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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2012

Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 07-01-2012 , 2012, and ending 06-30-2013

B Check if applicable
- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

C Name of organization
HILLSDALE COLLEGE

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
33 E College Street

City or town, state or country, and ZIP + 4
Hillsdale, MI 49242

D Employer identification number
38-1374230

E Telephone number
(517) 437-7341

G Gross receipts $ 212,948,032

F Name and address of principal officer
Larry P Arnn
Hillsdale College
33 East College Street
Hillsdale, MI 49242

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www hillsdale edu

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1844 **M** State of legal domicile MI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
See Schedule O

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	35
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	32
5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	1,784
6	Total number of volunteers (estimate if necessary)	6	750
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,524,962
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	46,877,592	149,194,829
	9	Program service revenue (Part VIII, line 2g)	41,160,935	43,279,711
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,464,226	17,050,709
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,483,196	2,755,442
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	103,985,949	212,280,691
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	16,503,286	18,034,260
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	39,877,264	37,152,263
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶17,883,611		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	45,403,190	49,359,615
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	101,783,740	104,546,138
	19	Revenue less expenses Subtract line 18 from line 12	2,202,209	107,734,553

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	657,330,082	784,118,011
	21	Total liabilities (Part X, line 26)	113,748,165	117,557,260
	22	Net assets or fund balances Subtract line 21 from line 20	543,581,917	666,560,751

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer	2014-02-14 Date
▶ Patrick Flannery Treasurer Type or print name and title	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III . . . . ☑

1 Briefly describe the organization's mission

See Schedule O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 35,658,346 including grants of $ 0) (Revenue $ 19,414,824)

STUDENT INSTRUCTION - Hillsdale College boasts a curriculum as extraordinary as its history At the center of this curriculum is the core - the set of courses that each student takes, and that all students share The idea behind a core curriculum is that all men and women, in order to be well-rounded individuals and good citizens, should share a certain core knowledge and understanding Hillsdale's core curriculum contains the essence of the classical liberal arts education Through it, our students are introduced to the history, the philosophical and theological ideas, the works of literature and the scientific discoveries that set Western Civilization apart Students of the liberal arts learn to think well, communicate effectively and observe intelligently the workings of the physical world Behind the idea of the liberal arts is the idea that truth is the basis of knowledge Knowledge based on truth leads to caring about virtue and caring about virtue allows us to be truly free The opposite idea - the idea that freedom simply means the ability to follow our appetites and passions - is what the Founders of America condemned as "license " A liberal arts education teaches us to distinguish liberty from license America's Founders, following the greatest thinkers of our Western heritage, teach us that a people who confuse liberty and license will not be capable of maintaining free government Thus, liberal arts education is not only essential for us to fulfill our individual potential, but it is also necessary for the preservation of free society Hillsdale's faculty is the key to its academic excellence We seek and attract faculty who are devoted, above all, to their students They are serious about learning They are dedicated to the search for truth They are in the fullest sense of the term, a "teaching" faculty Hillsdale College offers 32 traditional majors, seven interdisciplinary majors, nine pre-professional programs and a certificate program in journalism Students at Hillsdale are prepared to become leaders worthy of their heritage They come to understand what it means to deserve freedom and what it takes to preserve it They come to appreciate their debt to their forebears for the blessings of liberty that they enjoy, and to recognize their duty to their children to pass those blessings on

4b (Code) (Expenses $ 17,759,260 including grants of $ 17,759,260) (Revenue $ 9,831,702)

STUDENT SCHOLARSHIPS AND GRANTS - Hillsdale College follows its historic mission to provide "all persons who wish, irrespective of nation, color, or sex, a literary and scientific education," as it has since it was founded in 1844, independently, without the strings and entanglements that come with government subsidies It is famous for its refusal to accept federal taxpayer funding, even in the form of federal student aid In 1984, the Supreme Court handed down a decision in the case of "Grove City v Bell" that threatened Hillsdale College's independence The Court ruled that any educational institution with even one student who received federal aid would be considered an "indirect recipient institution" and thereby subject to federal regulations Hillsdale's Board of Trustees acted swiftly and decisively to uphold the school's longstanding mission They notified the Department of Education that Hillsdale College would not accept federal tuition assistance for its students, but would replace it with privately funded scholarships and grants Hillsdale College is unique in this respect among American institutions of higher learning In the fall of 1985, Hillsdale College's Student Independence Grant and Loan Fund was established It continues to this day, assisting hundreds of deserving students each year who desire a rigorous classical liberal arts education The net cost of replacing federal financial aid since 1985 exceeds $78 million Over $18 million will be awarded in privately funded scholarships and grants during the 2013/2014 academic year Over $5 5 million of this total is direct replacement of the federal and state grants, scholarships that Hillsdale students would receive at nearly every other college or university in the nation Approximately 90 percent of Hillsdale students qualify for and receive financial assistance

4c (Code) (Expenses $ 8,218,191 including grants of $ 0) (Revenue $ 475,136)

