



Albany College of Pharmacy
AND HEALTH SCIENCES

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2024 and 2023

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
Albany College of Pharmacy and Health Sciences

Opinion

We have audited the accompanying financial statements of Albany College of Pharmacy and Health Sciences, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Albany College of Pharmacy and Health Sciences as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Albany College of Pharmacy and Health Sciences' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Albany College of Pharmacy and Health Sciences' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Albany College of Pharmacy and Health Sciences' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Albany College of Pharmacy and Health Sciences' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

UHY LLP

Albany, New York
October 10, 2024

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
STATEMENTS OF FINANCIAL POSITION
WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2023

	June 30,	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 10,439,090	\$ 9,756,967
Investments, short-term	-	566,547
Accrued interest and dividends	187,973	241,554
Accounts receivable, students, net	1,172,583	701,885
Accounts receivable, government entities	1,804,250	1,936,523
Student loans receivable, net, current portion	219,600	246,000
Pledges receivable, net, current portion	599,934	1,038,617
Other receivables, net	1,416,458	1,677,556
Prepaid expenses and other current assets	1,212,285	654,654
Assets held for sale	1,589,137	-
Total current assets	18,641,310	16,820,303
PROPERTY, PLANT, AND EQUIPMENT, net	42,146,897	45,805,639
OTHER ASSETS		
Restricted cash	612,836	497,267
Investments, long-term	71,901,891	71,349,075
Student loans receivable, net, noncurrent	1,194,456	1,370,900
Pledges receivable, net, noncurrent	787,227	1,684,112
Other assets	579,931	1,382,805
Right of Use Operating Leased Assets	107,057	752,270
Right of Use Financing Leased Assets	4,136,797	4,801,926
Deposits held in custody for others	86,804	78,003
Total other assets	79,406,999	81,916,358
Total assets	\$ 140,195,206	\$ 144,542,300
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bonds payable, net, current portion	\$ 1,164,780	\$ 1,080,780
Accounts payable and accrued liabilities	2,465,492	3,095,250
Operating Lease Liabilities, current	22,819	1,009,101
Financing Lease Liabilities, current	338,435	445,270
Deferred revenue and deposits, current portion	3,177,215	2,888,737
Total current liabilities	7,168,741	8,519,138
OTHER LIABILITIES		
Advances from Federal government for student loans	1,462,258	1,623,775
Bonds payable, net, less current portion	23,408,672	24,570,524
Operating Lease Liabilities, long-term	84,106	178,762
Financing Lease Liabilities, long-term	3,936,945	4,235,386
Postretirement health care benefits obligation	1,592,423	1,851,200
Deposits held in custody for others	86,804	78,003
Total other liabilities	30,571,208	32,537,650
Total liabilities	37,739,949	41,056,788
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without Donor Restrictions		
Undesignated	23,865,488	24,644,045
Designated for endowment and student loans	49,287,607	51,602,004
Designated for plant capital and capital reserve	6,287,223	6,537,018
	79,440,318	82,783,067
With Donor Restrictions		
Time and purpose restricted	11,479,052	9,331,515
Perpetual in nature	11,535,887	11,370,930
	23,014,939	20,702,445
Total net assets	102,455,257	103,485,512
Total liabilities and net assets	\$ 140,195,206	\$ 144,542,300

See accompanying notes to financial statements.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
STATEMENTS OF ACTIVITIES
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Year Ended June 30,			
	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
REVENUES, GAINS, AND SUPPORT				
Educational and general				
Student tuition, net (of institutional aid of \$12,802,447 and \$14,023,177, respectively)	\$ 21,962,922	\$ -	\$ 21,962,922	\$ 23,808,628
Student fees	638,961	-	638,961	431,936
Government contracts, grants, and contributions	1,571,503	-	1,571,503	2,963,572
Other contracts, grants, and contributions	689,355	163,072	852,427	644,111
Recovery of indirect costs	284,537	-	284,537	386,854
Gifts and pledges - cash and other financial assets	190,028	458,040	648,068	765,440
Contributions in-kind	737	1,000	1,737	57,497
Interest and dividends	-	-	-	1,253
Office of post-graduate education	11,754	-	11,754	17,942
Endowment income designated for current operations	8,420,000	-	8,420,000	6,550,000
Other sources	13,182,411	-	13,182,411	10,057,606
	<u>46,952,208</u>	<u>622,112</u>	<u>47,574,320</u>	<u>45,684,839</u>
Auxiliary services				
Student housing	3,506,499	-	3,506,499	2,587,615
Student meal plan	1,678,787	-	1,678,787	1,524,449
Bookstore	31,612	-	31,612	35,967
	<u>5,216,898</u>	<u>-</u>	<u>5,216,898</u>	<u>4,148,031</u>
Net assets released from restrictions	898,597	(898,597)	-	-
Total revenues, gains, and support	<u>53,067,703</u>	<u>(276,485)</u>	<u>52,791,218</u>	<u>49,832,870</u>
EXPENSES AND LOSSES				
Administration and general	10,075,902	-	10,075,902	9,046,344
Fundraising	1,191,296	-	1,191,296	1,610,401
Program				
Admissions and student services	6,786,591	-	6,786,591	6,714,986
Office of post-graduate education	71,220	-	71,220	85,980
Library and instruction	28,656,846	-	28,656,846	27,792,988
Research	2,446,388	-	2,446,388	2,935,960
Auxiliary services	5,479,532	-	5,479,532	4,726,928
Total program	<u>43,440,577</u>	<u>-</u>	<u>43,440,577</u>	<u>42,256,842</u>
Total expenses and losses	<u>54,707,775</u>	<u>-</u>	<u>54,707,775</u>	<u>52,913,587</u>
Decrease in net assets from operations	<u>(1,640,072)</u>	<u>(276,485)</u>	<u>(1,916,557)</u>	<u>(3,080,717)</u>
Investment (loss) income, net	(1,516,703)	2,588,979	1,072,276	1,710,325
Loss on sale of assets	(334,706)	-	(334,706)	(88,970)
Loss on impairment of right of use asset (operating)	-	-	-	(321,842)
Postretirement health care plan adjustments other than net periodic benefit costs	148,732	-	148,732	132,057
(Decrease) increase in net assets	<u>(3,342,749)</u>	<u>2,312,494</u>	<u>(1,030,255)</u>	<u>(1,649,147)</u>
NET ASSETS, beginning of year	<u>82,783,067</u>	<u>20,702,445</u>	<u>103,485,512</u>	<u>105,134,659</u>
NET ASSETS, end of year	<u>\$ 79,440,318</u>	<u>\$ 23,014,939</u>	<u>\$ 102,455,257</u>	<u>\$ 103,485,512</u>

See accompanying notes to financial statements.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
STATEMENTS OF CASH FLOWS
WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,030,255)	\$ (1,649,147)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss on sale of assets	334,706	88,970
Loss on impairment of right of use asset (operating)	-	321,842
Depreciation	4,226,854	4,465,197
Amortization of premium and bond issuance costs	12,148	(29,686)
Amortization of intangible asset	35,850	35,850
Amortization right of use asset, financing leases	665,129	387,093
Amortization right of use asset, operating leases	595,249	974,840
Change in allowances and bad debts	1,038,202	266,247
Net (gains) losses on investments	(7,833,504)	(6,584,136)
Contributions restricted for long-term investment	(211,945)	(603,641)
Rental and cafeteria income	(139,144)	(2,591,476)
Net change in postretirement health care benefits obligation	(258,777)	(174,775)
Changes in operating assets and liabilities:		
Accrued interest and dividends	53,581	(52,209)
Accounts receivable, students	(470,698)	1,139,677
Accounts receivable, government entities	132,273	(1,581,845)
Other receivables	261,098	(80,493)
Prepaid expenses and other current assets	(557,631)	(1,540)
Other assets	770,747	(96,540)
Accounts payable and accrued liabilities	(629,758)	(63,101)
Operating lease liabilities	(1,030,974)	(1,109,706)
Deferred revenue and deposits	427,622	(381,953)
Net cash used in operating activities	<u>(3,609,227)</u>	<u>(7,320,532)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sales and maturities of investments	20,447,830	34,716,275
Proceeds from the sale of property, plant, and equipment	-	45,300
Purchases of investments	(12,600,595)	(29,600,135)
Purchase of property, plant, and equipment	(2,491,955)	(6,779,916)
Student loans issued	(124,000)	(185,000)
Repayments of student loans	223,528	247,352
Net cash provided by (used in) investing activities	<u>5,454,808</u>	<u>(1,556,124)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of pledges receivable	612,627	869,640
Payments on financing leases	(405,276)	(421,312)
Decrease in deposits with bond trustees	(3,723)	(66,801)
Proceeds on bonds payable	-	9,121,660
Payment of bond issuance costs	-	(454,134)
Principal payments on bonds	(1,090,000)	(910,000)
Decrease in governmental advances and governmental share of interest	(161,517)	(98,342)
Net cash (used in) provided by financing activities	<u>(1,047,889)</u>	<u>8,040,711</u>
Net change in cash and restricted cash	797,692	(835,945)
CASH AND RESTRICTED CASH, beginning of year	<u>10,254,234</u>	<u>11,090,179</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 11,051,926</u>	<u>\$ 10,254,234</u>
RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENTS OF FINANCIAL POSITION:		
Cash, unrestricted	\$ 10,439,090	\$ 9,756,967
Restricted cash	612,836	497,267
	<u>\$ 11,051,926</u>	<u>\$ 10,254,234</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 1,497,070</u>	<u>\$ 992,336</u>

