COLGATE UNIVERSITY

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

COLGATE UNIVERSITY

Consolidated Financial Statements

June 30, 2025 and 2024

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

Independent Auditors' Report

The Board of Trustees
Colgate University:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025 and June 30, 2024, and the results of its operations and its cash flows for the years 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 Consolidated Financial Statements section of our report. We are required to be independent of the University 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 consolidated 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 consolidated 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 University'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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

Hartford, Connecticut
October 24, 2025

COLGATE UNIVERSITY

Consolidated Statements of Financial Position

June 30, 2025 and 2024
(In thousands of dollars)

Assets		2025	2024
Cash and cash equivalents	$	88,193	69,965
Accounts receivable, net		3,993	5,904
Intermediate-term investments		145,190	197,292
Inventories		2,212	2,137
Prepaid expenses and other assets		4,598	4,397
Pledges receivable, net		88,523	23,363
Long-term investments		1,376,252	1,277,862
Land, buildings and equipment, net		582,453	547,846
Funds held in trust by others		14,280	14,671
Total assets	$	2,305,694	2,143,437
Liabilities and Net Assets			
Accounts payable and accrued expenses	$	26,480	40,450
Deposits and deferred revenues		8,200	8,182
Annuities and deferred giving arrangements		15,843	15,773
Postretirement benefits		37,166	38,850
Conditional asset retirement obligations		13,166	12,598
Long-term debt, net		383,730	397,779
Total liabilities		484,585	513,632
Net assets:			
Without donor restrictions		541,192	499,374
With donor restrictions		1,279,917	1,130,431
Total net assets		1,821,109	1,629,805
Total liabilities and net assets	$	2,305,694	2,143,437

See accompanying notes to consolidated financial statements.

COLGATE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2025
(with summarized information for the year ended June 30, 2024)
(In thousands of dollars)

	2025			
	Without donor restrictions	With donor restrictions	Total	2024 Total
Operating revenues:				
Tuition and fees, net of financial aid of $78,472	$ 146,417	—	146,417	136,790
Room and dining income, net of financial aid of $8,169	32,028	—	32,028	29,699
Student revenue	178,445	—	178,445	166,489
Sales and services of auxiliaries	14,924	—	14,924	13,975
Government grants and contributions	752	2,674	3,426	2,371
Private grants and contributions	10,215	10,997	21,212	20,072
Investment return designated for operations	21,117	48,478	69,595	66,901
Other	3,955	618	4,573	3,949
Nonoperating assets used in operations	2,809	—	2,809	2,531
Net assets released from restrictions	57,568	(57,568)	—	—
Total operating revenues	289,785	5,199	294,984	276,288
Operating expenses:				
Instruction and research	99,686	—	99,686	94,283
Athletics	36,678	—	36,678	35,121
Academic support	23,136	—	23,136	21,163
Student services	23,030	—	23,030	21,600
Institutional support	46,737	—	46,737	42,176
Auxiliary operations	48,425	—	48,425	45,736
Total operating expenses	277,692	—	277,692	260,079
Increase in net assets from operating activities	12,093	5,199	17,292	16,209
Nonoperating activities:				
Investment return, less amounts designated for current operations	16,644	54,835	71,479	28,647
Grants and contributions	1,574	96,721	98,295	45,258
Change in value of split interest agreements	—	3,010	3,010	3,677
Postretirement benefits	(1,392)	—	(1,392)	(2,656)
Other	5,429	—	5,429	188
Net assets released from restrictions	9,599	(9,599)	—	—
Nonoperating assets used in operations	(2,809)	—	(2,809)	(2,531)
Changes in donor intent and other reclassifications	680	(680)	—	—
Increase in net assets from nonoperating activities	29,725	144,287	174,012	72,583
Change in net assets	41,818	149,486	191,304	88,792
Net assets:				
Beginning of year	499,374	1,130,431	1,629,805	1,541,013
End of year	$ 541,192	1,279,917	1,821,109	1,629,805

See accompanying notes to consolidated financial statements.

COLGATE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2024
(with summarized information for the year ended June 30, 2023)
(In thousands of dollars)

	2024		
	Without donor restrictions	With donor restrictions	Total
Operating revenues:			
Tuition and fees, net of financial aid of $74,316	$ 136,790	—	136,790
Room and dining income, net of financial aid of $7,900	29,699	—	29,699
Student revenue	166,489	—	166,489
Sales and services of auxiliaries	13,975	—	13,975
Government grants and contributions	789	1,582	2,371
Private grants and contributions	10,218	9,854	20,072
Investment return designated for operations	21,298	45,603	66,901
Other	3,381	568	3,949
Nonoperating assets used in operations	2,531	—	2,531
Net assets released from restrictions	54,147	(54,147)	—
Total operating revenues	272,828	3,460	276,288
Operating expenses:			
Instruction and research	94,283	—	94,283
Athletics	35,121	—	35,121
Academic support	21,163	—	21,163
Student services	21,600	—	21,600
Institutional support	42,176	—	42,176
Auxiliary operations	45,736	—	45,736
Total operating expenses	260,079	—	260,079
Increase in net assets from operating activities	12,749	3,460	16,209
Nonoperating activities:			
Investment return, less amounts designated for current operations	8,284	20,363	28,647
Grants and contributions	846	44,412	45,258
Change in value of split interest agreements	—	3,677	3,677
Postretirement benefits	(2,656)	—	(2,656)
Other	188	—	188
Net assets released from restrictions	21,475	(21,475)	—
Nonoperating assets used in operations	(2,531)	—	(2,531)
Changes in donor intent and other reclassifications	2,488	(2,488)	—
Increase (decrease) in net assets from nonoperating activities	28,094	44,489	72,583
Change in net assets	40,843	47,949	88,792
Net assets:			
Beginning of year	458,531	1,082,482	1,541,013
End of year	$ 499,374	1,130,431	1,629,805

