

**HAMPSHIRE COLLEGE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)**



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**HAMPSHIRE COLLEGE  
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(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Hampshire College  
Amherst, Massachusetts

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Hampshire College (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hampshire College, as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Hampshire College's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hampshire 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 Hampshire College's ability to continue as a going concern for a reasonable period of time.

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

### **Report on Summarized Comparative Information**

We have previously audited Hampshire College's 2024 financial statements, and our report dated November 18, 2024, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Substantial Doubt About the Entity's Ability to Continue as Going Concern**

The accompanying financial statements have been prepared assuming that the College will continue as a going concern. As discussed in Note 10 to the financial statements, the College did not meet its debt covenants on the Series 2012 and Series 2016 bonds. A holder of their bonds exercised its put option and issued a mandatory tender. As of November 25, 2025, the College has not been successful in securing refinancing. The College has temporarily paused the pursuit of refinancing options, thereby providing time to demonstrate the successful implementation of its strategic plan to potential investors. The bondholders continue to work with the College and, most recently, have agreed to extend the refinancing date to September 2026, in exchange for a mortgage on certain unencumbered properties. Therefore, the bonds are listed as current, and the College does not have the assets to pay off the bonds. The College has stated that its ability to continue as a going concern is contingent on securing financing for these bonds. Management's evaluation of the events and conditions and management's plan regarding these matters are also included in Note 16. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
November 25, 2025

**HAMPSHIRE COLLEGE**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2025**  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,109,716	\$ 3,364,289
Cash Held in Escrow	1,178,052	-
Accounts Receivable, Net (Note 2)	411,953	265,866
Contributions Receivable, Net (Note 3)	2,792,210	2,942,940
Prepaid Expenses, Inventories, and Other Assets	91,114	104,386
Investments, at Fair Value (Note 5)	21,943,283	24,205,439
Funds Held in Trust by Others (Notes 5 and 7)	251,080	251,080
ROU Lease Asset - Operating, Net	391,196	346,921
Property, Plant, and Equipment, Net (Note 8)	<u>38,732,719</u>	<u>40,577,078</u>
Total Assets	<u><u>\$ 70,901,323</u></u>	<u><u>\$ 72,057,999</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,374,296	\$ 962,885
Short-Term Debt, Net (Note 10)	20,417,543	21,317,516
Long-Term Debt, Net (Note 10)	4,500,000	-
Deposits and Deferred Income	2,889,417	2,018,233
Conditional Asset Retirement Obligation	3,379,111	3,346,929
ROU Lease Liability - Operating	<u>391,196</u>	<u>346,921</u>
Total Liabilities	32,951,563	27,992,484
<b>NET ASSETS</b>		
Net Assets Without Donor Restrictions	4,713,333	9,801,287
Net Assets With Donor Restrictions (Note 11)	<u>33,236,427</u>	<u>34,264,228</u>
Total Net Assets	<u><u>37,949,760</u></u>	<u><u>44,065,515</u></u>
Total Liabilities and Net Assets	<u><u>\$ 70,901,323</u></u>	<u><u>\$ 72,057,999</u></u>

See accompanying Notes to Financial Statements.

**HAMPSHIRE COLLEGE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)**

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
<b>OPERATING ACTIVITIES</b>				
Revenues and Other Additions:				
Tuition, Room, Board, and Other Fees	\$ 56,710,542	\$ -	\$ 56,710,542	\$ 47,849,341
Less: Student Aid Awarded	(36,195,399)	-	(36,195,399)	(30,834,493)
Net Tuition and Fees	20,515,143	-	20,515,143	17,014,848
Contributions, Gifts, and Grants	5,875,576	1,954,547	7,830,123	5,838,361
Other Income	375,952	-	375,952	543,881
Endowment Allocation for Operations (Note 6)	1,221,679	3,828,459	5,050,138	7,909,464
Other Auxiliary Enterprises	2,891,129	-	2,891,129	3,162,256
Net Assets Released from Restrictions for Operating Purposes	5,545,432	(5,545,432)	-	-
Total Revenues and Other Additions	36,424,911	237,574	36,662,485	34,468,810
Expenses and Other Deductions:				
Instruction	8,062,432	-	8,062,432	8,970,620
Research	816,104	-	816,104	768,334
Student Services	7,207,057	-	7,207,057	9,179,321
Institutional Support	12,686,300	-	12,686,300	12,370,284
Academic Support	2,913,070	-	2,913,070	3,670,684
Auxiliary Enterprises	8,705,891	-	8,705,891	8,954,854
Total Expenses and Other Deductions	40,390,854	-	40,390,854	43,914,097
<b>CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	(3,965,943)	237,574	(3,728,369)	(9,445,287)
<b>NONOPERATING ACTIVITIES</b>				
Contributions for Long-Term Investment	772	26,718	27,490	33,244
Net Gain on Long-Term Investments (Note 6)	39,534	2,536,366	2,575,900	3,071,243
Endowment Allocation for Operations (Note 6)	(1,221,679)	(3,828,459)	(5,050,138)	(7,909,464)
Other Deductions	59,362	-	59,362	46,269
<b>CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITIES</b>	(1,122,011)	(1,265,375)	(2,387,386)	(4,758,708)
<b>TOTAL CHANGE IN NET ASSETS</b>	(5,087,954)	(1,027,801)	(6,115,755)	(14,203,995)
Net Assets - Beginning of Year	9,801,287	34,264,228	44,065,515	58,269,510
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,713,333</u>	<u>\$ 33,236,427</u>	<u>\$ 37,949,760</u>	<u>\$ 44,065,515</u>

See accompanying Notes to Financial Statements.

