



CONNECTICUT COLLEGE

Financial Statements

June 30, 2025

(With Independent Auditors' Report Thereon)

CONNECTICUT COLLEGE

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KPMG LLP
One Financial Plaza
755 Main Street
Hartford, CT 06103

Independent Auditors' Report

The Board of Trustees
Connecticut College:

Opinion

We have audited the financial statements of Connecticut College (the College), which comprise the balance sheet as of June 30, 2025, and the related statements of activities and cash flows for the year 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 the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit 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 audit. 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.

Report on Summarized Comparative Information

We have previously audited the College's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

Hartford, Connecticut
December 19, 2025

CONNECTICUT COLLEGE

Balance Sheet

June 30, 2025

(with comparative information for June 30, 2024)

(Dollars in thousands)

	Assets	2025	2024
Cash and cash equivalents	\$	58,346	53,363
Contributions receivable, net		14,474	19,714
Inventories and other assets		4,021	6,513
Investments		511,285	484,856
Funds held in trust		17,523	16,724
Deposits with bond trustee		30,647	40,539
Land, buildings, and equipment, net		158,992	133,267
Total assets	\$	<u>795,288</u>	<u>754,976</u>
	Liabilities		
Accounts payable and accrued liabilities	\$	18,430	10,844
Deposits and advances		10,890	2,713
Liabilities under split-interest agreements		4,197	4,256
Accrued postretirement benefit obligation		6,784	6,607
Bonds and notes payable		138,980	141,838
Other obligations		2,208	2,268
Total liabilities		<u>181,489</u>	<u>168,526</u>
	Net Assets		
Without donor restrictions		94,179	97,346
With donor restrictions		519,620	489,104
Total net assets		<u>613,799</u>	<u>586,450</u>
Total liabilities and net assets	\$	<u>795,288</u>	<u>754,976</u>

See accompanying notes to financial statements.

CONNECTICUT COLLEGE

Statement of Activities

Year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

(Dollars in thousands)

	2025			2024
	Without donor restrictions	With donor restrictions	Total	Total
Operating:				
Revenues:				
Student charges, net of financial aid of \$75,163 in 2025 and \$72,315 in 2024	\$ 88,452	—	88,452	86,874
Grant and contract income	1,866	—	1,866	1,575
Contributions	5,752	1,148	6,900	8,006
Endowment spending used in operations	14,169	16,332	30,501	21,207
Other revenues	5,128	27	5,155	6,182
Net assets released from restrictions	15,971	(15,971)	—	—
Total revenues and other support from operations	131,338	1,536	132,874	123,844
Expenses:				
Salaries and wages	50,854	—	50,854	51,952
Employee benefits	18,565	—	18,565	18,660
Supplies, services, other	46,671	—	46,671	37,245
Depreciation and amortization	9,629	—	9,629	9,463
Interest	4,157	—	4,157	3,483
Utilities	3,826	—	3,826	3,496
Total expenses	133,702	—	133,702	124,299
(Decrease) increase in net assets from operating activities	(2,364)	1,536	(828)	(455)
Nonoperating activities:				
Contributions restricted for long-term investment	1,414	3,891	5,305	14,955
Investment return, less endowment spending used in operations	(2,869)	24,394	21,525	24,629
Change in value of split-interest agreements	152	1,397	1,549	1,753
Other increases (decreases)	917	(654)	263	—
Postretirement related changes other than service cost	(465)	—	(465)	76
Net assets released from restrictions	48	(48)	—	—
(Decrease) increase in net assets from nonoperating activities	(803)	28,980	28,177	41,413
Change in net assets	(3,167)	30,516	27,349	40,958
Net assets, beginning of year	97,346	489,104	586,450	545,492
Net assets, end of year	\$ 94,179	519,620	613,799	586,450

See accompanying notes to financial statements.

