UNION COLLEGE

Financial Statements

June 30, 2026 and 2025

(With Independent Auditors' Report Thereon)

UNION COLLEGE

Financial Statements

June 30, 2026 and 2025

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Union College:

Opinion

We have audited the financial statements of Union College (the College), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

Albany, New York
November 13, 2026

UNION COLLEGE

Statements of Financial Position

June 30, 2026 and 2025

Assets		2026	2025
Cash and cash equivalents	$	7,383,383	21,205,013
Deposits with bond trustees		4,469,663	9,891,415
Pledges receivable, net		73,038,400	79,141,298
Notes and accounts receivable, net		9,825,320	9,870,201
Other assets		22,781,873	20,947,947
Investments		672,127,578	599,850,836
Receivable for investments sold		3,161,410	2,805,754
Beneficial interest in irrevocable trusts		2,844,200	2,441,045
Land, buildings, and equipment, net		290,033,199	277,384,216
Total assets	$	1,085,665,026	1,023,537,725
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	23,942,123	21,782,987
Deposits and advances		2,820,131	2,946,211
Line of credit - short-term		22,361,301	16,115,000
Pooled life income and charitable gift annuities payable		2,564,519	2,755,205
Refundable federal student loan funds		24,145	35,261
Accrued postretirement benefits		5,520,759	6,278,076
Other liabilities		4,644,077	2,175,395
Long-term debt, net		180,100,710	180,588,202
Total liabilities		241,977,765	232,676,337
Net assets:			
Without donor restrictions		256,995,236	258,976,737
With donor restrictions		586,692,025	531,884,651
Total net assets		843,687,261	790,861,388
Total liabilities and net assets	$	1,085,665,026	1,023,537,725

See accompanying notes to financial statements.

UNION COLLEGE

Statement of Activities

Year ended June 30, 2026
(with summarized information for the year ended June 30, 2025)

	2026			
	Without donor restrictions	With donor restrictions	Total	2025 Total
Operating activities:				
Revenue:				
Tuition, fees, room and board, net of financial aid	$ 85,613,529	—	85,613,529	88,277,121
Endowment return utilized for operations	35,068,770	—	35,068,770	33,100,239
Other investment and interest income	583,735	—	583,735	1,378,538
Government grants	2,432,148	—	2,432,148	1,182,244
Private gifts and grants	3,122,293	6,088,369	9,210,662	7,562,826
Intercollegiate athletics and other sources	875,832	—	875,832	3,414,251
Auxiliary enterprises	3,591,254	—	3,591,254	3,374,650
Net assets released from restrictions	3,655,837	(3,655,837)	—	—
Total revenue	134,943,398	2,432,532	137,375,930	138,289,869
Expenses:				
Instructional and departmental research	74,225,945	—	74,225,945	73,010,981
Sponsored research programs	905,899	—	905,899	1,312,486
Academic support	11,404,056	—	11,404,056	11,369,102
Student services	13,177,061	—	13,177,061	15,321,444
Institutional support	39,177,848	—	39,177,848	38,656,497
Auxiliary operations	5,102,503	—	5,102,503	5,591,395
Intercollegiate athletics and other	12,753,897	—	12,753,897	11,753,526
Total expenses	156,747,209	—	156,747,209	157,015,431
(Decrease) increase in net assets from operating activities	(21,803,811)	2,432,532	(19,371,279)	(18,725,562)
Nonoperating activities:				
Investment return, net of amounts utilized for operations	17,281,247	43,500,508	60,781,755	28,290,707
Private gifts and grants	1,746,070	10,945,946	12,692,016	17,443,990
Change in value of split-interest agreements	(787,657)	—	(787,657)	1,034,847
Postretirement benefits	14,725	—	14,725	492,282
Other	(503,687)	—	(503,687)	346,424
Net assets released from restrictions	2,071,612	(2,071,612)	—	—
Increase in net assets from nonoperating activities	19,822,310	52,374,842	72,197,152	47,608,250
(Decrease) increase in net assets	(1,981,501)	54,807,374	52,825,873	28,882,688
Net assets at beginning of year	258,976,737	531,884,651	790,861,388	761,978,700
Net assets at end of year	$ 256,995,236	586,692,025	843,687,261	790,861,388

See accompanying notes to financial statements.

UNION COLLEGE

Statement of Activities

Year ended June 30, 2025

	2025		
	Without donor restrictions	With donor restrictions	Total
Operating activities:			
Revenue:			
Tuition, fees, room and board, net of financial aid	$ 88,277,121	—	88,277,121
Endowment return utilized for operations	33,100,239	—	33,100,239
Other investment and interest income	1,378,538	—	1,378,538
Government grants	1,182,244	—	1,182,244
Private gifts and grants	4,434,095	3,128,731	7,562,826
Intercollegiate athletics and other sources	3,414,251	—	3,414,251
Auxiliary enterprises	3,374,650	—	3,374,650
Net assets released from restrictions	3,012,966	(3,012,966)	—
Total revenue	138,174,104	115,765	138,289,869
Expenses:			
Instructional and departmental research	73,010,981	—	73,010,981
Sponsored research programs	1,312,486	—	1,312,486
Academic support	11,369,102	—	11,369,102
Student services	15,321,444	—	15,321,444
Institutional support	38,656,497	—	38,656,497
Auxiliary operations	5,591,395	—	5,591,395
Intercollegiate athletics and other	11,753,526	—	11,753,526
Total expenses	157,015,431	—	157,015,431
(Decrease) increase in net assets from operating activities	(18,841,327)	115,765	(18,725,562)
Nonoperating activities:			
Investment return, net of amounts utilized for operations	8,776,924	19,513,783	28,290,707
Private gifts and grants	371,907	17,072,083	17,443,990
Change in value of split-interest agreements	1,034,847	—	1,034,847
Postretirement benefits	492,282	—	492,282
Loss on defeasance of debt	—	—	—
Other	346,424	—	346,424
Net assets released from restrictions	2,370,351	(2,370,351)	—
Increase in net assets from nonoperating activities	13,392,735	34,215,515	47,608,250
(Decrease) increase in net assets	(5,448,592)	34,331,280	28,882,688
Net assets at beginning of year	264,425,329	497,553,371	761,978,700
Net assets at end of year	$ 258,976,737	531,884,651	790,861,388

See accompanying notes to financial statements.

