



Albany College of Pharmacy  
AND HEALTH SCIENCES

AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2023 and 2022

# **ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**

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## **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, 2023, 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, 2023, 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' 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*UHY* LLP

Albany, New York  
October 2, 2023

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**STATEMENTS OF FINANCIAL POSITION**  
**WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2022**

		June 30,	
		2023	2022
Line	<b>ASSETS</b>		
	<b>CURRENT ASSETS</b>		
1	Cash	\$ 9,756,967	\$ 10,510,021
2	Investments, short-term	566,547	529,250
3	Accrued interest and dividends	241,554	189,345
4	Accounts receivable, students, net	701,885	1,935,694
5	Accounts receivable, government entities	1,936,523	354,678
6	Student loans receivable, net, current portion	246,000	261,600
7	Pledges receivable, net, current portion	1,038,617	918,793
8	Other receivables, net	1,677,556	1,597,063
9	Prepaid expenses and other current assets	654,654	653,114
10	Total current assets	16,820,303	16,949,558
11	<b>PROPERTY, PLANT, AND EQUIPMENT, net</b>	45,805,639	43,625,190
	<b>OTHER ASSETS</b>		
12	Restricted cash	497,267	580,158
13	Investments, long-term	71,349,075	69,918,376
14	Student loans receivable, net, noncurrent	1,370,900	1,418,663
15	Pledges receivable, net, noncurrent	1,684,112	2,241,039
16	Other assets	1,382,805	1,255,314
17	Right of Use Operating Leased Assets	752,270	2,202,155
18	Right of Use Financing Leased Assets	4,801,926	5,189,019
19	Deposits held in custody for others	78,003	49,913
20	Total other assets	81,916,358	82,854,637
21	Total assets	\$ 144,542,300	\$ 143,429,385
	<b>LIABILITIES AND NET ASSETS</b>		
	<b>CURRENT LIABILITIES</b>		
22	Bonds payable, net, current portion	\$ 1,080,780	\$ 965,494
23	Accounts payable and accrued liabilities	3,095,250	3,158,351
24	Operating Lease Liabilities, current	1,009,101	1,091,953
25	Financing Lease Liabilities, current	445,270	496,313
26	Deferred revenue and deposits, current portion	2,888,737	3,396,055
27	Total current liabilities	8,519,138	9,108,166
	<b>OTHER LIABILITIES</b>		
28	Advances from Federal government for student loans	1,623,775	1,722,117
29	Bonds payable, net, less current portion	24,570,524	16,957,970
30	Operating Lease Liabilities, long-term	178,762	1,358,819
31	Financing Lease Liabilities, long-term	4,235,386	4,605,655
32	Deferred revenue and deposits, less current portion	-	2,466,111
33	Postretirement health care benefits obligation	1,851,200	2,025,975
34	Deposits held in custody for others	78,003	49,913
35	Total other liabilities	32,537,650	29,186,560
36	Total liabilities	41,056,788	38,294,726
	<b>COMMITMENTS AND CONTINGENCIES</b>		
	<b>NET ASSETS</b>		
	Without Donor Restrictions		
37	Undesignated	24,644,045	28,580,447
38	Designated for endowment and student loans	51,602,004	48,990,639
39	Designated for plant capital and capital reserve	6,537,018	8,087,088
40		82,783,067	85,658,174
	With Donor Restrictions		
41	Time and purpose restricted	9,331,515	7,870,650
42	Perpetual in nature	11,370,930	11,605,835
43		20,702,445	19,476,485
44	Total net assets	103,485,512	105,134,659
45	Total liabilities and net assets	\$ 144,542,300	\$ 143,429,385

