

Smith College
Consolidated Financial Statements
June 30, 2025 and 2024

Smith College
Index
June 30, 2025 and 2024

	Page(s)
Report of Independent Auditors	1-2
Consolidated Financial Statements	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4-5
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7-26



Report of Independent Auditors

To the Board of Trustees of Smith College

Opinion

We have audited the accompanying consolidated financial statements of Smith College and its subsidiaries (the "College"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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 (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with US GAAS, we:

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 27, 2025

Smith College
Consolidated Statements of Financial Position
June 30, 2025 and 2024

(in thousands)

	2025	2024
Assets		
Cash and cash equivalents	\$ 13,308	\$ 18,013
Short-term investments	106,838	144,745
Receivables, net and other assets	60,284	69,850
Long-term investments	2,919,008	2,792,080
Property, plant and equipment, net	818,871	731,670
Total assets	<u>\$ 3,918,309</u>	<u>\$ 3,756,358</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 44,696	\$ 52,184
Deferred income, deposits, and agency funds	29,803	28,987
Liability for split interest agreements	23,042	21,462
Asset retirement obligations	25,584	24,598
Bonds and mortgages payable	515,965	515,107
Total liabilities	<u>639,090</u>	<u>642,338</u>
Net assets		
Without donor restrictions	988,551	943,733
With donor restrictions	2,290,668	2,170,287
Total net assets	<u>3,279,219</u>	<u>3,114,020</u>
Total liabilities and net assets	<u>\$ 3,918,309</u>	<u>\$ 3,756,358</u>

The accompanying notes are an integral part of these consolidated financial statements.

Smith College
Consolidated Statement of Activities
Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

<i>(in thousands)</i>	Without Restriction	With Donor Restriction	Total	
			2025	2024
Operating revenues and other additions				
Tuition, fees, residence & dining, net of financial aid of \$116,156 and \$106,410, respectively	\$ 128,689	\$ -	\$ 128,689	\$ 121,063
Gifts and grants	34,838	-	34,838	28,163
Investment return supporting operations	5,312	-	5,312	7,819
Other income	13,755	-	13,755	11,634
Endowment return appropriated	27,000	107,309	134,309	129,265
Net assets released from restrictions	107,154	(107,154)	-	-
Total operating revenues and other additions	316,748	155	316,903	297,944
Operating expenses				
Salaries and wages	135,485	-	135,485	130,494
Employee benefits	42,028	-	42,028	38,228
Supplies, services, other	77,437	-	77,437	77,289
Depreciation and amortization	30,128	-	30,128	25,182
Interest	17,404	-	17,404	18,181
Utilities	10,215	-	10,215	9,202
Total expenses	312,697	-	312,697	298,576
Increase (decrease) in net assets from operating activities	4,051	155	4,206	(632)
Nonoperating activities				
Gifts and grants	-	36,432	36,432	26,135
Net investment return increasing investments	62,131	192,466	254,597	205,693
Endowment return appropriated	(27,000)	(107,309)	(134,309)	(129,265)
Change in life income funds	(718)	878	160	(578)
Other (loss) income	4,113	-	4,113	-
Change in net asset classification and transfers	2,241	(2,241)	-	-
Increase in net assets from nonoperating activities	40,767	120,226	160,993	101,985
Increase in net assets	44,818	120,381	165,199	101,353
Net assets				
Beginning of year	943,733	2,170,287	3,114,020	3,012,667
End of year	\$ 988,551	\$ 2,290,668	\$ 3,279,219	\$ 3,114,020

The accompanying notes are an integral part of these consolidated financial statements.

Smith College
Consolidated Statement of Activities
Year Ended June 30, 2024

(in thousands)

	Without Restriction	With Donor Restriction	Total
Operating revenues and other additions			
Tuition, fees, residence & dining, net of financial aid of \$98,391	\$ 121,063	\$ -	\$ 121,063
Gifts and grants	28,163	-	28,163
Investment return supporting operations	7,819	-	7,819
Other income	11,618	16	11,634
Endowment return appropriated	26,335	102,930	129,265
Net assets released from restrictions	111,125	(111,125)	-
Total operating revenues and other additions	306,123	(8,179)	297,944
Operating expenses			
Salaries and wages	130,494	-	130,494
Employee benefits	38,228	-	38,228
Supplies, services, other	77,289	-	77,289
Depreciation and amortization	25,182	-	25,182
Interest	18,181	-	18,181
Utilities	9,202	-	9,202
Total expenses	298,576	-	298,576
Increase in net assets from operating activities	7,547	(8,179)	(632)
Nonoperating activities			
Gifts and grants	-	26,135	26,135
Net investment return increasing investments	51,236	154,457	205,693
Endowment return appropriated	(26,335)	(102,930)	(129,265)
Change in life income funds	(1,500)	922	(578)
Change in net asset classification and transfers	1,641	(1,641)	-
Increase in net assets from nonoperating activities	25,042	76,943	101,985
Increase in net assets	32,589	68,764	101,353
Net assets			
Beginning of year	911,144	2,101,523	3,012,667
End of year	\$ 943,733	\$ 2,170,287	\$ 3,114,020

The accompanying notes are an integral part of these consolidated financial statements.