See accompanying notes to consolidated financial statements.

COLGATE UNIVERSITY

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024
(In thousands of dollars)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 191,304	88,792
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation, amortization and accretion	19,190	17,834
Gain on extinguishment of debt	(5,854)	—
Receipt of contributed securities	(7,917)	(23,251)
Contributions for long-term investment	(24,988)	(60,873)
Realized and unrealized (gains) on investments	(139,479)	(82,277)
Changes in assets and liabilities that provide (use) cash:		
Accounts receivable, net	1,911	(1,619)
Inventories	(75)	82
Prepaid expenses and other assets	(273)	170
Pledges receivable, net	(65,160)	15,657
Funds held in trust by others	391	(834)
Accounts payable and accrued expenses	(564)	(159)
Deposits and deferred revenues	18	(310)
Annuities and deferred giving arrangements	70	(534)
Postretirement benefits	(1,684)	(583)
Conditional asset retirement obligations	(61)	(276)
Net cash used in operating activities	(33,171)	(48,181)
Cash flows from investing activities:		
Purchases of land, buildings, and equipment, net	(66,806)	(66,531)
Proceeds from student loan collections	72	83
Purchases of investments	(598,138)	(401,840)
Proceeds from sales and maturities of investments	691,371	441,693
Sales of contributed securities	7,917	23,251
Net cash used in investing activities	34,416	(3,344)
Cash flows from financing activities:		
Contributions for long-term investment	24,925	60,391
Change in federal student loan funds	—	—
Proceeds from issuance of long-term debt	76,790	—
Payments on long-term debt	(91,820)	(8,745)
Premium on long-term debt issuance	8,658	—
Bond issuance costs	(1,570)	—
Net cash provided by financing activities	16,983	51,646
Net increase in cash and cash equivalents	18,228	121
Cash and cash equivalents at beginning of year	69,965	69,844
Cash and cash equivalents at end of year	$ 88,193	69,965
Supplemental data:		
Noncash investing and financing activities:		
Capital gifts-in-kind	$ 63	482
Decrease in construction related payables	(13,449)	9,793
Interest paid	14,842	14,400

See accompanying notes to consolidated financial statements.

(1) Organization

Colgate University (the University) obtained its charter of incorporation in 1819 after being founded in 1817 by Baptist ministers in the central New York State Village of Hamilton. It was originally called the Baptist Education Society of the State of New York. Today, the University is a highly selective, independent, coeducational, residential, liberal arts institution set on a beautiful campus of more than 575 acres. It operates as an educational institution in accordance with the New York State Not-for-Profit Corporation Law under the direction of an independent Board of Trustees. With approximately 3,000 undergraduates from all regions of the United States and over 80 countries worldwide, the University is recognized as one of the leading national liberal arts colleges. Students enjoy small class sizes taught by a superb faculty and take advantage of the University's award winning curriculum, off-campus programs and numerous undergraduate research opportunities.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the University have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, and include the accounts of the University's wholly owned subsidiaries: Colgate Inn, LLC; Hamilton Initiative, LLC; Palace Theater, LLC; Hamilton Theater, LLC; Hamilton Housing Initiative, LLC; and Hamilton Hotel, LLC, and the Colgate University Alumni Corporation. All significant intercompany transactions have been eliminated.

Net assets having similar characteristics have been classified into the following categories:

- *With donor restrictions* – Net assets whose use by the University is subject to donor-imposed or legal stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire with the passage of time and those required to be maintained permanently or until prudently appropriated by the Board of Trustees of the University in accordance with New York State law. Generally, the donors of these assets permit the University to use all or part of the investment return on these assets to support program activities, principally financial aid and instruction.
- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Expenses are generally reported as decreases in net assets without donor restrictions.

Operating net assets released from restrictions include support for program activities such as financial aid and instruction. Contributions with donor-imposed restrictions are reported as donor restricted revenues and are reclassified to net assets without donor restrictions when the donor-imposed restriction is satisfied.

Nonoperating net assets released from restrictions primarily represent amounts for facilities and equipment. Contributions restricted for the acquisition of land, buildings and equipment are reported as donor restricted revenues. These contributions are reclassified to net assets without donor restrictions

when the asset is placed in service. Contributions received that will be used for facilities and equipment are included in nonoperating activities and released to operating to match depreciation over the life of the asset.