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, 2022**

		Year Ended June 30,			
Line		Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
<b>REVENUES, GAINS, AND SUPPORT</b>					
	Educational and general				
	Student tuition, net (of institutional aid of \$14,023,177 and \$14,221,790, respectively)	\$ 23,808,628	\$ -	\$ 23,808,628	\$ 28,761,213
46	Student fees	431,936	-	431,936	462,110
47	Government contracts, grants, and contributions	2,963,572	-	2,963,572	4,942,257
48	Other contracts, grants, and contributions	560,864	83,247	644,111	601,071
49	Recovery of indirect costs	386,854	-	386,854	469,654
50	Gifts and pledges - cash and other financial assets	173,364	592,076	765,440	1,472,303
51	Contributions in-kind	-	57,497	57,497	149,805
52	Interest and dividends	1,253	-	1,253	3,321
53	Office of post-graduate education	17,942	-	17,942	51,885
54	Endowment income designated for current operations	6,550,000	-	6,550,000	1,500,000
55	Other sources	10,057,606	-	10,057,606	5,108,996
56		<u>44,952,019</u>	<u>732,820</u>	<u>45,684,839</u>	<u>43,522,615</u>
57	Auxiliary services				
	Student housing	2,587,615	-	2,587,615	1,384,546
58	Student meal plan	1,524,449	-	1,524,449	1,465,349
59	Bookstore	35,967	-	35,967	36,655
60		<u>4,148,031</u>	<u>-</u>	<u>4,148,031</u>	<u>2,886,550</u>
61	Net assets released from restrictions	1,375,106	(1,375,106)	-	-
62	Total revenues, gains, and support	<u>50,475,156</u>	<u>(642,286)</u>	<u>49,832,870</u>	<u>46,409,165</u>
63	<b>EXPENSES AND LOSSES</b>				
	Administration and general	9,046,344	-	9,046,344	7,323,558
64	Fundraising	1,610,401	-	1,610,401	1,610,922
65	Program				
	Admissions and student services	6,714,986	-	6,714,986	6,863,012
66	Security	-	-	-	-
67	Office of post-graduate education	85,980	-	85,980	271,200
68	Library and instruction	27,792,988	-	27,792,988	24,972,746
69	Research	2,935,960	-	2,935,960	3,971,442
70	Student aid	-	-	-	1,659,017
71	Auxiliary services	4,726,928	-	4,726,928	4,125,670
	Total program	<u>42,256,842</u>	<u>-</u>	<u>42,256,842</u>	<u>41,863,087</u>
72	Total expenses and losses	<u>52,913,587</u>	<u>-</u>	<u>52,913,587</u>	<u>50,797,567</u>
<b>Transfers</b>					
73	Transfers to unrestricted net assets	355,816	(355,816)	-	-
74	<b>Decrease in net assets from operations</b>	<u>(2,082,615)</u>	<u>(998,102)</u>	<u>(3,080,717)</u>	<u>(4,388,402)</u>
75	Investment (loss) income, net	(513,737)	2,224,062	1,710,325	(11,566,350)
76	Loss on sale of assets	(88,970)	-	(88,970)	(32,541)
77	Loss on impairment of right of use asset (operating)	(321,842)	-	(321,842)	-
78	Postretirement health care plan adjustments other than net periodic benefit costs	132,057	-	132,057	658,957
79	<b>(Decrease) increase in net assets</b>	<u>(2,875,107)</u>	<u>1,225,960</u>	<u>(1,649,147)</u>	<u>(15,328,336)</u>
80	<b>NET ASSETS, beginning of year</b>	<u>85,658,174</u>	<u>19,476,485</u>	<u>105,134,659</u>	<u>120,462,995</u>
81	<b>NET ASSETS, end of year</b>	<u>\$ 82,783,067</u>	<u>\$ 20,702,445</u>	<u>\$ 103,485,512</u>	<u>\$ 105,134,659</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, 2022**

	<b>Year Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,649,147)	\$ (15,328,336)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss on sale of assets	88,970	32,541
Loss on impairment of right of use asset (operating)	321,842	-
Depreciation	4,465,197	4,282,336
Amortization of premium and bond issuance costs	(29,686)	(55,494)
Amortization of intangible asset	35,850	35,850
Amortization right of use asset, financing leases	387,093	209,682
Amortization right of use asset, operating leases	974,840	1,398,108
Change in allowances and bad debts	266,247	70,626
Net (gains) losses on investments	(6,584,136)	11,616,715
Contribution of property, plant and equipment	-	(50,000)
Contributions restricted for long-term investment	(603,641)	(641,246)
Rental and cafeteria income	(2,591,476)	(272,495)
Net change in postretirement health care benefits obligation	(174,775)	(634,324)
Changes in operating assets and liabilities:		
Accrued interest and dividends	(52,209)	(88,006)
Accounts receivable, students	1,139,677	(533,918)
Accounts receivable, government entities	(1,581,845)	298,299
Other receivables	(80,493)	(475,597)
Prepaid expenses and other current assets	(1,540)	121,197
Other assets	(96,540)	(385,232)
Accounts payable and accrued liabilities	(63,101)	159,395
Operating lease liabilities	(1,109,706)	(1,535,443)
Deferred revenue and deposits	(381,953)	(730,187)
Net cash used in operating activities	<u>(7,320,532)</u>	<u>(2,505,529)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sales and maturities of investments	34,716,275	18,618,169
Proceeds from the sale of property, plant, and equipment	45,300	138,000
Purchases of investments	(29,600,135)	(17,811,653)
Purchase of property, plant, and equipment	(6,779,916)	(14,822,769)
Student loans issued	(185,000)	(115,000)
Repayments of student loans	247,352	262,534
Net cash used in investing activities	<u>(1,556,124)</u>	<u>(13,730,719)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collection of pledges receivable	869,640	826,760
Payments on financing leases	(421,312)	(294,291)
Decrease in deposits with bond trustees	(66,801)	(56)
Proceeds on bonds payable	9,121,660	-
Payment of bond issuance costs	(454,134)	-
Principal payments on bonds	(910,000)	(900,000)
Decrease in governmental advances and governmental share of interest	(98,342)	(239,541)
Net cash provided by (used in) financing activities	<u>8,040,711</u>	<u>(607,128)</u>
Net change in cash and restricted cash	(835,945)	(16,843,376)
<b>CASH AND RESTRICTED CASH, beginning of year</b>	<u>11,090,179</u>	<u>27,933,555</u>
<b>CASH AND RESTRICTED CASH, end of year</b>	<u><u>\$ 10,254,234</u></u>	<u><u>\$ 11,090,179</u></u>
<b>RECONCILIATION OF CASH AND RESTRICTED CASH TO THE STATEMENTS OF FINANCIAL POSITION:</b>		
Cash, unrestricted	\$ 9,756,967	\$ 10,510,021
Restricted cash	497,267	580,158
	<u><u>\$ 10,254,234</u></u>	<u><u>\$ 11,090,179</u></u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<u><u>\$ 992,336</u></u>	<u><u>\$ 640,823</u></u>
<b>NONCASH INVESTING ACTIVITY</b>		
Property, plant, and equipment contribution	<u><u>\$ -</u></u>	<u><u>\$ 50,000</u></u>