CONNECTICUT COLLEGE

Statement of Cash Flows

Year ended June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 27,349	40,958
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	9,559	9,289
Net realized and unrealized gains on investments	(54,775)	(47,488)
Net unrealized gains on split-interest agreements	(416)	(371)
Contributions restricted for long-term investment	(9,054)	(13,154)
Contributions receivable, net	5,240	(2,959)
Accounts payable and accrued liabilities	10,963	(1,822)
Accrued postretirement benefit obligation	176	(401)
Deposits and advances	8,177	676
Other changes in working capital, net	1,990	(3,008)
Net cash used in operating activities	<u>(791)</u>	<u>(18,280)</u>
Cash flows from investing activities:		
Student loans repaid	26	36
Purchases of investments	(44,322)	(80,189)
Proceeds from sale of investments	75,854	87,166
Purchases of land, buildings, and equipment	(39,190)	(11,700)
Net cash used in investing activities	<u>(7,632)</u>	<u>(4,687)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	9,054	13,154
Change in deposits with bond trustee	9,892	12,280
Repayments of finance lease obligations	(206)	(117)
Repayments of long-term debt	(2,564)	(2,036)
Net cash provided by financing activities	<u>16,176</u>	<u>23,281</u>
Net increase in cash and cash equivalents	7,753	314
Cash and cash equivalents at beginning of year	<u>53,817</u>	<u>53,503</u>
Cash and cash equivalents at end of year	<u>\$ 61,570</u>	<u>53,817</u>
Supplemental disclosures of cash flow information:		
Cash and cash equivalents	\$ 58,346	53,363
Cash held in investments	<u>3,224</u>	<u>454</u>
Total cash and cash equivalents	<u>\$ 61,570</u>	<u>53,817</u>
Cash paid during the year for interest excluding leases	\$ 3,996	3,402
Cash paid for amounts included in the measurement of finance lease liabilities	13	17
Fixed asset purchases financed with capital leases	168	—
Change in accounts payable related to property and equipment	3,377	696

See accompanying notes to financial statements.

CONNECTICUT COLLEGE

Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

(1) Summary of Significant Accounting Policies

(a) Organization

Connecticut College (the College), an independent, coeducational institution, was chartered in 1911 and opened in New London, Connecticut in 1915 as the first independent college for women in the State of Connecticut. In 1959, the College was authorized to grant degrees to men in its graduate program, and in 1969, the undergraduate College was made coeducational.

(b) General

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The financial statements report on the College as a whole and report transactions and net assets based on the existence or absence of donor-imposed restrictions. Two categories of net assets serve as the foundation for the accompanying financial statements. Brief definitions of the two net asset classes are presented below.

Without donor restrictions net assets are not subject to donor stipulations restricting their use, but may be designated for specific purposes by the College or may be limited by contractual agreements with outside parties.

With donor restrictions net assets are subject to donor stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

The College's measure of operations presented in the statement of activities includes income from tuition and fees, grants and contracts, contributions for operating programs, endowment spending used in operations and other revenues. Operating expenses are reported on the statement of activities by natural categories, after allocating costs for operation and maintenance of plant.

Nonoperating activity includes contributions and other activities related to land, buildings, and equipment that are not included in the College's measure of operations. In addition, nonoperating activities also includes contributions, investment returns and other activities related to endowment, and split-interest agreements.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

As of June 30, 2025 and 2024, student charges on the Statement of Activities were as follows:

	2025	2024
Tuition and fee revenue	\$ 131,488	127,459
Room and board revenue	32,127	31,730
Financial aid	(75,163)	(72,315)
Total student charges	\$ 88,452	86,874

(c) **Contribution Revenue**

The College reports contributions (including unconditional promises from donors) as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are time restricted pledges. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as revenue without donor restriction. The College reports gifts of land, buildings or equipment as nonoperating support without donor restriction unless the donor places restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as nonoperating support without donor restriction provided the long-lived assets are placed in service during the same reporting period; otherwise, the contributions are reported as with donor restriction until the assets are acquired and placed in service.

Contributions are recorded at fair value. The College estimates the fair value for noncash contributions. Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated cash receipts (after allowance is made for uncollectible pledges) and discounting such amounts at appropriate discount rates. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible pledges is reassessed and adjusted if necessary. Amortization of the discounts is recorded as additional contribution revenue.

Conditional promises to give are not recognized until they become unconditional; that is, when the conditions are satisfied.

Fundraising expenses were \$4,306 and \$3,763 for the years ended June 30, 2025 and 2024, respectively.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash management accounts, money market and overnight investments with maturities at date of purchase of less than 90 days. These amounts do not include

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

cash equivalents components of the College's investment funds, deposits with bond trustee, or cash that is held in investment managers' accounts until suitable investment opportunities are identified.

(e) Investments

The College's portfolio is managed by outside investment managers who are selected according to the investment guidelines established by the Board of Trustees and its Investment Subcommittee. Investments are recorded at fair value. Unrealized gains and losses that result from market fluctuations are recognized in the statement of activities in the period in which the fluctuations occur. Realized gains and losses are computed based on the trade-date basis.