UNION COLLEGE

Statements of Cash Flows

Years ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Increase in net assets	$ 52,825,873	28,882,688
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation, non-cash lease expense and change in asset retirement obligations	12,485,806	13,737,778
Realized and unrealized gains from investments, net	(87,046,289)	(53,652,570)
Change in gifts of securities	(7,751)	339,684
Contributions for endowment or long-lived assets	(14,783,521)	(10,035,048)
Amortization of deferred issuance costs and discount/premium on long-term debt, net	(487,492)	(484,734)
Gain on sale of equipment	—	(273,037)
Changes in assets and liabilities:		
Accounts receivable	126,037	179,022
Pledges receivable, net	6,102,898	(1,546,316)
Irrevocable trusts	(403,155)	(163,731)
Other assets	(1,833,926)	(11,538,681)
Accounts payable and accrued expenses	2,159,136	5,182,167
Deposits and advances	(126,080)	(1,325,649)
Accrued postretirement benefits	(757,317)	(95,092)
Other liabilities	2,468,682	589,178
Net cash used in operating activities	(29,277,099)	(30,204,341)
Cash flows from investing activities:		
Purchases of investments	(473,112,537)	(310,834,171)
Proceeds from the sales and maturities of investments	487,534,179	326,537,175
Change in deposits with bond trustees	5,421,752	(3,613,449)
Purchases of land, buildings, and equipment	(25,134,789)	(13,460,000)
Proceeds from the sale of equipment	—	343,030
Student loans issued	(988,843)	(1,071,134)
Proceeds from collections of student loans	907,687	822,271
Net cash used in investing activities	(5,372,551)	(1,276,278)
Cash flows from financing activities:		
Decrease in federal student loan funds	(11,116)	(4,502)
Proceeds from borrowing under the line of credit	21,717,424	6,115,000
Payments on the line of credit	(15,471,123)	—
Contributions for:		
Investment in endowment	14,766,446	10,009,006
Investment in life income and charitable gift annuity agreements	17,075	26,042
Change in charitable gift annuities payable	(190,686)	(1,058,761)
Net cash provided by financing activities	20,828,020	15,086,785
Net decrease in cash and cash equivalents	(13,821,630)	(16,393,834)
Cash and cash equivalents, beginning of year	21,205,013	37,598,847
Cash and cash equivalents, end of year	$ 7,383,383	21,205,013
Supplemental data:		
Interest paid	$ 9,996,425	8,593,540
Noncash investing and financing activities:		
Change in receivable for investments sold	$ 355,656	(19,064,474)

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

Union College (the College) was founded in 1795 and is a coeducational, independent, liberal arts and engineering college located in Schenectady, New York. The College is a scholarly community dedicated to shaping the future and to understanding the past. Faculty, staff, and administrators welcome diverse and talented students into the community, work closely with them to provide a broad and deep education, and guide them in finding and cultivating their passions. The College does this with a wide range of disciplines and interdisciplinary programs in liberal arts and engineering, as well as academic, athletic, cultural, and social activities, including opportunities to study abroad and to participate in undergraduate research and community service. The College develops in its students the analytic and reflective abilities needed to become engaged, innovative, and ethical contributors to an increasingly diverse, global and technologically complex society.

(b) Basis of Presentation

The financial statements of the College have been prepared on the accrual basis of accounting and in accordance with U.S. generally accepted accounting principles (GAAP). Accordingly, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets having similar characteristics have been classified into the following categories:

- With donor restrictions – Net assets whose use by the College is subject to donor-imposed or legal stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire with the passage of time and those required to be maintained in perpetuity or until prudently appropriated by the Board of Trustees of the College in accordance with New York State law. Generally, the donors of these assets permit the College 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 College's Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

Unconditional contributions are recognized as contributions receivable at their estimated net present value when pledged. Contributions and investment return with donor-imposed restrictions are reported as revenues and net assets with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the College satisfies the donor-imposed restriction. Contributions with donor restrictions and investment return received and expended for the restricted purpose in the same fiscal year are recorded in net assets without donor restrictions. A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met.

The statement of activities reflects a subtotal for the change in net assets from operations. This subtotal reflects revenues the College received for operating purposes, including investment return used for operations, and all expenses. Nonoperating activity reflects all other activity, including, but not limited to, the investment return in excess of the amount appropriated under the Board of Trustees' approved spending formula and contributions for endowment and plant purposes. Amounts also

include pension adjustments other than service costs and miscellaneous items not related to the College's academic or research activities.

(c) Use of Estimates

The preparation of financial statements in conformity with 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Items subject to such estimates and assumptions include the fair value of investments, valuation allowances for receivables and the accrual for postretirement benefits. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

(d) Cash and Cash Equivalents

Cash and cash equivalents, representing operating funds, include investments with an original maturity of three months or less, unless they are part of deposits with bond trustees or the endowment.

(e) Other Assets

Other assets consist of prepaid expenses, right-of-use assets, life insurance, and security deposits.

(f) Investments

Investments are reported in the financial statements at fair value. Investment return includes interest income and dividends and net realized and unrealized gains (losses). The fair value of fixed income and publicly traded equity securities is based upon quoted market prices obtained from active markets, or observable prices that are based on inputs not in quoted markets, but corroborated by market data, as applicable. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year. Limited partnership interests, private equity and venture capital, as well as other nonmarketable investments, including hedge funds, for which a readily determinable fair value does not exist, are carried at net asset value or its equivalent (NAV) provided by the investment managers. Such alternative investment funds may hold securities or other financial instruments for which an active market exists and are priced accordingly. In addition, such funds may hold assets that require the estimation of fair values in the absence of readily determinable market values. Such valuations are determined by fund managers and consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information and may reflect discounts for the illiquid nature of certain investments held. Because of the inherent uncertainty of valuation for these investments, the investment manager's estimate may differ from the values that would have been used had an active market existed.

The College utilizes the NAV reported by the managers of each of the alternative investment funds as a practical expedient for estimating the fair value of each investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment may significantly impact the NAV of the funds and, consequently, the fair value of the College's interests in the funds. Changes to the liquidity provisions of the funds may also significantly impact the fair value of the College's interest in the funds. Additionally, although certain investments may be sold in a secondary market transaction, subject to meeting certain requirements of the governing documents of the funds, the secondary market is not active and individual transactions are not necessarily observable. It is therefore reasonably possible that if the College were to sell a fund in the secondary market, the sale could occur at an amount different from the reported value, and the difference could be material.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. The Investment Committee of the College's Board of Trustees continually monitors investment market conditions and the impact on the College's investment portfolio. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

(g) Irrevocable Trusts

Several donors have established irrevocable trusts whereby the College is a beneficiary, but not the trustee. The present value of the portion of the trusts estimated to be distributable to the College upon the termination of the trusts is recorded as beneficial interest in irrevocable trusts in the statements of financial position.