**HAMPSHIRE COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2025**  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2024)

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (6,115,755)	\$ (14,203,995)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	2,081,208	2,144,354
Provision for Bad Debt for Contributions Receivable	697	446,179
Net Realized and Unrealized Gains	(2,402,023)	(2,728,239)
Contributions for Donor-Restricted Endowment	(26,718)	(32,510)
Change in Accounts Receivable	(299,950)	3,610,903
Change in Funds Held in Trust by Others	-	(5,476)
Change in Contributions Receivable	150,730	2,310,629
Change in Prepaid Expenses, Inventories, and Other Assets	13,272	21,764
Change in Accounts Payable and Accrued Expenses	411,411	151,062
Change in Deposits and Deferred Income	871,184	752,745
Change in Conditional Asset Retirement Obligation	32,182	31,875
Net Cash Used by Operating Activities	<u>(5,283,762)</u>	<u>(7,500,709)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant, and Equipment	(236,849)	(344,514)
Proceeds from Property, Plant, and Equipment	-	67,078
Employee Mortgages and Notes Receivable Provided	153,166	(719)
Purchase of Investments	(2,723,192)	(8,917,861)
Sale and Maturities of Investments	7,387,371	16,629,337
Net Cash Provided by Investing Activities	<u>4,580,496</u>	<u>7,433,321</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of Short-Term Debt	(899,973)	(866,663)
Proceeds from Long-Term Debt	4,500,000	-
Contributions for Donor-Restricted Endowment	26,718	32,510
Net Cash Provided (Used) by Financing Activities	<u>3,626,745</u>	<u>(834,153)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,923,479	(901,541)
Cash and Cash Equivalents - Beginning of Year	<u>3,364,289</u>	<u>4,265,830</u>
<b>CASH AND CASH EQUIVALENTS, INCLUDING CASH HELD IN ESCROW - END OF YEAR</b>	<u><u>\$ 6,287,768</u></u>	<u><u>\$ 3,364,289</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 894,093	\$ 777,951
Cash Paid for Interest on Operating Leases	17,720	11,092
Total	<u><u>\$ 911,813</u></u>	<u><u>\$ 789,043</u></u>

See accompanying Notes to Financial Statements.



**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Hampshire College (the College) is a residential, coeducational, liberal arts college, which offers an academic program leading to the Bachelor of Arts degree. The College was founded in 1965 and commenced academic classes in September 1970. The average student enrollment was 767 and 700 during fiscal years 2025 and 2024, respectively.

**Basis of Presentation**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

The classification of net assets and revenues, expenses, gains, and losses are determined by the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined as follows:

*Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the board of trustees or management.

*With Donor Restrictions* – Net assets whose use by the College is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the College pursuant to those stipulations. This category includes realized and unrealized gains on donor-restricted endowment funds that have not been appropriated for expenditure by the board of trustees in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). This category also includes net assets whose corpus is restricted by the donor to be invested in perpetuity whose income may be made available for stipulated purposes.

Contributions are reported as increases in the appropriate category of net assets, based on the existence or absence of donor restriction or inherent time restriction. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments based on the existence or absence of donor-imposed restrictions, are reported as increases or decreases in net assets with donor restrictions or net assets without donor restrictions generally based on the donor-imposed restriction or the use of gains or losses as well as by the College's interpretation of relevant state law. Expirations of donor restrictions recognized on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from net assets with donor restrictions to net assets without donor restrictions. Restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are acquired or placed in service. Exchange transactions are recorded as revenues without donor restrictions when they are earned.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

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

**Operating Activities**

The statement of activities includes all of the College's revenues and expenses as part of operating activities except for changes in value of split interest agreements, gifts for long-term investment, nonoperating asset transfers and deductions, releases from restrictions for nonoperating purposes and realized and unrealized gains (losses) on investments, net of amount appropriated for operations. The investment earnings appropriated for operations include the College's annual spending distribution and additional draws that are approved by the board of directors. See Note 6 for additional details related to investment earnings that were approved by the board of trustees and appropriated for operations.

**Cash and Cash Equivalents**

Cash and cash equivalents include short-term, highly liquid investments with a maturity of three months or less at the time of purchase.