The fair value of publicly traded securities is based upon quotes from the principal exchanges on which the security is traded. Nonmarketable securities include alternative investments such as private equity, venture capital, hedge funds, natural resources partnerships, and distressed securities, which are valued using net asset value (NAV), obtained from the general partner or investment manager. The College has utilized the NAV reported by the general partner or investment manager as a practical expedient to estimate the fair value of certain investments. The NAV generally reflects discounts for liquidity and considers variables such as financial performance of investments, including comparison of earnings multiples of comparable companies, cash flow analysis, recent sales prices of investments and other pertinent information. The agreements under which the College participates in nonmarketable investment funds may limit the College's ability to liquidate its interest in such investments for a period of time; in the absence of such limits, these investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements and operations of the underlying funds. Due to the nature of the investments held in nonmarketable investment funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds. Furthermore, changes in the liquidity provisions of the funds may significantly impact the College's interest in the fund. Although certain investments may be sold in secondary market transactions, subject to meeting certain requirements by governing documents of the funds, the secondary market is not always active, is generally thinly traded with respect to nonmarketable funds, and individual transactions are not necessarily observable. It is, therefore, reasonably possible that if the College were to sell its interest in a fund in the secondary market, the sale could occur at an amount materially different than the reported value.

As of June 30, 2025, the College had no specific plans or intentions to sell investments at amounts different than NAV.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- **Level 1** – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date.
- **Level 2** – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** – Inputs are unobservable for the asset or liability.

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments measured at NAV as a practical expedient are not categorized within the fair value hierarchy.

(f) *Spending from Endowment*

The College invests a significant portion of its endowment assets in an investment pool and distributes cash for expenditure in accordance with its endowment spending policy, which is intended to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. To meet these objectives, spending from endowment is set by the Board of Trustees at an amount equal to a percentage of average endowment market value for the twelve previous quarters for both with donor restriction and without donor restriction endowment funds. The spending rate was 5% for the years ended June 30, 2025 and 2024. For the year ended June 30, 2025, the Board of Trustees approved an additional spending rate of up to 2.75% to support operations.

Certain endowment assets are pooled on a market value basis with each individual fund subscribing to or disposing of units on the basis of the market value per unit at the beginning of a quarterly period in which transactions take place. Endowment spending is distributed based on the number of subscribed units at the end of each quarter.

(g) *Split-Interest Agreements*

The College's split-interest agreements consist primarily of charitable gift annuities, pooled income funds, perpetual trusts, charitable lead trusts and irrevocable charitable remainder trusts. Assets are invested by the College or by third-party trustees. Payments are made to donors and/or other beneficiaries in accordance with the individual agreements. Split-interest agreements of \$4,596 and \$4,303 are reported as level 2 investments at June 30, 2025 and 2024, respectively.

Contribution revenues for split-interest agreements are recognized at the dates the agreements are established, and the College becomes aware of them. Revenues are recorded at fair value, net of the estimated liability for future amounts payable, where applicable.

The present value of payments to beneficiaries under split-interest agreements is calculated using discount rates that represent the risk-free rates in existence at the date of the gift for all trusts in which the College is the trustee. For those trusts with third-party trustees, the discount rates used represent the risk-free rates in existence at the end of the fiscal year.

(h) *Land, Buildings, and Equipment*

Plant assets are recorded in the balance sheet at historical cost or at estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are depreciated over the lesser of the lease term or asset's useful life.

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

(i) Tax Status

The College generally does not provide for income taxes since it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accounting Standards Codification (ASC) 740, *Income Taxes*, permits an entity to recognize the benefit and requires accrual of an uncertain tax position only when the position is “more likely than not” to be sustained in the event of examination by tax authorities. In evaluating whether a tax position has met the recognition threshold, the College must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. ASC 740 also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. Tax positions deemed to meet the “more-likely-than-not” threshold are recorded as a tax expense in the current year. The College has analyzed all open tax years, as defined by the statutes of limitations, for all major jurisdictions. Open tax years are those that are open for exam by taxing authorities. Major jurisdictions for the College include federal and the state of Connecticut. As of June 30, 2025, open federal and Connecticut tax years for the College include the tax years ended June 30, 2021 through June 30, 2025. The College has no examinations in progress. The College believes it has no significant uncertain tax positions.

(j) Collections

Library and art collections are not recognized as assets on the balance sheet. Purchases of such collections are recorded as expenses in the period in which the items are acquired. Contributed collection items are not reflected in the financial statements. Proceeds from the sale of collection items or insurance recoveries are reflected as increases in the appropriate net asset class.

(k) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Significant estimates include collectability of gifts, pledges, student loans, accounts and other receivables, valuation of certain investments, leases, and the liability for postretirement benefits. Actual results could differ from such estimates.

(l) Reclassifications

Certain reclassifications have been made to the 2024 information to conform to the 2025 presentation.