*See accompanying notes to financial statements.*

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**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.

**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.



**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**Net Assets** (Continued)

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.

**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.

The College provides an allowance for doubtful accounts, which is determined based on collection history and a review of the open accounts by management. 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. The allowance for doubtful accounts for student receivables and other receivables was \$225,000 at both June 30, 2023 and 2022.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**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 \$150,000 at both June 30, 2023 and 2022.

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 0.29% to 6.44% as of June 30, 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.

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.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**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.

**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 \$116,994 and \$116,945 for the years ended June 30, 2023 and 2022, respectively.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**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:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Pharmacy program income	\$ 6,065,187	\$ 3,981,931
Life Sciences Innovation Building rental income	2,940,217	-
Other	1,052,202	1,127,065
	<u>\$ 10,057,606</u>	<u>\$ 5,108,996</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 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 our statements of financial position and presented separately based on the classification of the underlying lease arrangement.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**Right of Use Assets and Liabilities (Continued)**

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 21. 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.
- 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, 2023 and 2022.

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

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

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

**Subsequent Events**

The College has evaluated subsequent events for potential recognition or disclosure through October 2, 2023, 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, 2022, from which the summarized information was derived.

**NOTE 2 — INVESTMENTS**

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

	June 30,			
	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Current				
Investments held for operating fund purposes				
Certificates of deposit	\$ 504,000	\$ 566,547	\$ 504,000	\$ 529,250
Long-term				
Endowment fund				
Mutual funds	12,493,573	13,836,197	3,774,133	5,147,022
Government obligations	3,241,694	3,102,806	3,181,466	3,094,627
Corporate bonds	2,388,210	2,223,677	2,516,909	2,382,358
Brokered Certificate of Deposits	200,030	198,250	-	-
Equities	-	-	3,000,754	7,271,046
Total	18,323,507	19,360,930	12,473,262	17,895,053
Funds designated for endowment				
Mutual and index funds	19,866,285	34,022,996	20,721,565	31,645,559
Government obligations	9,722,887	9,304,338	10,276,671	10,167,627
Corporate bonds	4,181,089	3,983,106	3,520,588	3,317,771
Brokered Certificate of Deposits	350,030	346,281	-	-
Total	34,120,291	47,656,721	34,518,824	45,130,957
Funds designated for capital reserve				
Mutual and index funds	3,555,172	3,924,254	5,263,882	5,339,426
Government obligations	274,748	262,341	760,497	714,932
Corporate bonds	157,015	144,829	927,688	838,008
Total	3,986,935	4,331,424	6,952,067	6,892,366
Total long-term investments	56,430,733	71,349,075	53,944,153	69,918,376
Total investments	\$ 56,934,733	\$ 71,915,622	\$ 54,448,153	\$ 70,447,626

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 2 — INVESTMENTS (Continued)**

Investment (loss) income, net is as follows:

	<b>Year Ended June 30, 2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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	<u>\$ 6,036,263</u>	<u>\$ 2,224,062</u>	<u>\$ 8,260,325</u>

  

	<b>Year Ended June 30, 2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Interest and dividends	\$ 1,535,907	\$ 273,640	\$ 1,809,547
Net gains on sale of securities	382,486	160,614	543,100
Net unrealized loss	(9,794,404)	(2,365,411)	(12,159,815)
Investment fees	(166,962)	(92,220)	(259,182)
Net investment loss	<u>\$ (8,042,973)</u>	<u>\$ (2,023,377)</u>	<u>\$ (10,066,350)</u>

**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 2023 and 2022, the College made required repayments from the Perkins Revolving Loan fund of approximately \$110,000 and \$253,000, 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:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Student loans receivable	\$ 1,633,230	\$ 1,697,233
Less allowance for doubtful accounts	<u>16,330</u>	<u>16,970</u>
	1,616,900	1,680,263
Less current portion	<u>246,000</u>	<u>261,600</u>
Long-term portion	<u>\$ 1,370,900</u>	<u>\$ 1,418,663</u>

