458	358	6,144	20,774
Institutional support		8,911	2,531	500	315	108	9,351	21,716
Auxiliary		2,734	776	7,155	1,417	1,500	7,317	20,899
Total	$	62,352	17,583	19,536	6,501	3,156	34,924	144,052

Operation and maintenance of plant and depreciation are allocated among the functional categories based on the percentage of square footage a functional department occupies as compared to the total square footage of each building. Interest expense is allocated out to the functions within the building for which the debt was issued, based on the functional activities proportional occupancy of the building.

Included in institutional support are $4,927 and $5,903 of fundraising expenses for the years ended June 30, 2021 and 2020, respectively.

(11) Subsequent Events

Management has evaluated events subsequent to June 30, 2021, for potential recognition or disclosure in the financial statements though through November 12, 2021, the date on which the financial statements were available to be issued.