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

(2) Liquidity

As of June 30, 2025, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital costs not financed with debt, were as follows:

	2025	2024
Cash and cash equivalents	\$ 58,346	53,363
Contributions, notes, and accounts receivable due within one year, net	7,646	6,714
Subsequent fiscal year budgeted endowment appropriation	35,779	31,158
Total financial assets available within one year	\$ 101,771	91,235

The College's Board of Trustees establishes the annual spending policy. For fiscal year 2026, the Board approved a spending rate of 5% of the 12-quarter average of the endowment pool's market value, as well as a supplemental draw of 2.73%, for a total spending allocation of \$35,779. Additionally, the College has board-designated endowment funds of \$73,912 as of June 30, 2025. Although the College does not intend to spend from its board-designated endowment funds other than amounts appropriated for operation, amounts could be made available if necessary.

The College's cash flows have seasonal variations attributable to the timing of tuition billing and contributions received. To manage liquidity, the College maintains a working capital portfolio which corresponds with the projected liquidity need. As part of the College's liquidity management, the College maintains working capital lines of credit, and maintains capital allocations which provides liquidity of assets available to meet general expenditures as liabilities and other obligation come due. General expenditures consist of funding for the College's operating budget including debt obligation payments and funding for the annual capital renewal and replacement expenditures. The College has an unsecured \$10,000 line of credit for short-term working capital purposes that matures on March 31, 2026. This line of credit was established in part to add to available liquidity.

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Notes to Financial Statements
June 30, 2025
(with comparative information for the year ended June 30, 2024)
(Dollars in thousands)

(3) Contributions Receivable

Contributions receivable consisted of the following unconditional promises to give as of June 30:

	<u>2025</u>	<u>2024</u>
Amounts due in:		
Less than one year	\$ 5,542	5,802
One to five years	<u>12,476</u>	<u>18,997</u>
Gross contributions receivable	18,018	24,799
Less:		
Present value discount	(449)	(766)
Allowance for uncollectible pledges	<u>(3,095)</u>	<u>(4,319)</u>
Contributions receivable, net	\$ <u>14,474</u>	<u>19,714</u>
	<u>2025</u>	<u>2024</u>
Purpose:		
Endowment giving	\$ 4,136	7,179
Capital purposes	7,881	10,888
Operating purposes	<u>6,001</u>	<u>6,732</u>
Gross contributions receivable	\$ <u>18,018</u>	<u>24,799</u>

The discount rates used to present the value of the pledges range from 3.86% to 1.07% at June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the College had a pledge receivable from one donor that comprised 14% and 8%, respectively, of the contributions receivable, net on the balance sheet.

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Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

(4) Investments and Fair Value

The College's investments at June 30, 2025 and 2024 that are reported at fair value are summarized in the tables below and, as applicable, by their fair value hierarchy classification:

2025					
	Investments measured at NAV	Level 1	Level 2	Level 3	Total fair value
Investments:					
Short-term ¹	\$ —	8,096	7,182	—	15,278
U.S. equities	97,577	45,266	—	—	142,843
International equities	98,111	2,366	—	—	100,477
Fixed income	—	16,457	25,153	—	41,610
Private equity	50,896	—	—	—	50,896
Venture capital	48,589	—	—	—	48,589
Inflation hedging ²	3,857	—	—	3,350	7,207
Hedge funds	94,840	—	—	—	94,840
Distressed debt	4,949	—	—	—	4,949
Split-interest agreements	—	—	4,596	—	4,596
Total	\$ 398,819	72,185	36,931	3,350	511,285
2024					
	Investments measured at NAV	Level 1	Level 2	Level 3	Total fair value
Investments:					
Short-term ¹	\$ —	20,757	6,969	—	27,726
U.S. equities	105,781	22,756	—	—	128,537
International equities	93,627	—	—	—	93,627
Fixed income	—	16,062	22,903	—	38,965
Private equity	45,100	—	—	—	45,100
Venture capital	45,728	—	—	—	45,728
Inflation hedging ²	4,946	—	—	7,163	12,109
Hedge funds	83,204	—	—	—	83,204
Distressed debt	5,557	—	—	—	5,557
Split-interest agreements	—	—	4,303	—	4,303
Total	\$ 383,943	59,575	34,175	7,163	484,856

CONNECTICUT COLLEGE

Notes to Financial Statements

June 30, 2025

(with comparative information for the year ended June 30, 2024)

(Dollars in thousands)

1. Short-term includes cash and cash equivalents, derivative instruments and the cash surrender value of a life insurance policy.
2. Inflation hedging includes such investments as natural resources partnerships, agricultural and other commodities, real estate and treasury inflation-protected securities.