**Prepaid Expenses, Inventories, and Other Assets**

Prepaid expenses, inventories, and other assets include supplies and inventory for sale, and amounts paid in advance for future services.

**Revenue Recognition and Release of Restrictions**

**Tuition and Fees**

The College recognizes student tuition and fees revenue within the fiscal year in which educational services are provided. Scholarships and financial aid grants are reported as a reduction of tuition and fee revenues in the form of a scholarship allowance in the statement of activities. Scholarship allowances are provided from earnings on restricted funds, certain board-designated endowments, and through unfunded discounts. Tuition and fees are presented net of scholarship allowances on the statement of activities and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. The Scholarship allowance provided to students was \$36,195,399 in 2025 and \$30,834,493 in 2024. Cash payments to students in excess of published prices, excluding compensation, are reported as scholarship allowances in the statement of activities.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Release of Restrictions (Continued)**

Tuition and Fees (Continued)

The College's tuition and fee revenue is derived from its residential, coeducational, undergraduate liberal arts program leading to a Bachelor of Arts degree. The program has Fall (August – December) and Spring (January – May) terms. There is no summer term. First-year students secure their enrollment and housing in the campus-based programs by paying nonrefundable deposits for the following Fall academic term. The deposits are applied against the charges for the academic and residential programs.

Contributions

Contributions, which include unconditional promises to give, are reported as increases in net assets without donor restrictions unless use of the related assets is limited by explicit donor stipulation or by the passage of time. Contributions are recognized as revenues in the period an unconditional promise is made, or a gift is received, net of a reserve for uncollectible amounts. Contributions to be received after one year are discounted using the appropriate risk-free rate and amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contribution.

The College is the irrevocable remainder beneficiary of several forms of split-interest agreements, including charitable remainder trusts, charitable gift annuities, and pooled income agreements. Contributions to these trusts are reported as increases in donor-restricted net assets. The amount of contribution revenue recognized is reduced by an actuarial estimate of the trust's liability for payments to an intermediate income beneficiary (or beneficiaries) over the term of the trust.

Investment Income or Loss

Investment income or loss includes (a) interest, dividends, and realized and unrealized gains and losses on investments controlled by the College, (b) income received from, and changes in the fair value of, investments held in trusts by others, and (c) changes in valuation of alternative investments based on net asset value. In the absence of explicit donor stipulations for its use, investment income is reported as an increase in net assets without donor restriction. Change in the fair value of investments held in trust by others is reported as donor-restricted investment income or loss, consistent with the classification of underlying assets.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Release of Restrictions (Continued)**

Auxiliary Enterprises

Auxiliary enterprises exist to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public. A fee is charged for the goods or services, which may or may not equal the costs of the goods or services. Residence halls and food services make up the majority of auxiliary revenues. The distinguishing characteristic of auxiliary enterprises is that they are managed as an essentially self-supporting activity. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions. Payments for housing and dining services are due approximately 30 days prior to the start of the academic term. Performance obligations for housing and dining services are delivered over the academic terms. Consequently, associated revenues are earned and recognized over the course of each term as the services are delivered.

Release from Restrictions

Net assets are released from donor restrictions when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed. Donor restrictions on contributions made for the acquisition of long-lived assets are released when the stipulated assets are placed in service. Donor restrictions also expire upon termination of a split-interest gift agreement, which does not contain restrictions on the use of the remainder assets. These events are reported as net assets released from restrictions on the statement of activities.

Deferred Revenue

Deferred revenue represents payments received prior to the start of the academic term. Deferred revenue related to tuition and fees totaled \$1,789,522 and \$1,062,141 at June 30, 2025 and 2024, respectively. The balance of deferred revenue at June 30, 2025, less any refunds, will be recognized as revenue as services are rendered. The College applies the practical expedient in paragraph 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The College anticipates that students enrolled for the Fall semester will continue their studies in the Spring semester, and that students who receive their baccalaureate degree in December or May will be replaced by an equivalent number of new enrollees.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition and Release of Restrictions (Continued)**

Deferred Revenue (Continued)

The activity and balances for deposits and deferred revenues from contracts with customers are shown in the following table:

	Tuition, Fees, Room, and Board	Other	Total
Balance at June 30, 2023	\$ 417,451	\$ 848,037	\$ 1,265,488
Revenue Recognized	(417,451)	(848,037)	(1,265,488)
Amounts Received for Future Performance Obligations	<u>1,062,141</u>	<u>956,092</u>	<u>2,018,233</u>
Balance at June 30, 2024	1,062,141	956,092	2,018,233
Revenue Recognized	(1,062,141)	(956,092)	(2,018,233)
Amounts Received for Future Performance Obligations	<u>1,789,522</u>	<u>1,099,895</u>	<u>2,889,417</u>
Balance at June 30, 2025	<u><u>\$ 1,789,522</u></u>	<u><u>\$ 1,099,895</u></u>	<u><u>\$ 2,889,417</u></u>