See accompanying notes to financial statements.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Albany College of Pharmacy and Health Sciences (College) was organized in 1881 as the Department of Pharmacy of Union University. In the 1920s, the professional colleges of Union University, which includes Albany College of Pharmacy and Health Sciences, Albany Medical College, and Albany Law School, all constructed their original buildings on New Scotland Avenue in Albany, New York. Although each of the institutions comprising Union University is functionally autonomous, Union College and the professional schools of the university maintain a close but informal association for the benefit of undergraduate and graduate students currently enrolled in the diverse university programs.

The student population of the College represents various states and foreign countries with most of its students coming from upstate New York.

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit entities.

The College follows *Financial Statements of Not-for-Profit Organizations*, which establishes standards for external reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions, as either net assets without donor restrictions or net assets with donor restrictions.

Recently Adopted Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"), which applies a current expected credit loss ("CECL") model, which is a new impairment model based on expected losses rather than incurred losses. The expected credit losses and subsequent adjustments to such losses will be recorded through an allowance account deducted from the amortized cost basis of the financial asset, with the net carrying value of the financial asset presented on the statement of financial position at the amount expected to be collected. The credit loss expense and subsequent adjustments to such losses are recorded as a provision for (or reversal of) credit loss expense in the statement of activities. The CECL model is expected to result in more timely recognition of credit losses. With respect to private companies, the amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The College adopted the updates using the modified retrospective method for all financial assets measured at amortized costs on July 1, 2023, with no material impact on the financial statements. Results for reporting period beginning July 1, 2023 are presented under ASC 326, whereas prior periods continue to be reported under previously acceptable U.S. GAAP.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets without donor restrictions are not subject to donor restrictions and include the following:

Net assets without donor restrictions undesignated include the revenues and expenses associated with the principal educational mission of the College. Also included are gifts and income earned on unexpended balances for capital projects which are currently under construction, future capital projects, and transfers from the operating budget to fund the debt service requirements for outstanding bonds. The College follows the policy of lifting the restrictions on contributions of cash or other assets received for the acquisition of long-lived assets when the asset is placed in service or is acquired. Assets are carried net of accumulated depreciation, computed on a straight-line basis over the estimated useful lives of the assets. Equipment is removed from the records at the time of disposal. The College follows the policy of recording contributions of long-lived assets at their estimated fair value at the date of receipt.

Net assets without donor restrictions, designated for endowment and student loans include revenues and expenses associated with sponsored research agreements. In addition, College contributions to federal student loan funds and internally designated endowment funds are also included.

Net assets without donor restrictions, designated for plant capital include amounts designated for future capital needs of the College.

Net assets with donor restrictions includes the following:

Purpose restricted gifts for which donor imposed restrictions will be met in future periods and activity and pledges receivable for which the ultimate purpose of the proceeds is not perpetual in nature.

Perpetual in nature gifts and pledges which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for use in accordance with donor restrictions.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Fair Value Measurement

The College reports certain assets and liabilities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Receivables, Net

Accounts receivable is within the scope of CECL. The carrying amount of accounts receivable is reduced by an allowance for credit losses that reflects the College's estimate of amounts that will not be collected. The College assessed credit losses by considering historical loss information, current conditions, expected future economic conditions, and other risk factors. The College recognized an allowance for credit losses in the amount of approximately \$115,000, \$14,000, and \$160,000 for student accounts receivable, student loans receivable, and other receivable, respectively, at June 30, 2024. The College recognized an allowance for doubtful accounts in the amount of approximately \$225,000 and \$25,000 for student accounts receivable and other receivable, respectively, at June 30, 2023.

Student Accounts and Loans Receivable, Net

The College extends credit to students in the form of accounts receivable and loans for educational expenses. The default rate on federal student loans programs is less than 1%.

The College's student loan receivable consists of revolving loan funds for the Federal Perkins Loans and Health Professional Student Loans for which the College acts as an agent for the federal government in administering the loan programs to assist students in funding their education. It is not practical to determine the fair value of student loans receivable because they are federally sponsored student loans with U.S. Government mandated interest rates and repayment terms and are subject to significant restrictions as to their transfer and disposition.

Student receivables are presented net of allowance. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts previously written off are recorded when received. Student accounts receivable are considered past due if any portion of the receivable balance is outstanding for more than 30 days.

Pledges Receivable, Net

The College records unconditional promises as revenues, gains, and support in the period received at fair value, using the present value of estimated future cash flows discounted at rates which are commensurate with the risks associated with these pledges.

Pledges are written off to the allowance for doubtful accounts when they are deemed uncollectible. The allowance for doubtful accounts was \$125,000 and \$150,000 at June 30, 2024 and 2023, respectively.

Pledges receivable due in more than one year are recorded at the present value of estimated future cash flows using a discount rate ranging from 0.87% to 6.44% as of June 30, 2024 and 2023.

Property, Plant, and Equipment, Net

Property, plant, and equipment are reported at cost. Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Expenditures for acquisitions, renewals, and betterments are capitalized, whereas maintenance and repair costs are expensed as incurred. When property, plant, and equipment are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation, and any resultant gain or loss is credited or charged to change in net assets. Expenditures for new construction, major renewals and replacements, and equipment with costs over \$3,000 are capitalized.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property, Plant, and Equipment, Net (Continued)

The College reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, management reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Depreciation is computed using the straight-line method based on the estimated useful lives (5-50 years) of the various assets.

Recognition of Donor Restrictions

The College reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the College reports the support as without donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are recorded at cost, which approximates fair value, and consists of all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly liquid investments with an original maturity of three months or less. Separate cash accounts are maintained if required.

Restricted Cash

Restricted cash consists of funds set aside for student loan programs and endowment funds with perpetual donor restrictions.

Investments

Investments are reported at fair value. The realized and unrealized gains (losses), interest, and dividends are reported as investment income on the statement of activities. Realized gains and losses are calculated using the specific identification method.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the statement of financial position.

Bond Issuance Costs

Bond issuance costs are carried at cost less accumulated amortization, are amortized to interest expense over the term of the bond using the straight-line method and are included in bonds payable, net, in the statement of financial position.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Deferred Revenue and Advances

Deferred revenue and advances include the following:

- Rental revenue which is recognized as revenue on a straight-line basis over thirty years.
- Tuition collected in advance of the school year, which is recognized as revenue during the school year to which the tuition relates.
- Grants received prior to grant revenue being earned, which is recognized as revenue when grants are expended.
- Advances from the federal government for student loans represent loan funds provided to students by the federal government through the College. The College collects the loans on behalf of the federal government. The amount due from the student is reported in Student loans receivable on the College's statement of financial position.

Advertising Expenses

The College expenses advertising costs as they are incurred. Advertising expenses amounted to \$257,934 and \$116,994 for the years ended June 30, 2024 and 2023, respectively.

Operating Revenue and Institutional Aid

Under ASC 606, the College recognizes revenue from exchange transactions in a manner that depicts the transfer of goods or services using a five-step model. The College's academic year coincides with its fiscal year ending June 30. Therefore, the recognition of revenue derived from tuition, fees as well as room and board requires minimal judgment as billing and collection is completed contemporaneously with the fulfillment of services. Revenue is appropriately deferred when collected in advance of the performance of services. Other auxiliary revenue is recognized at the point of sale. As required, the College has presented tuition, net of institutional aid, in the accompanying Statements of Activities.