Smith College
Consolidated Statements of Cash Flows
Years Ended June 30, 2025 and 2024

<i>(in thousands)</i>	2025	2024
Cash flows from operating activities		
Increase in net assets	\$ 165,199	\$ 101,353
Adjustments to reconcile increase in net assets to net cash used in operating activities		
Depreciation and amortization	28,819	24,120
Loss on extinguishment of debt	706	-
Net unrealized and realized gain on investments	(240,808)	(191,234)
Actuarial change in life income obligations	1,580	1,172
Contributions restricted for long-term investment	(38,261)	(30,396)
Contributions of property and securities	(6,822)	(3,900)
Proceeds from sale of donated securities for operations	3,807	2,378
Net change in operating assets and liabilities		
Receivables, net and other assets	9,217	14,360
Accounts payable, accrued liabilities, and asset retirement obligations	(19,310)	(13,071)
Deferred income, deposits and agency funds	816	(431)
Net cash used in operating activities	<u>(95,057)</u>	<u>(95,649)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(104,111)	(70,063)
Proceeds from student and other loan collections	366	515
Student and other loans issued	(17)	(31)
Purchases of short-term investments	(277,735)	(214,657)
Sales and maturities of short-term investments	348,092	256,338
Purchases of long-term investments	(667,389)	(513,383)
Sales and maturities of long-term investments	749,250	589,720
Net cash provided by investing activities	<u>48,456</u>	<u>48,439</u>
Cash flows from financing activities		
Contributions restricted for long-term investment	38,261	30,396
Proceeds from sale of donated securities for endowment	3,034	1,538
Repayments of mortgages payable	(68)	(65)
Proceeds from the issuance of long-term debt	136,361	-
Repayment of long-term debt	(135,060)	-
Payment of debt issuance costs	(632)	-
Proceeds from lines of credit	50,000	10,000
Repayments of lines of credit	(50,000)	(10,000)
Net cash provided by financing activities	<u>41,896</u>	<u>31,869</u>
Net change in cash and cash equivalents	<u>(4,705)</u>	<u>(15,341)</u>
Cash and cash equivalents		
Beginning of year	<u>18,013</u>	<u>33,354</u>
End of year	<u>\$ 13,308</u>	<u>\$ 18,013</u>
Supplemental disclosure		
Interest paid	\$ 19,100	\$ 18,963
Gifts in kind	1,600	3,449
Purchases of property increasing payables	12,808	22,224
Donated Securities	6,822	3,900

The accompanying notes are an integral part of these consolidated financial statements.

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

1. Summary of Significant Accounting Policies

Basis of Presentation

The Trustees of the Smith College (the “College”, “Smith College” or “Smith”) is a private liberal arts college providing women an education of uncompromising quality. Smith College educates women of promise for lives of distinction and purpose. A college of and for the world, Smith links the power of the liberal arts to excellence in research and scholarship, thereby developing engaged global citizens and leaders to address society’s challenges. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for The Trustees of the Smith College and includes the Alumnae Association of Smith College (“AASC”) and The Ellery Hotel LLC.

Net Asset Classes

The accompanying consolidated financial statements present information regarding the College’s financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

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

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

Changes in net assets are classified as operating and nonoperating. Nonoperating changes in net assets are: net realized and unrealized gains and losses on long-term investments, less amounts distributed for operating purposes; reclassifications of net assets received in prior periods; and contributions with donor restrictions. All other unrestricted activity, including net assets released from restrictions, is reported as operating without donor restrictions.

Revenues

The College considers tuition, fees, residence and dining as one contract with two performance obligations under ASU 2014-09. The College is a residential community with most students living and dining on campus. Tuition and fees are charged per semester at the same rate for all students. Residence and dining revenue is recognized ratably over the course of the contracted time students are on campus. Tuition, fees, resident and dining are all fully earned during the fiscal year. Financial aid is calculated based on total cost of attendance.

The College records student related revenue in the fiscal year in which services are provided. Institutional financial aid includes amounts funded by the College’s operations, endowments, and restricted gifts. This aid offsets the published price of tuition and fees, room, and board for students. Grants to students for costs in excess of published prices are reported as student services and expense included in the *Supplies, services, other* line of the consolidated statements of activities.

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

Student related revenue by performance obligation at June 30 (in thousands):

	2025		
	Tuition, Fees	Residence & Dining	Total
Student charge	\$ 187,736	\$ 57,109	\$ 244,845
Allocation of financial aid	(89,063)	(27,093)	(116,156)
Total net student charges	<u>\$ 98,673</u>	<u>\$ 30,016</u>	<u>\$ 128,689</u>

	2024		
	Tuition, Fees	Residence & Dining	Total
Student charge	\$ 174,900	\$ 52,573	\$ 227,473
Allocation of financial aid	(81,817)	(24,593)	(106,410)
Total net student charges	<u>\$ 93,083</u>	<u>\$ 27,980</u>	<u>\$ 121,063</u>

Contributions

Contributions are recognized as revenues when received. Conditional pledges are recognized as revenues when conditions are substantially met. The College had no conditional pledges outstanding as of June 30, 2025 and 2024, respectively. Unconditional pledges, net of an allowance for uncollectible amounts, are reported at their estimated net present values and are classified as with donor restrictions. Contributions restricted for the acquisition of property and collections are reported as with donor restrictions and are reclassified to without donor restrictions net assets at the time the assets are acquired and placed in service.