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 3 — STUDENT LOANS RECEIVABLE, NET (Continued)**

The aging of the student loan portfolio by classes of loans as of June 30, 2023, 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	\$ 72,576	\$ 159,797	\$ 6,495	\$ 25,956	\$ 48,769	\$ 74,181	\$ 387,774
Health Professional Student Loans	516,911	398,864	170,902	11,000	80,000	67,779	1,245,456
	<u>\$ 589,487</u>	<u>\$ 558,661</u>	<u>\$ 177,397</u>	<u>\$ 36,956</u>	<u>\$ 128,769</u>	<u>\$ 141,960</u>	<u>\$ 1,633,230</u>
As a percentage of total loan portfolio	36.09%	34.21%	10.86%	2.26%	7.88%	8.69%	100.00%

Changes in allowance are as follows:

	Year Ended June 30,	
	2023	2022
Balance, beginning	\$ 16,970	\$ 18,494
Provision (recovery)	1,267	3,278
Loans charged off	(1,907)	(4,802)
	<u>\$ 16,330</u>	<u>\$ 16,970</u>

The allowance and recorded investment in student loans based on impairment method and credit quality indicator as of June 30, 2023 is presented as follows:

	Perkins	HPSL	Total
Allowance for loans collectively evaluated for impairment	<u>\$ 12,454</u>	<u>\$ 3,876</u>	<u>\$ 16,330</u>
Loans collectively evaluated for impairment	<u>\$ 387,774</u>	<u>\$ 1,245,456</u>	<u>\$ 1,633,230</u>
Allowance as a percentage of loans evaluated for impairment	3.21%	0.31%	1.00%
Investment by credit quality indicator			
Performing	\$ 238,868	\$ 1,086,677	\$ 1,325,545
Nonperforming	148,906	158,779	307,685
	<u>\$ 387,774</u>	<u>\$ 1,245,456</u>	<u>\$ 1,633,230</u>



**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 4 — PLEDGES RECEIVABLE, NET**

Pledges receivable, net, are summarized as follows:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Scholarships	\$ 161,250	\$ 283,243
Beyond Practice Ready	31,000	52,850
Bridges to Industry	2,292,129	2,583,439
Collaboratory	193,298	102,392
Pharmacy Practice Lab	60,000	90,000
Biology Lab	78,500	88,000
Capital campaign	83,520	121,545
Residency Programs	25,000	61,458
Other	2,680	7,150
Total	<u>\$ 2,927,377</u>	<u>\$ 3,390,077</u>

  

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Receivable in less than one year	\$ 1,138,617	\$ 1,018,793
Receivable in one to five years	1,548,086	1,884,937
Receivable in more than five years	240,674	486,347
Total	<u>2,927,377</u>	<u>3,390,077</u>
Less discount to net present value	54,648	80,245
Less allowance for uncollectible pledges	150,000	150,000
Total pledges receivable, net	<u>2,722,729</u>	<u>3,159,832</u>
Less current portion	1,038,617	918,793
Long-term portion	<u>\$ 1,684,112</u>	<u>\$ 2,241,039</u>

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

As of June 30, 2023 and 2022, the College had also received notification of bequest intentions totaling approximately \$14,197,000 and \$13,092,000, 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:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Student activity	\$ 53,048	\$ 24,958
Athletics	24,955	24,955
Total	<u>\$ 78,003</u>	<u>\$ 49,913</u>

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 6 — PROPERTY, PLANT, AND EQUIPMENT, NET**

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

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Land and improvements	\$ 14,892,713	\$ 14,397,154
Buildings and improvements	80,738,098	81,526,767
Laboratory equipment	10,883,041	10,786,260
Other equipment	4,976,492	4,342,068
Furniture and fixtures	4,805,053	4,756,269
Computer equipment	8,433,573	7,861,328
Total	124,728,970	123,669,846
Less accumulated depreciation	81,065,538	81,405,761
	43,663,432	42,264,085
Construction in progress	2,142,207	1,361,105
Property, plant, and equipment, net	<u>\$ 45,805,639</u>	<u>\$ 43,625,190</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was approximately \$4,465,000 and \$4,282,000, respectively.

**NOTE 7 — 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:

- The duration and preservation of the fund;
- The purposes of the College and the donor-restricted endowment fund;
- General economic conditions;

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 7 — ENDOWMENT** (Continued)

**Relevant Law** (Continued)

- 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.

**Composition and Changes of Endowment**

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
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>

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

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 45,739,311	\$ 17,918,984	\$ 63,658,295
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>\$ 48,549,014</u>	<u>\$ 19,265,556</u>	<u>\$ 67,814,570</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.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 7 — ENDOWMENT (Continued)**

**Composition and Changes of Endowment (Continued)**

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.