(h) Land, Buildings, and Equipment, Net

Land, buildings, building improvements, other improvements, and equipment and furniture are recorded at cost, including interest on funds borrowed to finance construction, at the date of acquisition or estimated fair value at the date of donation. Depreciation is recorded using the straight-line method. Estimated useful lives used in the calculation of depreciation by major category of assets, with the exception of land and artwork, are as follows:

Buildings	40 years
Building improvements	40 years
Other improvements	10 years
Equipment and furniture:	
Equipment (non-computer) and furniture	10 years
Vehicles	7 years
Computer equipment	3 years
Library books	10 years

(i) Collections (Unaudited)

The College's collections are made up of approximately 36,500 objects and their estimated fair value is approximately $27,600,000 (unaudited). The College's policy is not to capitalize its collections. The College's collections comprise paintings and portraits, furniture, works on paper, scientific instrumentation, and other objects.

The College's collections are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed periodically. All proceeds resulting from the deaccession of objects from the permanent collection are allocated for the maintenance of the collections. During the year ended June 30, 2026, no objects were deaccessioned. During the year ended June 30, 2025, one object with a fair value of $71,300 was deaccessioned.

(j) Deposits and Advances

Deposits and advances include student fees related to the College's summer session and other unearned revenue. These amounts are recognized as revenue as the services are provided to the students, generally in the following fiscal year.

(k) Refundable Federal Student Loan Funds

This liability represents obligations due to the U.S. Government under the Federal Perkins Loan Program (Perkins loans). The College is required to collect Perkins loans on behalf of the federal government. The amount due from the students for Perkins loans is $24,145 and $35,261 as of June 30, 2026, and 2025, respectively, and is reported in the College's financial statements as a component of notes receivable. Authority for schools to make new Perkins loans expired on October 1, 2017.

(l) Pooled Life Income and Charitable Gift Annuities Payable

The liability for the present value of the deferred gifts is based upon estimates of the life expectancy of donors and beneficiaries and discount rates. Circumstances affecting these estimates can change the estimate of the liability in future periods. The total amount representing Charitable Gift Annuity Payable at June 30, 2026 and 2025 was $2,300,286 and $2,453,610, respectively.

(m) Revenue Recognition

Revenue from tuition, fees, and housing is recognized as services are provided over the academic term to which it relates. These amounts are presented net of financial aid. Revenue from other exchange transactions, generally presented as auxiliary enterprises on the accompanying statements of activities, is recognized as revenue when goods or services are provided to customers. Auxiliary enterprises include sales of food and other dining products (not included with student meal plans), bookstore revenues, and income from athletics.

Revenue from tuition, fees, student housing, and student meal plans is determined based on published rates, and is billed and reported in the statement of activities net of financial aid. The components of tuition, fees, room and board, net of financial aid, include:

	2026	2025
Tuition and fees	$ 137,082,549	135,440,112
Room and board	30,906,107	32,175,143
Gross student charges	167,988,656	167,615,255
Less financial aid	(82,375,127)	(79,338,134)
Net student charges	$ 85,613,529	88,277,121

Unconditional contributions, including unconditional promises to give, are recognized at fair value as revenue within the appropriate net asset category when the donors' commitments are received. Conversely, unconditional contributions made by the College, including unconditional promises to give, are recognized as expenses in the period in which the commitments are made.

Sponsored activities include various research and instructional programs funded by external parties including the federal government, state governments, and private foundations. Sponsored activities revenue related to exchange contracts is recognized as the College fulfills the terms of the agreements, which generally span less than five years, and sponsored activities revenue related to nonexchange contracts is recognized as the related costs are incurred.

(n) Leases

The College accounts for leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, Leases. The College determines whether an arrangement is or contains a lease at contract inception and recognizes a right-of-use ("ROU") asset and a corresponding lease liability at the lease commencement date. The College is a lessee under both operating and finance lease arrangements, primarily for facilities and equipment. The College's principal operating lease relates to the Mohawk Harbor Event Center, while finance leases primarily consist of copier and laundry equipment leases.

Lease liabilities are initially measured at the present value of future lease payments over the lease term. Because the implicit rate in most leases is not readily determinable, the College generally uses an appropriate risk-free rate or incremental borrowing rate available at the lease commencement date to discount lease payments. The lease term includes the noncancelable period of the lease together with renewal options when management determines it is reasonably certain such options will be exercised. Significant management judgments include the determination of the discount rate, lease term, and lease payments used in measuring lease liabilities.

Lease payments included in the measurement of lease liabilities generally consist of fixed payments, in-substance fixed payments, and other payments required under the lease agreement. ROU assets are initially measured based on the related lease liability, adjusted for prepaid lease payments, lease incentives received, and any initial direct costs incurred.

For operating leases, lease expense is recognized on a straight-line basis over the lease term. The related ROU asset is subsequently measured as the lease liability adjusted for unamortized prepaid lease payments. For finance leases, the ROU asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Amortization expense on finance lease ROU assets is recognized separately from interest expense on the related lease liability, which is recognized using the effective interest method.

The College monitors leases for modifications, reassessments, and other events that may require remeasurement of lease liabilities and related ROU assets. Changes resulting from reassessment are generally recorded as adjustments to the related ROU asset. The College evaluates ROU assets for impairment in accordance with applicable long-lived asset guidance.

Operating and finance lease ROU assets and liabilities are presented in the statements of financial position. Operating and finance lease ROU assets are included within other assets, while the related current and long-term lease obligations are presented within other liabilities.

The College has elected the short-term lease exemption for leases with an initial term of twelve months or less and does not recognize ROU assets or lease liabilities for such arrangements. Short-term lease payments are recognized as expense on a straight-line basis over the lease term.

The College's lease agreements may include nonlease components such as maintenance, utilities, or common area maintenance. These components are evaluated in accordance with ASC 842 and are accounted for separately or combined with lease components, as permitted by applicable practical expedients and management's elections.

(o) Tax Status

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income tax on related income. The College recognizes the effect of income tax positions only if those positions are more likely than not of being sustained by the relevant tax authority. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The College believes it has taken no significant uncertain tax positions.

(p) Commitments and Contingencies

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

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

The College recognizes a liability for the fair value of conditional asset retirement obligations if their fair values can be reasonably estimated. This liability is initially recorded as an increase to the associated asset and depreciated over the remaining useful life of the asset. The College has identified asbestos abatement as a conditional asset retirement obligation. Asbestos abatement costs are estimated using a per square foot estimate for each impacted location. As of June 30, 2026 and 2025, the College has

recorded a liability of approximately $1,147,000, representing the estimated present value of these conditional asset retirement obligations, which is included in Other liabilities in the statements of financial position.

Other conditional asset retirement obligations may exist that are not estimable until a triggering event occurs (e.g., building sold) due to the absence of a range of potential settlement dates. Presently, the College does not have sufficient information to estimate the fair value of these obligations but does not believe these items are material to the College's financial statements.

(q) Reclassification

Certain amounts reported in the 2025 financial statements have been reclassified to conform to the 2026 presentation, which includes reclassifying certain functional expense classifications. These reclassifications had no effect on the previously reported total expenses or changes in net assets.