Cash and Cash Equivalents

Cash and investments acquired with a maturity date of three months or less are reported as cash equivalents, unless they are part of short-term or long-term investment funds.

Short-Term Investments

Short-term investments include operating funds invested in equity securities, as well as funds identified for specific capital projects, with a maturity of more than three months but less than one year.

Investments and Fair Value

The College's investment objective is to invest its assets in a prudent manner in order to achieve a long-term rate-of-return sufficient to fund a portion of its spending and to increase investment value equal to or above inflation. The College uses a diversified investment approach incorporating multiple asset classes, strategies and managers. The College's Board of Trustees' Investment Committee oversees the College's investments and authorizes major investment decisions.

In addition to equity and fixed income investments, the College may also hold shares or units in institutional funds and alternative investment funds involving hedged and private equity strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists,

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

and may include stocks, bonds, put or call options, swaps, currency hedges and other instruments. Private equity funds generally employ buyout, venture capital and debt-related strategies.

Investments are reported at fair value. The values of publicly traded fixed income and equity securities are based on quoted market prices. Fair values for shares in mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year. Nonmarketable securities, which include alternative investments in hedge funds and private equity funds, are valued using net asset value ("NAV"), or its equivalent, provided by fund managers as a practical expedient to estimate fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2025 and 2024, the College had no specific plans or intentions to sell investments at amounts different than NAV. These nonmarketable investments often require the estimation of fair values by the fund managers in the absence of readily determinable market values.

Investments include beneficial interests in trusts. A beneficial interest in a limited-term or perpetual trust represents resources neither in the possession of, nor under the control of the College, but held and administered by an outside fiscal agent, with the College deriving income from the trust. Assets of the Smith Students' Aid Society, Inc. ("SSAS"), the Smith College Club of New York City, and the Five College Consortium, which are not part of Smith College, are invested with the College's pooled investments. Assets of AASC are also invested with the College's pooled investments and are included in these consolidated statements.

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

- | | |
|---------|--|
| 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 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 investments reported at NAV as practical expedient are not required to be categorized in the fair value hierarchy.

Property, Plant and Equipment

Property, plant and equipment, which includes land, land improvements, buildings and equipment, rare books and works of art are recorded at cost at acquisition or fair value at date of donation. Smith discontinued the capitalization of library books in the period ended June 30, 2019. Library books capitalized in previous periods will be depreciated over their remaining useful lives. In 2025 the College placed into service heating and cooling equipment with useful lives that are longer than those used historically for equipment. The College continues to assess the useful lives it assigns to equipment to ensure they are adequate. Depreciation is recognized using the straight-line method over the useful lives of the assets.

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Asset Retirement Obligation

An asset retirement obligation ("ARO") is a conditional legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the College records period-to-period changes in the ARO liability resulting from the passage of time, new laws and regulations, and revisions to either the timing or amounts of the original estimate of undiscounted cash flows. Upon settlement of the obligation, any difference between the cost to settle the ARO and the liability recorded will be recognized in the statements of activities as an expense.

Estimates

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The College's significant estimates include the fair value of its investments, its valuation of contributions receivable, recognition of its conditional asset retirement obligations, interest rate swap agreements, and other accruals for expenses incurred which will be settled in the future. Actual results could differ from estimates.

Tax Status

The College is an organization described under Internal Revenue Code ("IRC") Section 501(c)(3) and is generally exempt from federal and state income taxes under Section 501(a) of the Code and applicable state laws. The College believes it has taken no significant uncertain tax positions.

The Tax Cuts and Jobs Act (the "Act") was enacted on December 22, 2017. The Act impacts the College in several ways, including new excise taxes on executive compensation and net investment income, increases to unrelated business taxable income ("UBTI") by the amount of certain fringe benefits for which a deduction is not allowed, changes to the net operating loss rules, repeal of the alternative minimum tax ("AMT"), and the computation of UBTI separately for each unrelated trade or business. Further, the Act reduces the U.S. federal corporate tax rate and federal corporate unrelated business income tax rate from 35% to 21%.

For the tax year ended June 30, 2025 and 2024, the College made a reasonable estimate of the effect of the net investment income excise tax on deferred tax balances due, if any. The College continues to evaluate the impact of tax reform on the organization.

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

2. Liquidity and Available Resources

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

	2025	2024
Cash and cash equivalents	\$ 13,308	\$ 18,013
Contributions, notes, and accounts receivable, net	3,382	6,641
Working capital investments	71,907	69,671
Next fiscal year endowment appropriation	136,959	141,532
Total financial assets available within one year	<u>\$ 225,556</u>	<u>\$ 235,857</u>

The College maintains \$100 million in lines of credit accessible for short-term liquidity needs. This amount is comprised of three separate lines of credit, \$20 million of which matured on September 1, 2025, \$50 million will mature on December 19, 2025, and \$30 million will mature on May 29, 2026. The College did not have any balances outstanding under its lines of credit as of June 30, 2025 or 2024. Additionally, the College has board-designated endowment funds (in thousands) of \$541,562 as of June 30, 2025. Although the College does not intend to spend from its board-designated endowment funds other than amounts appropriated for operation, amounts could be made available if necessary.