**Investments**

Investments are reported at fair value. If an investment is held directly by the College and an active market with quoted prices exists, the College reports the fair value as the market price of an identical security. The College also holds shares or units in alternative investments such as private equity, and real asset strategies. Such funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, those investments may hold assets, which require the estimation of fair values in the absence of readily determinable market values. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments (Continued)**

The College has utilized the net asset value (NAV) reported by each of the underlying funds as a practical expedient to estimating the fair value of the investments. These investments are generally redeemable or may be liquidated at NAV under the original terms of the subscription agreements and operations of the underlying funds. 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 interest in the funds. Furthermore, changes in the liquidity provisions of the funds may significantly impact the fair value of the College's interests in the funds. Although certain investments may be sold in secondary market transactions, 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 its interest in a fund in the secondary market, the sale could occur at an amount materially different from the reported value.

**Fair Value of Financial Instruments**

The fair value of investments is disclosed in Note 5. Fair value for marketable securities is based upon quoted market prices. Fair values for trusts held by others, and other alternative investments are valued based upon net asset values as reported by third parties responsible for administering and/or managing such investments. Fair value represents the price that would be received upon 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 carried at fair value based on the valuation methodologies employed. The hierarchy is defined as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the College has the ability to access at measurement date.

*Level 2* – Quoted prices, other than those included in Level 1, that are either directly or indirectly observable for the assets or liabilities.

*Level 3* – No observable quoted prices, reliance on assumptions market participants would use if a market existed for the assets or liabilities.

The level in the fair value hierarchy used to classify an item is based on the lowest level that is significant to the fair value being established.

The College utilizes the NAV as its estimate of fair value for those funds whose value is determined by the appropriate fund manager. The majority of investments report at NAV consisting of shares or units in funds as opposed to direct interest in the funds' underlying securities, which may be readily marketable and not difficult to value.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment in Plant**

Constructed and purchased property, equipment, and library collections are carried at cost. The College capitalizes purchases that have a value of at least \$5,000 and a useful life exceeding three years. Land, buildings, or equipment donated to the College are generally carried in the accounts at appraised value at the date of the gift. Long-lived fixed assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives.

The College recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the College capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, the difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities.

**Deposits and Deferred Revenues**

Deposits and deferred revenues represent amounts collected through June 30, from outside groups for summer conferences and from students relating to student registration for the upcoming fall semester. Such amounts are reported as revenue during the subsequent fiscal year.

**Tax Status**

The College is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from federal taxes pursuant to Section 501(a) of the IRC. The College has assessed uncertain tax positions and determined that there were no such positions that have a material effect on the financial statements.

**Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, as well as the reported amounts of revenues and expenses. These estimates include the allowance for uncollectible accounts, pledges and loans receivable, and the fair value of certain investments. Actual results could differ from these estimates.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. These costs include direct and indirect costs that have been allocated, on a consistent basis, among the program and supporting services benefited. Expenses are allocated per building, by square footage. All functional expense categories, with the exception of administrative and general, can be classified as expenses supporting the College's main program. Administrative and general support expenses are considered administrative expenses and include fundraising expenses.

**Reclassification**

Certain amounts on the prior year financial statements have been reclassified to conform to the current year presentation.

**NOTE 2 ACCOUNTS RECEIVABLE**

Accounts receivable are summarized as follows at June 30:

	2025	2024
Student Accounts	\$ 462,515	\$ 389,387
Other	235,247	153,166
Total	697,762	542,553
Less: Allowance for Expected Credit Losses	(285,809)	(276,687)
Accounts Receivable, Net	<u>\$ 411,953</u>	<u>\$ 265,866</u>

The following summarizes the aging of student accounts receivable at June 30:

	2025	2024
0-90 Days	\$ 91,205	\$ 27,983
91-180 Days	80,421	37,913
181-360 Days	1,055	63,677
Over 360 Days	289,834	259,814
Total	<u>\$ 462,515</u>	<u>\$ 389,387</u>

At June 30, 2025 and 2024, the balance of the contract assets shown as student accounts receivable, net on the statement of financial position was \$462,515 and \$389,387, respectively. At the beginning of 2024, the balance of contract assets was \$424,745.



**HAMPSHIRE COLLEGE**  
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**NOTE 3 CONTRIBUTIONS RECEIVABLE**

Contributions receivable are summarized as follows at June 30.

Unconditional promises expected to be collected:

	2025	2024
In One Year or Less	\$ 1,420,079	\$ 1,066,749
Between One and Five Years	1,491,550	2,006,650
In More Than Five Years	30,000	59,936
Total	<u>2,941,629</u>	<u>3,133,335</u>
Less: Unamortized Discount and Allowance for Uncollectible Accounts	<u>(149,419)</u>	<u>(190,395)</u>
Contributions Receivable, Net	<u>\$ 2,792,210</u>	<u>\$ 2,942,940</u>

Discount rates used to calculate the present value of contributions receivable ranged from 0.25% to 1.45%. Bad debt expense amounted to approximately \$697 and \$60,073 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 4 CASH HELD IN ESCROW**

The U.S. Department of Education (the Department) maintains funds in escrow on behalf of the College pursuant to a Cash Escrow Agreement executed by both parties. In the event the Department withdraws funds from the escrow to satisfy obligations of the College, the College is required to replenish the escrow to its agreed balance. Additionally, the Department will require an increase in the escrow balance if the College's Title IV funding increases or if the College becomes subject to new or different financial responsibility conditions. As of June 30, 2025, the escrow balance totaled \$1,178,052.