(2) Financial Assets and Liquidity Resources

As of June 30, 2026 and 2025, 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 following:

		2026	2025
Financial assets:			
Cash and cash equivalents	$	7,383,383	21,205,013
Notes and accounts receivable, net		4,613,019	4,704,073
Pledges receivable, net, undesignated and collectible within one year		349,989	276,672
Subsequent year board approved endowment appropriation		33,081,200	33,980,942
Total financial assets available within one year	$	45,427,591	60,166,700

The College's working capital and cash flows have seasonal variations due to the timing of student billing as well as a concentration of contributions received at calendar and fiscal year end. In addition to the liquidity resources stated in the above table, the College also has a revolving line of credit of $40,000,000, less amounts outstanding of $22,361,301 for working capital needs.

Additionally, as of June 30, 2026, the College has $184,044,660 in quasi endowment which can be made available for general expenditure with approval from the Board of Trustees, subject to investment liquidity provisions. The College also anticipates collection of approximately $14,600,000 of amounts currently included in pledges receivable within the next year, which are restricted by the donors for specific designated purposes, construction projects and endowment.

(3) Pledges Receivable, Net

Pledges receivable are expected to be collected as follows at June 30:

		2026	2025
Within one year	$	14,950,980	16,235,787
Between one year and five years		53,871,583	42,503,214
Greater than five years		9,510,000	29,571,401
Pledges Receivable		78,332,563	88,310,402
Less:			
Present value discount (0.29%–4.33%)		5,207,743	9,055,384
Allowance for doubtful pledges		86,420	113,720
Pledges Receivable, Net	$	73,038,400	79,141,298

(4) Notes and Accounts Receivable, Net

The College extends credit, primarily to students, in the form of notes and accounts receivable for educational expenses. Notes receivable for student loans are expected to be collected within 10 years and interest rates average approximately 6%.

Notes receivable are recorded at their current unpaid principal balance and associated interest income is accrued based on the principal amount outstanding and applicable interest rates. An allowance for credit losses is recorded, which represents the amount which, in the opinion of management of the College, is necessary to account for probable losses related to current notes receivable. This allowance is determined based upon numerous considerations, including economic conditions, the specific composition of the notes receivable balance, as well as trends of delinquencies and write-offs. On a periodic basis, these factors are considered and the allowance for credit losses is adjusted accordingly with a corresponding adjustment to the provision for allowance for credit losses.

Notes and accounts receivable consist of the following at June 30:

		2026	2025
Notes receivable	$	7,332,766	7,320,828
Accounts receivable		4,239,641	4,296,414
		11,572,407	11,617,242
Less allowance for doubtful accounts		1,747,087	1,747,041
	$	9,825,320	9,870,201

Accounts and loans receivable are stated net of allowance for expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts.

(5) Investments and Fair Value

(a) Basis of Reporting

Investments include endowment, charitable gift annuities, pooled life income funds, and unrestricted operating investments. Investments are reported at estimated fair value.

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

- Level 1 valuation based on 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 valuation based on observable prices that are based on inputs not quoted in active markets but corroborated by market data for identical assets or liabilities.
- Level 3 valuation based on unobservable inputs that are used when little or no market data is available.

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. The College utilizes valuation techniques that maximize the use of observable inputs and minimize 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 when occurred.

The College's investments as of June 30, 2026, are summarized in the following table:

	Total	Level 1	Level 2	Level 3	Redemption frequency	Days' notice
Investments measured at fair value:						
Cash equivalents	$ 59,294,148	59,294,148	—	—	Daily	1
Short-term investments	5,573,232	5,573,232	—	—	Daily	1
Common stocks and mutual funds	156,187,267	156,187,267	—	—	Daily	1
Fixed income – bonds	8,329,509	8,329,509	—	—	Daily	1
Mortgages and other	30,215	—	30,215	—	Daily	1
Real assets	13,694,203	—	—	13,694,203	Illiquid	N/A
Assets held in beneficial trusts	6,100,690	5,859,324	241,366	—	Illiquid	N/A
Total investments at fair value	249,209,264	$ 235,243,480	271,581	13,694,203		
Investments measured at NAV:						
Commingled funds:						
Global equities	187,135,554				Daily - Illiquid	5–N/A
Private equity and venture capital	101,453,836				Illiquid	N/A
Multistrategy funds	38,483,564				Daily - Illiquid	1–N/A
Hedged equity funds	64,247,724				Monthly – Illiquid	30–N/A
Emerging markets funds	1,963,295				Quarterly	N/A
Real assets	29,634,341				Illiquid	N/A
Total investments measured at NAV	422,918,314					
Total investments	$ 672,127,578					

The College's investments as of June 30, 2025, are summarized in the following table:

	Total	Level 1	Level 2	Level 3	Redemption frequency	Days' notice
Investments measured at fair value:						
Cash equivalents	$ 45,341,177	45,341,177	—	—	Daily	1
Short-term investments	5,264,969	5,264,969	—	—	Daily	1
Common stocks and mutual funds	143,374,017	143,374,017	—	—	Daily	1
Fixed income – bonds	8,775,112	8,775,112	—	—	Daily	1
Mortgages and other	52,998	—	52,998	—	Daily	1
Real assets	9,318,779	—	—	9,318,779	Illiquid	N/A
Assets held in beneficial trusts	5,299,832	4,832,293	467,539	—	Illiquid	N/A
Total investments at fair value	217,426,884	$ 207,587,568	520,537	9,318,779		
Investments measured at NAV:						
Commingled funds:						
International equities	21,160,043				Monthly	10
Global equities	115,892,600				Monthly - Illiquid	30-N/A
Private equity and venture capital	95,365,595				Illiquid	N/A
Multistrategy funds	31,586,580				Quarterly – Illiquid	60–N/A
Hedged equity funds	69,234,299				Monthly – Illiquid	5–N/A
Emerging markets funds	14,427,755				Quarterly	60–N/A
Real assets	34,757,080				Illiquid	N/A
Total investments measured at NAV	382,423,952					
Total investments	$ 599,850,836					

(Continued)

There were no changes in methodologies used at June 30, 2026 and 2025. Level 3 investments at June 30, 2026 and 2025 represent fund holdings with underlying investments in income producing real estate. Significant unobservable inputs related to these investments include capitalization rates applied to trailing net operating income, which are determined by comparing to similar properties and transactions based on factors such as market, age, and quality, and third-party brokers' opinions of value.

(b) Liquidity and Commitments

The limitations and restrictions on the College's ability to redeem or sell these investments vary by investment and range from required notice periods (generally 30 to 180 days after initial lock-up periods) for certain limited partnership and hedge funds, to specified terms at inception (generally 10 years) associated with private equity and venture capital interests.