The College's cash flows have seasonal variations attributable to the timing of tuition billing and contributions received. To manage liquidity, the College maintains a working capital portfolio conservatively invested across three tiers, the amounts and duration of which correspond with the projected liquidity need. The first tier in cash and cash equivalents, tier two in mid-term high-quality fixed income, and tier three co-invested with the long-term investment portfolio.

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

3. Receivables, Net and Other Assets

Receivables, net and other assets consist of the following items at June 30 (in thousands):

	2025	2024
Contributions expected to be collected within		
One year	\$ 5,264	\$ 16,445
One to five years	4,559	4,297
Over five years	1,540	1,500
Less: Discount (0.3% to 4.5%)	(533)	(489)
Less: Allowance for uncollectibles	(400)	(500)
	<u>10,430</u>	<u>21,253</u>
Grants receivable	1,860	1,758
Charitable trusts	32,976	34,891
Less: Discount (0.9% to 6.0%)	(9,475)	(9,734)
	<u>23,501</u>	<u>25,157</u>
Students, employees, other receivables	4,939	1,656
Student loans	4,422	4,669
Employee loans and mortgages	3,799	3,914
Less: Provision for expected credit losses	(2,926)	(3,007)
	<u>10,234</u>	<u>7,232</u>
Other assets	14,259	14,450
	<u>\$ 60,284</u>	<u>\$ 69,850</u>

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

4. Fair Value

The College's assets and liabilities as of June 30, 2025 that are measured at fair value on a recurring basis are summarized in the following table by their fair value hierarchy (in thousands):

	Total	Level 1	Level 2	Level 3	Investments Measured at NAV
Assets					
Investments					
Money Market	\$ 56,883	\$ 56,883	\$ -	\$ -	\$ -
U.S. Treasuries and U.S. Treasury Funds	133,525	-	133,525	-	-
U.S. Equity Securities	468	468	-	-	-
Global Public Equities	776,836	17,614	-	-	759,222
Absolute Return Funds	620,070	2	-	-	620,068
Private Equity Funds	135,049	-	-	-	135,049
Venture Capital Funds	46,235	-	-	-	46,235
Real Asset Funds	33,296	8,958	-	-	24,338
Multi-strategy Funds	1,089,233	-	-	-	1,089,233
Third-Party Perpetual Trusts	27,413	-	2,008	25,405	-
Total long-term investments	2,919,008	83,925	135,533	25,405	2,674,145
Short-term investments					
U.S. Treasuries and U.S. Treasury Funds	80,594	48,594	32,000	-	-
Fixed Income Funds	26,244	26,244	-	-	-
Total short-term investments	106,838	74,838	32,000	-	-
	\$ 3,025,846	\$ 158,763	\$ 167,533	\$ 25,405	\$ 2,674,145

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The College's assets and liabilities as of June 30, 2024 that are measured at fair value on a recurring basis are summarized in the following table by their fair value hierarchy (in thousands):

	Total	Level 1	Level 2	Level 3	Investments Measured at NAV
Assets					
Investments					
Money Market	\$ 47,385	\$ 47,385	\$ -	\$ -	\$ -
U.S. Treasuries and U.S. Treasury Funds	182,322	-	182,322	-	-
U.S. Equity Securities	461	461	-	-	-
Global Public Equities	688,240	1	-	-	688,239
Absolute Return Funds	626,467	5,910	-	-	620,557
Private Equity Funds	82,112	-	-	-	82,112
Venture Capital Funds	27,140	-	-	-	27,140
Real Asset Funds	27,668	12,189	-	-	15,479
Multi-strategy Funds	1,085,212	-	-	-	1,085,212
Third-Party Perpetual Trusts	25,073	-	1,650	23,423	-
Total long-term investments	2,792,080	65,946	183,972	23,423	2,518,739
Short-term investments					
U.S. Treasuries and U.S. Treasury Funds	119,011	88,884	30,127	-	-
Fixed Income Funds	25,734	25,734	-	-	-
Total short-term investments	144,745	114,618	30,127	-	-
	\$ 2,936,825	\$ 180,564	\$ 214,099	\$ 23,423	\$ 2,518,739

Detailed redemption restrictions on the College's investments as of June 30, 2025 are as follows (in thousands):

	2025						Total
	Daily	Monthly	Quarterly	Semi-Annually	Annually	Illiquid	
Money Market	\$ 56,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,883
U.S. Treasuries and U.S. Treasury Funds	133,525	-	-	-	-	-	133,525
U.S. Equity Securities	468	-	-	-	-	-	468
Global Public Equities	17,614	336,762	205,065	123,004	94,391	-	776,836
Absolute Return Funds	53,537	-	307,670	211,540	47,323	-	620,070
Private Equity Funds	-	-	-	-	-	135,049	135,049
Venture Capital Funds	-	-	-	-	-	46,235	46,235
Real Asset Funds	8,958	-	-	-	-	24,338	33,296
Multi-strategy Funds	-	-	-	-	-	1,089,233	1,089,233
Third-Party Perpetual Trusts	-	-	-	-	-	27,413	27,413
	\$ 270,985	\$ 336,762	\$ 512,735	\$ 334,544	\$ 141,714	\$ 1,322,268	\$ 2,919,008

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

Detailed redemption restrictions on the College's investments as of June 30, 2024 are as follows (in thousands):