**HAMPSHIRE COLLEGE**  
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**NOTE 5 FAIR VALUE AND INVESTMENTS**

The following table summarizes the valuation of the College's investments and other assets at June 30, 2025:

	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Investments Measured at Net Asset Value	Total	Redemption
Long-Term Investments:						
U.S. Equity:						
Large Cap	\$ 5,481,526	\$ -	\$ -	\$ -	\$ 5,481,526	Daily
Non-U.S. Equity Fund	3,140,144	-	-	5,829,991	8,970,135	Monthly/Quarterly
Fixed Income	1,592,187	-	-	-	1,592,187	Daily
Hedge Funds	-	-	-	3,864,806	3,864,806	Quarterly
Real Asset	702,025	-	-	-	702,025	Daily/Monthly
Private Equity	-	-	-	835,861	835,861	Illiquid
Private Partnerships	-	-	-	292,447	292,447	Illiquid
Pooled Life Income Funds and Other	-	-	127,449	-	127,449	N/A
Total Investments						
Measured at Fair Value	10,915,882	-	127,449	10,823,105	21,866,436	
Cash and Cash Equivalents	76,847	-	-	-	76,847	Daily
Total Investments	10,992,729	-	127,449	10,823,105	21,943,283	
Other Assets:						
Funds Held in Trust by Others	-	-	251,080	-	251,080	N/A
Total	<u>\$ 10,992,729</u>	<u>\$ -</u>	<u>\$ 378,529</u>	<u>\$ 10,823,105</u>	<u>\$ 22,194,363</u>	

The following table summarizes the valuation of the College's investments and other assets at June 30, 2024:

	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Investments Measured at Net Asset Value	Total	Redemption
Long-Term Investments:						
U.S. Equity:						
Large Cap	\$ 5,369,038	\$ -	\$ -	\$ -	\$ 5,369,038	Daily
Non-U.S. Equity Fund	3,023,061	-	-	5,086,621	8,109,682	Monthly/Quarterly
Fixed Income	1,979,011	-	-	-	1,979,011	Daily
Hedge Funds	-	-	-	4,208,572	4,208,572	Quarterly
Real Asset	657,970	-	-	1,036,563	1,694,533	Daily/Monthly
Private Equity	-	-	-	821,402	821,402	Illiquid
Private Partnerships	-	-	-	292,447	292,447	Illiquid
Pooled Life Income Funds and Other	-	-	127,449	-	127,449	N/A
Total Investments						
Measured at Fair Value	11,029,080	-	127,449	11,445,605	22,602,134	
Cash and Cash Equivalents	1,603,305	-	-	-	1,603,305	Daily
Total Investments	12,632,385	-	127,449	11,445,605	24,205,439	
Other Assets:						
Funds Held in Trust by Others	-	-	251,080	-	251,080	N/A
Total	<u>\$ 12,632,385</u>	<u>\$ -</u>	<u>\$ 378,529</u>	<u>\$ 11,445,605</u>	<u>\$ 24,456,519</u>	

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)

**NOTE 5 FAIR VALUE AND INVESTMENTS (CONTINUED)**

At June 30, 2025, the College did not have any remaining outstanding commitments for Level 3 investments on the provisions of the individual agreements, with adjustments as to amounts and timing based on prior actions of the partnerships and expectations as to future opportunities.

The College's total investment return is summarized below:

	2025	2024
Dividends and Interest	\$ 322,473	\$ 505,204
Realized/Unrealized Gains on Investments	2,402,023	2,728,239
Management Fees and Other Costs	(148,596)	(162,200)
Total Return on Investments	2,575,900	3,071,243
Appropriated to Operations	(3,263,144)	(7,909,464)
Nonoperating Investment Loss	\$ (687,244)	\$ (4,838,221)

**NOTE 6 ENDOWMENT FUNDS**

The College's endowment consists of approximately 250 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the College to function as endowments (quasi endowments).

Endowment funds share in an investment pool on a unit market value basis. Funds are added to and withdrawn from the pool at the then current unit market value of the pooled assets. The College uses a total return approach to managing endowment investments. Funds are invested to maximize total return consistent with prudent risk without regard to the mix of current investment income and realized and unrealized gains or losses.