Endowment net asset composition by type of fund as of June 30, 2022 were as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted endowment funds	\$ -	\$ 17,918,984	\$ 17,918,984
Board-designated endowment funds	45,739,311	-	45,739,311
	<u>\$ 45,739,311</u>	<u>\$ 17,918,984</u>	<u>\$ 63,658,295</u>

Changes in endowment net assets for the fiscal year ended June 30, 2022 were as follows:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 53,998,525	\$ 20,116,829	\$ 74,115,354
Investment return			
Investment income	1,126,611	273,642	1,400,253
Net gains, realized	360,521	160,614	521,135
Fees	(128,368)	(92,221)	(220,589)
Net losses, unrealized	(8,117,978)	(2,365,412)	(10,483,390)
Total	<u>(6,759,214)</u>	<u>(2,023,377)</u>	<u>(8,782,591)</u>
Contributions	-	221,164	221,164
Net assets released from restriction	-	(395,632)	(395,632)
Appropriation of endowment assets for expenditures	<u>(1,500,000)</u>	<u>-</u>	<u>(1,500,000)</u>
Endowment net assets, end of year	<u>\$ 45,739,311</u>	<u>\$ 17,918,984</u>	<u>\$ 63,658,295</u>

**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.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 7 — ENDOWMENT** (Continued)

**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.

**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. 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, 2022 and was reported in net assets with donor restrictions. No distributions were made from these funds during the year ended June 30, 2022. There were no underwater funds at June 30, 2023.

**NOTE 8 — LINE-OF-CREDIT**

During June 2023, the College renewed a \$5,000,000 unsecured working capital line-of-credit expiring March 2024; the previous line-of-credit expired during March 2023. 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 7.75% at June 30, 2023.

There was no outstanding balance on the line-of-credit at June 30, 2023.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 9 — BONDS PAYABLE, NET**

Bonds payable are summarized as follows:

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Tax-exempt Revenue Refunding Bonds, Series 2014A	\$ 11,235,000	\$ 11,910,000
Tax-exempt Revenue Refunding Bonds, Series 2014B	4,925,000	5,160,000
Tax-exempt Revenue Refunding Bonds, Series 2022A	6,505,000	-
Tax-exempt Revenue Refunding Bonds, Series 2022B	2,810,000	-
Total bonds before unamortized premium and bond issuance costs	25,475,000	17,070,000
Unamortized premium, Series 2014A	1,013,289	1,101,754
Unamortized discount, Series 2022A	(73,524)	-
Unamortized discount, Series 2022B	(111,790)	-
Bond issuance costs, net	(651,671)	(248,290)
Bonds payable, net	25,651,304	17,923,464
Less current portion of bonds payable, net	1,080,780	965,494
Bonds payable, net, long-term portion	<u>\$ 24,570,524</u>	<u>\$ 16,957,970</u>

During 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 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, 2023 and 2022**

**NOTE 9 — 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 \$73,524 as of June 30, 2023. The bond is presented net of unamortized bond issuance costs of \$154,097 as of June 30, 2023 .

**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 \$111,790 as of June 30, 2023. The bond is presented net of unamortized bond issuance costs of \$254,705 as of June 30, 2023.

**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 \$1,013,289 and \$1,101,754 as of June 30, 2023 and 2022, respectively. The bond is presented net of unamortized bond issuance costs of \$196,335 and \$213,476 as of June 30, 2023 and 2022, respectively.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 — 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 (4.312% and 1.062%, respectively) is based on 70% of 100 basis points plus the Secured Overnight Financing Rate (SOFR) as of June 30, 2023 and 70% of 100 basis points plus the LIBOR rate as of June 30, 2022. 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 \$46,534 and \$34,814 as of June 30, 2023 and 2022, respectively.

Interest expense related to bonds payable was \$1,022,008 and \$579,672 for the years ended June 30, 2023 and 2022, respectively.

The bonds contain certain financial covenants. As of June 30, 2023 and 2022, 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:

	<b>Amount</b>	<b>Unamortized Premium (Discount) and Bond Issuance Costs</b>	<b>Total</b>
For the year ending June 30,			
2024	\$ 1,090,000	\$ (9,220)	\$ 1,080,780
2025	1,145,000	22,708	1,167,708
2026	1,200,000	30,011	1,230,011
2027	1,255,000	30,011	1,285,011
2028	1,315,000	30,011	1,345,011
Thereafter	19,470,000	72,783	19,542,783
	<u>\$ 25,475,000</u>	<u>\$ 176,304</u>	<u>\$ 25,651,304</u>

The estimated fair value of bonds payable is approximately \$25,200,000 and \$17,200,000 at June 30, 2023 and 2022, 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, 2023 and 2022**