Other sources of revenue are summarized as follows:

	June 30,	
	2024	2023
Pharmacy program income	\$ 9,088,635	\$ 6,065,187
Life Sciences Innovation Building rental income	2,858,868	2,940,217
Other	1,234,908	1,052,202
	<u>\$ 13,182,411</u>	<u>\$ 10,057,606</u>

Right of Use Assets and Liabilities

The College determines if an arrangement is a lease or contains a lease at inception of a contract and classifies leases as either operating or financing dependent upon the terms and conditions set forth in the contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The College determines these assets are leased because the College has the right to

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Right of Use Assets and Liabilities (Continued)

obtain substantially all the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the College determines it does not have the right to control and direct the use of the identified asset. The College's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, the College separately identifies lease and non-lease components, such as common area and other maintenance costs, for its office buildings, apartments and vehicles. The College elected the practical expedient to separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The College determines lease classification as operating or finance at the lease commencement date. ROU assets and lease liabilities for operating and finance leases are included in the statements of financial position and presented separately based on the classification of the underlying lease arrangement.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of all lease liabilities, the discount rate is based on the rate implied within the lease or is based on the College's incremental borrowing rate using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the College is reasonably certain to exercise. Operating lease expense is generally recognized on a straight-line basis over the lease term.

Functional Expenses

Functional expenses are presented by functional and natural classification, see analysis in Note 22. Expenses are allocated directly to programs, when appropriate. The costs of operation and maintenance of plant, depreciation, and interest expense have been allocated across functional expense categories to reflect the full cost of those activities. Costs are allocated using the following methods:

- Expenses covering services for multiple programs such as: Security, Utilities, and Other are allocated based on square footage.
- Depreciation expense for all fixed assets is based on the use of that space in which the asset is located. For buildings and equipment that are maintained in areas that have multiple functions, the allocation was based on square footage.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Functional Expenses (Continued)

- Interest expense on capital debt, financing, and capital leases is allocated based on usage of debt-financed and leased space.
- Salaries are allocated based on percentage of effort, time tracked, or directly charged to a program, when appropriate. Fringes are allocated based on percentage on an average fringe benefit rate calculated annually, and adjusted accordingly, for full-time and part-time benefit eligible employees.

Tax Status

The College is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes. The College has been classified as a publicly-supported organization that is not a private foundation under Section 509(a) of the Code.

The College files a Form 990 annually with the Internal Revenue Service. When annual returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or amount of the positions tax benefit that would ultimately be sustained. Management evaluated the College's tax positions, including interest and penalties attributable thereto, and concluded that there are no tax positions that required adjustment in its financial statements as of June 30, 2024 and 2023.

The College has no federal or state informational returns that are currently under examination by the Internal Revenue Service or state authorities.

Subsequent Events

The College has evaluated subsequent events for potential recognition or disclosure through October 10, 2024, the date the financial statements were available to be issued.

Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation.

Prior Year Summarized Information

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the College's previously issued financial statements for the year ended June 30, 2023, from which the summarized information was derived.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 2 — INVESTMENTS

A summary of the College's investments in marketable securities is as follows:

	June 30,			
	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Current				
Investments held for operating fund purposes				
Certificates of deposit	\$ -	\$ -	\$ 504,000	\$ 566,547
Long-term				
Endowment fund				
Mutual funds	12,260,622	15,218,062	12,493,573	13,836,197
Government obligations	3,744,073	3,602,118	3,241,694	3,102,806
Corporate bonds	2,734,314	2,619,215	2,388,210	2,223,677
Brokered Certificate of Deposits	200,030	200,113	200,030	198,250
Total	18,939,039	21,639,508	18,323,507	19,360,930
Funds designated for endowment				
Mutual and index funds	18,997,767	33,848,166	19,866,285	34,022,996
Government obligations	6,355,630	6,128,204	9,722,887	9,304,338
Corporate bonds	5,156,740	5,025,974	4,181,089	3,983,106
Brokered Certificate of Deposits	350,030	350,280	350,030	346,281
Total	30,860,167	45,352,624	34,120,291	47,656,721
Funds designated for capital reserve				
Mutual and index funds	3,670,780	4,319,011	3,555,172	3,924,254
Government obligations	374,896	366,366	274,748	262,341
Corporate bonds	232,492	224,382	157,015	144,829
Total	4,278,168	4,909,759	3,986,935	4,331,424
Total long-term investments	54,077,374	71,901,891	56,430,733	71,349,075
Total investments	\$ 54,077,374	\$ 71,901,891	\$ 56,934,733	\$ 71,915,622

Investment (loss) income, net is as follows:

	Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 1,455,144	\$ 428,003	\$ 1,883,147
Net gains on sale of securities	4,404,311	585,565	4,989,876
Net unrealized gain (loss)	1,180,586	1,663,042	2,843,628
Investment fees	(136,744)	(87,631)	(224,375)
Net investment income	\$ 6,903,297	\$ 2,588,979	\$ 9,492,276

	Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 1,501,395	\$ 390,643	\$ 1,892,038
Net gains on sale of securities	1,303,291	6,299,429	7,602,720
Net unrealized gain (loss)	3,365,780	(4,384,364)	(1,018,584)
Investment fees	(134,203)	(81,646)	(215,849)
Net investment income	\$ 6,036,263	\$ 2,224,062	\$ 8,260,325

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 — STUDENT LOANS RECEIVABLE, NET

Government revolving loans are funded principally with federal advances to the College under the Perkins Loan Program (Perkins), Health Professional Student Loan Program (HPSL), and certain other programs. During the fiscal year 2018, the Perkins Loan Program ended and as a result the College made the first of its annual required repayments to the government. During fiscal years 2024 and 2023, the College made required repayments from the Perkins Revolving Loan fund of approximately \$103,000 and \$110,000, respectively, to the Department of Education, as required by law. Interest earned on the revolving and institutional loan programs is reinvested to support additional loans. The repayment and interest rate terms of the institutional loans vary considerably.

Student loans receivable, net, are summarized as follows:

	June 30,	
	2024	2023
Student loans receivable	\$ 1,428,338	\$ 1,633,230
Less allowance	14,282	16,330
	1,414,056	1,616,900
Less current portion	219,600	246,000
Long-term portion	<u>\$ 1,194,456</u>	<u>\$ 1,370,900</u>

The aging of the student loan portfolio by classes of loans as of June 30, 2024, is presented as follows:

Classes of Loans	Not in Repayment	Current	Less Than 240 Days Past Due	Greater Than 240 Days but Less Than Two Years Past Due	Greater Than Two Years but Less Than Five Years Past Due	Greater Than Five Years Past Due	Total
Federal Perkins Loans	\$ 39,731	\$ 113,868	\$ 14,306	\$ 9,042	\$ 13,752	\$ 10,143	\$ 200,842
Health Professional Student Loans	429,500	425,783	153,883	59,550	67,000	91,780	1,227,496
	<u>\$ 469,231</u>	<u>\$ 539,651</u>	<u>\$ 168,189</u>	<u>\$ 68,592</u>	<u>\$ 80,752</u>	<u>\$ 101,923</u>	<u>\$ 1,428,338</u>
As a percentage of total loan portfolio	32.85%	37.78%	11.78%	4.80%	5.65%	7.14%	100.00%

Changes in allowance are as follows:

	Year Ended June 30,	
	2024	2023
Balance, beginning	\$ 16,331	\$ 16,970
Provision (recovery)	(641)	1,267
Loans charged off	(1,408)	(1,907)
	<u>\$ 14,282</u>	<u>\$ 16,330</u>

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 — STUDENT LOANS RECEIVABLE, NET (Continued)

The allowance and recorded investment in student loans based on impairment method and credit quality indicator as of June 30, 2024 is presented as follows:

	<u>Perkins</u>	<u>HPSL</u>	<u>Total</u>
Allowance for loans collectively evaluated for impairment	\$ 2,007	\$ 12,275	\$ 14,282
Loans collectively evaluated for impairment	<u>\$ 200,842</u>	<u>\$ 1,227,496</u>	<u>\$ 1,428,338</u>
Allowance as a percentage of loans evaluated for impairment	1.00%	1.00%	1.00%
Investment by credit quality indicator			
Performing	\$ 167,905	\$ 1,009,166	\$ 1,177,071
Nonperforming	<u>32,937</u>	<u>218,330</u>	<u>251,267</u>
	<u>\$ 200,842</u>	<u>\$ 1,227,496</u>	<u>\$ 1,428,338</u>