STUDENT SERVICES - An integral part of the Hillsdale College experience is our student service area The first encounter is with our Admissions Office which had a 19% increase in applicants from the previous year and each year the competition for admission to Hillsdale is increasing As the result Hillsdale is able to be more selective in their acceptance of students Our fall 2012 freshman class of 387 students joined a current student body (total enrollment 1450) representing 47 states and 8 foreign countries Further, an average ACT composite score of 29 and 1980 on the SAT is indicative of the high quality of student Hillsdale is recruiting Hillsdale is not just about life in the classroom Because preparation for leadership is one of Hillsdale's primary goals, some of the most important lessons can be learned outside the classroom Whether it is athletics, student government, volunteer opportunities, Greek life or the fine and performing arts, students are involved in a variety of co-curricular activities The GOAL (Great Opportunities for Assistance and Leadership) program is Hillsdale's primary volunteer program Through it, our students dedicated over 20,000 hours of service in the local community and surrounding region during the past year Activities include tutoring, mentoring, basic living assistance and simple companionship Nearly one-third of Hillsdale's student body is involved in one of our seven national fraternities and sororities These Greek chapters encourage philanthropic activities, develop leadership skills and provide a special opportunity to form lifelong friendships Hillsdale's placement record for graduating seniors has averaged 96 3 percent over the past three years with the most recent class (spring 2013) having a 98% placement rate within six months of graduation including 23% attending graduate or professional school

(Code) (Expenses $ 15,418,721 including grants of $ 0) (Revenue $ 18,402,728)

These additional program service expenses include, but are not limited to auxiliary services (bookstore, residential, dining), and plant and maintenance of campus grounds and buildings

4d Other program services (Describe in Schedule O)

(Expenses $ 15,418,721 including grants of $ 0) (Revenue $ 18,402,728)

4e **Total program service expenses** ▶ 77,054,518

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6	Yes	
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	Yes	
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	Yes	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		No
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13	Yes	
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	Yes	
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		

Part IV **Checklist of Required Schedules** *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	Yes	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part III*	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	Yes	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . ☐

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1a	2,211			
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	4			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	1,784			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			2b	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	Yes	
b	If "Yes," enter the name of the foreign country ▶BD , CJ , EI , VQ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?			6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	Yes	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	2			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?			7g		No
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?			7h		No
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O			13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b				
c	Enter the amount of reserves on hand	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			14a		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*			14b		

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . .	1a 35			
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O				
b	Enter the number of voting members included in line 1a, above, who are independent . . .	1b 32			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . .		2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? .		3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . .		4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		No
6	Did the organization have members or stockholders? . . .		6		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . .		7a		No
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . .		7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body? . . .		8a	Yes	
b	Each committee with authority to act on behalf of the governing body? . . .		8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O* . . .		9		No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . .	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . .	11a		No
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . .			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13* . . .	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . .	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done* . . .	12c	Yes	
13	Did the organization have a written whistleblower policy? . . .	13		No
14	Did the organization have a written document retention and destruction policy? . . .	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official . . .	15a	Yes	
b	Other officers or key employees of the organization . . .	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . .	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . .	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed▶

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you made these available Check all that apply

☐ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
▶Patrick H Flannery Hillsdale College 33 East College Street Hillsdale, MI (517) 437-7341

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . .

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee) Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations

		(D)	(E)	(F)
1b	Sub-Total . . . . ▶			
c	Total from continuation sheets to Part VII, Section A . . . . ▶			
d	Total (add lines 1b and 1c) . . . . ▶	2,365,848	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶53

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Rebecca Hagelin Communications & Marketing LLC 4572 25th Road North Arlington VA 22207	consulting/marketing	3,864,970
The Cyril Scott Company Inc P O Box 310 Lancaster OH 43130	printing/mailing	2,600,176
American Target Advertising 9625 Surveyor Court Suite 400 Manassas VA 20110	printing/mailing	2,269,771
Associated Printing Productions Inc 13925 NW 60th Avenue Miami Lakes FL 33014	printing/postage	1,972,492
Scantech LL Corporation 2166 Kurtz Road Holly MI 48442	software engineering	1,667,513

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶26

Part VIII Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII . . . . ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . .	1a 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations . . .	1d 0				
	e	Government grants (contributions)	1e 0				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 149,194,829				
	g	Noncash contributions included in lines 1a-1f $	10,549,636				
	h	**Total.** Add lines 1a-1f . . . . ▶		149,194,829			
Program Service Revenue			Business Code				
	2a	Tuition and Fees	611310	32,432,285	32,432,285	0	0
	b	Auxiliary Revenue	900099	9,369,221	9,369,221	0	0
	c	Other Auxiliary Revenue	721110	1,478,205	0	1,478,205	0
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f . . . . ▶		43,279,711			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . ▶		6,256,403	6,256,403	0	0
	4	Income from investment of tax-exempt bond proceeds . . ▶		0	0	0	0
	5	Royalties . . . . ▶		0	0	0	0
			(i) Real / (ii) Personal				
	6a	Gross rents	33,375 / 0				
	b	Less rental expenses	45,249 / 0				
	c	Rental income or (loss)	-11,874 / 0				
	d	Net rental income or (loss) . . . . ▶		-11,874	0	-11,874	0
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	10,794,306 / 0				
	b	Less cost or other basis and sales expenses	0 / 0				
	c	Gain or (loss)	10,794,306 / 0				
	d	Net gain or (loss) . . . . ▶		10,794,306	0	0	10,794,306
	8a	Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18 . .	a 0				
	b	Less direct expenses . . .	b 0				
	c	Net income or (loss) from fundraising events . . ▶		0		0	0
	9a	Gross income from gaming activities See Part IV, line 19 . . .	a 90,339				
	b	Less direct expenses . . .	b 23,858				
	c	Net income or (loss) from gaming activities . . . ▶		66,481	66,481	0	0
	10a	Gross sales of inventory, less returns and allowances .	a 1,159,281				
	b	Less cost of goods sold . .	b 598,234				
	c	Net income or (loss) from sales of inventory . . ▶		561,047	0	0	561,047
		Miscellaneous Revenue	Business Code				
	11a	Sports Complex rental/memberships/guests	713940	58,631	0	58,631	0
	b						
	c						
	d	All other revenue		2,081,157	0	0	2,081,157
	e	**Total.** Add lines 11a–11d . . . . . . ▶		2,139,788			
	12	**Total revenue.** See Instructions . . . . . ▶		212,280,691	48,124,390	1,524,962	13,436,510