				2024				
	Daily	Monthly	Quarterly	Semi-Annually	Annually	Illiquid	Total	
Money Market	\$ 47,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,385	
U.S. Treasuries and U.S. Treasury Funds	150,844	-	-	-	-	31,478	182,322	
U.S. Equity Securities	461	-	-	-	-	-	461	
Global Public Equities	1	253,761	195,801	54,531	184,146	-	688,240	
Absolute Return Funds	5,910	-	358,519	-	216,871	45,167	626,467	
Private Equity Funds	-	-	-	-	-	82,112	82,112	
Venture Capital Funds	-	-	-	-	-	27,140	27,140	
Real Asset Funds	12,189	-	-	-	-	15,479	27,668	
Multi-strategy Funds	-	-	-	-	-	1,085,212	1,085,212	
Third-Party Perpetual Trusts	-	-	-	-	-	25,073	25,073	
	\$ 216,790	\$ 253,761	\$ 554,320	\$ 54,531	\$ 401,017	\$ 1,311,661	\$ 2,792,080	

The limitations and restrictions on the College's ability to redeem or sell investments vary by investment and range from none for publicly traded securities, to required notice periods (generally 30 to 90 days after initial lock-up periods) for certain hedge funds, to dependency on the disposition of portfolio positions and return of capital by the investment manager for private equity, venture capital, commodity fixed income related, and real estate limited partnership interests. Investments without restriction generally do not require any notice prior to withdrawal.

The "illiquid" category is related to private equity, real estate, and certain limited partnership investments, where the College cannot redeem the investment until it is sold and the monies are distributed by the fund manager.

At June 30, 2025 and 2024, the College's remaining outstanding commitments to private equity partnerships totaled \$505.4 million and \$567.3 million, respectively, based 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 private equity partnerships have varying terms. As of June 30, 2025 and 2024, the average remaining life of the private equity partnerships were unknown and dependent on the dissolution of the partnerships or the liquidation of the underlying investments.

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

The following tables present the College's activity for the fiscal years ended June 30, 2025 and 2024, for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in thousands):

	Fair Value			Realized	Unrealized	Fair Value
	Beginning				(Losses)	
2025	of Year	Acquisitions	Dispositions	Gains	Gains	End of Year
Third-party perpetual trusts and other	\$ 23,423	\$ 250	\$ (20)	\$ -	\$ 1,752	\$ 25,405
	<u>\$ 23,423</u>	<u>\$ 250</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ 1,752</u>	<u>\$ 25,405</u>

	Fair Value			Realized	Unrealized	Fair Value
	Beginning				(Losses)	
2024	of Year	Acquisitions	Dispositions	Gains	Gains	End of Year
Third-party perpetual trusts and other	20,621	\$ 1,021	\$ (570)	\$ -	\$ 2,351	\$ 23,423
	<u>\$ 20,621</u>	<u>\$ 1,021</u>	<u>\$ (570)</u>	<u>\$ -</u>	<u>\$ 2,351</u>	<u>\$ 23,423</u>

Within each asset class, the College achieves diversification through allocations to several investment strategies and market capitalizations. The College had outsourced its investment office through December 31, 2021. This outsourced investment office has established private fund vehicles to facilitate the management of its clients' accounts. The College brought the investment office in house as of January 1, 2022 and as a result, is steadily divesting its investments in these private fund investments. These private fund investments represent 38% and 45% of the College's investments at June 30, 2025 and 2024, respectively.

The College enters into derivative instruments such as futures for trading purposes. The College may enter into equity or index option contracts to speculate on the price movements of the financial instrument or index underlying the option.

Index future contracts are included in long-term investments on the statements of financial position. At June 30, 2025, the College held certain index future contracts with an unrealized gain of \$0.5 million and pledged collateral on the index futures contracts of \$5.9 million. At June 30, 2024, the College held certain index future contracts with an unrealized gain of \$0.004 million and pledged collateral on the index futures contracts of \$0.5 million.

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

The fair market value of investment derivatives held by the fund at June 30, are summarized in the following tables (in thousands):

2025			
	Long Notional	Short Notional	Unrealized Gain
Instrument type			
Index futures contracts	14,025	-	492
	<u>\$ 14,025</u>	<u>\$ -</u>	<u>\$ 492</u>

2024			
	Long Notional	Short Notional	Unrealized Gain
Instrument type			
Index futures contracts	1,563	-	4
	<u>\$ 1,563</u>	<u>\$ -</u>	<u>\$ 4</u>

As of June 30, 2025 and 2024, there were 52 and 11 open futures contracts, respectively. The volume of futures is based on the quarterly number of contracts held during the year. The average number of contracts for futures were 156 as of June 30, 2025.

Investment income and gains on the College's long-term investments are summarized below (in thousands):

	2025	2024
Interest and Dividends, net of fees	\$ 20,479	\$ 21,999
Realized and unrealized gains	<u>239,430</u>	<u>191,513</u>
	<u>\$ 259,909</u>	<u>\$ 213,512</u>

The total return as presented in the statements of activities is summarized below (in thousands):

	2025	2024
Without donor restrictions – operating	\$ 5,312	\$ 7,819
Without donor restrictions – nonoperating	62,131	51,236
With donor restrictions – nonoperating	<u>192,466</u>	<u>154,457</u>
	<u>\$ 259,909</u>	<u>\$ 213,512</u>

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

5. Endowment Funds

The College's endowment consists of approximately 2,390 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-endowment).