**HAMPSHIRE COLLEGE**  
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**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 6    ENDOWMENT FUNDS (CONTINUED)**

Giving consideration to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the Commonwealth of Massachusetts, the College has prepared these financial statements on the basis that the original gifts of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary, must be preserved. As a result, the College classifies as net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the College considers the following factors in determining appropriate spending levels from donor-restricted endowment funds: duration and preservation of the endowment fund, purposes of the College and the endowed fund, general economic conditions, possible effects of inflation or deflation, expected total return from income and the appreciation of investments, other resources of the College, and the investment policy of the College.

Investment return is distributed for operations on a unit share basis. The spending policy limits the annual distribution of return based upon a 12-quarter average market value. The College historically limited this distribution to 4.5% of the 12-quarter average market value. In 2024 and 2025, the Board of Trustees approved an increase to this limit from 4.5% to 9%.

In addition to the 9% draw, there was a board approved and donor requested draw of \$1,178,052 and \$4,000,000 for the years ended June 30, 2025 and 2024, respectively to support operations. In both 2025 and 2024, the entire amount was transferred from the quasi endowment.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the College to retain as a fund of perpetual duration. In accordance with U.S. GAAP, the deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025, the aggregate fair value of the funds with deficiencies was \$16,014,869 and the historic dollar value was \$17,717,112, resulting in a difference of \$1,702,243. As of June 30, 2024, the aggregate fair value of the funds with deficiencies was \$16,765,037 and the historic dollar value was \$18,235,818, resulting in a difference of \$1,470,781. and \$1,470,780 at June 30, 2025 and 2024, respectively.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted amounts reported below include term endowments reported as net assets with donor restrictions; and cumulative unspent appreciation, reported as net assets with donor restrictions.

**HAMPSHIRE COLLEGE**  
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**NOTE 6 ENDOWMENT FUNDS (CONTINUED)**

Endowment funds, which include pooled endowment funds but exclude split-interest agreements and pledges, consisted of the following at June 30:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted	\$ -	\$ 23,577,919	\$ 23,577,919
Board-Designated (Quasi)	460,096	-	460,096
Total	<u>\$ 460,096</u>	<u>\$ 23,577,919</u>	<u>\$ 24,038,015</u>

  

	June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted	\$ -	\$ 26,159,016	\$ 26,159,016
Board-Designated (Quasi)	339,526	-	339,526
Total	<u>\$ 339,526</u>	<u>\$ 26,159,016</u>	<u>\$ 26,498,542</u>

Changes in endowment funds for the fiscal year ended June 30, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2024	\$ 339,526	\$ 26,159,016	\$ 26,498,542
Investment Return	39,535	2,536,366	2,575,901
Contributions	772	12,938	13,710
Appropriated to Operations	(43,626)	(3,828,460)	(3,872,086)
Appropriated to Operations - Special Transfers	(1,178,052)	-	(1,178,052)
	1,301,941	(1,301,941)	-
June 30, 2025	<u>\$ 460,096</u>	<u>\$ 23,577,919</u>	<u>\$ 24,038,015</u>

Changes in endowment funds for the fiscal year ended June 30, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2023	\$ 4,376,660	\$ 26,237,705	\$ 30,614,365
Investment Return	348,481	2,726,294	3,074,775
Contributions	734	32,510	33,244
Appropriated to Operations	(386,349)	(2,837,493)	(3,223,842)
Appropriated to Operations - Special	(4,000,000)	-	(4,000,000)
June 30, 2024	<u>\$ 339,526</u>	<u>\$ 26,159,016</u>	<u>\$ 26,498,542</u>

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 FUNDS HELD IN TRUST BY OTHERS**

The College is irrevocably named as a beneficiary of funds held by third-party trustees, the purpose of which may be restricted by the donor. Generally, the College will receive a specified portion of the assets remaining when the third-party trusts are terminated. The present value of the amount to be received upon termination is recorded by the College as funds held in trust on the statement of financial position and as contribution revenue on the statement of activities using a discount rate of 3.79% for both 2025 and 2024. Funds held in trust by others totaled \$251,080 at June 30, 2025 and 2024.

**NOTE 8 PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment consisted of the following at June 30:

	Useful Life	2025	2024
Land	-	\$ 3,877,606	\$ 3,877,606
Land Improvements	30 Years	7,065,930	7,065,930
Library Collection	10 Years	7,824,935	7,812,560
Vehicles	10 Years	1,014,765	1,014,765
Equipment	3 to 5 Years	26,249,502	26,025,026
Building and Building Improvements	10 to 50 Years	86,998,105	86,998,106
Total		133,030,843	132,793,993
Accumulated Depreciation		(94,298,124)	(92,216,915)
Property, Plant, and Equipment, Net		<u>\$ 38,732,719</u>	<u>\$ 40,577,078</u>

Depreciation expense was \$2,081,208 and \$2,144,354 for the years ended June 30, 2025 and 2024, respectively.