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX . . . . ☑

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	275,000	275,000		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	17,759,260	17,759,260		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,570,482	332,944	654,499	583,039
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	29,345,605	22,262,203	3,850,343	3,233,059
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,389,720	1,746,979	381,410	261,331
9 Other employee benefits	1,769,576	1,603,384	117,428	48,764
10 Payroll taxes	2,076,880	1,489,442	360,877	226,561
11 Fees for services (non-employees)				
a Management	0	0	0	0
b Legal	265,899	9,546	171,712	84,641
c Accounting	910,409	0	910,409	0
d Lobbying	0	0	0	0
e Professional fundraising services See Part IV, line 17	0			0
f Investment management fees	0	0		0
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	6,516,803	5,687,387	102,817	726,599
12 Advertising and promotion	162,320	84,531	7,377	70,412
13 Office expenses	14,217,153	8,952,598	293,898	4,970,657
14 Information technology	1,417,766	600,499	704,894	112,373
15 Royalties . .	0	0	0	0
16 Occupancy	3,116,685	2,702,125	404,520	10,040
17 Travel	3,442,154	1,831,148	518,591	1,092,415
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	3,366,914	2,004,531	25,634	1,336,749
20 Interest	427,926	0	427,926	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	4,736,577	4,163,010	427,721	145,846
23 Insurance	0	0	0	0
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a Cost of Goods Sold	3,050,131	3,050,131	0	0
b Marketing Expenses	3,985,780	0	0	3,985,780
c Gifts & Awards	298,248	282,168	16,003	77
d				
e All other expenses	3,444,850	2,217,632	231,950	995,268
25 **Total functional expenses.** Add lines 1 through 24e	104,546,138	77,054,518	9,608,009	17,883,611
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response to any question in this Part X . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		217,829	1	408,335
	2	Savings and temporary cash investments		30,688,759	2	33,825,827
	3	Pledges and grants receivable, net		29,302,339	3	89,222,937
	4	Accounts receivable, net		431,892	4	296,718
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		33,162,196	7	33,857,151
	8	Inventories for sale or use		535,745	8	525,615
	9	Prepaid expenses and deferred charges		1,161,733	9	1,616,912
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 185,863,439			
	b	Less accumulated depreciation	10b 64,610,759	114,367,377	10c	121,252,680
	11	Investments—publicly traded securities		142,767,441	11	197,211,820
	12	Investments—other securities See Part IV, line 11		303,558,740	12	304,358,512
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		1,136,031	15	1,541,504
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		657,330,082	16	784,118,011
Liabilities	17	Accounts payable and accrued expenses		25,169,717	17	23,999,937
	18	Grants payable		0	18	0
	19	Deferred revenue		1,927,468	19	2,281,733
	20	Tax-exempt bond liabilities		11,460,000	20	11,165,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		7,883,648	23	15,309,177
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		67,307,332	25	64,801,413
	26	**Total liabilities.** Add lines 17 through 25		113,748,165	26	117,557,260
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		99,407,002	27	108,829,221
	28	Temporarily restricted net assets		131,347,253	28	157,859,474
	29	Permanently restricted net assets		312,827,662	29	399,872,056
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		543,581,917	33	666,560,751
	34	Total liabilities and net assets/fund balances		657,330,082	34	784,118,011

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	212,280,691
2	Total expenses (must equal Part IX, column (A), line 25)	2	104,546,138
3	Revenue less expenses Subtract line 2 from line 1	3	107,734,553
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	543,581,917
5	Net unrealized gains (losses) on investments	5	17,303,648
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-2,059,367
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	666,560,751

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other ____________ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

Additional Data

Software ID: 12000197
Software Version: v1.00
EIN: 38-1374230
Name: HILLSDALE COLLEGE