The College manages the endowment portfolio to provide significant, stable support to the College's annual operating budget and to preserve the inflation-adjusted value of the endowment to support the College's future activities. Furthermore, the endowment will provide sufficient liquidity to meet such needs on a timely basis. Asset allocation parameters are established for investments with lock-up periods. The strategy allows for a significant allocation to equity-oriented investments offering long-term capital appreciation, diversified across asset classes and managers. The College compares the performance of its endowment against several benchmarks.

The College's Board of Trustees approves the annual spending distribution per unit. Units are assigned or eliminated when gifts and transfers enter or exit the investment pool, based on the then market value of a unit in the pool. The pool is valued monthly. The endowment spending policy targets a long-term spending rate of 4.75%. Endowment spending in a given year is equal to 80% of the previous year's spending plus 20% of the target long-term spending rate applied to the fair value at the start of the prior year, adjusted for inflation. The approved spending must be at least 4% but not more than 6%.

The College has interpreted the Massachusetts enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the College to appropriate for expenditure or accumulate so much of an endowment fund as 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. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditure. 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
- Investment policy of the College

As a result of market declines, the fair value of certain donor-restricted endowments may fall below original contributed value. As of June 30, 2025, funds (in thousands) with an original gift value of \$2,955 were under water by \$30. As of June 30, 2024, funds (in thousands) with an original gift value of \$13,434 were under water by \$469. These unrealized losses were recorded in net assets with donor restriction. Future market gains will be used to restore this reduction in net assets.

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

Changes in endowment funds for the fiscal years ended June 30, 2025 and 2024 were as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Balances June 30, 2024	\$ 518,006	\$ 2,046,117	\$ 2,564,123
Interest and dividends, net of fees	2,499	9,794	12,293
Realized and unrealized gains	45,143	179,568	224,711
Contributions and transfers	2,914	39,798	42,712
Distributions	(27,000)	(107,309)	(134,309)
Balances June 30, 2025	<u>\$ 541,562</u>	<u>\$ 2,167,968</u>	<u>\$ 2,709,530</u>

	Without Donor Restrictions	With Donor Restrictions	Total
Balances June 30, 2023	\$ 504,152	\$ 1,966,264	\$ 2,470,416
Interest and dividends, net of fees	2,162	8,433	10,595
Realized and unrealized gains	36,356	143,480	179,836
Contributions and transfers	1,671	30,870	32,541
Distributions	(26,335)	(102,930)	(129,265)
Balances June 30, 2024	<u>\$ 518,006</u>	<u>\$ 2,046,117</u>	<u>\$ 2,564,123</u>

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

6. Property, Plant and Equipment, Net

Property, plant and equipment at June 30 (in thousands):

	Useful Lives	2025	2024
Land	—	\$ 9,924	\$ 9,290
Land improvements	10–30 years	19,582	19,033
Buildings and building improvements	5–50 years	955,808	894,148
Works of art	100 years	81,664	79,754
Library books	15 years	59,971	59,934
Equipment	5–25 years	39,995	36,636
Right of use asset, net	various	2,752	3,051
		<u>1,169,696</u>	<u>1,101,846</u>
Accumulated depreciation		<u>(497,221)</u>	<u>(468,252)</u>
		672,475	633,594
Construction in progress		<u>146,396</u>	<u>98,076</u>
		<u>\$818,871</u>	<u>\$ 731,670</u>
Depreciation expense		\$ 28,969	\$ 24,055
Capitalized interest		2,458	942

7. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following items at June 30 (in thousands):

	2025	2024
General payables	\$ 16,155	\$ 12,516
Facilities, construction, repairs	12,808	22,224
Accrued interest	4,787	7,362
Payroll related	5,425	4,566
Compensated absences	5,521	5,516
	<u>\$ 44,696</u>	<u>\$ 52,184</u>

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

8. Split Interest Agreements

Split interest agreements consist of the following at June 30 (in thousands):

	Annuities (Held by College)		Split Interest (College Trustee)		Split Interest (Outside Trustee)	
	2025	2024	2025	2024	2025	2024
Assets						
Cash/investments	\$ 44,842	\$ 41,675	\$ 10,057	\$ 9,421	\$ -	\$ -
Contributions receivable (net)	-	-	-	-	23,501	25,157
Obligation	(18,558)	(16,916)	(4,483)	(4,546)	-	-
	<u>\$ 26,284</u>	<u>\$ 24,759</u>	<u>\$ 5,574</u>	<u>\$ 4,875</u>	<u>\$ 23,501</u>	<u>\$ 25,157</u>
Net assets						
Without donor restrictions	\$ 7,723	\$ 7,199	\$ -	\$ -	\$ -	\$ -
With donor restrictions	18,561	17,560	5,574	4,875	23,501	25,157
	<u>\$ 26,284</u>	<u>\$ 24,759</u>	<u>\$ 5,574</u>	<u>\$ 4,875</u>	<u>\$ 23,501</u>	<u>\$ 25,157</u>

Split interest assets, obligations and net assets result from annuity and split interest agreements, which are primarily irrevocable charitable remainder agreements. The College holds the assets for those classified as annuities and split interest agreements for which the College is trustee. The assets are reported as investments at their fair value. The College records contribution revenue for the gift portion and a liability for the present value of the estimated future payments to be made to the beneficiaries. For split interest agreements held by outside trustees the College recognizes the net realizable value as a contribution receivable. Adjustments during the term of the agreements are made for changes in the value of the assets, amortization of the discount and other changes in the estimates of future benefits.

