HAMILTON COLLEGE

Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

HAMILTON COLLEGE

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Hamilton College:

Opinion

We have audited the financial statements of Hamilton College (the College), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

KPMG LLP

Albany, New York
December 8, 2025

HAMILTON COLLEGE

Statements of Financial Position

June 30, 2025 and 2024
(Dollars in thousands)

Assets		**2025**	**2024**
Cash and cash equivalents	$	71,327	47,987
Short-term investments		11,739	19,506
Student and other accounts receivable including loans, net		1,914	1,990
Contributions receivable, net		16,981	21,609
Beneficial interest trusts		6,369	5,790
Deposits with trustees of debt obligations		29,005	22
Medium-term investments		—	99
Receivable for investments sold		13,100	29,730
Investments		1,526,782	1,373,469
Other assets		2,959	3,422
Property, plant and equipment, net		303,865	280,061
Total assets	$	1,984,041	1,783,685
Liabilities and Net Assets			
Accounts payable and accrued liabilities	$	19,320	11,795
Deposits and advances		2,674	1,574
Annuity and life income obligations		14,116	14,138
Accumulated postretirement benefit obligation		1,938	1,676
Other long-term obligations		4,918	5,303
Long-term debt		206,089	162,164
Total liabilities		249,055	196,650
Net assets:			
Without donor restrictions		414,172	370,628
With donor restrictions		1,320,814	1,216,407
Total net assets		1,734,986	1,587,035
Total liabilities and net assets	$	1,984,041	1,783,685

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statement of Activities

Year ended June 30, 2025
(with summarized information for the year ended June 30, 2024)
(Dollars in thousands)

	2025			2024
	Without donor restrictions	**With donor restrictions**	**Total**	**Total**
Operating revenues:				
Tuition and fees, net of $48,511 scholarship aid in 2025	$ 85,789	—	85,789	82,535
Room and board, net of $12,409 scholarship aid in 2025	20,685	—	20,685	19,476
Net student fees	106,474	—	106,474	102,011
Investment return designated for operations	12,595	46,459	59,054	58,760
Other investment income	3,416	58	3,474	2,953
Private gifts and grants	7,002	2,234	9,236	12,019
Other sources	3,813	2,595	6,408	5,232
Net assets released from restrictions	45,354	(45,354)	—	—
Total operating revenues	178,654	5,992	184,646	180,975
Operating expenses:				
Instruction	66,115	—	66,115	65,410
Research	1,530	—	1,530	1,970
Academic support	30,532	—	30,532	27,136
Student services	24,431	—	24,431	24,838
Institutional support	25,997	—	25,997	30,954
Auxiliary enterprises	28,184	—	28,184	27,544
Total operating expenses	176,789	—	176,789	177,852
Increase in net assets from operations	1,865	5,992	7,857	3,123
Nonoperating activities:				
Private gifts	1,033	11,589	12,622	19,016
Investment return, net of amounts designated for operations	33,281	94,181	127,462	53,512
Change in annuity and life income obligations	—	(318)	(318)	(299)
Net assets released from restriction, changes in restriction, and other	7,365	(7,037)	328	(568)
Increase in net assets from nonoperating activities	41,679	98,415	140,094	71,661
Increase in net assets	43,544	104,407	147,951	74,784
Net assets, beginning of year	370,628	1,216,407	1,587,035	1,512,251
Net assets, end of year	$ 414,172	1,320,814	1,734,986	1,587,035

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statement of Activities

Year ended June 30, 2024
(Dollars in thousands)