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
David L Belew Trustee	0 0	X						0	0	0
Gregory C Schuler Trustee	0 0	X						0	0	0
Harvey C Fruehauf Jr Trustee	0 0	X						0	0	0
Hazel Hare Trustee	0 0	X						0	0	0
J Eric Plym Trustee	0 0	X						0	0	0
Jeffrey H Coors Trustee	0 0	X						0	0	0
Joseph H Moss Trustee	0 0	X						0	0	0
Lawrence O Selhorst Trustee	0 0	X						0	0	0
Mark L Johnson Trustee	0 0	X						0	0	0
Michael Bozic Trustee	0 0	X						0	0	0
Patrick L Sajak Trustee	0 0	X						0	0	0
Robert F Kizer Trustee	0 0	X						0	0	0
Stephen A Van Andel Trustee	0 0	X						0	0	0
Thomas N Jordan Jr Trustee	0 0	X						0	0	0
Thomas T Rogers Trustee	0 0	X						0	0	0
William E LaMothe Trustee	0 0	X						0	0	0
William J Brodbeck Chairman of the Board	0 0	X						0	0	0
William S Atherton Trustee	0 0	X						0	0	0
Charles J Luellen Trustee	0 0	X						0	0	0
Jack E Stalsby Trustee	0 0	X						0	0	0
Stephen S Higley Trustee	0 0	X						0	0	0
S Gunnar Klarr Trustee	0 0	X						0	0	0
Kay A Orr Trustee	0 0	X						0	0	0
Thomas A Duke Jr Trustee	0 0	X						0	0	0
Cleves R Delp Trustee	0 0	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position: Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Daniel S Peters Trustee	0 0	X						0	0	0
Bruce C Sanborn Trustee	0 0	X						0	0	0
Fred M Butler Trustee	0 0	X						0	0	0
J Christopher Chocola Trustee	0 0	X						0	0	0
Duane Stranahan Jr Trustee	0 0	X						0	0	0
Charles S McIntyre III Trustee	0 0	X						0	0	0
Stephen M Barney Trustee	40 0	X						0	0	0
Richard E Hunter Trustee	40 0	X						0	0	0
Jean Schiavone Trustee	40 0	X						0	0	0
Larry P Arnn President	40 0			X				777,490	0	0
Richard P Pewe Secretary	40 0			X				140,865	0	0
Patrick H Flannery Treasurer	40 0			X				116,550	0	0
John Cervini Vice President for Institutional Advancement	40 0				X			300,109	0	0
David M Whalen Provost	40 0				X			158,630	0	0
Robert Blackstock Staff	40 0					X		159,167	0	0
Kenneth R Calvert Staff	40 0					X		145,843	0	0
Grigor D Hasted Staff	40 0					X		147,572	0	0
Thomas West Staff	40 0					X		153,768	0	0
Ronald Pestritto Staff	40 0					X		156,902	0	0
H Kenneth Cole Counselor to President	20 0						X	108,952	0	0

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☑ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state ____________

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	**11g(i)**		
(ii) A family member of a person described in (i) above?	**11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	**11g(iii)**		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	**(ii)** EIN	**(iii)** Type of organization (described on lines 1- 9 above or IRC section **(see instructions)**)	**(iv)** Is the organization in col **(i)** listed in your governing document?		**(v)** Did you notify the organization in col **(i)** of your support?		**(vi)** Is the organization in col **(i)** organized in the U S ?		**(vii)** Amount of monetary support
			Yes	**No**	**Yes**	**No**	**Yes**	**No**	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . ▶☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2011 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2012.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2011.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2012** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2011** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493045020364

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization	Employer identification number
HILLSDALE COLLEGE	38-1374230

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	2	0
2	Aggregate contributions to (during year)	0	0
3	Aggregate grants from (during year)	145,896	0
4	Aggregate value at end of year	2,431,596	0

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☑ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☑ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)
☐ Preservation of land for public use (e g , recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶______

4 Number of states where property subject to conservation easement is located ▶______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ 252,422

(ii) Assets included in Form 990, Part X ▶ $ 5,029,392

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ 0

b Assets included in Form 990, Part X ▶ $ 0

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☑ Public exhibition
b ☑ Scholarly research
c ☑ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ **Yes** ☑ **No**

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ **Yes** ☐ **No**

b If "Yes," explain the arrangement in Part XIII and complete the following table

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ **Yes** ☐ **No**

b If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII . . . . ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	293,436,253	264,896,372	265,474,873	267,831,601	250,374,018
b	Contributions	44,563,906	6,924,064	7,166,782	10,592,817	57,632,417
c	Net investment earnings, gains, and losses	32,466,099	43,423,532	8,216,153	7,460,848	-12,188,622
d	Grants or scholarships	9,466,456	8,292,412	7,620,862	7,029,989	6,777,362
e	Other expenditures for facilities and programs	13,463,126	13,187,534	8,059,526	13,031,694	20,747,167
f	Administrative expenses	377,084	327,770	281,048	348,710	461,683
g	End of year balance	347,159,592	293,436,252	264,896,372	265,474,873	267,831,601

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ 5 %

b Permanent endowment ▶ 94 %

c Temporarily restricted endowment ▶ 1 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

			Yes	No
	(i) unrelated organizations	3a(i)		No
	(ii) related organizations	3a(ii)		No
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	8,831,337	0		8,831,337
b Buildings	141,219,361	0	45,163,151	96,056,210
c Leasehold improvements	0	0	0	0
d Equipment	11,733,384	0	8,519,748	3,213,636
e Other	24,079,357	0	10,927,860	13,151,497
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				121,252,680

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	173,474,165	F
(3) Other		
(A) Common stocks	29,030,403	F
(B) Government and Agency Bonds	5,945,767	F
(C) Corporate Bonds	28,997,290	F
(D) Foreign Bonds	6,100	F
(E) Held by Third Party Trust	64,209,397	F
(F) Other Securities	2,695,390	F
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)*	304,358,512	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)*		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)*	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
Liabilities on Annuity Contracts and Trusts	64,622,205
Bond Interest Payable	179,208
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)*	64,801,413

2. Fin 48 (ASC 740) Footnote In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☐

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	209,064,855
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	17,303,648		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIII)	2d	-3,029,303		
e	Add lines **2a** through **2d**			2e	14,274,345
3	Subtract line **2e** from line **1**			3	194,790,510
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	398,262		
b	Other (Describe in Part XIII)	4b	17,091,919		
c	Add lines **4a** and **4b**			4c	17,490,181
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	212,280,691