NOTE 4 — PLEDGES RECEIVABLE, NET

Pledges receivable, net, are summarized as follows:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Scholarships	\$ 57,250	\$ 161,250
Beyond Practice Ready	26,000	31,000
Bridges to Industry	1,152,628	2,292,129
Collaboratory	24,317	193,298
Pharmacy Practice Lab	30,000	60,000
Biology Lab	66,000	78,500
Capital campaign	75,000	83,520
Residency Programs	20,000	25,000
Unrestricted for General Operations	91,000	-
Other	500	2,680
Total	<u>\$ 1,542,695</u>	<u>\$ 2,927,377</u>

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 674,933	\$ 1,138,617
Receivable in one to five years	837,762	1,548,086
Receivable in more than five years	<u>30,000</u>	<u>240,674</u>
Total	1,542,695	2,927,377
Less discount to net present value	30,534	54,648
Less allowance for uncollectible pledges	<u>125,000</u>	<u>150,000</u>
Total pledges receivable, net	1,387,161	2,722,729
Less current portion	<u>599,934</u>	<u>1,038,617</u>
Long-term portion	<u>\$ 787,227</u>	<u>\$ 1,684,112</u>

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 4 — PLEDGES RECEIVABLE, NET (Continued)

A portion of the long-term pledge receivable balance can be relieved by gifts-in-kind.

As of June 30, 2024 and 2023, the College had also received notification of bequest intentions totaling approximately \$14,245,000 and \$14,197,000, respectively. If received, \$3,265,000 of the respective totals would be used for scholarships, \$2,020,000 would be used for research and the remainder would be unrestricted funds to be used at the College's discretion. These amounts are not included in pledges receivable due to the conditional nature of the gifts.

NOTE 5 — DEPOSITS HELD IN CUSTODY FOR OTHERS

A summary of deposits held in custody for others is as follows:

	June 30,	
	2024	2023
Student activity	\$ 61,849	\$ 53,048
Athletics	24,955	24,955
Total	<u>\$ 86,804</u>	<u>\$ 78,003</u>

NOTE 6 — PROPERTY, PLANT, AND EQUIPMENT, NET

A summary of property, plant, and equipment, net, is as follows:

	June 30,	
	2024	2023
Land and improvements	\$ 14,235,588	\$ 14,892,713
Buildings and improvements	77,584,324	80,738,098
Laboratory equipment	10,261,899	10,883,041
Other equipment	4,993,928	4,976,492
Furniture and fixtures	3,908,788	4,805,053
Computer equipment	6,461,677	8,433,573
Total	<u>117,446,204</u>	<u>124,728,970</u>
Less accumulated depreciation	<u>75,834,118</u>	<u>81,065,538</u>
	41,612,086	43,663,432
Construction in progress	534,811	2,142,207
Property, plant, and equipment, net	<u>\$ 42,146,897</u>	<u>\$ 45,805,639</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was approximately \$4,227,000 and \$4,465,000, respectively.

NOTE 7 — ASSETS HELD FOR SALE

As a result of the College's decision to consolidate student housing, the Notre Dame facility owned by the College is no longer needed. Beginning in July 2023, the dorm was not in use and the College entered into a contract with a real estate broker to sell the building.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 7 — ASSETS HELD FOR SALE (Continued)

Assets held for sale are summarized as follows:

	June 30,	
	2024	2023
Land and improvements	\$ 523,513	\$ -
Buildings and improvements	1,065,624	-
	<u>\$ 1,589,137</u>	<u>\$ -</u>

NOTE 8 — ENDOWMENT

The College's endowment consists of various investments overseen by the Finance and Capital Resources Committee of the Board of Trustees. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions or Board designations.

Relevant Law

The Board of Trustees of the College has interpreted the New York State Not-For-Profit Corporation Law (NPCL) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, management classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard procedures prescribed in NPCL Article 5-A. Management considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund;
- b. The purposes of the College and the donor-restricted endowment fund;
- c. General economic conditions;
- d. The possible effect of inflation and deflation;
- e. The expected total return from income and the appreciation of investments;
- f. Other resources of the College;
- g. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the organization, and
- h. The investment policies of the College.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 8 — ENDOWMENT (Continued)

Composition and Changes of Endowment

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 21,627,509	\$ 21,627,509
Board-designated endowment funds	46,402,093		46,402,093
	<u>\$ 46,402,093</u>	<u>\$ 21,627,509</u>	<u>\$ 68,029,602</u>

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

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 48,549,014	\$ 19,265,556	\$ 67,814,570
Investment return			
Investment income	1,110,425	428,004	1,538,429
Net gains, realized	4,322,155	585,569	4,907,724
Fees	(115,527)	(87,630)	(203,157)
Net gains (losses), unrealized	956,026	1,663,041	2,619,067
Total	<u>6,273,079</u>	<u>2,588,984</u>	<u>8,862,063</u>
Contributions	-	160,846	160,846
Net assets released from restriction	-	(387,877)	(387,877)
Appropriation of endowment assets for expenditures	<u>(8,420,000)</u>	<u>-</u>	<u>(8,420,000)</u>
Endowment net assets, end of year	<u>\$ 46,402,093</u>	<u>\$ 21,627,509</u>	<u>\$ 68,029,602</u>

Endowment net asset composition by type of fund as of June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 19,265,556	\$ 19,265,556
Board-designated endowment funds	48,549,014	-	48,549,014
	<u>\$ 48,549,014</u>	<u>\$ 19,265,556</u>	<u>\$ 67,814,570</u>

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 8 — ENDOWMENT (Continued)

Composition and Changes of Endowment (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	<u>\$ 45,739,311</u>	<u>\$ 17,918,984</u>	<u>\$ 63,658,295</u>
Investment return			
Investment income	1,274,252	390,637	1,664,889
Net gains, realized	1,273,877	6,299,428	7,573,305
Fees	(112,737)	(81,645)	(194,382)
Net gains (losses), unrealized	2,924,311	(4,384,364)	(1,460,053)
Total	<u>5,359,703</u>	<u>2,224,056</u>	<u>7,583,759</u>
Contributions and transfers	<u>4,000,000</u>	<u>120,905</u>	<u>4,120,905</u>
Net assets released from restriction	<u>-</u>	<u>(642,573)</u>	<u>(642,573)</u>
Appropriation of endowment assets for expenditures	<u>(6,550,000)</u>	<u>(355,816)</u>	<u>(6,905,816)</u>
Endowment net assets, end of year	<u><u>\$ 48,549,014</u></u>	<u><u>\$ 19,265,556</u></u>	<u><u>\$ 67,814,570</u></u>

During the fiscal year 2023, restricted funds of \$600,000 were re-designated by the donor to support qualifying students for institutional aid. As a result, donor funds with restriction and perpetual in nature of \$355,816 were transferred to funds without donor restriction. The remaining \$244,184 residing in donor restricted for time and purpose were released.

During the fiscal year 2023, the Board re-designated \$4,000,000 from capital reserve to endowment and simultaneously approved \$4,000,000 as funds made available for operations from endowment for the fiscal year ended June 30, 2023.

Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to obtain a real rate of return on plan assets so that plan assets both grow in value at a rate that exceeds the rate of inflation over the long-term and that limits yearly volatility to acceptable levels as reviewed and determined by the Investment Committee.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 8 — ENDOWMENT (Continued)

Spending Policy

The College's policy for distributing endowment fund earnings is based on the need to support its various programs and maintenance of facilities. Whether any distributions are made from endowment funds is decided annually by the Board of Trustees in conjunction with the College's annual operating budget. Accordingly, over the long term, the College expects the current spending policy to allow its endowment to grow at a rate that exceeds the rate of inflation. This is consistent with the College's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The College has a spending policy of 4% per annum, based on a historical five-year moving average of the donor-restricted endowment fund market value on June 30. No distributions will be made which result in the market value of the donor restricted endowment falling below the original corpus. From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the value of the original donor gift amounts. There were no underwater funds at June 30, 2024. The amount below the original gift value or the amount required to be maintained by the donor or by law totaled \$7,071 (corpus of \$90,320) at June 30, 2023 and was reported in net assets with donor restrictions. No distributions were made from these funds during the year ended June 30, 2023.

NOTE 9 — LINE-OF-CREDIT

During June 2023, the College renewed a \$5,000,000 unsecured working capital line-of-credit expiring March 2025; the previous line-of-credit expired during March 2024. The line is payable on demand with interest due monthly on the outstanding balances at an interest rate equal to 0.5% below the Wall Street Journal Prime Rate, or 8.00% at June 30, 2024.