		Without donor restrictions	With donor restrictions	Total
Operating revenues:				
Tuition and fees, net of $43,952 scholarship aid	$	82,535	—	82,535
Room and board, net of $11,229 scholarship aid		19,476	—	19,476
Net student fees		102,011	—	102,011
Investment return designated for operations		11,941	46,819	58,760
Other investment income		2,901	52	2,953
Private gifts and grants		7,121	4,898	12,019
Other sources		2,814	2,418	5,232
Net assets released from restrictions		42,924	(42,924)	—
Total operating revenues		169,712	11,263	180,975
Operating expenses:				
Instruction		65,410	—	65,410
Research		1,970	—	1,970
Academic support		27,136	—	27,136
Student services		24,838	—	24,838
Institutional support		30,954	—	30,954
Auxiliary enterprises		27,544	—	27,544
Total operating expenses		177,852	—	177,852
(Decrease) increase in net assets from operations		(8,140)	11,263	3,123
Nonoperating activities:				
Private gifts		1,050	17,966	19,016
Investment return, net of amounts designated for operations		19,587	33,925	53,512
Change in annuity and life income obligations		—	(299)	(299)
Net assets released from restriction, changes in restriction, and other		1,405	(1,973)	(568)
Increase in net assets from nonoperating activities		22,042	49,619	71,661
Increase in net assets		13,902	60,882	74,784
Net assets, beginning of year		356,726	1,155,525	1,512,251
Net assets, end of year	$	370,628	1,216,407	1,587,035

See accompanying notes to financial statements.

HAMILTON COLLEGE

Statements of Cash Flows

Years ended June 30, 2025 and 2024
(Dollars in thousands)

		2025	2024
Net cash flows from operating activities:			
Increase in net assets	$	147,951	74,784
Adjustments to reconcile increase in net assets to net cash used in operating activities:			
Contributions for endowment and facilities		(12,622)	(15,611)
In-kind contributions		(10)	(1,121)
Depreciation and amortization		14,033	20,303
Realized and unrealized gains on investments		(179,148)	(111,401)
Gain on refunding of long-term debt		(114)	—
Changes in assets and liabilities that provide (use) cash:			
Student and other accounts receivable, net		76	1,324
Contributions receivable		4,628	(1,043)
Beneficial interest trusts		(579)	(77)
Other assets		463	936
Accounts payable and accrued liabilities		3,726	2,203
Deposits and advances		1,100	(485)
Accumulated postretirement benefit obligation		262	212
Annuity and life income obligations		1,595	1,056
Other long-term obligations		(385)	(102)
Cash flows used in operating activities		(19,024)	(29,022)
Net cash from investing activities:			
Purchase of property, plant and equipment, net of change in construction costs payable		(34,643)	(29,872)
Purchases of investments		(357,720)	(418,140)
Proceeds from sales and maturities of investments		400,284	460,288
Change in deposits held by trustees of debt obligations		(28,983)	15,990
Contributions to donor advised funds		—	360
Cash flows (used in) provided by investing activities		(21,062)	28,626
Net cash from financing activities:			
Contributions for endowment and facilities		12,622	15,611
Payments on long-term debt		(18,455)	(560)
Proceeds from long-term debt		63,840	—
Payments for bond issuance costs		(731)	—
Payments to beneficiaries of split interest agreements		(1,617)	(1,654)
Cash flows provided by financing activities		55,659	13,397
Net increase in cash and cash equivalents		15,573	13,001
Cash and cash equivalents:			
Beginning of year		67,493	54,492
End of year	$	83,066	67,493
Supplemental disclosure of noncash investing and financing activities:			
Change in construction related payables	$	3,799	(2,557)
Change in receivables for investments sold		16,630	24,419
Supplemental disclosure:			
Cash paid for interest	$	5,654	7,125

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 2,000 students representing 48 states and 61 countries. The College offers 44 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, credit losses 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, 2025 and 2024, 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:

		2025	2024
Cash and cash equivalents	$	71,327	47,987
Cash equivalents included in short-term investments		11,739	19,506
Total cash and cash equivalents shown in the statement of cash flows	$	83,066	67,493

(e) 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 infrastructure, 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, 2025 and 2024, the College had no specific plans or intentions to sell investments at amounts different than NAV.

(f) 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.

Student and other accounts receivable including loans are net of credit losses of $197 and $201 as of June 30, 2025 and 2024, respectively.

(g) 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.

(h) 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.

(i) 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 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 2025 and 2024, the College received annuity and life income gifts of $90 and $505, respectively.

(j) 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

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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.

(k) 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.

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

(m) 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, 2025 and 2024, the College has recorded a liability, included within other long-term

(Continued)

(Dollars in thousands)

obligations in the accompanying statements of financial position, of $2,051 and $2,015, respectively, representing the estimated fair value of these conditional asset retirement obligations.