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	86,086,021
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIII)	2d	-302,595		
e	Add lines **2a** through **2d**			2e	-302,595
3	Subtract line **2e** from line **1**			3	86,388,616
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	398,262		
b	Other (Describe in Part XIII)	4b	17,759,260		
c	Add lines **4a** and **4b**			4c	18,157,522
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	104,546,138

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
SchD_P03_S00_L04	Schedule D, Part III, Line 4	ALWIN C CARUS COIN COLLECTION - the Carus Coin Collection consists of a vast array of foreign and domestic currency divided into three smaller displays an ancient coin collection, an American coinage collection, and a history of money collection that includes early non-metal forms of currency, precious metals, and modern fiat currency The collection was left to Hillsdale College to be used for educational purposes, it is a tool for teaching economics, history, finance, and classics Portions of the collection are exhibited publicly at Hillsdale College events across the country, extending the educational benefit of the coins to a much wider audience that includes business owners, educators, community leaders, and other interested citizens SPECIAL LIBRARY COLLECTIONS - A quality library is an essential element of every institution of learning It exists for the benefit of both students and faculty, as well as for the community in which it resides In addition to the main study and research collections, the Hillsdale College Mossey Library contains a number of rare and special holdings, including the Ludwig von Mises Library and the Richardson Heritage Room early and rare editions Ludwig von Mises, the early twentieth century Austrian economist and author of such seminar works as "The Theory of Money and Credit" and "Human Action," chose Hillsdale College to be the recipient of his personal library, because of the school's commitment to teach the principles of freedom This important collection of books, pamphlets, and papers related to free-market economics is housed in the Ludwig von Mises Room in the Mossey Library and is available to Hillsdale faculty and students for research The Richardson Heritage Room contains a collection of rare- and first-edition books that relate to our country's founding and early American history A bibliography of the collection is available at www hillsdale edu LIBERTY WALK - the mission of Hillsdale College, which has guided the school since its 1844 founding, is to preserve the blessings of civil and religious liberty through "the diffusion of learning " The Liberty Walk project is a marvelous example of teaching and learning through objects of art This collection of over-life-size statues provides visible testimony to the lives of historic defenders of freedom It calls the citizen observer to vigilance in defending and upholding the principles of freedom It stands as a constant reminder of the previous nature of freedom and the strength and sacrifice required to preserve it To date, the collection includes seven statues the Alpha Kappa Phi Civil War Soldiers' Monument, 1895, George Washington, 2003, Winston Churchill, 2004, Margaret Thatcher, 2008, Thomas Jefferson, 2009, Abraham Lincoln, 2009, and Ronald Reagan, 2011 Future additions to the collection, as funding becomes available, will include Frederick Douglass, James Madison, and Ransom Dunn, who figured prominently in the early days of Hillsdale College history All statues have been funded through private donations PRE-COLUMBIAN ART COLLECTION - A recently donated collection of statues, pottery, jewelry, and carved or woven vessels, these artifacts date from as early as 500 B C to as late as 1532 A D , and originate from various regions of Central and South America Representing cultures such as the Mayans and Incas, they represent art in the Americas before the introduction of European cultural influence The artifacts will teach students, especially those studying Prehistoric and non-Western art, the deep appreciation and understanding that can only be obtained through viewing such artifacts directly
SchD_P05_S00_L04	Schedule D, Part V, Line 4	As stated previously, Hillsdale College is an independent 4-year liberal arts institution We do not accept any federal or state monies for the operation of the College Our endowment funds are invested in such a manner as to preserve and protect our independence from government funds Earnings from our endowment are used to provide scholarships to our students as well as funds for the operations of the College
SchD_P11_S00_L02d	Schedule D, Part XI, Line 2d	Change in value of split interest agreements
SchD_P11_S00_L04b	Schedule D, Part XI, Line 4b	Tuition and fees 17,759,260, CGS <598,234>, rental exp <45,249>, gaming <23,858>
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	rental exp 45,249, gaming exp 23,858, CGS 598,234, Trust & Investment exp <969,936>
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Tuition and fees

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶Complete if the organization answered "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
▶ Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I

			YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	Yes	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2	Yes	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain If you need more space use Part II	3	Yes	
4	Does the organization maintain the following?			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	4a		No
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	Yes	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	Yes	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	4d	Yes	
	If you answered "No" to any of the above, please explain If you need more space, use Part II			
5	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	5a		No
b	Admissions policies?	5b		No
c	Employment of faculty or administrative staff?	5c		No
d	Scholarships or other financial assistance?	5d		No
e	Educational policies?	5e		No
f	Use of facilities?	5f		No
g	Athletic programs?	5g		No
h	Other extracurricular activities?	5h		No
	If you answered "Yes" to any of the above, please explain If you need more space, use Part II			
6a	Does the organization receive any financial aid or assistance from a governmental agency?	6a		No
b	Has the organization's right to such aid ever been revoked or suspended?	6b		No
	If you answered "Yes" to either line 6a or line 6b, explain on Part II			
7	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," explain on Part II	7	Yes	

Part II Supplemental Information. Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable Also complete this part to provide any other additional information (see instructions)