**NOTE 10 — NET ASSETS WITH DONOR RESTRICTIONS, TIME AND PURPOSE RESTRICTIONS**

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

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Scholarships and prizes	\$ 5,788,418	\$ 4,680,823
Other programs	2,711,493	2,126,697
Professorship	551,071	600,000
Beyond Practice Ready	172,650	171,477
Fitness Court	-	130,200
Research	70,453	92,553
Discovery for life	37,430	68,900
	<u>\$ 9,331,515</u>	<u>\$ 7,870,650</u>

**NOTE 11 — NET ASSETS WITH DONOR RESTRICTIONS, PERPETUAL IN NATURE**

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

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Scholarships and prizes	\$ 8,345,652	\$ 8,580,557
Research	1,011,943	1,011,943
Chair	1,000,000	1,000,000
Summer enrichment program	921,568	921,568
Museum	53,522	53,522
O'Brien Loan Fund	38,245	38,245
	<u>\$ 11,370,930</u>	<u>\$ 11,605,835</u>

**NOTE 12 — 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 \$1,566,697 and \$1,652,376 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 13 — 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, 2023 and 2022**

**NOTE 13 — 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.

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
The unfunded status of the Plan is as follows:		
Benefit obligation	\$ (1,851,200)	\$ (2,025,975)
Funded status	\$ (1,851,200)	\$ (2,025,975)
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	\$ 124,170	\$ 169,829
Net gain / (loss)	811,283	633,567
	\$ 935,453	\$ 803,396
	<b>Year Ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
Employer contributions	\$ 57,818	\$ 45,916
Benefits paid	\$ 57,818	\$ 45,916
Amounts recognized in the statement of activities:		
Net (gain) / loss	\$ (232,106)	\$ (704,616)
Amortization of prior service credit	45,659	45,659
Amortization of net gain	54,390	-
Total changes in net assets other than net periodic benefit cost	(132,057)	(658,957)
Net periodic benefit cost		
Service cost	31,049	53,922
Interest cost	84,100	62,286
Amortization of prior service (credit) / cost	(45,659)	(45,659)
Amortization of net (gain)	(54,390)	-
Net periodic benefit cost	15,100	70,549
Total amount recognized in the statement of activities	\$ (116,957)	\$ (588,408)

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 — POSTRETIREMENT HEALTH CARE BENEFITS PLAN (Continued)**

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

	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	<u>4.87%</u>	<u>4.36%</u>

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

	<b>Amount</b>
For the year ending June 30,	
2024	\$ 101,534
2025	98,398
2026	110,961
2027	117,349
2028	126,553
Expected benefit payments 2029 through 2033	753,542

**NOTE 14 — 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 will maintain 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 remains on the books as of June 30, 2023, as a component of operating lease liabilities, current in the accompanying statement of financial position to reflect the remaining obligation due. This lease also requires the College to pay insurance, common area maintenance, and other costs, collectively referred to as operating costs. These costs are recognized as incurred and included in utilities expense. In addition, this facility, has two sublease agreements which expire 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 \$601,000 to be recognized for the year ending June 30, 2024.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

**NOTE 14 — RIGHT OF USE ASSETS AND LIABILITIES (Continued)**

**Other Lease Information**

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

	<b>2023</b>
Lease cost	
Financing lease cost	
Amortization of right-of-use asset	\$ 387,093
Interest on lease liabilities	79,442
Operating lease cost	974,840
Sublease income	<u>(471,281)</u>
Total lease cost	<u><u>\$ 970,094</u></u>

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

	<b>2023</b>
Cash paid for amounts included in the measurement of lease liabilities:	
Financing cash flows from finance leases	\$ 421,312
Interest paid for finance leases	\$ 79,442
Operating cash flows from operating leases	\$ 1,109,706

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

	<b>2023</b>
<b>Weighted-average remaining lease term (in years)</b>	
Financing leases	35.04
Operating leases	5.94
<b>Weighted-average discount rate</b>	
Financing leases	2.47%
Operating leases	4.12%

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

**NOTE 14 — 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, 2023, are as follows:

<u>Year ending June 30,</u>	<u>Financing</u>	<u>Operating</u>
2024	\$ 503,938	\$ 951,672
2025	489,861	41,045
2026	272,822	44,447
2027	167,801	44,071
2028	157,500	29,052
Thereafter	<u>8,232,678</u>	<u>100,454</u>
Total minimum lease payments	9,824,600	1,210,741
Less: Amount representing interest	<u>(5,143,944)</u>	<u>(22,878)</u>
Present value of net minimum lease payments	<u><u>\$ 4,680,656</u></u>	<u><u>\$ 1,187,863</u></u>

**NOTE 15 — 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 was \$2,477,400 for the year ended June 30, 2023 which is reflected in other sources in the Statement of Activities.

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

	<u>Amount</u>
For the year ending June 30,	
2024	\$ 2,341,325
2025	2,341,325
2026	2,341,325
2027	2,341,325
2028	2,731,546

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 \$117,716 for the year end June 30, 2023. The total minimum payment to be incurred over each of the next five years is \$100,260.