Based upon the terms and conditions in effect at June 30, 2026, the College's investment funds can be redeemed or sold as follows:

Daily	$	261,017,499
Monthly		33,631,034
Quarterly		171,926,067
Semi-annual		25,172,058
Annual		25,006,373
Illiquid		155,374,547
Total	$	672,127,578

Investment funds that are in the locked-up until liquidated category are primarily related to private equity, venture capital investments and real assets. The period of time until liquidation is not necessarily determinable by management, as liquidation terms are at the discretion of the applicable fund's investment manager subject to market conditions and the underlying complexities of the individual investments. These liquidity restrictions have been in effect since the initial purchase of the applicable funds.

Under the terms of certain limited partnership agreements, the College is obligated periodically to advance additional funding for certain funds that the College is invested in. At June 30, 2026, the College had commitments of approximately $66,100,000 due through 2035, for which capital calls had not been exercised. Such commitments generally have fixed expiration dates or other termination clauses. The College maintains sufficient liquidity in its investment portfolio to cover such calls.

(c) Investment Return

The College utilizes an endowment spending policy that emphasizes total return. Total return consists of current yield (primarily interest and dividends) as well as the realized and unrealized gains and losses of pooled investments. The College's Board of Trustees designates a portion of the College's total investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The pooled endowment total return for the years ended June 30, 2026 and 2025, was approximately 17.4% and 10.2%, respectively.

(Continued)

The following schedule summarizes the investment return and its classification in the statements of activities:

	2026	2025
Interest income and dividends, net of fees	$ 9,387,971	9,116,914
Net realized and unrealized gains	87,046,289	53,652,570
Total return on investments	96,434,260	62,769,484
Investment return designated for current operations	(35,068,770)	(33,100,239)
Other operating interest and investment income	(583,735)	(1,378,538)
Investment return net of amounts designated for current operations	$ 60,781,755	28,290,707

(6) Endowment

The College's endowment and similar funds consist of gifts restricted by donors, net assets without donor restrictions designated by management and the Board of Trustees for long-term support of the College's activities, and the accumulated investment return on these gifts and designated assets. Accumulated investment return consists of total endowment net investment return that has not been appropriated by the Board of Trustees for expenditure to support the operating activities of the College. Generally, only a portion of accumulated net investment return is made available for spending each year in accordance with an endowment utilization policy approved by the Board of Trustees and in accordance with the laws of the State of New York.

College designated endowment funds are net assets without donor restrictions that may be re-designated for authorized expenditures. At June 30, 2026 and 2025, endowment and similar funds balances are approximately $681,200,000 and $605,200,000, respectively, which includes pooled endowment net assets of approximately $648,200,000 and $575,300,000, respectively.

The College follows the New York Uniform Prudent Management of Institutional Funds Act (NYPMIFA) in the management of its endowment. The College has interpreted NYPMIFA as allowing the College to spend or accumulate the amount of an endowment fund that the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The College classifies as net assets with donor restrictions (a) the original values of gifts donated to permanent endowments, (b) the original values of subsequent gifts to permanent endowments, (c) accumulations to permanent endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds, and (d) unspent endowment earnings until those amounts are appropriated for spending by the College's Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA.

(Continued)

In accordance with NYPMIFA, the Investment Committee of the College's Board of Trustees considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the College and the endowment fund
- General economic conditions
- The expected total return from income and the appreciation of investments
- Other resources of the College
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of and endowment fund, giving due consideration to the effect that such alternatives may have on the College
- The investment policies of the College

Total endowment net assets are classified as follows at June 30:

	2026		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor restricted	$ —	497,113,449	497,113,449
Board designated	184,044,660	—	184,044,660
Total	$ 184,044,660	497,113,449	681,158,109

	2025		
	Without donor restrictions	**With donor restrictions**	**Total**
Donor restricted	$ —	439,430,148	439,430,148
Board designated	165,781,914	—	165,781,914
Total	$ 165,781,914	439,430,148	605,212,062

The following is a summary of the changes in endowment net assets for the year ended June 30, 2026:

	Without donor restrictions	With donor restrictions	Total
Pooled endowment net assets, June 30, 2025	$ 151,370,894	423,974,769	575,345,663
Investment return, net of fees	23,902,684	67,949,310	91,851,994
Contributions (excluding pledges)	511,970	14,254,476	14,766,446
Amounts appropriated for expenditure	(9,917,309)	(24,448,802)	(34,366,111)
Other changes and reclassifications	434,000	154,026	588,026
Pooled endowment net assets, June 30, 2026	166,302,239	481,883,779	648,186,018
Other endowment and similar net assets, June 30, 2025	14,411,020	15,455,379	29,866,399
Investment return, net of fees	3,710,949	—	3,710,949
Contributions (excluding pledges)	10,426	6,649	17,075
Amounts appropriated for expenditure	(702,659)	—	(702,659)
Actuarial adjustments	1,157,109	—	1,157,109
Expired contracts	(3,640)	(232,358)	(235,998)
Other changes and reclassifications	(840,784)	—	(840,784)
Other endowment and similar net assets, June 30, 2026	17,742,421	15,229,670	32,972,091
Total endowment and similar net assets, June 30, 2026	$ 184,044,660	497,113,449	681,158,109

(Continued)

The following is a summary of the changes in endowment net assets for the year ended June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Pooled endowment net assets, June 30, 2024	$ 144,412,951	394,851,799	539,264,750
Investment return, net of fees	15,433,439	42,735,601	58,169,040
Contributions (excluding pledges)	538,819	9,470,187	10,009,006
Amounts appropriated for expenditure	(9,085,615)	(23,083,818)	(32,169,433)
Other changes and reclassifications	71,300	1,000	72,300
Pooled endowment net assets, June 30, 2025	151,370,894	423,974,769	575,345,663
Other endowment and similar net assets, June 30, 2024	11,459,391	16,743,515	28,202,906
Investment return, net of fees	2,887,280	(138,000)	2,749,280
Contributions (excluding pledges)	—	26,042	26,042
Amounts appropriated for expenditure	(930,806)	—	(930,806)
Actuarial adjustments	1,424,554	—	1,424,554
Expired contracts	—	(1,176,178)	(1,176,178)
Other changes and reclassifications	(429,399)	—	(429,399)
Other endowment and similar net assets, June 30, 2025	14,411,020	15,455,379	29,866,399
Total endowment and similar net assets, June 30, 2025	$ 165,781,914	439,430,148	605,212,062

(a) Spending Policy

The College has a policy of appropriating for distribution to the budget each year a percentage of its pooled endowment based on the three-year average market value as of June 30, with a one-year lag. For the year ended June 30, 2026, the three fiscal years used in the calculation are the fiscal years ended June 30, 2022, 2023, and 2024. For the year ended June 30, 2025, the three fiscal years used in the calculation are the fiscal years ended June 30, 2021, 2022, and 2023.