Identifier	Return Reference	Explanation
SchE_P01_S00_L03	Schedule E, Part I, Line 3	Hillsdale College's policy of non-discrimination is written into its original Articles of Association, which were adopted in 1853 They state, "The object of this institution is and shall be to furnish to all persons who wish, irrespective of nationality, color, or sex, a literary, scientific or theological education as comprehensive and thorough as is usually pursued in other colleges or theological schools in this country, and to combine with this, such moral, social and artistic instruction and culture as will best develop the minds and improve the hearts of the students" Hillsdale College continues to be governed by these words, and they are incorporated into the school's more recent mission statement These words are included in the College catalog and they are featured prominently in the Hillsdale College Honor Code
SchE_P01_S00_L04	Schedule E, Part I, Line 4	In 1844 Hillsdale opened its doors to everyone and obtained the nation's 1st collegiate charter (1850) that prohibited discrimination based on race, religion, or sex The 1st Michigan college (the nation's 2nd) to admit women on a par with men, it was the nation's 2nd to confer the B A to women A pre-Civil War leader in nondiscrimination, it refused to specify race on records or to base decisions or policies on the race of its students, faculty or staff Today it bases admissions/hiring practices on qualification, competence and merit without regard to race, color, religion, national origin, sex, age, disability or any other legally protected status The Catalog states "The College values the merit of each unique individual, rather than succumbing to the dehumanizing, discriminatory trend of so-called 'social justice' and 'multicultural diversity,' which judges individuals not as individuals, but as members of a group and which pits one group against other competing groups "

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number

38-1374230

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . ☐ **Yes** ☐ **No**

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activites per Region (The following Part I, line 3 table can be duplicated if additional space is needed)

	(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
	Europe (including Iceland and Greenland)	0	0	Program Services	study abroad programs	30,549
	Middle East and North Africa	0	0	Program Services	study abroad programs	60,518
	Europe (including Iceland and Greenland)	0	0	Program Services	Professional services	7,453
3a	Sub-total					
b	Total from continuation sheets to Part I					
c	**Totals** (add lines 3a and 3b)	0	0			98,520

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶

3 Enter total number of other organizations or entities . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV Foreign Forms

1 Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* ☐ Yes ☑ No

2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organizationmay be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* ☐ Yes ☑ No

3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)* ☐ Yes ☑ No

4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* ☐ Yes ☑ No

5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)* ☐ Yes ☑ No

6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).* ☐ Yes ☑ No

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	ReturnReference	Explanation

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93493045020364

SCHEDULE G (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a. Form 990-EZ filers are not required to complete this part.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	**(ii)** Activity	**(iii)** Did fundraiser have custody or control of contributions? Yes	No	**(iv)** Gross receipts from activity	**(v)** Amount paid to (or retained by) fundraiser listed in col **(i)**	**(vi)** Amount paid to (or retained by) organization
Total . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 (event type)	(b) Event #2 (event type)	(c) Other events (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts				
	2 Less Contributions				
	3 Gross income (line 1 minus line 2)				
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses				
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				( )
	11 Net income summary Combine line 3, column (d), and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue			90,339	90,339
Direct Expenses	2 Cash prizes			15,220	15,220
	3 Non-cash prizes				0
	4 Rent/facility costs				0
	5 Other direct expenses			8,638	8,638
	6 Volunteer labor	☐ Yes ______ ☐ No	☐ Yes ______ ☐ No	☑ Yes 100 % ☐ No	
	7 Direct expense summary Add lines 2 through 5 in column (d) ▶				23,858
	8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶				66,481

9 Enter the state(s) in which the organization operates gaming activities MI

a Is the organization licensed to operate gaming activities in each of these states? ☑ Yes ☐ No

b If "No," explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☑ No

b If "Yes," explain

Does the organization operate gaming activities with nonmembers? ☐ Yes ☑ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☑ No

13 Indicate the percentage of gaming activity operated in

a The organization's facility	13a	100 %
b An outside facility	13b	0 %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ Patrick H Flannery

Address ▶ Hillsdale College
33 East College Street
Hillsdale, MI 49242

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☑ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ____________ and the amount of gaming revenue retained by the third party ▶ $ ____________

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

16 Gaming manager information

Name ▶ Patrick H Flannery

Gaming manager compensation ▶ $ 0

Description of services provided ▶ As Treasurer of the College, Patrick H Flannery works with various groups on campus in securing a raffle license from the State of Michigan These licenses are effective only for the day of the raffle Further, the Treasurer completes the Raffle Financial Statement and submits same to the State of Michigan following the raffle

☑ Director/officer ☑ Employee ☐ Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☑ No

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $ 0

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Identifier	Return Reference	Explanation

Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Clapham School P O Box 209 Wheaton, IL 60187	20-3822878		25,000	0	book		2012 Salvatori Prize for Excellence in Teaching
(2) Responsive Education Solutions P O Box 292730 Lewisville, TX 75029	75-2748762		40,000	0	Book		Barney Charter School Initiative Grant - assist the launch of K-12 charter school
(3) Savannah Classical Academy 18 West Bryan Street Savannah, GA 31401	80-0576349		40,000	0	Book		Barney Charter School Initiative Grant - assist the launch of K-12 charter school
(4) Estancia Valley Classical Academy Foundation P O Box 2340 Moriarty, NM 87035	45-3847231		170,000	0	Book		Barney Charter School Initiative Grant - assist the launch of K-12 charter school

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . ▶ 4

3 Enter total number of other organizations listed in the line 1 table . . . ▶ 0

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) Scholarships and grants awarded to undergraduate students at Hillsdale College	1335	17,759,260	0	book	