(2) Liquidity and Availability of Financial Resources

At June 30, 2025 and 2024, 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:

		2025	2024
Financial assets:			
Cash and cash equivalents	$	71,327	47,987
Student and other accounts receivable including loans, net		1,914	1,990
Short-term investments		11,739	19,506
Subsequent years' board approved endowment appropriation		64,310	61,226
Total financial assets available within one year	$	149,290	130,709

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 $268,801 and $242,437 and at June 30, 2025 and 2024, 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 $29,005 and $22 at June 30, 2025 and 2024, respectively, which represents unspent capital funds or is intended for debt service payments in the subsequent year.

(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, energy and infrastructure, 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.

(a) Fair Value

The College's investments at June 30, 2025, which include endowment investments of $1,507,393, planned gifts of $32,489, and short-term investments of $11,739, 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.

(Dollars in thousands)

	June 30, 2025	Level 1	Level 2	Level 3	NAV
Investments:					
Cash equivalents	$ 81,524	81,524	—	—	—
Fixed income securities	14,367	14,367	—	—	—
Equity securities:					
U.S.	357,933	76,088	—	—	281,845
International	87,336	5,948	—	—	81,388
Hedge funds:					
Absolute return (a)	311,711	—	—	—	311,711
Private equity (b):					
Buy-out	278,930	—	—	—	278,930
Venture capital	264,952	—	—		264,952
Real estate and Credit (c)	75,872	—	—	4,961	70,911
Infrastructure and Energy (d)	50,310	—	—	10,998	39,312
Other	3,847	—	3,847	—	—
	1,526,782	177,927	3,847	15,959	1,329,049
Short-term investments:					
Fixed income securities	11,739	11,739	—	—	—
	$ 1,538,521	189,666	3,847	15,959	1,329,049

The College’s investments at June 30, 2024, which include endowment investments of $1,342,680, planned gifts of $30,789, medium-term investments of $99, and short-term investments of $19,506, 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.

(Dollars in thousands)

	June 30, 2024	Level 1	Level 2	Level 3	NAV
Investments:					
Cash equivalents	$ 49,605	49,605	—	—	—
Fixed income securities	13,090	13,090	—	—	—
Equity securities:					
U.S.	308,327	82,340	—	—	225,987
International	94,879	—	—	—	94,879
Hedge funds:					
Absolute return (a)	266,401	—	—	—	266,401
Private equity (b):					
Buy-out	298,289	—	—	—	298,289
Venture capital	209,638	—	—	—	209,638
Real estate and Credit (c)	74,102	—	—	6,377	67,725
Infrastructure and Energy (d)	55,793	—	—	22,560	33,233
Other	3,345	—	3,345	—	—
	1,373,469	145,035	3,345	28,937	1,196,152
Medium-term investments:					
Cash equivalents	90	90	—	—	—
Real estate (c)	9	—	—	—	9
	99	90	—	—	9
Short-term investments:					
Cash and cash equivalents	7,993	7,993	—	—	—
Equity securities: U.S.	290	290	—	—	—
Fixed income securities	11,223	—	11,223	—	—
	19,506	8,283	11,223	—	—
	$ 1,393,074	153,408	14,568	28,937	1,196,161

a. This category includes funds that invest in a wide range of absolute return and diversifying hedge fund strategies, including global and U.S. focused long/short equity, multi-strategy funds, biotechnology and life sciences, and credit.

b. This category includes investments in several buyout, growth, and venture capital 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 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.

c. 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, as well as music rights and private credit 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.

d. This category includes limited partnerships that invest in infrastructure and communications infrastructure as well as oil and gas, and equity investments in energy and energy–related companies. 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 totaled $10,998 and $21,871 as of June 30, 2025 and 2024, respectively, and utilize the income approach to valuation which calculates the net present value of total estimated future distributions, adjusted for an 10% 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.

There were no changes in methodologies used at June 30, 2025 and 2024 and no transfers into or out of Level 3 during the years ended June 30, 2025 and 2024. Acquisitions of Level 3 assets during the years ended June 30, 2025 and 2024, were $72 and $0, respectively. Redemptions of Level 3 assets during the years ended June 30, 2025 and 2024, were $10,749 and $4,219, respectively.