The total pooled endowment spending was 6.8% and 6.3% for the fiscal years ended June 30, 2026 and 2025, respectively.

(b) Return Objectives and Risk Parameters

Investment objectives focus on generating a return sufficient to cover the spending rate, inflation, and the preservation of the purchasing power of the endowment while minimizing investment risk in the portfolio. The College is committed to a long-term investment policy that is based on balancing principles of strong growth over time, diversity of the portfolio, liquidity for the annual draw, and benchmarking against market indices and appropriate peer schools. Growth in the endowment

depends on contributions to the endowment from capital campaigns, the success of investment management, and the rate at which income is withdrawn from the endowment in support of the College's operating budget. The Investment Committee of the College's Board of Trustees meets quarterly to discuss various issues such as investment performance, market outlook, and liquidity needs.

(c) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (underwater). When underwater endowment funds exist, they are classified as a reduction of net assets with donor restrictions. Deficiencies of this nature exist in 9 donor-restricted endowment funds, which together have an original gift value of approximately $37,000, a current fair value of $3,000 and a deficiency of $34,000 as of June 30, 2026. As of June 30, 2025, deficiencies of this nature existed in 11 donor restricted endowment funds, which together have an original gift value of approximately $951,000, a current fair value of $883,000, and a deficiency of $68,000. These deficiencies generally resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs for which donor permission was received as required by NYPMIFA and as was deemed prudent by the Board of Trustees.

For funds that are underwater, the gap between the current income and the spending formula is covered through appropriations from other board designated endowments and accumulated realized gains on these board designated endowments or other funds without donor restrictions.

(7) Land, Buildings, and Equipment

The following is a summary of land, buildings, and equipment at June 30:

	2026	2025
Land	$ 101	101
Buildings	138,153,306	138,153,306
Building and other improvements	222,988,611	222,258,679
Equipment and furniture	29,528,047	28,241,615
Library books	4,878,519	5,132,188
Construction in progress	58,019,759	34,904,834
Artwork	1,110,708	1,110,708
	454,679,051	429,801,431
Less accumulated depreciation	(164,645,852)	(152,417,215)
	$ 290,033,199	277,384,216

Depreciation expense was $12,485,806 and $13,148,600 for the years ended June 30, 2026 and 2025, respectively. For the years ended June 30, 2026 and 2025, fixed assets (original cost) disposed of were $257,169 and $160,100, respectively, resulting in gains on disposal of $0 and $273,037, respectively.

At June 30, 2026 and 2025, the College has outstanding contracts totaling approximately $3,724,000 and $1,848,000, respectively, related to several projects expected to be completed within the next year.

(8) Leases

Operating Lease Arrangement

During fiscal year 2026, the College maintained a long-term operating lease associated with the Mohawk Harbor Event Center. The lease commenced on September 1, 2025, and has a contractual term extending through September 2050. The College recognized an operating lease liability of approximately $2,600,000 and a corresponding right-of-use asset of approximately $17,100,000 as of June 30, 2026. The right-of-use asset includes the effect of prepaid lease amounts of $15,000,000, which are included in Other assets in the statements of financial position as of June 30, 2025.

Finance Lease Arrangements

The College has finance leases for copier equipment and laundry equipment. These leases are accounted for as finance leases because they meet one or more of the classification criteria under ASC 842. At June 30, 2026, the associated finance lease obligations totaled approximately $878,000 and the related right-of-use assets totaled approximately $813,000. As of June 30, 2025, finance right-of-use assets and lease obligations of $993,367 and $1,028,406 were included in Other assets and Other liabilities, respectively, in the statements of financial position.

The components of lease expense for the years ended June 30, were as follows:

		2026	2025
Operating lease expense	$	666,667	—
Finance lease expense:			
Amortization of ROU assets		222,325	229,297
Interest on lease liabilities		36,839	41,569
Total finance lease expense		259,164	270,866
Variable lease expense		644,096	—
Total lease expense	$	1,569,927	270,866

Amounts reported in the statements of financial position as of June 30, 2026 were as follows:

		2026
Operating leases:		
Operating lease ROU assets	$	17,118,737
Operating lease liabilities		(2,618,737)
Total operating lease assets	$	14,500,000
Finance leases:		
Current installments of obligations under finance leases	$	247,628
Long-term portion of obligations under finance leases		630,723
Total finance lease liabilities	$	878,351

Other information related to the leases as of June 30, were as follows:

		2026	2025
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities:			
Cash used in operations for operating leases	$	166,667	—
Cash used in financing activities for finance leases		274,358	274,358
ROU assets obtained in exchange for lease obligations:			
Operating leases	$	17,659,422	—
Finance leases		—	818,475
Reduction to ROU assets resulting from reductions to lease obligations:			
Operating leases	$	(40,685)	—
Finance leases		(237,519)	(229,297)
Weighted-average remaining lease term:			
Operating leases		24.2 years	—
Finance leases		5.0 years	5.7 years
Weighted-average discount rate:			
Operating leases		5.8%	—
Finance leases		3.9%	3.8%

(Continued)

Maturities of lease liabilities under noncancellable leases as of June 30, 2026 are as follows:

	Operating leases	Finance leases
2027	$ 200,000	277,954
2028	200,000	152,921
2029	200,000	130,989
2030	200,000	134,918
2031	200,000	138,966
Thereafter	3,833,334	143,135
Total undiscounted lease payments	4,833,334	978,883
Less imputed interest	(2,214,597)	(100,532)
Total lease liabilities	$ 2,618,737	878,351

(9) Long-Term Debt

The following is a summary of long-term debt, including associated premiums, discounts, and deferred costs of issuance:

	Maturity date	Interest rate	Outstanding at June 30 2026	Outstanding at June 30 2025
2013 Taxable Bonds – M&T Trust Company	November 15, 2043	5.45 %	$ 40,410,000	40,410,000
2015 Taxable Bonds – M&T Trust Company	July 1, 2035	4.88 %	10,215,000	10,215,000
2017 Tax-exempt Bond – M&T Trust Company	January 1, 2047	5.00 %	40,835,000	40,835,000
2022 Tax-exempt Bonds – M&T Trust Company	July 1, 2052	5.00% – 5.25%	32,485,000	32,485,000
2024 Tax-exempt Bond – M&T Trust Company	July 1, 2038	5.00%	22,055,000	22,055,000
2024 Taxable Bonds – M&T Trust Company	July 1, 2044	5.63%	24,880,000	24,880,000
Total long-term debt – principal			170,880,000	170,880,000
Add unamortized bond premiums			13,115,147	13,818,795
Less unamortized bond discounts			(1,298,242)	(1,371,743)
Less deferred cost of issuance			(2,596,195)	(2,738,850)
Total long-term debt, net			$ 180,100,710	180,588,202

Interest expense on long-term debt was $8,421,901 and $8,449,704 for 2026 and 2025.