During the fall 2022, the College purchased the projects CHF-Holland Suites and CHF-Holland Suites II (see Note 9), thereby ending the thirty-nine and forty-year lease agreements with CHF-Holland Suites I and II, respectively.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 15 — COMMITMENT AND CONTINGENCIES (Continued)**

**Rental Income (Continued)**

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 \$73,611 and \$176,667 for the years ended June 30, 2023 and 2022, respectively.

**The Bookstore LLC**

The College contracted with independent corporations to manage the bookstore and the cafeteria during the years ended June 30, 2023 and 2022. During the years ended June 30, 2023 and 2022, 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 50.8% membership interest in the LLC for both June 30, 2023 and 2022. 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 and \$83,844 for additional improvements during the years ended June 30, 2023 and 2022, respectively. The College holds title to the improvements. In the unlikely event that the food service contract is terminated prior to May 31, 2024, 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 May 2024. For years ended June 30, 2023 and 2022, the College reflected \$133,138 and \$95,830, as revenue on this agreement. The balance that has been deferred as of June 30, 2023 is \$139,134.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 15 — COMMITMENT AND CONTINGENCIES (Continued)**

**Construction Contract**

During the year ended June 30, 2023, the College entered into 7 single construction contracts, totaling approximately \$5,638,000. During the year ended June 30, 2023, \$5,296,000 has been completed, and during the year ending June 30, 2024, \$342,000 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 \$250,000 on June 30, 2023, and is included as a component of accounts payable and accrued liabilities in the accompanying statement of financial position.

**NOTE 16 — 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.

**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.

**NOTE 17 — 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.

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
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**NOTE 17 — FAIR VALUE OF FINANCIAL INSTRUMENTS** (Continued)

Following is a description of valuation methodologies used for assets and liabilities measured at fair value at June 30, 2023 and 2022:

**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.

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

	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**  
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June 30, 2023 and 2022

**NOTE 17 — FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)**

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Certificates of deposit	\$ -	\$ 529,250	\$ -	\$ 529,250
Corporate bonds	2,410,469	4,127,668	-	6,538,137
Government obligations	9,486,062	4,491,124	-	13,977,186
<b>Equities</b>				
Large cap	6,139,893	-	-	6,139,893
Mid cap	877,851	-	-	877,851
International	253,302	-	-	253,302
<b>Mutual funds</b>				
Bond	1,265,720	-	-	1,265,720
Large cap	11,260,791	-	-	11,260,791
Mid cap	3,370,663	-	-	3,370,663
Small cap	23,725,565	-	-	23,725,565
International	2,509,268	-	-	2,509,268
Total Investments	61,299,584	9,148,042	-	70,447,626
Total Assets	\$ 61,299,584	\$ 9,148,042	\$ -	\$ 70,447,626

**NOTE 18 — 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, 2023.

**Financial assets at year-end**

Cash	\$ 9,756,967
Accounts receivable, students, net	701,885
Investments	71,915,622
Other financial assets	10,039,484
Total financial assets at year-end	\$ 92,413,958

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

Contractual or donor-imposed restrictions	
Donor restricted perpetual endowment	(11,332,681)
Donor time and purpose restricted endowment	(7,932,875)
Contributions restricted by donor with time or purpose restrictions	(1,299,969)
Other financial assets	(10,039,484)
Bond Series 2014B NBT Bank minimum deposit requirement	(1,400,000)

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

**\$ 60,408,949**

Less Board designations:

Board designated endowment fund, primarily for long-term investing	(48,549,014)
Capital reserve	(6,537,018)

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

**\$ 5,322,917**

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 18 — LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)**

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 \$55,086,000 could be made available if necessary.

**NOTE 19 — CONTRIBUTED NONFINANCIAL ASSETS**

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	\$ 57,497
<b>Total</b>	<b>\$ 57,497</b>

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.

The College received the following contributions of nonfinancial assets for the year ended June 30, 2022:

<u>Program Services</u>	<u>Donated Equipment/ Supplies</u>	<u>Donated Statue</u>	<u>Donated Rent</u>	<u>Donated Auction Items</u>	<u>Donated Program Speaker</u>	<u>Total</u>
Center for Biopharmaceutical Education and Training	\$ 95,365	\$ -	\$ -	\$ -	\$ -	\$ 95,365
Fitness/Athletics	50,000	-	-	-	-	50,000
Garden statue for medicinal garden	-	2,500	-	-	-	2,500
Pharmacogenomics Certificate Program	-	-	-	-	1,200	1,200
Scholarship	-	-	-	740	-	740
<b>Total</b>	<b>\$ 145,365</b>	<b>\$ 2,500</b>	<b>\$ -</b>	<b>\$ 740</b>	<b>\$ 1,200</b>	<b>\$ 149,805</b>

During the fiscal year 2022, the Organization received donated services for laboratory equipment and supplies, fitness equipment, landscape statue, speaker services for a certificate program and other auction items for a golf fundraising tournament. The College estimated fair value on equipment and supplies based on current market values that would be received for selling similar products in the United States. Contributed services from program speaker were valued at the estimated fair value based on current rates for similar program speaker services.