Certain investments are redeemable with the funds or limited partnerships at NAV under the terms of the subscription agreements and/or partnership agreements. Investments with daily liquidity generally do not require any notice prior to withdrawal. Investments with monthly, quarterly or annual redemption frequency typically require notice periods ranging from 30 to 60 days. The long-term investments' fair values are broken out below by their redemption frequency as of June 30, 2025 and June 30, 2024:

2025							
	Daily	Monthly	Quarterly	Semi-annual	Subject to Rolling Lockups	Illiquid	Total
Investments:							
Short-term investments	\$ 15,278	—	—	—	—	—	15,278
U.S. equities	44,618	—	78,090	—	12,472	7,663	142,843
International equities	2,366	90,598	7,513	—	—	—	100,477
Fixed income	41,610	—	—	—	—	—	41,610
Private equity	—	—	923	—	—	49,973	50,896
Venture capital	—	—	—	—	—	48,589	48,589
Inflation hedging	—	—	—	—	—	7,207	7,207
Hedge funds	—	—	—	—	—	4,949	4,949
Distressed debt	—	20,770	38,909	10,230	—	24,931	94,840
Split-interest agreements	—	—	—	—	—	4,596	4,596
Total	\$ 103,872	111,368	125,435	10,230	12,472	147,908	511,285

2024							
	Daily	Monthly	Quarterly	Semi-annual	Subject to Rolling Lockups	Illiquid	Total
Investments:							
Short-term investments	\$ 27,726	—	—	—	—	—	27,726
U.S. equities	22,793	—	88,801	—	9,936	7,007	128,537
International equities	—	87,211	6,416	—	—	—	93,627
Fixed income	38,965	—	—	—	—	—	38,965
Private equity	—	—	682	—	—	44,418	45,100
Venture capital	—	—	—	—	—	45,728	45,728
Inflation hedging	—	—	—	—	—	12,109	12,109
Hedge funds	—	18,503	31,521	9,031	—	24,149	83,204
Distressed debt	—	—	—	—	—	5,557	5,557
Split-interest agreements	—	—	—	—	—	4,303	4,303
Total	\$ 89,484	105,714	127,420	9,031	9,936	143,271	484,856

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The College enters into derivative instruments such as futures to maintain investment portfolio asset allocations in accordance with institutional policy and to enhance the investment returns of certain asset classes. Index future contracts are included in investments on the balance sheet and included in short-term investments above, of which \$2,138 and \$7,904 represents collateral cash as of June 30, 2025 and 2024, respectively.

The fair market value of investment derivatives held by the fund at June 30, 2025 and 2024, are summarized in the following table:

	2025		2024	
	Long notional	Unrealized gain	Long notional	Unrealized gain
Instrument type:				
Equity index futures	\$ 8,130	178	19,049	30
Currency futures	74	—	293	—
International equity index futures	4,541	49	11,652	11
Total	\$ 12,745	227	30,994	41

At June 30, 2025, the College's remaining outstanding commitments on investments totaled \$43,052. These commitments are expected to be funded from existing investments included within the endowment. Generally, these commitments have 10-year terms, with the option to extend. As of June 30, 2025, the average remaining life of the commitments is 4 years. The remaining outstanding commitments are summarized in the table below:

Private equity	\$ 22,689
Venture capital	9,562
Inflation hedging	1,556
Distressed securities	9,245
	\$ 43,052

At June 30, 2025, funds with redemption lockup periods in the amount of \$12,472 will expire in fiscal year 2025.

(5) Endowment

The College's pooled endowment consists of approximately 650 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with

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endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions or state statute.

(a) Relevant Law

The State of Connecticut has enacted the Connecticut Uniform Prudent Management of Institutional Funds Act (CT UPMIFA), which governs the management of donor-restricted endowment funds by institutions.

Although CT UPMIFA offers short-term spending flexibility, the explicit consideration of the preservation of funds among factors for prudent spending suggests that a donor-restricted endowment fund is still perpetual in nature. Under CT UPMIFA, the College's Board of Trustees (the Board) is permitted to determine and continue a prudent payout amount, even if the market value of the fund is below historic dollar value. There is an expectation that, over time, the with donor restriction amount will remain intact. This perspective is aligned with the accounting standards definition that with donor restriction funds are those that must be held in perpetuity even though some portions of the historic dollar value may be reduced by drawings on a temporary basis.

The College classifies as with donor restriction net assets (a) the original value of gifts donated to the with donor restriction endowment, (b) the original value of subsequent gifts to the with donor restriction endowment, and (c) accumulations to the with donor restriction endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in with donor restriction net assets is classified as with donor restriction net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by CT UPMIFA.

In accordance with CT UPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the College and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effects of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the College
- (7) The investment policies of the College
- (8) The need to support activities of the College for both current and future generations of students.

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(b) Endowment Net Asset Composition

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level classified as with donor restriction consistent with donor restrictions and college policies under CT UPMIFA. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets as reported in the following tables. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of with donor restriction contributions and/or appropriation for certain programs that was deemed prudent by the College.