(b) Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments consisting of demand deposit accounts, money market funds, and overnight repurchase agreements with initial maturities of three months or less at the time of purchase. For the purposes of the consolidated statement of cash flows, certain balances meeting this definition classified as intermediate and/or long-term investments are not considered to be cash equivalents given the University's intent to segregate these funds from cash available for current operations.

(c) Fair Value

Fair value is defined by U.S. generally accepted accounting principles as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date incorporating a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the reporting entity's own assumptions about how market participants would value an asset based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last is unobservable, that may be used to measure fair value.

Except for investments reported at net asset value or its equivalent (NAV) as a practical expedient to estimate fair value, the following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the University for financial instruments measured at fair value on a recurring basis. A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets.
- Level 2 – Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.
- Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The University utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible. Transfers between categories occur when there is an event that changes the inputs used to measure the fair value of an asset or liability. Transfers between fair value categories are recognized at the end of the reporting period.

Fair value measurements of investment assets for which the measurements are based on NAV as provided by external managers in the absence of readily determinable fair values are categorized outside of the fair value hierarchy described above in the fair value information disclosed in note 5.

(d) Investments

Investments are reported at estimated fair value. The values of publicly traded equity and fixed income securities are based on quoted market prices and exchange rates, if applicable.

Nonmarketable securities, including alternative investments in hedge, private equity, and other similar funds, are valued using current estimates of fair value in the absence of readily determinable market prices. The University utilizes NAV reported by the managers of these funds as a practical expedient to fair value because the alternative investment funds (a) do not have readily determinable fair values and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company. These estimates of fair value, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized as part of investment return in the consolidated statements of activities. Realized gains and losses on the sale of investments are generally determined on the specific identification method on the trade date.

(e) Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market net realizable value.

(f) Student Loans Receivable

Student loans receivable, included in prepaid expenses and other assets on the accompanying consolidated balance sheets, are reported net of an allowance for credit losses of $582 and $579 at June 30, 2025 and 2024, respectively. The allowance for credit losses represents management's estimate of lifetime expected credit losses on the outstanding student loan portfolio, including loans currently in repayment as well as those in the grace period or in-school status. Adjustments to the allowance are recognized in the period in which changes in the expected credit losses are identified.

(g) Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost or, if donated, at fair value on the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets as follows:

	Years
Land improvements	7–10
Buildings and improvements	20–50
Equipment and library books	3–10

Additions to all fixed asset types excluding equipment are evaluated on an annual basis. In the year an addition is placed in service a half year of depreciation is taken.

Works of art, historical treasures, and similar assets have been recognized at their estimated fair value based upon appraisals or similar valuations at the date of acquisition or donation and are depreciated over 100 years. Depreciation and operation and maintenance costs are allocated to functional expenses based upon square footage and specific identification where appropriate.

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. If such assets are considered to be impaired, the impairment to be recognized is the difference between the carrying amount and the fair value of the assets.

(h) Funds Held in Trust by Others

Funds held in trust by others include charitable lead and/or charitable remainder trusts. For these trusts the University does not serve as trustee, nor has the power to appoint a trustee. Funds held in trust by others are valued at the net present value of the future distributions expected to be received over the term of the agreement.

(i) Annuities and Deferred Giving Arrangements

Planned gifts are separately invested in accordance with trust instruments that provide for income distributions to beneficiaries and final distributions of the remainder value to the University. When the University serves as trustee, or has the power to appoint the trustee, the trust assets are included in long-term investments. The expected payments to beneficiaries are recorded as a liability on the consolidated statements of financial position at their net present value. The fair value of planned giving investments was $33,905 and $31,886 at June 30, 2025 and 2024, respectively.

(Continued)

(j) Conditional Asset Retirement Obligations

The University accrues for asset retirement obligations in the period in which they are incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded. Accretion expense amounted to $630 and $613 in 2025 and 2024, respectively.

(k) Revenue Recognition

Tuition and fees revenue is recognized over the academic term to which it relates. Room and dining income is also recognized over the academic term with the exception of student debit card balances which are included in deferred revenue until utilized as goods or services are provided to the students. These amounts are reflected on the consolidated statement of activities, net of any student aid, and recognized as services are provided. To the extent such aid exceeds a student's tuition and fees, it is applied against room and dining charges. Payments received in advance of services to be rendered are reported within deposits and deferred revenues. Deferred revenues of approximately $3,700 and $4,243 at June 30, 2025 and 2024, respectively, generally represent prepayments of tuition and other student revenue amounts and are recognized in revenue as the services are provided to the students. Revenue from other exchange transactions, including from athletics and certain retail operations, is recognized when goods or services are provided to customers.

Contributions received, including unconditional promises to give, are recognized at fair value as revenue within the appropriate net asset category when the donors' commitments are received. Conditional contributions or promises are recorded when donor-imposed stipulations have been substantially met. Conversely, contributions made by the University, including unconditional promises to give, are recognized as expenses in the period in which the commitments are made.