There was no outstanding balance on the line-of-credit at June 30, 2024.

The line-of-credit contains certain financial covenants. As of June 30, 2024 and 2023, the College has met these financial covenants.

Under the terms of the Agreement, the College is required to maintain a depository relationship with the financial institution, with a minimum balance of \$4,000,000.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 10 — BONDS PAYABLE, NET

Bonds payable are summarized as follows:

	June 30,	
	2024	2023
Tax-exempt Revenue Refunding Bonds, Series 2014A	\$ 10,530,000	\$ 11,235,000
Tax-exempt Revenue Refunding Bonds, Series 2014B	4,675,000	4,925,000
Tax-exempt Revenue Refunding Bonds, Series 2022A	6,505,000	6,505,000
Tax-exempt Revenue Refunding Bonds, Series 2022B	2,675,000	2,810,000
Total bonds before unamortized premium and bond issuance costs	24,385,000	25,475,000
Unamortized premium, Series 2014A	924,823	1,013,289
Unamortized discount, Series 2022A	(68,759)	(73,524)
Unamortized discount, Series 2022B	(102,795)	(111,790)
Bond issuance costs, net	(564,817)	(651,671)
Bonds payable, net	24,573,452	25,651,304
Less current portion of bonds payable, net	1,164,780	1,080,780
Bonds payable, net, long-term portion	<u>\$ 23,408,672</u>	<u>\$ 24,570,524</u>

During fall 2022, the College refunded the CHF Holland Suites Series 2007A Bonds via a bond offering of \$6,505,000 through the City of Albany Capital Resource Corporation to obtain Tax-Exempt Revenue Refunding Bonds, Series 2022A (a). The purpose of the offering was to refund Civic Facility Revenue Bonds (CHF-Holland Suites, L.L.C. Project – Letter of Credit Secured), Series 2007A in the original aggregate principal amount of \$12,780,000, originally issued May 3, 2007 for the purpose of financing a portion of the costs of a project to acquire leasehold and license interest of an existing building; renovation of the leased premises; and acquisition of and installation of furniture, fixtures, machinery and equipment to constitute a facility to be operated as a dormitory for college and university students including, but not limited to, the College (Holland Suites). Upon redemption of the prior bonds, title of the initial project facility was conveyed to the College.

Also during fall 2022, the College refunded the CHF Holland Suites II Series 2008A Bonds via a bond offering of \$2,810,000 through City of Albany Capital Resource Corporation to obtain Taxable Revenue Refunding Bonds, Series 2022B (b). The purpose of the offering was to refund Civic Facility Revenue Bonds (CHF-Holland Suites II, L.L.C. Project – Letter of Credit Secured), Series 2007A in the original aggregate principal amount of \$6,495,000, originally issued January 25, 2008 for the purpose of financing a portion of the costs of a project to acquire leasehold and license interest of an existing building; renovation of the leased premises; and acquisition of and installation of furniture, fixtures, machinery and equipment to constitute a facility to be operated as a dormitory for college and university students including, but not limited to, the College (Princeton Suites). Upon redemption of the prior bonds, title of the initial project facility was conveyed to the College.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 10 — BONDS PAYABLE, NET (Continued)

Tax Exempt Revenue Refunding Bonds, Series 2022A(a) require interest payable semiannually, December 1 and June 1 in various increments beginning June 1, 2023 through December 1, 2038 at a fixed rate of 5.25%. Principal on the bonds will be payable annually December 1, beginning 2035 through 2038. The bonds are secured by the following: (1) all monies and securities held from time to time by the Trustee for the Owners of such Series 2022 Bonds pursuant to the Series 2022 Indenture and all Bond proceeds prior to disbursement pursuant to the terms of the Series 2022 Indenture, but excepting monies held in the Rebate Fund, (2) the Loan Agreement, (3) the Series 2022 Assignment, (4) the Pledge and Security Agreement, and (5) the Guaranty. The bonds are subject to optional redemption on December 1, 2032 in whole at any time or in part (in denominations of \$5,000 or any integral multiple thereof) on any Bond Payment Date, at the Redemption Price of 100%, plus accrued interest to the Redemption Date. Under the Loan Agreement, the College must make payments of principal and interest to the Trustee. The bond includes an unamortized bond discount of \$68,759 and \$73,524 as of June 30, 2024 and 2023, respectively. The bond is presented net of unamortized bond issuance costs of \$144,110 and \$154,097 as of June 30, 2024 and 2023, respectively..

Tax Exempt Revenue Refunding Bonds, Series 2022A(b) require interest payable semiannually, December 1 and June 1 in various increments beginning June 1, 2023 through December 1, 2035 at a fixed rate of 6.75%. Principal on the bonds will be payable annually December 1, beginning 2023 through 2035. The bonds are secured by the following: (1) all monies and securities held from time to time by the Trustee for the Owners of such Series 2022 Bonds pursuant to the Series 2022 Indenture and all Bond proceeds prior to disbursement pursuant to the terms of the Series 2022 Indenture, but excepting monies held in the Rebate Fund, (2) the Loan Agreement, (3) the Series 2022 Assignment, (4) the Pledge and Security Agreement, and (5) the Guaranty. The bonds are subject to optional redemption on December 1, 2032 in whole at any time or in part (in denominations of \$5,000 or any integral multiple thereof) on any Bond Payment Date, at the Redemption Price of 100%, plus accrued interest to the Redemption Date. Under the Loan Agreement, the College must make payments of principal and interest to the Trustee. The bond includes an unamortized bond discount of \$102,795 and \$111,790 as of June 30, 2024 and 2023, respectively. The bond is presented net of unamortized bond issuance costs of \$234,209 and \$254,705 as of June 30, 2024 and 2023, respectively.

Tax Exempt Revenue Refunding Bonds, Series 2014A require principal payable annually each December 1 in various increments through December 1, 2034. Interest on the bonds will be payable on each June 1 and December 1 at rates from 2.000% to 5.000%. The bonds are secured by the following: (a) assignment to the Trustee of the Issuers rights under the Loan Agreement; (b) mortgage lien on and security interest in mortgaged property (Student Center and O'Brien Building); (c) pledged revenues as pursuant to the Intercreditor Agreement; (d) guaranty to the Trustee by the College; (e) monies deposited with and bond proceeds paid to the Trustee. The bonds are subject to optional redemption on December 1, 2024 at 100%. Under the Loan Agreement, the College must make payments of principal and interest to the Trustee. The bond includes an unamortized bond reoffering premium of \$924,823 and \$1,013,289 as of June 30, 2024 and 2023, respectively. The bond is presented net of unamortized bond issuance costs of \$179,194 and \$196,335 as of June 30, 2024 and 2023, respectively.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 10 — BONDS PAYABLE, NET (Continued)

Tax Exempt Revenue Refunding Bonds, Series 2014B require principal and interest payable the first of each month at various increments through July 1, 2038. The Bank Purchase Agreement with NBT Bank N.A. expires during September 2024. Therefore, the College will be required to renew or replace the bank upon expiration. During 2023, the loan agreement was amended where SOFR replaced LIBOR as the index for the variable interest rate. The variable interest rate (4.430% and 4.312%, respectively) is based on 70% of 100 basis points plus the Secured Overnight Financing Rate (SOFR) as of June 30, 2024 and 2023, respectively. The bonds are secured by the following: (a) assignment of all rights of the College in the Loan Agreement; (b) assignment of mortgage including first mortgage lien on and security interest in mortgaged property (Notre Dame dormitory); (c) pledged revenues as pursuant to the Intercreditor Agreement; (d) guaranty to NBT Bank, N.A. by the College. The bond is presented net of unamortized bond issuance costs of \$7,304 and \$46,534 as of June 30, 2024 and 2023, respectively.

Interest expense related to bonds payable was \$1,282,408 and \$1,022,008 for the years ended June 30, 2024 and 2023, respectively.

The bonds contain certain financial covenants. As of June 30, 2024 and 2023, the College has met these financial covenants.

Under the terms of the Bond Purchase Agreement, the College is required to maintain a depository relationship with NBT Bank, N.A. for the life of the loan, with a minimum balance of \$1,400,000.