Endowment net asset composition by type of fund consist of the following at June 30, 2025:

	Without donor restrictions	With donor restrictions		Total	Total 2025
		Original gift	Accumulated gains (losses)		
Board-designated endowment funds	\$ 73,912	—	—	—	73,912
Donor restricted endowment funds:					
Underwater	—	40	(6)	34	34
Other	—	233,636	203,280	436,916	436,916
	<u>\$ 73,912</u>	<u>233,676</u>	<u>203,274</u>	<u>436,950</u>	<u>510,862</u>

Endowment net asset composition by type of fund consist of the following at June 30, 2024:

	Without donor restrictions	With donor restrictions		Total	Total 2024
		Original gift	Accumulated gains (losses)		
Board-designated endowment funds	\$ 75,452	—	—	—	75,452
Donor restricted endowment funds:					
Underwater	—	40	(8)	32	32
Other	—	228,095	178,779	406,874	406,874
	<u>\$ 75,452</u>	<u>228,135</u>	<u>178,771</u>	<u>406,906</u>	<u>482,358</u>

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Changes in pooled endowment funds for the year ended June 30, 2025 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment funds, June 30, 2024	\$ 75,452	406,906	482,358
Return on long-term investments:			
Dividends and interest	115	582	697
Net gains on investments	9,163	45,613	54,776
Investment management fees	(669)	(3,379)	(4,048)
	8,609	42,816	51,425
Appropriation of endowment assets for expenditure	(11,478)	(18,422)	(29,900)
Investment return, less endowment spending used in operations	(2,869)	24,394	21,525
Contributions and transfers	1,329	5,650	6,979
Endowment funds, June 30, 2025	\$ 73,912	436,950	510,862

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(with comparative information for the year ended June 30, 2024)
(Dollars in thousands)

Changes in pooled endowment funds for the year ended June 30, 2024 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment funds, June 30, 2023	\$ 73,318	375,535	448,853
Return on long-term investments:			
Dividends and interest	133	665	798
Net gains on investments	7,551	39,937	47,488
Investment management fees	(350)	(2,739)	(3,089)
	7,334	37,863	45,197
Appropriation of endowment assets for expenditure	(5,200)	(15,370)	(20,570)
Investment return, less endowment spending used in operations	2,134	22,493	24,627
Contributions and transfers	—	8,878	8,878
Endowment funds, June 30, 2024	\$ 75,452	406,906	482,358

(c) Return Objectives and Risk Parameters

The College pursues investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the endowment funds in perpetuity. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under the College's investment policy, the endowment assets are currently invested in a manner that is intended to produce results consistent with the return and risk results of a combination of various indexes representative of portfolio target allocations. The College expects its endowment funds, over the long-term, to provide an average annual rate of return in excess of spending plus inflation while carrying a moderate level of risk. Actual returns in any given year may vary from such amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation of domestic and international equities, fixed income, marketable and nonmarketable alternative investments (hedge funds and private investments), and real assets to achieve its long-term return objectives within prudent risk constraints.

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(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The College has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value using the prior twelve quarters through June 30 preceding the fiscal year in which the distribution is planned. In establishing its spending policy, the College considered the expected return on its endowment. Accordingly, the College expects its spending policy will allow its endowment funds to be maintained in perpetuity by growing at a rate at least equal to planned payouts. Additional real endowment growth will be provided through new gifts and any excess investment return.

(6) Land, Buildings, and Equipment

Included in land, buildings, and equipment as of June 30 are the following amounts:

	Estimated useful lives	2025	2024
Campus land	—	\$ 1,080	1,080
Land improvements	20 years	32,184	26,651
Buildings and building improvements	20–40 years	251,560	244,407
Equipment and furniture	5–10 years	44,947	44,206
Software	3–10 years	6,050	6,050
Construction in progress		46,529	24,854
		382,350	347,248
Less accumulated depreciation		(223,358)	(213,981)
		<u>\$ 158,992</u>	<u>133,267</u>

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(7) Bonds and Notes Payable

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

	<u>2025</u>	<u>2024</u>
Connecticut Health and Education Facilities Authority:		
Series L-1 bonds, face amount \$40,725 issued 2017, interest is fixed at rates ranging from 3.0% to 5.0%, maturities to 2046	\$ 40,725	40,725
Series L-2 bonds, face amount \$12,910 issued 2017, interest is fixed at rates ranging from 1.316% to 2.902%, maturities to 2027	3,625	4,955
Series M bonds, face amount \$60,825 issued 2022, interest is fixed at rates ranging from 3% to 5%, maturities to 2052	60,125	60,415
Boston Private Bank and Trust Company:		
Boston Private Series A Term Note, issued 2021, interest is fixed at 3.09%, maturities to 2041	22,275	22,925
Boston Private Series B Term Note, issued 2023, interest is fixed at 3%, maturities to 2030	4,461	4,755
	<u>131,211</u>	<u>133,775</u>
Net bond premiums	8,617	8,959
Net bond issuance costs	<u>(848)</u>	<u>(896)</u>
Total bonds and notes payable	<u>\$ 138,980</u>	<u>141,838</u>