(l) Estimates

The preparation of consolidated 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 disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues and expenses during the reporting period. Management's most significant use of estimates relate to investment valuations, postretirement benefits, allowances for receivables, and conditional asset retirement obligations. Due to uncertainties inherent in the estimates and assumptions, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the consolidated financial statements. Additionally, actual results could differ from these estimates.

(m) Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the amounts reported in the consolidated statements of financial position and the consolidated statements of activities.

(n) Internal Revenue Code Status

The University and Colgate University Alumni Corporation generally do not provide for income taxes since they are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. The University includes Colgate Inn, LLC; Hamilton Initiative, LLC; Palace Theater, LLC; Hamilton Theater, LLC; Hamilton Housing Initiative, LLC; and Hamilton Hotel, LLC, all single member limited liability corporations of which the University is the sole member and generally do not provide for income taxes since the University is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The University recognizes the effect of income tax positions only if it is more likely than not that a tax position will be sustained by the relevant taxing authority. The University believes it has taken no significant uncertain tax positions.

(3) Financial Assets and Liquidity Resources

As of 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 expenditures not financed with debt, include the below:

		2025	2024
Financial assets:			
Cash and cash equivalents	$	88,193	69,965
Accounts receivable, net		3,993	5,904
Long-term investments not subject to donor restrictions		4,465	6,626
Board-approved endowment spending distribution		66,068	63,186
Total financial assets available within one year	$	162,719	145,681

The University's working capital and cash flows have seasonal variations due to the timing of student related billings as well as a concentration of contributions received at calendar and fiscal year end. To manage liquidity, the University operates with a balanced budget on a cash flow basis in accordance with policies approved by the Board of Trustees. In addition to the liquidity resources stated in the above table, the University also has a revolving line of credit of $50,000 for working capital needs. The University did not draw upon its line of credit during the years ended June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the University had $145,190 and $197,292, respectively, in intermediate-term investments which can be made available for capital expenditures. Additionally, as of June 30, 2025 and 2024, the University had $264,631 and $248,719, respectively, in quasi endowment which also can be made available for general expenditure with approval from the Board, subject to investment liquidity provisions. The University also anticipates collection of $20,643 of amounts currently included in pledges receivable within the next year, which are restricted by the donors for construction projects and endowment.

(4) Pledges Receivable

Unconditional pledges at June 30 are expected to be realized in the following years:

		2025	2024
Less than one year	$	20,643	10,171
One year to five years		78,015	15,800
More than five years		12,000	2,432
Subtotal		110,658	28,403
Less present value discount (2.46% to 4.66%) and allowance		(22,135)	(5,040)
Total pledges receivable, net	$	88,523	23,363

At June 30, 2025 and 2024, the University had outstanding conditional pledges and bequests of approximately $306,865 and $303,864, respectively, which due to their conditional nature, are not recorded by the University.

(5) Long-Term Investments and Fair Value Measurements

Long-term investments by type consist of the following as of June 30:

		2025	2024
Cash equivalents	$	190,310	141,948
Equities		210,646	249,199
Fixed income		69,162	65,075
Private equity		180,126	199,785
Venture capital		178,937	153,414
Hedge – long/short equity		182,884	171,601
Hedge – absolute return		231,146	165,102
Real assets		131,613	130,228
Other		1,428	1,510
Total long-term investments	$	1,376,252	1,277,862

(Continued)

Below is a summary of University investments by major investment category:

(a) Equities

This category includes long-only equity funds in the United States, international developed markets and emerging markets. Over the long-term, these investments are expected to reflect the economic climate in which the University operates. There were no unfunded commitments for these investments as of June 30, 2025 and 2024. These investments allow redemptions daily with 7, 10, and 30 days notice, semi-monthly with seven days notice, monthly with 7, and 10 days notice or quarterly with 60 days notice.

(b) Fixed Income

This category includes funds that invest in core fixed income positions. These investments, combined with cash and cash equivalents, are meant to provide liquidity to the University. There were no unfunded commitments for these investments as of June 30, 2025 and 2024. These investments allow redemptions daily.

(c) Private Equity

This category includes investments in private equity buyout and distressed credit opportunity funds that invest primarily in companies domiciled in the United States. Total commitments for these investments were approximately $257,933, with $67,597 unfunded at June 30, 2025, and approximately $270,051, with $67,113 unfunded at June 30, 2024. The University does not have any redemption rights in these investments and the investments have estimated remaining lives between one and fifteen years.

(d) Venture Capital

This category includes investments in venture capital funds that invest primarily in companies domiciled in the United States. Total commitments for these investments were approximately $194,167, with $52,575 unfunded at June 30, 2025, and approximately $183,167, with $63,797 unfunded at June 30, 2024. The University does not have any redemption rights in these investments and the investments have estimated remaining lives between one and fifteen years.