A summary of the College's future maturities of bonds payable, is as follows:

	Amount	Unamortized Premium (Discount) and Bond Issuance Costs	Total
For the year ending June 30,			
2025	\$ 1,145,000	\$ 19,780	\$ 1,164,780
2026	1,200,000	27,083	1,227,083
2027	1,255,000	27,083	1,282,083
2028	1,315,000	27,083	1,342,083
2029	1,380,000	27,083	1,407,083
Thereafter	18,090,000	60,340	18,150,340
	<u>\$ 24,385,000</u>	<u>\$ 188,452</u>	<u>\$ 24,573,452</u>

The estimated fair value of bonds payable is approximately \$24,500,000 and \$25,200,000 at June 30, 2024 and 2023, respectively. The estimated fair value of fixed rate bonds payable is based on quoted market prices for the same or similar issues. The carrying value of variable rate bonds payable approximates fair value because of the variable nature of the interest rates.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 11 — NET ASSETS WITH DONOR RESTRICTIONS, TIME AND PURPOSE RESTRICTIONS

Net assets with donor restrictions, time and purpose restrictions are summarized as follows:

	June 30,	
	2024	2023
Scholarships and prizes	\$ 7,199,422	\$ 5,788,418
Other programs	3,503,854	2,711,493
Professorship	595,738	551,071
Beyond practice ready	74,818	172,650
Research	85,220	70,453
Discovery for life	20,000	37,430
	<u>\$ 11,479,052</u>	<u>\$ 9,331,515</u>

NOTE 12 — NET ASSETS WITH DONOR RESTRICTIONS, PERPETUAL IN NATURE

Net assets with donor restrictions, perpetual in nature are summarized as follows:

	June 30,	
	2024	2023
Scholarships and prizes	\$ 8,510,469	\$ 8,345,652
Research	1,011,943	1,011,943
Chair	1,000,000	1,000,000
Summer enrichment program	921,568	921,568
Museum	53,662	53,522
O'Brien loan fund	38,245	38,245
	<u>\$ 11,535,887</u>	<u>\$ 11,370,930</u>

NOTE 13 — RETIREMENT PLANS

Eligible employees of the College are participants in the College 403(b) retirement savings plan, which is a defined contribution plan. The College's policy is to fund retirement costs as accrued. The contribution rate is based on a percentage of a participant's compensation. Total contributions by the College amounted to \$1,428,468 and \$1,566,697 for the years ended June 30, 2024 and 2023, respectively.

NOTE 14 — POSTRETIREMENT HEALTH CARE BENEFITS PLAN

The College has a frozen defined benefit postretirement health care benefits plan (Plan) covering eligible employees. The Plan is unfunded; however, the College makes contributions to the Plan each year for medical premiums due under the Plan.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 14 — POSTRETIREMENT HEALTH CARE BENEFITS PLAN (Continued)

The College recognizes the unfunded status of the Plan as a liability in its statement of financial position. The College recognizes changes in the funded status or changes in unrestricted net assets in the year in which the changes occur. The College measures the funded status of the Plan as of the date of its year-end statement of financial position.

The benefit obligations related to the Plan are actuarially determined by Milliman Consultants and Actuaries (Milliman), the Plan's consulting actuary.

	June 30,	
	2024	2023
The unfunded status of the Plan is as follows:		
Benefit obligation	\$ (1,592,423)	\$ (1,851,200)
Funded status	\$ (1,592,423)	\$ (1,851,200)
The cumulative amounts of adjustments to net assets that have not yet been recognized as components of net periodic benefit cost at June 30:		
Prior service credit	\$ 78,511	\$ 124,170
Net gain / (loss)	1,005,674	811,283
	\$ 1,084,185	\$ 935,453
	Year Ended June 30,	
	2024	2023
Employer contributions	\$ 58,845	\$ 57,818
Benefits paid	\$ 58,845	\$ 57,818
Amounts recognized in the statement of activities:		
Net (gain) / loss	\$ (299,504)	\$ (232,106)
Amortization of prior service credit	45,659	45,659
Amortization of net gain	105,113	54,390
Total changes in net assets other than net periodic benefit cost	(148,732)	(132,057)
Net periodic benefit cost		
Service cost	21,746	31,049
Interest cost	77,826	84,100
Amortization of prior service (credit) / cost	(45,659)	(45,659)
Amortization of net (gain)	(105,113)	(54,390)
Net periodic benefit cost (income)	(51,200)	15,100
Total amount recognized in the statement of activities	\$ (199,932)	\$ (116,957)

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 14 — POSTRETIREMENT HEALTH CARE BENEFITS PLAN (Continued)

The following are weighted-average assumptions used to determine benefit obligations:

	June 30,	
	2024	2023
Discount rate	<u>5.25%</u>	<u>4.87%</u>

The following benefit payments, which reflect future service as appropriate, are expected to be paid:

	Amount
For the year ending June 30,	
2025	\$ 82,395
2026	94,471
2027	99,281
2028	111,801
2029	123,642
Expected benefit payments 2030 through 2034	686,271

NOTE 15 — RIGHT OF USE ASSETS AND LIABILITIES

The College has entered into the following lease arrangements:

Finance Leases

These leases consist of various equipment leases and a land lease. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases

The College has various real estate leases for the use of facilities. The agreements require monthly payments ranging from \$700 to \$82,638 per month and expire at various times from June 2024 to June 2030. The College has a land lease for the Life Sciences Innovation building. The land lease agreement requires annual payments ranging from \$150,000 to \$232,700, expiring May 2071.

As of June 30, 2023, the College vacated the facility in Vermont. The College maintained the lease and respective subleases until June 2024, as such, an impairment on right-of-use assets as a result of early vacating the leased property of \$321,842 was recorded as of June 30, 2023. A liability of \$975,723 remained on the books as of June 30, 2023, as a component of operating lease liabilities, current in the accompanying statement of financial position as of June 30, 2023 to reflect the remaining obligation due. This lease also required the College to pay insurance, common area maintenance, and other costs, collectively referred to as operating costs. These costs were recognized as incurred and included in utilities expense. In addition, this facility, had two sublease agreements which expired June 2024. The sublease agreements require the payment of base rent plus additional rent for insurance, common area maintenance, and other costs. Sublease base rental income of approximately \$631,000 was recognized for the year ending June 30, 2024.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 15 — RIGHT OF USE ASSETS AND LIABILITIES (Continued)

Other Lease Information

The components of lease cost for the year ended June 30, are as follows:

	2024	2023
Lease cost		
Financing lease cost		
Amortization of right-of-use asset	\$ 665,130	\$ 387,093
Interest on lease liabilities	222,682	79,442
Operating lease cost	595,249	974,840
Sublease income	(630,593)	(471,281)
Total lease cost	<u>\$ 852,468</u>	<u>\$ 970,094</u>

Other cash flow information related to leases for the year ended June 30, are as follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 405,276	\$ 421,312
Interest paid for finance leases	\$ 222,682	\$ 79,442
Operating cash flows from operating leases	\$ 1,030,974	\$ 1,109,706

Weighted-average remaining lease term and discount rate for operating and finance leases as of June 30, are as follows:

	2024	2023
Weighted-average remaining lease term (in years)		
Financing leases	37.67	35.04
Operating leases	5.48	5.94
Weighted-average discount rate		
Financing leases	2.47%	2.47%
Operating leases	5.20%	4.12%

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 15 — RIGHT OF USE ASSETS AND LIABILITIES (Continued)

Other Lease Information (Continued)

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2024, are as follows:

<u>Year ending June 30,</u>	<u>Financing</u>	<u>Operating</u>
2025	\$ 489,861	\$ 27,357
2026	272,822	27,926
2027	164,051	28,512
2028	157,500	13,465
2029	157,500	8,400
Thereafter	8,153,929	11,900
Total minimum lease payments	9,395,663	117,560
Less: Amount representing interest	(5,120,283)	(10,635)
Present value of net minimum lease payments	<u>\$ 4,275,380</u>	<u>\$ 106,925</u>

NOTE 16 — COMMITMENT AND CONTINGENCIES

Rental Income

In June 2022, the College expanded the campus footprint and acquired a state-of-the-art medical and life sciences facility, the Life Sciences Innovation building. The College has various real estate leases for use of the facility. The agreements require monthly payments ranging from \$38,273 to \$156,838 per month, expiring August 2028. Rental income under the leases excluding variable fees was \$2,460,591 and \$2,477,200 for the years ended June 30, 2024 and 2023, respectively, which is reflected in other sources in the Statement of Activities.