Future maturities of the bonds and notes payable are as follows:

	<u>Bonds</u>
2026	\$ 1,955
2027	3,020
2028	3,113
2029	3,211
2030	3,305
Thereafter	<u>116,607</u>
	<u>\$ 131,211</u>

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The College has an unsecured \$10,000 line of credit established for short-term working capital purposes that matures on March 31, 2026. As of June 30, 2025 and 2024, there were no outstanding advances under the line of credit. As of June 30, 2025 and 2024, the interest rate was set at SOFR plus an applicable margin.

The preceding debt agreements impose certain restrictions upon the College with respect to incurring additional indebtedness, selling real property, and establishing liens or encumbrances on the mortgaged assets of the College, as well as minimum debt to expendable net assets ratio requirements.

The College maintains debt service reserve funds and unspent proceeds from the issuance of CHEFA Series M as required by the associated bond agreements. The deposits with trustees of debt obligations are reported in deposits with bond trustee on the balance sheet.

Bond interest expense for the years ended June 30, 2025 and 2024 was \$4,009 and \$3,402, respectively.

(8) Retirement Plan

Retirement benefits are provided for eligible employees of the College through Teachers' Insurance and Annuity Association and College Retirement Equities Fund under a defined-contribution plan. Under the plan, the College contributed 10% of the gross salaries of eligible employees within limits established by the Internal Revenue Code for the years ended June 30, 2025 and 2024. Total retirement expense for the fiscal years ended June 30, 2025 and 2024 was \$3,997 and \$4,173, respectively.

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(9) Postretirement Medical Benefit Plan

Prior to July 1, 2007, the College provided certain healthcare benefits, including insurance for medical care and prescription drug components, for certain of its retired employees under a defined benefit plan. Effective June 30, 2007, the College closed the defined benefit plan. Information with respect to the closed defined benefit plan is as follows:

	June 30	
	2025	2024
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 6,607	7,004
Service cost	163	169
Interest cost	344	323
Plan participants' contributions	152	149
Medicare Part D subsidy received	10	5
Actuarial gain	(10)	(527)
Benefits paid	(482)	(516)
Benefit obligation at end of year	6,784	6,607
Change in plan assets:		
Fair value of plan assets at beginning of year	—	—
Employer contribution	320	362
Plan participants' contributions	152	149
Medicare Part D subsidy received	10	5
Benefits paid	(482)	(516)
Fair value of plan assets at end of year	—	—
Funded status	\$ (6,784)	(6,607)

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(Dollars in thousands)

	June 30			
	2025		2024	
	Medical	Drug	Medical	Drug
Discount rate used to value obligations	5.19 %	5.19 %	5.22 %	5.22 %
Discount rate used to value expenses	5.22	5.22	4.84	4.84
Weighted average healthcare cost trend:				
Initial trend rate	5.50	6.50	6.00	7.00
Ultimate trend rate	5.00	5.00	5.00	5.00
Year ultimate trend rate attained	2026	2028	2026	2028

	June 30	
	2025	2024
Components of net periodic postretirement benefit cost:		
Service costs	\$ 163	169
Interest cost	344	323
Total net periodic postretirement benefit cost	<u>\$ 507</u>	<u>492</u>
Recognized in employee benefits expense:		
Service cost	\$ 163	169
Total recognized in employee benefits expense	<u>\$ 163</u>	<u>169</u>
Recognized in nonoperating activities:		
Actuarial gain, net	\$ 10	527
Interest cost	(344)	(323)
Net amortization of unrecognized prior service cost	(131)	(128)
Total recognized in nonoperating activities	<u>\$ (465)</u>	<u>76</u>

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Estimated future benefit payments, net of employee contributions and expected Medicare Part D Subsidy, are as follows:

	<u>Estimated benefit payments</u>
Year ended June 30:	
2026	\$ 656
2027	610
2028	551
2029	564
2030	567
2031-2035	2,749

Effective July 1, 2007, the College adopted the Emeriti Retiree Health Plan and began funding separate health accounts for eligible employees for retirement medical expenses under a defined contribution plan. For employees who were nearing retirement at the time the defined benefit plan was closed, the College provides a transition benefit in the defined contribution plan. Total postretirement medical expenses for the Emeriti Retiree Health Plan for fiscal years ended June 30, 2025 and 2024 were \$198 and \$211, respectively.