(e) Hedge – Long/Short Equity

This category includes funds that invest traditional equities but complement the holdings with short positions in securities they believe are overvalued. The short portfolio acts as a hedge during market declines but may also serve as an additional source of investment return. Managers of these funds have the ability to shift between growth and value stocks across all capitalizations. There were no unfunded commitments for these investments as of June 30, 2025 and 2024. These investments have varying redemption rights including quarterly with 45, 60, 65, and 90 days notice.

(Continued)

(f) Hedge – Absolute Return

This category includes single and multi-strategy hedged investments such as merger and risk arbitrage, distressed securities, asset-backed securities, and other credit and volatility investments. These strategies are designed to provide equity-like returns regardless of the economic environment with limited correlation to the traditional equity and fixed income markets. Unfunded commitments to these investments were approximately $993 at June 30, 2025 and $1,124 at June 30, 2024. These investments allow redemptions, semi-annually with 60 days notice, quarterly with 45 days and 90 days notice or annually with 45 days notice.

(g) Real Assets

This category includes global investments in residential and commercial real estate and interests in natural resources. Total commitments for these investments were approximately $192,250, with $36,111 unfunded at June 30, 2025, and approximately $209,750, with $41,099 unfunded at June 30, 2024. These investments have varying redemption rights including one investment allowing monthly with 30 days notice, another allowing annually with 90 days notice and the remaining not allowing any redemption rights, these investments have estimated remaining lives between one and fifteen years.

Investment fees are netted against investment income. The components of total investment return from all sources for the years ended June 30 are reflected below:

		2025	2024
Interest income and dividends, net	$	54,564	13,271
Realized and unrealized gains, net		86,510	82,277
Total investment return	$	141,074	95,548

Investment return, as reflected in the consolidated statements of activities as of June 30 is as follows:

		2025	2024
Investment return designated for operations:			
Without donor restrictions	$	21,117	21,298
With donor restrictions		48,478	45,603
		69,595	66,901
Nonoperating investment return:			
Without donor restrictions		16,644	8,284
With donor restrictions		54,835	20,363
		71,479	28,647
Total investment return	$	141,074	95,548

(Continued)

The following tables present the University's financial instruments carried at fair value based on the valuation hierarchy previously described in note 2(c) as of June 30:

	2025				
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	Total
Intermediate investments:					
Cash equivalents	$ 145,190	—	—	—	145,190
Funds held in trust by others	—	14,280	—	—	14,280
Long-term investments:					
Cash equivalents	190,310	—	—	—	190,310
Equities	109,116	—	—	101,530	210,646
Fixed income	69,162	—	—	—	69,162
Private equity	—	—	—	180,126	180,126
Venture capital	—	—	—	178,937	178,937
Hedge – long/short equity	—	—	—	182,884	182,884
Hedge – absolute return	—	—	—	231,146	231,146
Real assets	—	—	27,530	104,083	131,613
Other	—	1,428	—	—	1,428
Total long-term investments	368,588	1,428	27,530	978,706	1,376,252
	$ 513,778	15,708	27,530	978,706	1,535,722

	2024				
	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	Total
Intermediate investments:					
Cash equivalents	$ 197,292	—	—	—	197,292
Funds held in trust by others	—	14,671	—	—	14,671
Long-term investments:					
Cash equivalents	141,949	—	—	—	141,949
Equities	220,038	—	—	29,160	249,198
Fixed income	65,075	—	—	—	65,075
Private equity	—	—	—	199,785	199,785
Venture capital	—	—	—	153,414	153,414
Hedge – long/short equity	—	—	—	171,601	171,601
Hedge – absolute return	—	—	—	165,102	165,102
Real assets	—	—	30,508	99,720	130,228
Other	—	1,510	—	—	1,510
Total long-term investments	427,062	1,510	30,508	818,782	1,277,862
	$ 624,354	16,181	30,508	818,782	1,489,825

(Continued)

There were no changes in methodologies used at June 30, 2025. There were 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 $1,380 and $3,710, respectively. Redemptions of Level 3 assets during the years ended June 30, 2025 and 2024, were $4,843 and $2,717, respectively.

Significant unobservable inputs related to the University's investments in assets categorized as Level 3 in the fair value hierarchy at June 30, 2025 and 2024, include estimated discounted cash flows from specific natural resources properties determined using estimated quantities and taking into account the future periods in which they are expected to be developed and produced. Current market prices for the natural resources are applied against these estimates and reduced by estimated future costs to develop and produce the estimated quantities. These resulting future net cash flows are discounted using a 10% discount factor.

The value of certain alternative investments represents the ownership interest in the respective partnership. The fair values of alternative investments are determined by the respective general partners taking into consideration, among other things, the cost of the underlying securities, prices of recent significant placements of securities of the same issuer, subsequent developments concerning the companies to which the securities relate, appraisals, or other estimates that require varying degrees of judgment. These pricing inputs and methods may produce a fair value calculation that may not be indicative of the ultimate realizable value. Accordingly, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

As part of its initial consideration of investment managers, the University performs various due diligence procedures. Once selected, managers are subject to ongoing monitoring procedures. The University reviews and evaluates the values provided by the investment managers as frequently as they are provided. In addition, the University receives and reviews annual audited financial statements from each manager and finds the valuation methods and assumptions used in determining the fair value of these investments to be reasonable.