**HAMPSHIRE COLLEGE**  
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**NOTE 9 LEASES**

The College leases equipment as well as vehicles for various terms under long-term noncancelable lease agreements. The leases expire at various dates through 2030 and provide renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following tables provide quantitative information concerning the College's leases for the year ended June 30, 2025:

	<u>2025</u>	<u>2024</u>
Lease Cost:		
Operating Lease Cost	\$ 142,415	\$ 106,786
Total Lease Cost	<u>\$ 142,415</u>	<u>\$ 106,786</u>
Other Information:		
Cash Paid for Amounts Included in the		
Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 142,415	\$ 106,786
Right-of-Use Assets Obtained in Exchange for		
New Operating Lease Liabilities	\$ 173,855	\$ 606,046
Weighted-Average Remaining Lease Term -		
Operating Leases	3.1 Years	3.5 Years
Weighted-Average Discount Rate - Operating Leases	2.78%	2.78%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 141,184
2027	137,492
2028	85,704
2029	35,629
2030	<u>8,907</u>
Undiscounted Cash Flows	408,916
Less: Imputed Interest	<u>(17,720)</u>
Total	<u>\$ 391,196</u>
Short-Term Lease Liabilities	\$ 131,995
Long-Term Lease Liabilities	<u>259,201</u>
Total	<u>\$ 391,196</u>

**HAMPSHIRE COLLEGE**  
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**NOTE 10 DEBT**

The College has debt agreements with a charitable trust and banks for the financing of certain buildings and equipment.

The details of the debt outstanding as of June 30, are as follows:

	Maturity Date	Interest Rate	Amount Outstanding	
			2025	2024
Series 2012 Bond	2026	4.4	\$ 8,492,294	\$ 8,989,392
Series 2016 Bond	2026	2.8	12,138,890	12,564,929
Kendall 2024 Note	2049	5.0	4,500,000	-
Total			25,131,184	21,554,321
Less: Unamortized Financing Costs			(213,641)	(236,805)
Total Debt, Net			<u>\$ 24,917,543</u>	<u>\$ 21,317,516</u>

Series 2012 and 2016 Bonds are collateralized by certain facilities, equipment, and premises. The College is required to meet various covenants on an annual basis with respect to its debt. In 2025 and 2024, the College failed some of its covenant requirements over both the Series 2012 and Series 2016 bonds. Interest expense incurred on debt financing totaled \$742,218 and \$777,951 in 2025 and 2024, respectively.

The Series 2012 Bond was subject to a put option at December 28, 2022. The holder of the bonds exercised the put option on April 29, 2022, issuing an irrevocable notice of mandatory tender due on December 28, 2022. In September 2025, the bond holder extended the mandatory tender to March 31, 2026, while the College pursues financing options to assist in refunding the Series 2012 Bonds. As of November 25, 2025, the bond holder is working with the College to extend this mandatory tender to a later date. As of November 25, 2025, the College has not been able to locate options to assist in refunding the Series 2012 Bonds.

The Series 2016 Bond was not subject to a put option; however, at June 30, 2025, the College failed two of its covenants which could trigger a default.

Due to the matters above, the College has re-classified these bonds from long-term debt to short-term debt as of June 30, 2025 and 2024.

In October 2024, the College obtained a \$4,500,000 note from a charitable trust. Monthly payments of accrued and unpaid interest only are due until the commencement of the Atkins property land sale, which is currently not determined, at which time a balloon principal payment of \$3,000,000 is due. The College then will make monthly payments of principal and interest until the maturity date of October 29, 2049. The note bears interest at 5% annually.



**HAMPSHIRE COLLEGE**  
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**NOTE 10 DEBT (CONTINUED)**

Principal payments on all debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 20,631,184
2027	-
2028	-
2029	-
2030	-
Thereafter	4,500,000
	<u>\$ 25,131,184</u>

**NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS**

The composition of the categories of net assets as of June 30 consists of:

	<u>2025</u>		<u>2024</u>	
	Net Assets Not Invested in Perpetuity	Net Assets Invested in Perpetuity	Net Assets Not Invested in Perpetuity	Net Assets Invested in Perpetuity
Restricted by Donors for Programs	\$ 5,016,897	\$ -	\$ 4,618,745	\$ -
Contributions Receivable for Programs	2,792,210	-	2,942,940	-
Morgan Venture Fund	-	292,447	-	292,447
Funds Held in Trust by Others	-	251,080	-	251,080
Endowment Funds With Donor Restrictions	-	24,883,793	-	26,159,016
Total	<u>\$ 7,809,107</u>	<u>\$ 25,427,320</u>	<u>\$ 7,561,685</u>	<u>\$ 26,702,543</u>

Net assets released from restriction for the years ended June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Scholarships, Instruction, and Other Operating Expenses	<u>\$ 5,545,432</u>	<u>\$ 4,685,895</u>

**NOTE 12 RETIREMENT BENEFITS**

Contributions made by the College for the TIAA-CREF Retirement Plan were \$7,286 and \$1,116,958 during fiscal years 2025 and 2024, respectively, for eligible and enrolled employees based on a portion of salaries of 8%. The College ceased contributions beginning in fiscal year 2025, however, hourly employees received an 8% contribution for the first payroll date in 2025. In addition, the employees enrolled in the plan contributed a portion of their salaries ranging from 3% to 5%.