9. Deferred Income, Deposits, and Agency Funds

Deferred income, deposits, and agency funds consist of the following items at June 30 (in thousands):

	2025	2024
Deferred income	\$ 7,245	\$ 6,473
Library annex	6,388	6,538
Smith Students' Aid Society	6,920	6,741
Lease liability	2,978	3,258
Perkins loan program	48	79
Student deposits	142	127
Other deposits	6,082	5,771
	<u>\$ 29,803</u>	<u>\$ 28,987</u>

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

10. Bonds and Mortgages Payable, Interest Rate Swap Agreements and Lines of Credit

The College has the following general long-term obligations at June 30 (in thousands)

Bond Series	Final Year of Maturity	Interest Rates	2025	2024
Massachusetts Development Finance Agency				
2007A	2037	3.60%	\$ 72,960	\$ 72,960
The Trustees of the Smith College				
2015	2035	4.47%	-	40,000
2015	2045	4.62%	56,940	152,000
2020A	2060	2.86%	20,000	20,000
2020B	2061	2.86%	80,000	80,000
2022A	2052	3.01%	100,000	100,000
2022B	2062	3.14%	50,000	50,000
2025A	2035	5.00%	75,065	-
2025B	2045	4.00%	<u>48,735</u>	<u>-</u>
			503,700	514,960
Unamortized premium (discount)			11,815	(810)
Unamortized debt issuance cost			<u>(866)</u>	<u>(427)</u>
Bonds payable			514,649	513,723
Mortgages payable	2040	3.00%	<u>1,316</u>	<u>1,384</u>
			<u>\$ 515,965</u>	<u>\$ 515,107</u>

On July 1, 2015, the College issued taxable bonds in the amount of \$192 million. The proceeds were utilized to redeem prior borrowings and related interest rate swap agreements. In addition, remaining proceeds of \$100.9 million were intended to finance various capital projects, operating costs, investments and other activities. On February 10, 2025, \$135.1 million of these bonds were redeemed through refinancing.

On January 29, 2016, the College converted its Series 2007 bonds to direct bank loans (Series 2007A with TD Bank, National Association, and Series 2007B with Century Subsidiary Investments, Inc. III, now Eastern Bank) from variable rate demand obligations with a weekly tender feature. On March 15, 2023 the College consolidated these bank loans which are now held exclusively with TD Bank, National Association.

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

On September 30, 2020 the College issued a taxable private placement loan for \$100 million at a fixed rate of 2.86% with the full principal payment due at maturity. These funds were drawn in two tranches during fiscal year 2021.

On February 23, 2022 the College issued a taxable private placement loan in the amount of \$150 million with the full principal payment due at maturity. The first \$100 million, of two tranches, was drawn during fiscal year 2022 at a fixed rate of 3.01%. The remaining \$50 million was drawn during fiscal year 2023 at a fixed rate of 3.14%.

On February 10, 2025 the College refinanced a portion of its 2015 bond series through the issuance of its 2025 series. The 2025 series was issued in the amount of \$123.8 million, the proceeds of which were used exclusively to redeem prior borrowings.

Future principal payments on bonds and mortgage payable are summarized as follows (in thousands):

	Principal Payments
Fiscal Year	
2026	70
2027	72
2028	74
2029	76
2030	78
Thereafter	504,646
	<u>\$ 505,016</u>

On June 5, 2020, the College entered into a working capital line of credit in the amount of \$30 million with Bank of America, N.A., which renews annually and currently matures on May 29, 2026. There is no outstanding balance, nor has the College drawn on the line, as of June 30, 2025 or 2024.

On July 10, 2020, the College entered into a working capital line of credit in the amount of \$20 million with Eastern Bank (formerly Century Bank), which matures on September 1, 2025. There is no outstanding balance, nor has the College drawn on the line, as of June 30, 2025 or 2024.

On December 22, 2021, the College entered into a working capital line of credit in the amount of \$100 million with Bank of America, N.A., which renews annually. On December 22, 2024 this line was renewed for a reduced amount of \$50 million which will mature on December 19th 2025. During 2025, the College drew \$50 million on the line of credit, which was repaid in its entirety during the year. During 2024, the College drew \$10 million on the line of credit, which was repaid in its entirety during the year. There was no outstanding balance as of June 30, 2025 or 2024.