(6) Endowment and Similar Funds

Endowment and similar funds are long-term assets of the University created either by donor gifts or by actions of the Board of Trustees. Their purpose is to generate operating revenue for specific activities or for the use of the University. Endowment and similar funds are invested under the direction of the Board of Trustees to achieve maximum long-term total return with prudent concern for the preservation of investment capital. All investments of endowment and similar funds are recorded in the consolidated statements of financial position as long-term investments, including cash balances held by external investment managers. Unless otherwise directed in the gift instrument or required by applicable law, both donor-restricted and board-designated endowment funds are pooled for efficient investment purposes. These pooled funds are invested in a broadly diversified portfolio designed to produce long-term returns that equal or exceed the Board-approved spending rates plus the impacts of inflation. The fair value of endowment investments (separately invested and pooled) was $1,340,862 and $1,244,725 as of June 30, 2025 and 2024, respectively.

(Continued)

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees' interpretation of its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, is to preserve intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds. This principle holds that future endowment beneficiaries should receive at least the same level of economic support that the current generation receives. As a result of this interpretation, the University classifies as net assets with restrictions the unappropriated portion of (a) the original value of gifts donated to a true endowment fund, (b) the original value of subsequent gifts to a true endowment fund, and (c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unspent appropriations related to donor-restricted endowment funds are classified as net assets with restrictions until the amounts are expended by the University in a manner consistent with the donor's intent. The remaining portion of donor-restricted endowment funds that are not classified as net assets with restrictions are classified as net assets without restrictions.

The Board of Trustees determines the appropriate amount to withdraw from endowment and similar funds on an annual basis to provide support for operations with prudent concern for the long-term growth in the underlying assets as well as the specific factors detailed in NYPMIFA. The Board-approved spending policy is designed to insulate endowment support for programming from short-term fluctuations in capital markets.

Unless otherwise directed in the gift instrument or required by applicable law, annual spending will normally increase 2.5% over the prior year's spending, provided that the amount so determined is not greater than 5.5% of the average fair value for the preceding four quarters, or less than 4.0% of the average fair value for the preceding eight quarters. The endowment provided support for general operations of $58,831 and $56,009 in fiscal 2025 and 2024, respectively. The endowment also provided an additional regularly scheduled draw for operations of $5,053 and $5,601 in fiscal 2025 and 2024, respectively.

The following tables provide (1) the net asset composition of the endowment as of June 30 and (2) a rollforward of the net assets from July 1 to June 30. The net assets of the endowment include an interfund payable of $3,930 and an interfund receivable of $9,952 at June 30, 2025 and 2024, respectively.

Endowment net asset composition by type of fund as of June 30, 2025		**Without restrictions**	**With restrictions**	**Total**
Donor-restricted funds	$	—	1,061,605	1,061,605
Funds functioning as endowment (Quasi)		283,187	—	283,187
Total funds at June 30, 2025	$	283,187	1,061,605	1,344,792

(Continued)

Endowment net asset composition by type of fund as of June 30, 2024		Without restrictions	With restrictions	Total
Donor-restricted funds	$	—	988,313	988,313
Funds functioning as endowment (Quasi)		266,364	—	266,364
Total funds at June 30, 2024	$	266,364	988,313	1,254,677

		2025		
		Without restrictions	With restrictions	Total
Net assets at beginning of year	$	266,364	988,313	1,254,677
Investment return		23,315	100,515	123,830
New gifts		1,568	17,632	19,200
Amounts appropriated for expenditure		(10,435)	(48,396)	(58,831)
Total other changes and reclassifications		2,375	3,541	5,916
Net assets at end of year	$	283,187	1,061,605	1,344,792

		2024		
		Without restrictions	With restrictions	Total
Net assets at beginning of year	$	255,810	946,552	1,202,362
Investment return		14,731	63,171	77,902
New gifts		677	22,692	23,369
Amounts appropriated for expenditure		(10,415)	(45,594)	(56,009)
Total other changes and reclassifications		5,561	1,492	7,053
Net assets at end of year	$	266,364	988,313	1,254,677

(Continued)

Pooled Funds

Endowment and similar funds are pooled on a unit fair value basis whenever possible. Funds are added to or withdrawn from the pool at the unit fair value at the beginning of the fiscal quarter in which the transaction takes place. Pooled funds were as follows as of June 30:

		2025	2024
Fair value of investments in pooled funds	$	1,344,469	1,254,352
Total number of units		57,044	55,920
Market value per unit		23.57	22.43

Total return on endowment and similar funds, consisting of realized and unrealized gains and losses, and dividends and interest income, was 10.7% and 7.3% for the years ended June 30, 2025 and 2024, respectively.