**NOTE 20 — 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, 2023 and 2022**

**NOTE 21 — FUNCTIONAL EXPENSES**

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

	Program								Total
	Administrative and General	Fundraising	Admissions and Student Services	Office of Post- Graduate Education	Library and Instruction	Research	Awards	Auxiliary Services	
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	-	-	-	-	-	-	-	-	-
Consultants	670,525	40,604	391,796	-	514,842	-	-	-	514,842
Cost of operations	-	-	-	-	250,084	64,607	-	299	1,417,915
Depreciation	-	-	-	-	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	-	-	-	-	-	-	-	-
Student aid	-	-	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>\$ -</u>	<u>\$ 4,726,928</u>	<u>\$ 52,913,587</u>

**ALBANY COLLEGE OF PHARMACY AND HEALTH SCIENCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 21 — FUNCTIONAL EXPENSES (Continued)**

Functional expenses for the year ended June 30, 2022 are as follows:

	Program								Total
	Administrative and General	Fundraising	Admissions and Student Services	Office of Post- Graduate Education	Library and Instruction	Research	Awards	Auxiliary Services	
Salaries	\$ 3,137,479	\$ 975,489	\$ 2,982,137	\$ 162,942	\$ 11,932,809	\$ 1,566,582	\$ -	\$ 302,081	\$ 21,059,519
Fringe benefits	911,916	287,467	780,717	48,017	3,307,296	447,861	-	11,808	5,795,082
Amortization	3,938	37	3,559	14	316,870	421	-	2,015	326,854
Bad debt	129,575	600	-	-	7,824	-	-	-	137,999
Bank fees	16,244	2,447	2,466	9	7,267	292	-	1,396	30,121
Books, audio video, material, and cataloging	-	-	-	-	515,628	-	-	-	515,628
Consultants	277,786	13,500	302,900	-	31,902	193,304	-	12	819,404
Cost of operations	-	-	-	-	2,656,701	-	-	1,418,754	4,075,455
Depreciation	234,502	25,205	475,067	9,166	1,983,624	495,206	-	1,059,566	4,282,336
Events	-	64,357	214,959	5,375	27,707	-	-	-	312,398
Honoraria	-	-	-	30,299	15,817	-	-	-	46,116
Insurance	266,681	-	-	-	43,298	33,884	-	134,242	478,105
Interest	20,811	5,017	64,918	1,825	219,682	11,403	-	262,273	585,929
Lease	-	-	-	-	962,843	287,478	-	-	1,250,321
Marketing and public relations	3,225	62,500	401,074	-	93,180	-	-	-	559,979
Membership dues	55,306	6,097	30,899	-	32,496	1,258	-	-	126,056
Non-capitalized equipment	69,967	89	10,570	32	238,671	6,765	-	4,809	330,903
Photocopy	75,467	-	-	-	-	-	-	-	75,467
Postage	81,932	2,866	-	-	-	-	-	-	84,798
Printing and publications	12,888	46,799	81,479	-	654	13,641	-	-	155,461
Professional development	-	2,363	9,087	-	32,812	3,134	-	-	47,396
Professional fees	254,732	-	784	-	21	-	-	-	255,537
Recruitment	379,454	-	232,405	-	3,073	-	-	-	614,932
Repairs and maintenance	333,938	-	141,065	-	188,780	203,586	-	358,913	1,226,282
Security contracts	47,012	3,857	366,881	1,403	342,365	47,057	-	209,269	1,017,844
Software licenses and maintenance	547,061	-	81,310	-	24,574	31,170	-	-	684,115
Student aid	-	-	-	-	-	-	1,658,760	-	1,658,760
Supplies	39,501	62,811	180,844	3,357	434,944	363,964	-	35,333	1,120,754
Taxes	18,182	-	-	-	168,315	167,887	-	18,182	372,566
Telephone, internet and cable	87,735	19	9,769	7	17,079	5,749	-	36,400	156,758
Travel	46,232	37,629	88,879	6	80,594	13,589	-	893	267,822
Utilities	40,845	2,189	208,207	796	586,155	38,136	-	269,724	1,146,052
Vouchers	-	-	-	-	127,962	-	-	-	127,962
Other	231,149	9,584	193,036	7,952	571,803	39,075	257	-	1,052,856
Total	<u>\$ 7,323,558</u>	<u>\$ 1,610,922</u>	<u>\$ 6,863,012</u>	<u>\$ 271,200</u>	<u>\$ 24,972,746</u>	<u>\$ 3,971,442</u>	<u>\$ 1,659,017</u>	<u>\$ 4,125,670</u>	<u>\$ 50,797,567</u>