Proceeds of long-term debt have been used by the College to primarily finance building and construction programs. The College is required to maintain various reserve accounts in conjunction with the debt agreements that are reported as deposits with bond trustees on the statements of financial position. Deposits with bond trustees are classified as Level 1 in the fair value hierarchy.

In November 2013, the College borrowed $40,410,000 through taxable financing, with JPMorgan acting as the underwriter. The debt was used for the project costs of various building renovations/construction. The final maturity of the bond will be November 15, 2043 with a balloon payment due.

In June 2015, the College borrowed $10,215,000 through taxable financing, with JPMorgan acting as the underwriter. The debt was used for the project costs of various building renovations/construction. The final maturity of the bond will be July 1, 2035 with a balloon payment due.

In October 2015, the College borrowed $28,325,000 through taxable financing, with JPMorgan Chase acting as the underwriter. The debt was used to refinance amounts outstanding on prior debt issue. The original final maturity of the bond is July 1, 2031. This debt was refunded in June 2024 in connection with the $22,055,000 bond issuance described below.

In April 2017, the College borrowed $74,702,514 through the Schenectady County Capital Resource Corporation, utilizing a tax-exempt revenue bond. $50,000,000 of the debt was used toward the financing of the renovation/construction of the Science and Engineering Center. $15,300,000 was used to refund Series 2010 bonds. The remaining amount of the debt proceeds was used to fund the Capitalized Interest Fund in the amount of $7,900,000, as well as costs of issuance. The final maturity of the bond will be January 1, 2047. The bonds were issued at a premium of approximately $10,000,000. This debt was partially refunded in June 2024 in connection with the $24,880,000 bond issuance described below.

In June 2022, the College borrowed $32,485,000 through the Schenectady County Capital Resource Corporation, utilizing a tax-exempt revenue bond. $19,921,000 of the debt was used for the project costs of various building renovations and deferred maintenance. Approximately $15,558,000 was used to refund the Series 2012 bonds, which included the outstanding principal balance and accrued interest. The remaining amount of the debt proceeds was used for costs of issuance. The final maturity of the bond will be July 1, 2052. The bonds were issued at a premium of approximately $3,655,000.

In June 2024, the College borrowed $22,055,000 through the Schenectady County Capital Resource Corporation, utilizing a tax-exempt revenue bond. $5,000,000 of the debt will be used to finance certain capital improvement projects on the College’s campus and certain future lease payments with respect to the Mohawk Harbor Event Center. Approximately $19,928,000 of the tax-exempt debt was used to refund the Series 2015A bonds, which included approximately $19,560,000 of outstanding principal balance and $368,000 of accrued interest. The remaining amount of the debt proceeds was used for cost of issuance. The final maturity of the bond will be July 1, 2038. The bonds were issued at a premium of approximately $3,258,000.

In June 2024, the College borrowed $24,880,000 through the Schenectady County Capital Resource Corporation, utilizing a taxable revenue bond. $15,000,000 of the debt will be used to finance certain capital improvement projects on the College’s campus and certain future lease payments with respect to the Mohawk Harbor Event Center. Approximately $8,693,000 of the taxable debt was used to refund a portion of the Series 2017 bonds, which included approximately $8,500,000 of outstanding principal

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balance and $193,000 of accrued interest. The remaining amount of the debt proceeds was used for cost of issuance. The final maturity of the bond will be July 1, 2044. The bonds were issued at a discount of approximately $727,000.

In October 2026, the College borrowed $70,000,000 through the Schenectady County Capital Resource Corporation, utilizing a tax-exempt revenue bond. $53,040,000 of the debt will be used as bridge financing for the College's Engineering and Computer Science Initiative, which includes the addition of a new building and renovations to other campus spaces. This initiative is fully funded by donor gift pledges that will be received over time through 2033. The remaining $16,960,000 of the debt will be used to fund other campus capital improvement projects, as well as a portion of the interest cost associated with the Engineering and Computer Science Initiative. The bonds were issued at a premium of $1,280,000, with the proceeds used to fund the costs of issuance. Starting in May 2027, the bonds mature annually at varied amounts through May 2033.

Principal payments and maturities of long-term debt at June 30, 2026 are summarized as follows:

2027	$	—
2028		—
2029		—
2030		—
2031		—
Thereafter		170,880,000
Principal maturities	$	170,880,000

Lines of Credit

The College has a revolving line of credit with NBT Bank, which expires on June 30, 2028. The maximum borrowing capacity under the agreement was $40,000,000 at June 30, 2026, and $30,000,000 at June 30, 2025. Each outstanding advance under the line of credit will accrue interest at a variable rate equal to the one-month term secured overnight financing rate plus 1.25% at June 30, 2026, and June 30, 2025. Under the terms of the agreement, the College shall also maintain a balance of $2,000,000 with NBT Bank or affiliates as of June 30, 2026 and $15,000,000 as of June 30, 2025.

For the years ended June 30, 2026 and 2025, there was a balance of $22,361,301 and $16,115,000, respectively, outstanding on the line of credit.

(10) Benefit Plans

(a) Retirement Plan

The College has a defined contribution retirement plan under arrangements with Teachers' Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) and Fidelity, which provide for purchases of annuities and investments for all of its faculty members and nonacademic employees.

The College's contribution expense under this plan was approximately $4,449,000 and $6,170,000 for the years ended June 30, 2026 and 2025, respectively.

(b) Postretirement Healthcare Plan

The College has also elected to pay for a portion of healthcare benefits for retired employees based upon years of service at retirement date. The College recognizes the cost of healthcare benefits on an accrual basis over the working lifetime of employees.

The College provides health insurance benefits for eligible employees upon retirement and recognizes the underfunded status of a defined benefit postretirement plan as an asset or liability and recognizes changes in that funded status in the year they occur. The College uses a June 30 measurement date for its postretirement healthcare plan (the Plan).

The Plan's funded status, amounts recognized, significant assumptions used, contributions made, and benefits paid as of and for the years ended June 30, 2026 and 2025 are as follows:

		2026	2025
Change in benefit obligations:			
Benefit obligation at beginning of year	$	6,278,076	6,373,168
Service cost		277,442	288,176
Interest cost		261,580	306,173
Assumption changes		(240,607)	—
Actuarial gain (loss)		(403,596)	91,017
Benefits paid		(652,136)	(780,458)
Benefit obligation at end of year	$	5,520,759	6,278,076

There are no plan assets as of June 30, 2026 and 2025. All assets contributed to the plan were used to pay for benefits.