(7) Land, Buildings and Equipment, Net

Investments in land, buildings and equipment consist of the following at June 30:

		2025	2024
Land and improvements	$	57,318	57,725
Buildings		726,013	692,094
Equipment and library books		117,915	111,487
Construction in progress		52,975	40,071
Total cost		954,221	901,377
Less accumulated depreciation		(371,768)	(353,531)
Total land, buildings and equipment, net	$	582,453	547,846

Depreciation expense for the years ended June 30, 2025 and 2024 was $18,812 and $17,468, respectively. Outstanding commitments for construction contracts amounted to $25,234 and $63,917 at June 30, 2025 and 2024, respectively. Net interest capitalized amounted to $235 at June 30, 2025 and $901 at June 30, 2025.

(Continued)

(8) Long-Term Debt

Long-term obligations at June 30 are summarized as follows:

	2025	2024
Madison County Capital Resource Corporation:		
Tax-exempt revenue bonds:		
Series 2015A, 4.90%, due July 1, 2041	$ —	39,985
Series 2015B, 5.00%, due July 1, 2044	1,420	46,750
Series 2025, 3.84%, due July 1, 2044	76,790	—
Colgate University:		
Taxable revenue bonds:		
Series 2013B, 4.11%, due July 1, 2043	25,000	25,000
Series 2019, 3.14%, due July 1, 2051	176,070	182,575
Series 2022, 4.33%, due August 19, 2042	100,000	100,000
Total long-term debt – principal	379,280	394,310
Bond premium and issuance costs, net	4,450	3,469
Total long-term debt, net	$ 383,730	397,779

The various notes and bonds are collateralized by the related property and equipment. Certain agreements require the establishment of debt service and building and equipment reserves. Included in intermediate investments are unexpended debt proceeds of $131,226 and $182,385 and deposits with bond trustees of $13,578 and $14,501 at June 30, 2025 and 2024, respectively.

Principal maturities of long-term obligations, exclusive of net premium are as follows:

2026	$ 9,270
2027	8,135
2028	9,405
2029	9,685
2030	11,505
2031–2052	331,280
Total principal payments	$ 379,280

(Continued)

The University has a line of credit available with a limit of $50,000, with interest calculated on the outstanding balance at the 30 day LIBOR rate plus 100 basis points or Prime. There were no amounts outstanding on the line as of June 30, 2025 or 2024. The terms of the line expire on April 1, 2026.

(9) Retirement Benefits

The University participates in a contributory retirement plan administered by the Teachers Insurance Annuity Association of America and College Retirement Equities Fund (TIAA-CREF) and Fidelity Investments. In accordance with the current plan documents, all employees who have completed one year of full-time service at the University are eligible for participation in the plan. All retirement benefits are funded and vested under a defined contribution program. The University's contributions to the retirement plan amounted to $10,299 and $9,692 in 2025 and 2024, respectively.

The University also provides health and life insurance benefits for eligible employees upon retirement at the University's early or normal retirement ages. Employees hired by the University after June 30, 2012 are not eligible for University-provided dental or life insurance benefits upon retirement, but do have access to health insurance that is funded, in part, through a defined contribution healthcare plan once they reach the age of 40. Existing employees may still qualify for the current University subsidized retiree programs subject to the continuing right to amend or terminate the programs at any time.

During the year ended June 30, 2025, the University identified an error impacting periods prior to fiscal 2024 related to the postretirement benefits liability. Accordingly, in 2025 the University has corrected the 2024 error by increasing the postretirement benefits liability in the amount of $24,205 within the consolidated statements of financial position for 2024 and decreasing net assets without donor restrictions in the amount of $24,205. Corresponding adjustments have been reflected in the consolidated statement of activities, consolidated statements of cash flows and footnote disclosures as applicable and were not deemed significant to the consolidated financial statements. University management evaluated the errors and the impact to previously issued financial statements based upon Accounting Standards Codification ("ASC") 250, *Accounting Changes and Error Corrections*. Based on this evaluation, management has concluded that the adjustments and impact of these errors are not material to any previously issued financial statements.

Information with respect to the plan is as follows:

	2025	2024
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 38,849	39,433
Service cost	519	556
Interest cost	1,992	1,861
Plan participants' contributions	738	629
Actuarial (gain) loss	(1,991)	(574)
Benefits paid	(2,941)	(3,056)
Benefit obligation at end of year	37,166	38,849
Change in plan assets:		
Fair value of plan assets at beginning of year	—	—
Employer contribution	2,203	2,427
Plan participants' contributions	738	629
Benefits paid	(2,941)	(3,056)
Fair value of plan assets at end of year	—	—
Funded status at June 30	$ 37,166	38,849

	Unamortized prior service cost (credit)	Unamortized net loss (gain)	Amounts recognized in net assets without donor restrictions
Balance as of June 30, 2023	$ 27,991	(20,002)	7,989
Amortization	(4,553)	—	(4,553)
Actuarial	—	1,021	1,021
Total postretirement related charges other than net periodic benefit costs	(4,553)	1,021	(3,532)
Balance as of June 30, 2024	23,438	(18,981)	4,457
Amortization	(5,535)	—	(5,535)
Actuarial	—	(469)	(469)
Total postretirement related charges other than net periodic benefit costs	(5,535)	(469)	(6,004)
Balance as of June 30, 2025	$ 17,903	(19,450)	(1,547)