(10) Net Assets

Net assets as of June 30, 2025 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment:			
Scholarship	\$ 17,575	148,476	166,051
Professorship/directorship	3,908	76,198	80,106
General purpose	52,429	212,276	264,705
Plant funds	(14,720)	30,054	15,334
Assets held in trust and split-interest agreements	(1,107)	19,051	17,944
Accrued postretirement benefits and other funds	36,094	33,565	69,659
	<u>\$ 94,179</u>	<u>519,620</u>	<u>613,799</u>

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Net assets as of June 30, 2024 are as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment:			
Scholarship	\$ 16,504	138,502	155,006
Professorship/directorship	3,676	71,767	75,443
General purpose	55,272	196,637	251,909
Plant funds	(7,023)	27,947	20,924
Assets held in trust and split-interest agreements	(1,388)	18,159	16,771
Accrued postretirement benefits and other funds	30,305	36,092	66,397
	<u>\$ 97,346</u>	<u>489,104</u>	<u>586,450</u>

Net assets with donor restrictions for the years ended June 30, 2025 and 2024 were released from donor restrictions as a result of incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Such assets were utilized to fund expenditures in the following categories:

	2025	2024
Instruction and research	\$ 5,563	4,943
Financial aid	5,514	5,035
Academic support	3,014	2,711
Student services	1,147	1,080
General institutional	733	843
Total operating net assets released from restrictions	<u>15,971</u>	<u>14,612</u>
Plant and other nonoperating	<u>48</u>	<u>100</u>
Total nonoperating net assets released from restrictions	<u>48</u>	<u>100</u>
Total net assets released from restrictions	<u>\$ 16,019</u>	<u>14,712</u>

(11) Functional Expenses

The statement of activities present expenses by natural classification. The College also summarizes its expenses by functional classification. Operation and maintenance of plant are allocated based on square footage. Depreciation expense for capital assets is allocated to functional classifications based on the

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functional classifications of the departments for which the capital asset serves. Interest expense is allocated based on the functional purpose for which the debt proceeds were used.

Functional expenses for the year ended June 30, 2025 are as follows:

		Instruction	Research and public service	Academic support	Student services	Auxiliary services	Institutional support	Operations and maintenance	Total
Salaries and wages	\$	21,656	237	6,395	7,314	462	10,538	4,252	50,854
Employee benefits		8,023	46	2,088	2,518	236	4,317	1,337	18,565
Supplies, services, other		7,322	656	4,160	5,738	14,101	8,435	6,259	46,671
Depreciation and amortization		945	134	2,685	1,832	2,956	1,077	—	9,629
Interest		78	53	633	138	177	3,056	22	4,157
Utilities		—	—	—	—	—	—	3,826	3,826
Operations and maintenance		2,407	335	2,664	2,838	6,363	1,089	(15,696)	—
	\$	<u>40,431</u>	<u>1,461</u>	<u>18,625</u>	<u>20,378</u>	<u>24,295</u>	<u>28,512</u>	<u>—</u>	<u>133,702</u>

Functional expenses for the year ended June 30, 2024, are as follows:

		Instruction	Research and public service	Academic support	Student services	Auxiliary services	Institutional support	Operations and maintenance	Total
Salaries and wages	\$	20,938	279	6,142	7,030	3,721	9,809	4,033	51,952
Employee benefits		7,360	64	1,876	2,271	1,236	4,582	1,271	18,660
Supplies, services, other		5,584	565	3,983	5,698	5,983	9,275	6,157	37,245
Depreciation and amortization		900	130	2,669	1,753	2,986	1,025	—	9,463
Interest		80	54	580	134	181	2,431	23	3,483
Utilities		—	—	—	—	—	—	3,496	3,496
Operations and maintenance		2,343	325	2,593	2,761	6,133	825	(14,980)	—
	\$	<u>37,205</u>	<u>1,417</u>	<u>17,843</u>	<u>19,647</u>	<u>20,240</u>	<u>27,947</u>	<u>—</u>	<u>124,299</u>

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(12) Commitments and Contingencies

The College is subject to certain legal proceedings and claims that arose in the ordinary course of its business. In the opinion of management, the amount of the ultimate liability with respect to those actions will not materially affect the financial position of the College.

(13) Related-Party Transactions

Members of the Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly with companies doing business with the College. The College has a written conflict of interest policy that requires annual reporting by each Board member as well as the College senior management. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arms' length, based on terms in the best interest of the College.

(14) Subsequent Events

The College evaluated subsequent events for potential recognition or disclosure through December 19, 2025, the date on which the financial statements were issued. No subsequent events were identified.