		2026	2025
Accrued benefit cost:			
Funded status	$	(5,520,759)	(6,278,076)
Weighted average assumptions as of June 30:			
Discount rate – benefit obligation		5.08 %	4.68 %
Discount rate – periodic postretirement benefit cost		4.86 %	5.11 %

(Continued)

For measurement purposes, a 6.30% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2026. The rate was assumed to increase to 6.90% for 2027 and then decrease gradually from 6.00% to 3.70% for 2028 and thereafter.

		2026	2025
Components of net periodic benefit cost:			
Service cost	$	277,442	288,176
Interest cost		261,580	306,173
Amortization of prior service credit		—	(65,542)
Net periodic postretirement benefit cost	$	539,022	528,807

Amounts recorded in net assets without donor restrictions as of June 30, 2026 and 2025, but not yet amortized as components of net periodic benefit costs are as follows:

		2026	2025
Unamortized prior service credit	$	—	—
Unamortized actuarial loss		(376,128)	(268,075)
Amount recognized as a decrease in net assets without donor restrictions	$	(376,128)	(268,075)

The amortization of the above items expected to be recognized in net periodic costs for the year ending June 30, 2027 is $0.

The following benefit payments, which reflect expected future service and the impact of the Medicare Part D subsidy, as appropriate, are expected to be paid:

		Postretirement benefit payments
2027	$	700,841
2028		679,184
2029		626,043
2030		644,398
2031		573,893
2032–2036		2,922,035
Total	$	6,146,394

(Continued)

(11) Net Assets

Net assets consist of the following at June 30:

	2026	2025
With donor restrictions:		
Pledges for instruction, scholarship, facilities, and other departmental support	$ 73,038,400	79,141,298
Capital projects	5,598,864	5,367,416
Pooled endowments	481,883,779	423,974,769
Life income and annuity agreements	560,708	786,418
Funds in trust and other nonpooled endowments	14,668,961	14,668,961
Annual restricted scholarships and other funds	10,941,313	7,945,789
Total	$ 586,692,025	531,884,651

	2026	2025
Without donor restrictions:		
Operating, plant and other	$ 72,950,576	93,194,823
Quasi endowments	184,044,660	165,781,914
Total	$ 256,995,236	258,976,737

Quasi endowments without donor restrictions comprise amounts designated by the Board of Trustees to function as an endowment.

(12) Natural Expenses

The College's primary program service is undergraduate instruction. Expenses related to academic support, student services, institutional support, and auxiliaries are incurred in the support of this primary

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

	2026						
	Salaries and wages	Benefits	Supplies and services	Depreciation and amortization	Interest	Utilities, maintenance and other	Total
Instructional and departmental research	$ 31,570,383	10,111,450	19,028,092	5,875,213	4,489,828	3,150,979	74,225,945
Sponsored research programs	351,570	26,547	370,727	153,746	—	3,309	905,899
Academic support	4,850,466	1,553,521	2,923,471	902,666	689,816	484,116	11,404,056
Student services	5,604,575	1,795,049	3,377,988	1,043,005	797,063	559,381	13,177,061
Institutional support	16,663,441	5,337,013	10,043,385	3,101,048	2,369,816	1,663,145	39,177,848
Auxiliary operations	2,170,238	695,090	1,308,045	403,879	308,644	216,607	5,102,503
Intercollegiate athletics and other	5,407,063	1,731,789	3,258,944	1,006,249	768,973	580,879	12,753,897
Total expenses	$ 66,617,736	21,250,459	40,310,652	12,485,806	9,424,140	6,658,416	156,747,209

	2025						
	Salaries and wages	Benefits	Supplies and services	Depreciation and amortization	Interest	Utilities, maintenance and other	Total
Instructional and departmental research	$ 30,868,220	11,255,632	17,067,506	6,096,190	4,447,732	3,275,701	73,010,981
Sponsored research programs	590,002	138,642	426,130	154,719	—	2,993	1,312,486
Academic support	4,806,728	1,752,701	2,657,713	949,285	692,590	510,085	11,369,102
Student services	6,477,734	2,362,008	3,581,637	1,279,293	933,362	687,410	15,321,444
Institutional support	16,343,532	5,959,423	9,036,586	3,227,697	2,354,902	1,734,357	38,656,497
Auxiliary operations	2,363,979	861,989	1,307,080	466,864	340,620	250,863	5,591,395
Intercollegiate athletics and other	4,934,673	1,799,354	2,728,455	974,553	711,026	605,465	11,753,526
Total expenses	$ 66,384,868	24,129,749	36,805,107	13,148,601	9,480,232	7,066,874	157,015,431

Depreciation, utilities and maintenance costs, interest expense, and employee benefits are allocated to the functional expense categories reported within the operating section of the statements of activities. Depreciation and utilities and maintenance costs are allocated based upon the estimated use of facilities and equipment. Interest expense is allocated based on specific identification of the use of debt proceeds. Employee benefits are allocated based on related salary expense.

Expenses associated with fundraising activities of the College were approximately $4,504,428 and $4,590,000 in 2026 and 2025, respectively, and are included in institutional support. Costs incurred include expenses related to solicitation activities to obtain gifts and bequests, as well as special cultivation events that may result in contributions that will be received in future periods.

(13) Related Parties

The Alumni Council of Union College, Inc. (the Alumni Council) was formed to provide structure for the alumni of the College to participate in and advance the interest of the College. The Alumni Council is classified as a tax-exempt organization under Internal Revenue Code (Code) Section 501(c)(3) and as a supporting organization under Code Section 509(a)(3). The College provided $84,471 and $87,688 in support to the Alumni Council for various events and expenses during the year ended June 30, 2026 and 2025, respectively. The Alumni Council similarly supports College-sponsored alumni events and outreach. The College received $84,000 and $67,000 from the Alumni Council during the years ended June 30, 2026 and 2025, respectively.

From time to time, within the normal course of operations, the College receives contributions, both in the form of cash and promises to give (pledges), from members of the College's Board of Trustees. Such trustees are not part of the College's management team and do not have a significant business relationship with the College.

The College has investments in funds where members of the Board of Trustees serve as a manager, director, or partner. These investments include limited partnerships that provide investment management services for a portion of the College's absolute return portfolio and several funds for cash and cash equivalents. These investments were made in compliance with the College's conflict of interest policy. As of June 30, 2026, the College held $4,186,824 in these funds, which are included in the College's long-term investment portfolio.

The College has an outstanding commitment of $1,203,655 to contribute or invest additional funds to these investments. The College took measures to mitigate any actual or perceived conflict, including requiring that these transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable and in the best interest of the College and in accordance with applicable conflict of interest laws.

(14) Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2026 and through November 13, 2026, the date on which the financial statements were issued. There were no additional matters that required adjustment to or disclosure in the financial statements, except as disclosed in note 9.