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

11. Net Assets

Net assets at June 30, 2025, are as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	\$ 541,562	\$ 2,167,968	\$ 2,709,530
Split interest agreements	7,723	47,636	55,359
Plant funds	290,729	-	290,729
Loan funds	-	10,522	10,522
Other funds	148,537	64,542	213,079
	<u>\$ 988,551</u>	<u>\$ 2,290,668</u>	<u>\$ 3,279,219</u>

Net assets at June 30, 2024, are as follows (in thousands):

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment	\$ 518,006	\$ 2,046,117	\$ 2,564,123
Split interest agreements	7,199	47,592	54,791
Plant funds	294,962	-	294,962
Loan funds	-	10,931	10,931
Other funds	123,566	65,647	189,213
	<u>\$ 943,733</u>	<u>\$ 2,170,287</u>	<u>\$ 3,114,020</u>

Endowment return appropriated were as follows (in thousands):

	2025	2024
Scholarship	\$ 52,445	\$ 49,871
Instruction	28,523	27,859
General operating	27,196	26,217
Program support	18,593	17,979
Arts and library	7,552	7,339
	<u>\$ 134,309</u>	<u>\$ 129,265</u>

Smith College
Notes to Consolidated Financial Statements
June 30, 2025 and 2024

12. Functional Expenses

The statements of activities present expenses by natural classification. The College also summarizes its expenses by functional classification. The College's primary program service is academic instruction and research. Expenses reported as student services and auxiliary enterprises are incurred in support of this primary program activity.

Operation and maintenance of plant and depreciation expense for land improvements and buildings are allocated based on square footage. Depreciation expense for equipment is allocated to functional classifications based on the functional classifications of the departments in which the equipment is located, and depreciation expense for collections is allocated to the academic support functional classification.

Functional expenses for the year ended June 30, 2025, are as follows (in thousands):

	Instruction	Academic Support	Student Services	Auxiliary Enterprises	Institutional Support	Total
Salaries and wages	\$ 57,908	\$ 18,497	\$ 17,394	\$ 13,265	\$ 28,421	\$ 135,485
Employee benefits	19,108	5,982	5,344	3,997	7,597	42,028
Supplies, services, other	20,808	11,639	9,624	11,001	24,365	77,437
Depreciation and amortization	6,853	8,532	2,723	7,418	4,602	30,128
Interest	4,423	2,993	2,213	6,549	1,226	17,404
Utilities	<u>2,537</u>	<u>1,713</u>	<u>1,249</u>	<u>4,017</u>	<u>699</u>	<u>10,215</u>
	<u>\$ 111,637</u>	<u>\$ 49,356</u>	<u>\$ 38,547</u>	<u>\$ 46,247</u>	<u>\$ 66,910</u>	<u>\$ 312,697</u>

Functional expenses for the year ended June 30, 2024, are as follows (in thousands):

	Instruction	Academic Support	Student Services	Auxiliary Enterprises	Institutional Support	Total
Salaries and wages	\$ 55,465	\$ 17,580	\$ 16,992	\$ 12,814	\$ 27,643	\$ 130,494
Employee benefits	18,194	5,565	5,189	3,838	5,442	38,228
Supplies, services, other	20,082	13,652	10,185	11,575	21,795	77,289
Depreciation and amortization	5,738	8,291	2,673	5,831	2,649	25,182
Interest	4,811	2,864	2,713	6,947	846	18,181
Utilities	<u>2,377</u>	<u>1,413</u>	<u>1,322</u>	<u>3,675</u>	<u>415</u>	<u>9,202</u>
	<u>\$ 106,667</u>	<u>\$ 49,365</u>	<u>\$ 39,074</u>	<u>\$ 44,680</u>	<u>\$ 58,790</u>	<u>\$ 298,576</u>

Smith College

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

13. Retirement Plan

The College has a defined contribution retirement plan for substantially all of its employees who are eligible to participate after meeting certain eligibility requirements. The College's contributions to the plan are based upon a percentage of salaries. The College's contributions to the plan for the fiscal year ended June 30, 2025 and 2024 were \$11.9 million and \$11.2 million, respectively. The College also provides health and dental insurance benefits for eligible retired employees between the ages of 62 and 65. The College recognized an accrued postretirement benefit obligation of \$0.5 million at both June 30, 2025 and 2024, respectively.

14. 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 has a written conflict of interest policy that requires annual reporting by each Trustee, as well as senior management. This policy includes, among other things, that no member of the Board of Trustees can participate in any decision in which they (or an immediate family member) have a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict.

The College receives contributions and gifts from members of its Board of Trustees.

The College has long-term investments that would meet the requirement for equity method of accounting if the fair value option was not elected. The College does not consider these long-term investments to be related parties as the College is a passive investor and does not exercise significant influence.

The College has a second mortgage program for full-time senior administrative staff and faculty for up to \$75,000 or 35% of the purchase price, whichever is less. Repayments on the loan are made by salary deduction and must be repaid in full within 30 days of termination of employment from the College.

As discussed in Footnote 1, assets of SSAS, Smith College Club of New York City and the Five College Consortium, which are not part of Smith College, are invested with the College's pooled investments. Assets of AASC are also invested with the College's pooled investments and are included in these consolidated financial statements. It is noted that none of these assets are material to these consolidated financial statements.

15. Subsequent Events

The College evaluated subsequent events for potential recognition or disclosure through October 27, 2025, the date on which the consolidated financial statements were issued. On July 4, 2025, the One Big Beautiful Bill Act (the "OBBB") was enacted. The OBBB impacts the College in several ways, including changes to excise taxes on executive compensation and net investment income. Under the OBBB, the College will likely no longer qualify for the tax on net investment income, effective for the College's fiscal year 2027. The College is currently evaluating the potential impact of the OBBB on the consolidated financial statements.