(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, 2025, expected liquidity for the College's investments can be classified as follows:

(Dollars in thousands)

	Daily	Weekly	Monthly	Quarterly	Semi-annual	Annual	< 3 years	Illiquid	Total
Cash equivalents	$ 81,524	—	—	—	—	—	—	—	81,524
Fixed income securities	26,106	—	—	—	—	—	—	—	26,106
Equity securities	38,106	75,403	110,407	56,287	16,655	27,169	121,242	—	445,269
Hedge funds	—	—	23,643	147,937	89,631	50,500	—	—	311,711
Private equity	—	—	—	—	23,156	—	—	520,726	543,882
Real estate and Credit	—	—	—	—	—	—	4,403	71,470	75,873
Infrastructure and Energy	—	—	—	—	—	—	—	50,309	50,309
Other	—	—	—	—	—	—	—	3,847	3,847
	$ 145,736	75,403	134,050	204,224	129,442	77,669	125,645	646,352	1,538,521

The "illiquid" category is related to private equity, real estate and private credit, and energy and infrastructure limited partnership investments, 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:	
2026	$ 69,455
2027	46,831
2028	57,284
2029	58,185
2030	113,105
Thereafter	301,492
	$ 646,352

(c) Commitments

The College has outstanding commitments to private equity, infrastructure, real estate, private credit, and hedge fund 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, real estate and credit, and energy and infrastructure 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, 2025:

(Dollars in thousands)

		Amount
Fiscal year:		
2026	$	47,306
2027		25,714
2028		24,006
2029		21,457
2030		23,542
Thereafter		27,545
	$	169,570

(d) Investment Return

The following schedule summarizes total investment return and its classification in the statements of activities for the years ended June 30, 2025 and 2024:

		2025	2024
Investment income, net of investment management fees	$	1,345	3,824
Net realized and unrealized gains		188,328	111,401
Total return on investments		189,673	115,225
Investment return designated for current operations (spending policy distributions)		(59,054)	(58,760)
Other investment income		(3,157)	(2,953)
Investment return, net of amounts designated for current operations	$	127,462	53,512

(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.

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

 (Continued)

(Dollars in thousands)

The following is a summary of the College's endowment net asset composition by type of fund as of June 30, 2025 and 2024:

		2025		
		Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	$	—	1,228,230	1,228,230
Board-designated for general purpose		268,801	—	268,801
	$	268,801	1,228,230	1,497,031

		2024		
		Without donor restrictions	With donor restrictions	Total
Donor restricted endowment funds	$	—	1,119,202	1,119,202
Board-designated for general purpose		242,437	—	242,437
	$	242,437	1,119,202	1,361,639

The net assets without donor restrictions amounts at June 30, 2025 and 2024 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.

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, 2025 and 2024:

		2025			2024		
		Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	242,437	1,119,202	1,361,639	228,588	1,053,815	1,282,403
Investment return		32,544	149,553	182,097	19,152	90,114	109,266
Private gifts		32	9,012	9,044	33	10,408	10,441
Other		3,651	(4,629)	(1,897)	3,412	(4,459)	(1,047)
Released from restriction and changed restrictions		2,732	1,551	5,202	3,193	16,143	19,336
Appropriation of endowment assets for spending		(12,595)	(46,459)	(59,054)	(11,941)	(46,819)	(58,760)
Endowment net assets, end of year	$	268,801	1,228,230	1,497,031	242,437	1,119,202	1,361,639

(Dollars in thousands)

(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, 2025 and 2024. 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 4.4% for each of the years ended June 30, 2025 and 2024.

(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.