Part IV **Supplemental Information.**

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
SchI_P01_S00_L02	Schedule I, Part I, Line 2	Hillsdale College awards both scholarships and grants to its students Students can receive a scholarship at matriculation in the form of merit or performance scholarship Merit scholarship is awarded by committee based upon an incoming student's high school gpa, standardized test scores, and other, more subjective criteria such as community involvement, interviews, essays, letters of recommendation, and admissions rank Performance scholarships are awarded by budget managers (typically coaches and fine arts chairs) based upon their own evaluations Criteria for renewal of merit scholarships generally require students to maintain a 3 0 accumulative gpa The Financial Aid Office polices this 3 0 requirement and any other scholarship criteria which may be attached to privately funded, named scholarships Correspondence is sent to students at the end of each semester pertaining to their progress toward scholarship requirements Students may become eligible for additional scholarship after their freshman year based upon classroom performance and campus involvement These scholarship decisions are also made by committee after a review of scholarship budgets and criteria With respect to grants, Hillsdale College students may become eligible for grant monies only by demonstrating significant need on Hillsdale College's Confidential Family Financial Statement (CFFS) or the College Board's CSS Profile All new applicants are required to submit a copy of the most recent signed tax information of parent(s) and student and any other necessary documents to complete verification of eligibility These needs tests must be resubmitted each year for renewal consideration and adjustments to amounts may be made based upon changes in demonstrated need In addition to demonstrated financial need, grant recipients are required to meet academic standards of progress, exhibit good citizenship and moral character, and be enrolled at least half time The Financial Aid Office monitors these additional components each semester using information provided by the Dean's Office and Registrar's office During fiscal year 2013, Hillsdale College awarded monetary grants/prizes to four educational institutions based on specified criteria One prize recognizes one outstanding public or private school teacher with his/her school receiving the funds The recipient is chosen among the teachers nationally who are implementing the ideas and curriculum contained in a comprehensive educational resource designed by Hillsdale College professors The school is required to prepare an annual report on the expenditure(s) of the Prize until such funds are entirely expended The other three grants supported the launch of K-12 charter schools which are based on a classical liberal arts model and which have a strong civics component which will equip students to understand and defend the principles of the American founding The recipients are required to provide Hillsdale College documentation on the use of the funds in addition to on-site visits by Hillsdale College staff

Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☑ First-class or charter travel ☑ Housing allowance or residence for personal use ☑ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☑ Health or social club dues or initiation fees ☑ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III ☐ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**		No
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	**4c**		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III	**5b**		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III	**6b**		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		**(B)** Breakdown of W-2 and/or 1099-MISC compensation			**(C)** Retirement and other deferred compensation	**(D)** Nontaxable benefits	**(E)** Total of columns (B)(i)-(D)	**(F)** Compensation reported as deferred in prior Form 990
		(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II
Also complete this part for any additional information

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	By the nature of the position, the CEO is required to fulfill several obligations/commitments which may result in travelling first-class and/or charter to accommodate required appointments Further his spouse may accompany him as well as dictated by her required presence for an event The CEO has available to him a discretionary fund (budgeted each year) for assisting individuals and/or projects in need of support Further, the CEO is required to reside in college-owned housing for the purpose of being a presence on campus and for entertainment purposes As the result of living in a college-owned residence, the College provides, as with all campus buildings, light housekeeping The position of CEO also requires membership in certain social/academic organizations and therefore, the college provides the dues/fees associated with that membership
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	The Prudential Committee (executive committee) of the Board of Trustees approves the CEO's annual salary The Treasurer's Office secures salary information supplied by the Chronicle of Higher Education, compensation consultants and written contract This information is then provided to the Prudential Committee for their review and evaluation
SchJ_P01_S00_L05	Schedule J, Part I, Line 5	Depending on the levels of gift revenue, bonuses were paid

Additional Data

Return to Form

Software ID: 12000197
Software Version: v1.00
EIN: 38-1374230
Name: HILLSDALE COLLEGE

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Larry P Arnn	(i)	382,628	387,750	7,112	0	77,952	855,442	0
	(ii)	0	0	0	0	0	0	0
Richard P Pewe	(i)	139,365	1,500	0	0	27,438	168,303	0
	(ii)	0	0	0	0	0	0	0
Patrick H Flannery	(i)	115,050	1,500	0	0	24,814	141,364	0
	(ii)	0	0	0	0	0	0	0
John Cervini	(i)	212,425	87,100	584	0	37,921	338,030	0
	(ii)	0	0	0	0	0	0	0
David M Whalen	(i)	151,630	1,500	5,500	0	29,187	187,817	0
	(ii)	0	0	0	0	0	0	0
H Kenneth Cole	(i)	107,952	1,000	0	0	6,537	115,489	0
	(ii)	0	0	0	0	0	0	0
Robert Blackstock	(i)	144,217	1,500	13,450	0	27,458	186,625	0
	(ii)	0	0	0	0	0	0	0
Kenneth R Calvert	(i)	117,593	1,500	26,750	0	23,821	169,664	0
	(ii)	0	0	0	0	0	0	0
Grigor D Hasted	(i)	131,072	7,500	9,000	0	20,668	168,240	0
	(ii)	0	0	0	0	0	0	0
Ronald Pestritto	(i)	137,902	1,500	17,500	0	27,836	184,738	0
	(ii)	0	0	0	0	0	0	0
Thomas West	(i)	135,921	1,500	16,347	0	26,091	179,859	0
	(ii)	0	0	0	0	0	0	0

Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	Michigan Higher Education Facilities Authority	52-1258515	594519F39	03-16-2005	13,066,607	cover cost of dormitory/office/classroom		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0			
2	Amount of bonds legally defeased	0			
3	Total proceeds of issue	13,066,607			
4	Gross proceeds in reserve funds	0			
5	Capitalized interest from proceeds	0			
6	Proceeds in refunding escrows	0			
7	Issuance costs from proceeds	261,332			
8	Credit enhancement from proceeds	0			
9	Working capital expenditures from proceeds	1,029,132			
10	Capital expenditures from proceeds	11,776,143			
11	Other spent proceeds	0			
12	Other unspent proceeds	0			
13	Year of substantial completion	2008			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?		X						
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		X						

Part III Private Business Use *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		%		%		%	
6	Total of lines 4 and 5	0 %		%		%		%	
7	Does the bond issue meet the private security or payment test?		X						
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X						

Part IV Arbitrage

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?		X						
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV Arbitrage *(Continued)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V Procedures To Undertake Corrective Action

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X						

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation

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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
Total			▶ $									

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	No
(1) Cleves Delp	Trustee	76,508	Group medical insurance commissions		No
(2) John Cervini	key employee/son-in-law of trustee	349,334	employee		No
(3) H Kenneth Cole	former officer and key employee	102,244	director of local bank where College has investments and line of credit		No
(4) Cleves Delp	Trustee	44,550	Rental Income		No
(5) Cleves Delp	Trustee	2,478	Investment Advisory Fees		No

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art	X	3	59,800	appraisal
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	X		0	Gift in Kind
5 Clothing and household goods	X		0	Gift in Kind
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	217	7,599,728	high/low avg
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential	X	1	1,016,000	appraisal
16 Real estate—Commercial				
17 Real estate—Other	X	1	807,050	appraisal
18 Collectibles	X	1	0	Gift in Kind
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Classical Recordings)	X	1	192,622	Appraisal
26 Other ▶ (Third Party Trust)	X	1	662,667	fmv
27 Other ▶ (Precious Metals)	X	1	122,322	fmv
28 Other ▶ (Life Insurance)	X	2	89,447	fmv

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . **29** 3

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	**30a**		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	**31**	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	**32a**	Yes	
b	If "Yes," describe in Part II			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SchM_P01_S00_L32b	Schedule M, Part I, Line 32b	Real estate agents assist in the selling of donated real estate
SchM_P01_S00_L33	Schedule M, Part I, Line 33	Donated items of books, household items and various miscellany which do not have an appraised value are recorded as zero gift revenue The donors generally do not request a tax-deductible gift receipt or receive a gift-in-kind receipt with no value listed

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
HILLSDALE COLLEGE

Employer identification number
38-1374230

Identifier	Return Reference	Explanation
F990_P01_S00_L01	Form 990, Part I, Line 1	Hillsdale College upholds its founding mission of liberal arts education, and operates without federal or state funding Hillsdale offers a classical liberal arts curriculum, requiring each student to enroll in core courses covering literature, history, sciences, and the US Constitution Capital and endowment goals improve the physical plant and endow student scholarships, faculty chairs, annual operations, and Imprimis, a monthly publication that reaches 2 6 million readers For students, faculty and guests, Hillsdale conducts Center for Constructive Alternatives seminars on campus, National Leadership Seminars are held at national sites for adult constituents Hillsdale has established the Allan P Kirby, Jr Center for Constitutional Studies and Citizenship to enhance the education of its students who intern in Washington, D C Hillsdale is also expanding its website to offer podcasts and video streams of guest lecturers and faculty participating in its seminars Hillsdale College's Graduate School of Statemanship has been accredited and opened in the fall of 2012 The school offers master's and Ph D degrees in politics
F990_P03_S00_L01	Form 990, Part III, Line 1	Hillsdale is an independent, nonsectarian institution of higher learning founded in 1844 by men and women "grateful to God for the inestimable blessings resulting from civil and religious liberty" and "believing that the diffusion of learning is essential to the perpetuity of these blessings " It pursues the founders' stated object "to furnish all persons who wish, irrespective of nation, color or sex, a literary and scientific education and to combine with this such moral and social instruction as will best develop the minds and improve the hearts of its pupils " By training the young in the liberal arts, Hillsdale prepares students to become leaders worthy of that legacy By encouraging the scholarship of its faculty, it contributes to the preservation of that legacy for future generations By publicly defending that legacy, it enlists the aid of other friends of free civilization and thus secures the conditions of its own survival and independence
F990_P06_S0A_L02	Form 990, Part VI, Section A, Line 2	One of our trustees is the father-in-law of one of our vice presidents Both gentlemen were affiliated with the College several years before the family connection was established
F990_P06_S0B_L11b	Form 990, Part VI, Section B, Line 11b	The Board of Trustees of the College voted not to review the 990 The Vice President for Financial Affairs/Treasurer as well as the Controller review the 990 for the College prior to submission
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	All voting members of the Board complete a conflict of interest policy form Each year they update the form if there are changes Those forms are kept by the Secretary of the Board If a conflict is determined, it will be brought to the attention of the Prudential Committee of the Board of Trustees
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	The compensation of the College's President is determined annually by the Prudential Committee of the Board of Trustees along with recommendation by external consultants and 990 results listed in The Chronicle of Higher Education The compensation of the other officers of the College as well as key employees are recommended occasionally by third party consultants
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Upon request
F990_P09_S00_L24e	Form 990, Part IX, Line 24e	Miscellaneous Expenses
F990_P11_S00_L09	Form 990, Part XI, Line 9	Change in value of split interest agreements - <3,029,303>, Trust & Investment Exp 969,936