Rental income excluding variable fees to be recognized over the next five years is as follows:

	<u>Amount</u>
For the year ending June 30,	
2025	\$ 2,341,325
2026	2,341,325
2027	2,341,325
2028	2,341,325
Thereafter	390,221

The College entered into a five-year agreement with First Columbia Property Services, LLC, ending June 2027, to manage the building and respective tenants. The manager is compensated monthly by the greater of 4% of gross rental income or \$8,355 per month. Payments made under the agreement were \$316,285 and \$1,350,303 for the years end June 30, 2024 and 2023, respectively. The total minimum payment to be incurred over each of the next five years is \$100,260.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 16 — COMMITMENT AND CONTINGENCIES (Continued)

Rental Income (Continued)

During the fall 2022, the College purchased the projects CHF-Holland Suites and CHF-Holland Suites II (see Note 10), thereby ending the thirty-nine and forty-year lease agreements with CHF-Holland Suites I and II, respectively.

The thirty-nine year lease agreement with CHF-Holland Suites, LLC was to lease a portion of a College-owned facility to construct and furnish a 177-bed student housing facility and the rights to 177 parking spots. The entire lease of \$4.3 million was paid in advance.

The forty-year lease agreement with CHF-Holland Suites II, LLC was to lease an additional portion of a College-owned facility to construct and furnish a 122-bed student housing facility. The entire lease of \$1 million was paid in advance.

Therefore, the advance rent was recognized as income using the straight-line method over the life of the bonds. Rental income under the leases was \$0 and \$73,611 for the years ended June 30, 2024 and 2023, respectively.

The Bookstore LLC

The College contracted with independent corporations to manage the bookstore and the cafeteria during the years ended June 30, 2024 and 2023. During the years ended June 30, 2024 and 2023, the College reported the revenues and expenses of these operations in the statement of activities.

The College formed a Limited Liability Company, The Bookstore LLC (the LLC) with two other educational institutions to serve as a common bookstore for all three institutions. The College had a 45.2% and 50.8% membership interest in the LLC for both June 30, 2024 and 2023, respectively. The location of the bookstore is in the College's student center.

The LLC entered into a lease with the College for the bookstore space in May 2006. The lease is through 2045. The rent is the sum of the bookstore's pro rata share of ground rent under the terms of the ground lease the College had with UHA. As an inducement to construct the bookstore space, Sage Colleges and Albany Law School entered into an agreement with the College, whereas each of the educational institutions paid the College a non-refundable payment of \$249,999, or a total of \$499,998.

Federal Government Student Loan Program

Funds provided under the federal government student loan program are loaned to qualified students and may be re-loaned after collection. If the College were to terminate the program, these funds would be returnable to the government.

Food Service Contract

The College has a contract with a food service company to provide food services. Under the terms of the contract, the food service provider funded \$1,339,077 of capital improvements to the College's dining service program. The food service provider provided funding of \$184,440 for additional improvements during the years ended June 30, 2023. For years ended June 30, 2024 and 2023, the College reflected \$139,144 and \$133,138, as revenue on this agreement. The balance that has been deferred is \$139,144 as of June 30, 2023 (none at June 30, 2024).

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 16 — COMMITMENT AND CONTINGENCIES (Continued)

Food Service Contract (Continued)

The College renewed the contract with the food service company in June 2024 extending the contract through June 30, 2029. The renewal includes an incentive of a \$400,000 conditional contribution from the food service company to the College and an \$850,000 construction commitment of which \$450,000 will be funded by the College and \$400,000 will be provided from the food service company. These contributions contain conditions (construction and use of capital improvements over the contract period). The College holds title to the improvements. In the unlikely event that the food service contract is terminated prior to June 30, 2029, the College will be liable for liquidated damages to the food service provider, calculated based on the number of months remaining on the contract from the date of termination through June 2029. The conditional promise to give is not recorded as contribution revenue until donor conditions are met (no conditions met and no contributions recognized in the year ended June 30, 2024).

Construction Contract

During the year ended June 30, 2024, the College entered into 8 single construction contracts, totaling approximately \$3,944,000. During the year ended June 30, 2024, approximately \$3,188,000 has been completed, and during the year ending June 30, 2025, \$756,000 will be completed.

Self-Insurance

The College is self-insured for risk of loss related to its employee health benefit coverage. The liability estimate is based on an analysis considering anticipated incurred but not reported claims expense, a provision for adverse deviation of 5% to maintain a sufficient reserve level under adverse conditions and a loss adjustment of 6.5% to administer the payment of the outstanding claims. The liability amounted to approximately \$350,000 and \$265,000 on June 30, 2024 and 2023, respectively, and is included as a component of accounts payable and accrued liabilities in the accompanying statement of financial position.

NOTE 17 — RISKS AND UNCERTAINTIES

Concentration of Credit Risk

The College maintains cash balances in financial institutions located in the northeast. Accounts at those institutions are insured, up to certain limits, by the Federal Deposit Insurance Corporation (FDIC). At times, the College has bank deposits in excess of amounts insured by the FDIC. The College attempts to mitigate this risk by depositing its cash with high credit quality institutions. Uninsured cash at June 30, 2024 was approximately \$10,874,000.

Contract and Grant Administration

Federally funded financial aid programs and research and development grants are subject to special audit. Such audits could result in claims against the resources of the College.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 18 — FAIR VALUE OF FINANCIAL INSTRUMENTS

The College determines the fair value of financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs may be used to measure fair value:

- Level 1** Unadjusted quoted market prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than quoted market prices and can include active markets and markets not considered to be active.
- Level 3** Unobservable inputs that are supported by little or no market activity.

Fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of valuation methodologies used for assets and liabilities measured at fair value at June 30, 2024 and 2023:

Certificates of Deposit: The fair value of fixed maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

Corporate Bonds: Valued at yields currently available on comparable securities of issuers with similar credit ratings. The bonds are valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Government Obligations: Valued at yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Treasury Obligations and Equities: Valued at the closing price reported in the active market in which the individual security is traded.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the College are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the College are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the College believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 18 — FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

A summary of assets and liabilities measured at fair value on a recurring basis are summarized below:

June 30, 2024				
	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ -	\$ -	\$ -	\$ -
Corporate bonds	4,063,478	3,806,093	-	7,869,571
Brokered Certificate of deposits	-	550,393	-	550,393
Government obligations	4,551,455	5,545,233	-	10,096,688
Mutual funds				
Bond	3,356,062	-	-	3,356,062
Large cap	38,820,179	-	-	38,820,179
Mid cap	3,398,655	-	-	3,398,655
Small cap	592,114	-	-	592,114
International	7,218,229	-	-	7,218,229
Total Investments	62,000,172	9,901,719	-	71,901,891
Total Assets	\$ 62,000,172	\$ 9,901,719	\$ -	\$ 71,901,891
June 30, 2023				
	Level 1	Level 2	Level 3	Total
Assets				
Certificates of deposit	\$ -	\$ 566,547	\$ -	\$ 566,547
Corporate bonds	3,020,578	3,331,034	-	6,351,612
Brokered Certificate of deposits	-	544,531	-	544,531
Government obligations	6,832,521	5,836,964	-	12,669,485
Mutual funds				
Bond	3,917,911	-	-	3,917,911
Large cap	40,464,688	-	-	40,464,688
Mid cap	1,792,948	-	-	1,792,948
Small cap	1,095,948	-	-	1,095,948
International	4,511,952	-	-	4,511,952
Total Investments	61,636,546	10,279,076	-	71,915,622
Total Assets	\$ 61,636,546	\$ 10,279,076	\$ -	\$ 71,915,622

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 19 — LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the College's financial assets available for general expenditures within one year as of June 30, 2024.

Financial assets at year-end

Cash	\$ 10,439,090
Accounts receivable, students, net	1,172,583
Investments	71,901,891
Other financial assets	7,402,665
Total financial assets at year-end	<u>\$ 90,916,229</u>

Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions	
Donor restricted perpetual endowment	(11,497,642)
Donor time and purpose restricted endowment	(10,129,867)
Contributions restricted by donor with time or purpose restrictions	(1,242,764)
Other financial assets	(7,402,665)
Line of credit minimum deposit requirement	(4,000,000)
Bond Series 2014B NBT Bank minimum deposit requirement	<u>(1,400,000)</u>

Financial assets available to meet cash needs for general expenditures within one year before board designations:

\$ 55,243,291

Less Board designations:

Board designated endowment fund, primarily for long-term investing	(46,402,093)
Capital reserve	<u>(6,287,223)</u>

Financial assets available to meet cash needs for general expenditures within one year

\$ 2,553,975

The College is substantially supported by tuition and fees. The College is also supported by contributions on an unrestricted and restricted basis. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the College must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial resources may not be available for general expenditure within one year. The College invests cash in excess of annual requirements in short-term investments. Although the College does not intend to use funds outside of their designation, the board-designated funds of approximately \$52,690,000 could be made available if necessary. In the event of an unanticipated liquidity need, the College could draw upon its available \$5,000,000 line of credit as further discussed in Note 9.