(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 5.21% to 1.16% at June 30, 2025 and 2024. Contributions estimated to be collected at June 30, 2025 and 2024 are as follows:

		2025	2024
Less than one year	$	3,253	5,664
One to five years		16,423	19,228
		19,676	24,892
Less:			
Present value discount		(1,195)	(1,783)
Reserve for uncollectible receivables		(1,500)	(1,500)
	$	16,981	21,609

(Dollars in thousands)

(6) Property, Plant, and Equipment

Property, plant, and equipment consists of the following at June 30, 2025 and 2024:

		2025	2024
Land and improvements	$	41,885	41,600
Buildings		467,996	422,756
Furniture and equipment		115,650	107,534
Total		625,531	571,890
Less accumulated depreciation		(367,672)	(353,059)
Net		257,859	218,831
Construction projects in process		46,006	61,230
Total	$	303,865	280,061

Depreciation expense was $14,648 and $19,417 in 2025 and 2024, respectively. The College has estimated it will incur approximately $54,354 of additional costs in fiscal year 2026 for the construction projects in process as of June 30, 2025, which include the Innovation Center and various other renewal projects. Interest capitalized to qualifying property and equipment projects was $2,157 for the year ended June 30, 2025. Interest expense incurred related to capitalized interest was $52.

(Dollars in thousands)

(7) Long-Term Debt

Long-term debt consists of the following at June 30, 2025 and 2024:

	Maturity date	Interest rate	Original issue	Outstanding at June 30, 2025	Outstanding at June 30, 2024
Oneida County Industrial Development Agency Civic Facility:					
Revenue Bonds Series 2013 (a)	July 1, 2044	2.0% – 5.0%	23,010	—	18,455
Hamilton College Taxable Bonds Series 2013 (b)	July 1, 2113	4.75 %	103,000	103,000	103,000
Oneida County Local Development Corporation Revenue Bonds Series 2021 (c)	July 1, 2051	5.00 %	29,355	29,355	29,355
Oneida County Local Development Corporation Revenue Bonds Series 2024A (d)	July 1, 2054	5.00 %	43,195	43,195	—
Oneida County Local Development Corporation Revenue Bonds Series 2024B (e)	July 1, 2043	5.00 %	16,090	16,090	—
				191,640	150,810
Unamortized bond issuance costs				(2,215)	(1,773)
Net premium on bonds payable				16,664	13,127
				$ 206,089	162,164

(a) 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%. These bonds are collateralized by the financed property and equipment.

(b) 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 previously issued bonds.

(c) 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 previously issued bonds.

(d) The College issued $43,195 of Oneida County Local Development Bonds, Series 2024A in October, 2024. The bonds were issued at a premium of $2,405 and fixed rate of 5%. These bonds are collateralized by the financed property and equipment.

(Dollars in thousands)

(e) The College issued $16,090 of Oneida County Local Development Bonds, Series 2024B in October, 2024. The bonds were issued at a premium of $2,150 and fixed rate of 5%. These bonds were used to refund previously issued bonds.

Interest expense was $6,747 and $7,139 for the years ended June 30, 2025 and 2024, respectively.

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

2026	$	100
2027		550
2028		595
2029		625
2030		655
Thereafter		189,115
	$	191,640

Line of Credit

On September 26, 2024, the College amended the agreement to extend the term on its line of credit until October 26, 2026.

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 Average Secured Overnight Financing Rate as published by the Federal Reserve Bank of New York 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 been drawn on this.

(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, 2025 and 2024 are as follows:

(Dollars in thousands)

		2025	2024
Change in benefit obligation:			
Benefit obligation at beginning of year	$	1,676	1,464
Service cost		79	77
Interest cost		85	78
Actuarial loss		417	355
Benefits paid		(547)	(490)
Participant contributions		228	192
Benefit obligation at end of year	$	1,938	1,676

		2025	2024
Change in plan assets:			
Fair value of assets, beginning of year	$	—	—
Employer contribution		319	298
Participant contributions		228	192
Benefits paid		(547)	(490)
Fair value of assets, end of year	$	—	—
Amount recognized in the statement of financial position:			
Funded status	$	(1,938)	(1,676)

Amounts recorded in net assets without donor restrictions as of June 30, 2025 and 2024, not yet amortized as components of net periodic benefit costs are as follows:

		2025	2024
Unamortized actuarial gain	$	(2,664)	(3,342)
Amount recognized in net assets without donor restrictions	$	(2,664)	(3,342)

(Dollars in thousands)

A summary of the components of net periodic postretirement benefit cost for the years ended June 30, 2025 and 2024, is as follows:

	2025	2024
Components of net periodic cost (benefit):		
Service cost	$ 79	77
Interest cost	84	78
Amortization of unrecognized actuarial gain	(261)	(298)
Net periodic postretirement benefit	$ (98)	(143)

(i) Assumptions

A summary of the weighted average assumptions used to determine the benefit obligation at June 30, 2025 and 2024 is presented below:

	2025	2024
Discount rate	5.36 %	5.28 %
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, 2025 and 2024 is presented below:

	2025	2024
Discount rate	5.28 %	4.87 %

A summary of the assumed healthcare cost trend rates at June 30, 2025 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)	7.750 %	5.000 %	8.500 %
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 and are net of employee contributions, are expected to be paid:

2026	$	150
2027		155
2028		132
2029		149
2030		144
2031–2035		645

(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, 2025 and 2024 amounted to $6,593 and $6,399, respectively.

(9) Net Assets

Net assets consist of the following at June 30, 2025 and 2024:

	2025			2024		
	Without donor restrictions	**With donor restrictions**	**Totals**	**Without donor restrictions**	**With donor restrictions**	**Totals**
Undesignated	$ 145,371	—	145,371	128,191	—	128,191
Capital projects and reserves	—	13,616	13,616	—	10,927	10,927
Restricted for operations	—	27,485	27,485	—	32,004	32,004
Planned giving arrangements	—	32,237	32,237	—	30,247	30,247
Loan funds	—	2,265	2,265	—	2,418	2,418
Contributions receivable	—	16,981	16,981	—	21,609	21,609
Endowment:						
Financial Aid	104,251	530,337	634,588	95,852	482,292	578,144
Professorships	22,929	264,329	287,258	21,082	242,588	263,670
Other	141,621	433,564	575,185	125,503	394,322	519,825
Total endowment	268,801	1,228,230	1,497,031	242,437	1,119,202	1,361,639
Total	$ 414,172	1,320,814	1,734,986	370,628	1,216,407	1,587,035

(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, 2025 and June 30, 2024:

		Salaries	Benefits	Depreciation	Interest	Utilities	Contracted services, supplies, and other	Total
June 30, 2025:								
Instruction	$	37,777	11,745	5,641	2,598	777	7,577	66,115
Research		460	143	—	—	—	927	1,530
Academic support		13,664	4,248	1,189	548	164	10,719	30,532
Student services		10,785	3,353	2,079	957	275	6,982	24,431
Institutional support		11,667	3,627	375	173	80	10,075	25,997
Auxiliary		4,989	1,551	5,364	2,471	1,977	11,832	28,184
Total	$	79,342	24,667	14,648	6,747	3,273	48,112	176,789

		Salaries	Benefits	Depreciation	Interest	Utilities	Contracted services, supplies, and other	Total
June 30, 2024:								
Instruction	$	36,301	10,080	7,478	2,749	741	8,061	65,410
Research		685	190	—	—	—	1,095	1,970
Academic support		12,588	3,496	1,577	580	152	8,743	27,136
Student services		10,821	3,005	2,755	1,013	261	6,983	24,838
Institutional support		14,654	4,069	497	183	96	11,455	30,954
Auxiliary		4,485	1,245	7,110	2,614	1,906	10,184	27,544
Total	$	79,534	22,085	19,417	7,139	3,156	46,521	177,852

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 $5,606 and $5,167 of fundraising expenses for the years ended June 30, 2025 and 2024, respectively.

(11) Related Parties

Members of the College's Board of Trustees and Officers may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College requires an annual disclosure of significant financial interests in, family relationships, significant management function, or substantial business with entities doing business with the College by members of the College's Board of Trustees and Officers. When such relationships exist, measures are taken to assess potential conflicts of interest to protect the best interests of the College and ensure compliance with relevant conflict of interest laws and policy. The College's conflict of interest policy also requires, among other things, that no member of the Board of Trustees or Officer may participate in any decision in which they (or an immediate family member) has a material financial interest.

(12) Subsequent Events

Management has evaluated events subsequent to June 30, 2025, for potential recognition or disclosure in the financial statements through December 8, 2025, the date on which the financial statements were issued.