**HAMPSHIRE COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 AVAILABLE RESOURCES AND LIQUIDITY**

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The College has various sources of liquidity at its disposal, including cash and cash equivalents, equities, fixed income, and real assets.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing activities of instruction, research, and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the College operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the College's cash.

As of June 30, 2025 and 2024, the following tables show the total financial assets held by the College and the amounts of those financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2025	2024
Financial Assets:		
Cash and Cash Equivalents	\$ 5,109,716	\$ 3,364,289
Accounts Receivable, Net	411,953	265,866
Contributions Receivable, Net	2,792,210	2,942,940
Investments	21,943,283	24,205,439
Total Financial Assets	30,257,162	30,778,534
Less Amounts Unavailable for General Expenditures:		
Contributions Receivable for Future Periods	(1,372,131)	(1,876,191)
Net Assets Invested in Perpetuity	(25,427,320)	(26,702,543)
Total	<u>\$ 3,457,711</u>	<u>\$ 2,199,800</u>

**HAMPSHIRE COLLEGE**  
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**NOTE 14 FUNCTIONAL EXPENSES**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The College reports expenditures in categories reflecting core operational objectives for higher education as defined by Integrated Postsecondary Education Data System (IPEDS).

	2025					
	Instruction	Academic Support	Research	Student Services	Auxiliary Enterprises	Institutional Support
Salaries and Wages	\$ 4,752,728	\$ 2,115,268	\$ 320,418	\$ 2,936,398	\$ 2,606,336	\$ 5,634,958
Employee Benefits	1,035,336	418,010	74,851	626,390	548,741	1,268,429
Supplies, Services, and Other	1,473,462	379,792	420,835	3,023,401	4,550,614	5,381,461
Depreciation	590,365	-	-	457,655	737,269	295,919
Interest	210,541	-	-	163,213	262,931	105,533
Total	<u>\$ 8,062,432</u>	<u>\$ 2,913,070</u>	<u>\$ 816,104</u>	<u>\$ 7,207,057</u>	<u>\$ 8,705,891</u>	<u>\$ 12,686,300</u>

  

	2024					
	Instruction	Academic Support	Research	Student Services	Auxiliary Enterprises	Institutional Support
Salaries and Wages	\$ 4,800,390	\$ 2,380,638	\$ 305,748	\$ 4,027,197	\$ 2,884,947	\$ 6,083,257
Employee Benefits	1,390,775	645,101	68,985	1,152,982	838,365	1,586,401
Supplies, Services, and Other	1,950,501	644,945	393,601	3,356,530	4,196,315	4,285,114
Depreciation	608,277	-	-	471,541	759,638	304,898
Interest	220,677	-	-	171,071	275,589	110,614
Total	<u>\$ 8,970,620</u>	<u>\$ 3,670,684</u>	<u>\$ 768,334</u>	<u>\$ 9,179,321</u>	<u>\$ 8,954,854</u>	<u>\$ 12,370,284</u>

**NOTE 15 RELATED-PARTY TRANSACTIONS**

Members of the College's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College's conflict of interest policy requires, among other things, that no member of the Board of Trustees or its committees can participate in any decision in which he or she has a material financial interest. For members of the Board of Trustees and senior management, the College requires an annual disclosure of significant financial interest in, or employment or consulting relationships with, entities doing business with the College. When such relationships are known to exist, measures are taken to address the actual or perceived conflict to protect the best interest of the College and ensure compliance with relevant conflict of interest laws or policy.

**NOTE 16 GOING CONCERN**

As discussed in Note 10 to the financial statements, the College did not meet its debt covenants on the Series 2012 and Series 2016 bonds. A holder of their bonds exercised its put option and issued a mandatory tender. The College has not been able to secure options for refinancing, however both lenders have extended the tender dates to September 2026, maintaining original terms and providing time for the College to pursue a refinancing package. The bonds are listed as current.

**HAMPSHIRE COLLEGE**  
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**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2024)**

**NOTE 16 GOING CONCERN (CONTINUED)**

Further, the College has experienced multiple years of negative financial trends, such as recurring decreases in net assets from operating activities and negative cash flows from operating activities. These conditions raise substantial doubt about the College's ability to continue as a going concern within one year after the date that the financial statements are issued.

Management has concluded that it would be prudent to acknowledge the College's ability to continue as a going concern within one year from the issuance of these financial statements is dependent on successfully securing financing or additional bond holder forbearance. In addition to exploring refinancing options, management continues to pursue all options including increasing enrollment, reducing expenses, and selling real estate.

**NOTE 17 SUBSEQUENT EVENTS**

The College evaluated subsequent events for potential recognition or disclosure through November 25, 2025, the date on which the financial statements were issued.