(Continued)

		2025	2024
Net periodic benefit cost:			
Service cost	$	519	556
Interest cost		1,992	1,861
Amortization of:			
Prior service credit		5,535	4,553
Net (gain)/loss		(1,523)	(1,595)
Net periodic benefit credit	$	6,523	5,375

Expected Cash Flows

Information about the expected employer contribution cash flows for the postretirement healthcare benefit plan follows:

Expected benefit payments for the year ended June 30:		
2026	$	2,219
2027		2,150
2028		2,177
2029		2,154
2030		2,266
2031–2035		11,991

(Continued)

The weighted average rates forming the basis of net periodic benefit cost and amounts recognized in University's consolidated statements of financial position at June 30 were:

	2025	2024
Benefit obligations:		
Discount rate	5.44 %	5.25 %
Net periodic benefit cost:		
Discount rate	5.25	4.87
Healthcare cost trend rates:		
Pre-age 65 health care benefits	7.75	7.75
Post-age 65 health care benefits	5.00	4.60
Pre-age 65 prescription drug coverage	8.50	7.75
Post-age 65 prescription drug coverage	4.00	7.00
Rate to which the cost trend rate is to decline	4.04	4.04
Year that rate reaches the ultimate trend rate	2075	2075

(10) Net Assets

Net assets consist of the following at June 30:

	2025		2024	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Operating, plant and other	$ 232,396	11,804	277,484	9,281
Capital projects and equipment reserves	25,609	85,495	(20,227)	78,542
Pledges receivable	—	88,523	—	23,363
Annuities, deferred giving arrangements, and loan funds	—	32,490	—	30,932
Endowments and other funds treated as endowments:				
Undesignated	79,554	—	75,515	—
Board designated	185,077		173,205	—
Financial aid	170	499,340	168	463,993
Endowed chairs and salaries	2,464	194,216	2,463	183,214
Instruction, facilities, library, and other	15,922	368,049	(9,234)	341,106
Total net assets	$ 541,192	1,279,917	499,374	1,130,431

(Continued)

(11) Related Party Activity

Certain investments held by the University are managed by investment companies in which Trustees of the University, or their family members, have a direct financial interest. The fair value of these investments total $128,239 and $114,912 at June 30, 2025 and 2024, respectively, all of which were made in accordance with the University's conflict of interest policy.

(12) Natural Classification of Expenses

Operating expenses presented by natural and functional classification are as follows for the fiscal years ended June 30:

	2025						
	Program activities					Support activities	
	Instruction and research	Athletics	Academic support	Student services	Institutional support	Auxiliary operations	Total
Salaries and wages	$ 54,160	14,318	8,010	10,656	22,647	2,579	112,370
Taxes and benefits	17,384	4,248	2,773	3,780	7,608	1,052	36,845
Supplies and other	17,684	9,891	8,483	6,664	11,226	7,519	61,467
Contracted services	1,268	1,164	876	1,106	3,118	20,048	27,580
Depreciation	4,415	3,393	1,590	367	1,114	7,934	18,813
Interest	3,460	2,659	943	325	651	6,805	14,843
Utilities	1,315	1,005	461	132	373	2,488	5,774
Total	$ 99,686	36,678	23,136	23,030	46,737	48,425	277,692

	2024						
	Program activities					Support activities	
	Instruction and research	Athletics	Academic support	Student services	Institutional support	Auxiliary operations	Total
Salaries and wages	$ 51,517	13,563	7,440	10,477	21,225	2,478	106,700
Taxes and benefits	15,243	3,743	2,390	3,267	6,125	958	31,726
Supplies and other	18,287	9,990	7,868	5,820	10,330	6,448	58,743
Contracted services	1,280	1,153	704	1,266	2,663	18,749	25,815
Depreciation	3,905	3,321	1,474	352	890	7,527	17,469
Interest	2,975	2,461	873	301	603	7,224	14,437
Utilities	1,076	890	414	117	340	2,352	5,189
Total	$ 94,283	35,121	21,163	21,600	42,176	45,736	260,079

(Continued)

The University's primary program service is undergraduate instruction. Expenses reported as athletics, academic support, student services, institutional support and auxiliary enterprises are incurred in support of this primary program activity.

Expenses associated with the operation and maintenance of the University's plant assets and depreciation are allocated to functional categories based on square footage. Borrowing costs are allocated based on usage of debt-financed space. Interest expense is allocated to functional expenses based on the original purpose of the bond proceeds and square footage. Expenses associated with fundraising activities of the University were $9,231 and $8,836 in 2025 and 2024, respectively, and are included in institutional support.

(13) Contingencies

The University is subject to various claims and lawsuits. In management's opinion, the resolution of these matters will not have a significant adverse effect on the University's financial position, operations, or cash flows.

(14) Subsequent Events

The University considers events or transactions that occur after the date of the consolidated statement of financial position, but before the consolidated financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These consolidated financial statements were issued on October 24, 2025, and subsequent events have been evaluated through that date.