NOTE 20 — CONTRIBUTED NONFINANCIAL ASSETS

The College received the following contributions of nonfinancial assets for the year ended June 30, 2024:

<u>Program Services</u>	<u>Donated Supplies</u>	<u>Donated Event</u>	<u>Total</u>
Athletics	\$ 1,000	\$ -	\$ 1,000
Alumni relations and fundraising	-	737	737
Total	<u>\$ 1,000</u>	<u>\$ 737</u>	<u>\$ 1,737</u>

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 20 — CONTRIBUTED NONFINANCIAL ASSETS (Continued)

During the fiscal year 2024, the Organization received contributions of athletic supplies and the hosting of an alumni event. the use of facilities for the Collaboratory program. The market value is based on current market rates the College would have paid.

The College received the following contributions of nonfinancial assets for the year ended June 30, 2023:

<u>Program Services</u>	<u>Donated Rent</u>
Collaboratory	<u>\$ 57,497</u>
Total	<u><u>\$ 57,497</u></u>

During the fiscal year 2023, the Organization received contributions of the use of facilities for the Collaboratory program. The market value is based on current market rates the College would have paid.

NOTE 21 — RELATED PARTY TRANSACTIONS

The College has not entered into any transactions with related parties, which may materially affect the accompanying financial statements.

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 22 — FUNCTIONAL EXPENSES

Functional expenses for the year ended June 30, 2024 are as follows:

	Program							Total
	Administrative and General	Fundraising	Admissions and Student Services	Office of Post- Graduate Education	Library and Instruction	Research	Auxiliary Services	
Salaries	\$ 3,280,207	\$ 681,939	\$ 2,843,292	\$ 34,353	\$ 10,552,451	\$ 1,101,551	\$ 264,517	\$ 18,758,310
Fringe benefits	899,904	200,945	803,179	3,817	2,867,317	314,519	75,215	5,164,896
Amortization	174,985	520	49,418	189	384,732	3,495	64,940	678,279
Credit losses and bad debt	98,356	-	-	-	987,809	53,000	-	1,139,165
Bank fees	25,118	2,778	13,758	53	15,578	973	18,080	76,338
Books, audio video, material, and cataloging	-	-	-	-	499,293	-	-	499,293
Consultants	628,993	12,025	268,010	-	210,538	94,254	-	1,213,820
Cost of operations	-	-	-	-	8,019,650	-	1,517,860	9,537,510
Depreciation	702,722	26,530	425,525	9,647	1,719,999	278,013	1,064,418	4,226,854
Events	-	143,735	232,992	2,000	15,592	-	-	394,319
Honoraria	-	-	-	10,224	888	3,500	-	14,612
Insurance	451,995	169	16,047	61	39,545	1,135	112,732	621,684
Interest	237,571	11,021	142,603	4,008	509,798	25,049	576,122	1,506,172
Lease	100	-	-	-	615,378	-	-	615,478
Marketing and public relations	(300)	28,635	130,578	-	90,068	-	-	248,981
Membership dues	38,951	408	19,289	-	38,574	4,347	-	101,569
Non-capitalized equipment	53,857	12	3,331	4	76,518	78	1,444	135,244
Photocopy	8,415	-	-	-	-	-	-	8,415
Postage	52,476	2,185	-	-	-	-	-	54,661
Printing and publications	36,988	24,280	105,346	-	-	5,092	-	171,706
Professional development	(666)	150	5,297	-	19,685	1,113	-	25,579
Professional fees	357,757	-	-	-	3,280	6,398	-	367,435
Recruitment	93,322	-	314,424	-	8,840	-	-	416,586
Repairs and maintenance	416,371	3,267	310,756	1,188	338,517	143,351	688,408	1,901,858
Security contracts	204,044	4,181	397,726	1,520	317,575	28,128	522,656	1,475,830
Software licenses and maintenance	629,826	-	79,120	-	31,093	11,750	-	751,789
Supplies	26,226	33,383	130,179	2,647	381,507	253,467	44,012	871,421
Taxes	214,313	-	-	-	-	-	-	214,313
Telephone, internet and cable	81,128	10	18,844	4	20,783	75	1,736	122,580
Travel	30,082	12,447	41,029	815	117,227	30,170	1,489	233,259
Utilities	1,316,952	1,887	179,512	686	210,737	12,696	524,567	2,247,037
Vouchers	-	-	-	-	90,605	-	-	90,605
Other	16,209	789	256,336	4	473,269	74,234	1,336	822,177
Total	\$ 10,075,902	\$ 1,191,296	\$ 6,786,591	\$ 71,220	\$ 28,656,846	\$ 2,446,388	\$ 5,479,532	\$ 54,707,775

ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 22 — FUNCTIONAL EXPENSES (Continued)

Functional expenses for the year ended June 30, 2023 are as follows:

	Program							
	Administrative and General	Fundraising	Admissions and Student Services	Office of Post- Graduate Education	Library and Instruction	Research	Auxiliary Services	Total
Salaries	\$ 3,551,121	\$ 941,930	\$ 2,688,439	\$ 44,639	\$ 12,019,682	\$ 1,295,439	\$ 104,082	\$ 20,645,332
Fringe benefits	1,065,011	285,797	792,670	10,803	3,501,640	372,391	31,293	6,059,605
Amortization	42,704	213	20,249	77	347,067	1,780	11,466	423,556
Bad debt	94,433	-	-	-	11,584	-	-	106,017
Bank fees	3,342	3,536	1,377	5	6,947	121	780	16,108
Books, audio video, material, and cataloging	-	-	-	-	514,842	-	-	514,842
Consultants	670,525	40,604	391,796	-	250,084	64,607	299	1,417,915
Cost of operations	-	-	-	-	4,739,880	-	1,476,679	6,216,559
Depreciation	551,506	27,783	468,453	10,103	1,918,063	353,030	1,136,258	4,465,196
Events	-	89,740	228,651	375	17,938	-	-	336,704
Honoraria	-	-	-	10,151	(322)	-	-	9,829
Insurance	338,751	-	-	-	55,809	36,230	143,536	574,326
Interest	90,289	5,928	76,702	2,156	268,244	13,473	647,023	1,103,815
Lease	-	-	-	-	947,100	47,901	-	995,001
Marketing and public relations	-	67,381	199,084	-	62,749	-	-	329,214
Membership dues	52,483	2,128	16,271	-	51,531	6,920	-	129,333
Non-capitalized equipment	53,078	580	56,462	211	128,678	49,771	31,234	320,014
Photocopy	11,280	-	-	-	-	-	-	11,280
Postage	52,327	93	-	-	-	-	-	52,420
Printing and publications	1,789	37,243	137,042	-	-	10,888	-	186,962
Professional development	4,757	2,064	3,410	-	23,902	1,222	-	35,355
Professional fees	429,186	-	-	-	1,552	-	-	430,738
Recruitment	96,934	-	277,419	-	741	-	-	375,094
Repairs and maintenance	279,129	2,538	241,378	923	403,768	203,617	409,795	1,541,148
Security contracts	89,118	4,057	385,903	1,475	372,102	36,317	220,842	1,109,814
Software licenses and maintenance	539,323	-	83,942	-	25,620	20,799	-	669,684
Supplies	150,589	49,561	124,136	2,883	490,471	252,357	16,655	1,086,652
Taxes	17,982	-	-	-	166,464	18,496	17,982	220,924
Telephone, internet and cable	129,149	16	1,536	6	26,008	135	30,957	187,807
Travel	27,833	43,764	93,322	1,188	153,645	35,619	414	355,785
Utilities	646,855	2,355	224,049	856	717,960	36,701	428,781	2,057,557
Vouchers	-	-	-	-	109,032	-	-	109,032
Other	56,850	3,090	202,695	129	460,207	78,146	18,852	819,969
Total	<u>\$ 9,046,344</u>	<u>\$ 1,610,401</u>	<u>\$ 6,714,986</u>	<u>\$ 85,980</u>	<u>\$ 27,792,988</u>	<u>\$ 2,935,960</u>	<u>\$ 4,726,928</u>	<u>\$ 52,913,587</u>