



**ST. JOHN'S UNIVERSITY, NEW YORK**

Consolidated Financial Statements

May 31, 2024 and 2023

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## **Independent Auditors' Report**

To the Board of Trustees  
St. John's University, New York:

### *Opinion*

We have audited the consolidated financial statements of St. John's University, New York (the University), which comprise the consolidated balance sheets as of May 31, 2024 and 2023, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of May 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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



In performing an audit in accordance with GAAS, we:

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

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

*KPMG LLP*

New York, New York  
September 13, 2024

**ST. JOHN'S UNIVERSITY, NEW YORK**

Consolidated Balance Sheets

May 31, 2024 and 2023

(Dollars in thousands)

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 26,837	47,313
Accounts receivable:		
Students (net of allowance of \$6,441 and \$6,514 in 2024 and 2023, respectively)	3,901	3,658
Other	9,546	10,483
Contributions receivable, net (note 7)	41,195	35,860
Investments, at fair value (notes 3 and 4)	950,804	902,526
Other assets	12,789	9,154
Student loans receivable (net of allowance of \$948 and \$794 in 2024 and 2023, respectively)	2,848	3,994
Funds held by bond trustees (notes 4 and 9)	43,184	81,771
Operating lease right-of-use assets, net (note 10)	19,757	17,246
Assets held for sale (note 8)	15,763	—
Plant assets, net (notes 8, 9, and 10)	571,000	549,232
<b>Total assets</b>	<b>\$ 1,697,624</b>	<b>1,661,237</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 78,648	79,633
Deferred revenues and other liabilities	22,711	18,081
Refundable U.S. government advances	5,856	6,345
Operating lease liabilities (note 10)	26,038	24,297
Long-term debt (notes 9 and 10)	447,154	472,317
<b>Total liabilities</b>	<b>580,407</b>	<b>600,673</b>
Commitments and contingencies (notes 4 and 14)		
Net assets (notes 5 and 12):		
Without donor restrictions	765,963	747,349
With donor restrictions:		
Time or purpose	140,093	112,339
Perpetual	211,161	200,876
<b>Total with donor restrictions</b>	<b>351,254</b>	<b>313,215</b>
<b>Total net assets</b>	<b>1,117,217</b>	<b>1,060,564</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,697,624</b>	<b>1,661,237</b>

See accompanying notes to consolidated financial statements.

**ST. JOHN'S UNIVERSITY, NEW YORK**

Consolidated Statements of Activities

Years ended May 31, 2024 and 2023

(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees (net of scholarship allowances of \$289,025 in 2024 and \$282,703 in 2023)	\$ 348,641	336,226
Investment return utilized	41,999	32,573
Private gifts, grants, and contracts	13,579	12,293
Government grants and contracts (note 15)	10,899	15,426
Auxiliary enterprises (net of housing grants of \$5,102 in 2024 and \$4,357 in 2023)	66,371	59,542
Other revenues	4,084	4,684
Net assets released from restrictions (note 12)	10,863	17,474
Total operating revenues	<u>496,436</u>	<u>478,218</u>
Operating expenses (note 13):		
Instruction	195,380	187,471
Research and other sponsored programs	8,240	7,037
Academic support	61,120	57,410
Student services	57,420	52,898
Auxiliary enterprises	94,843	94,564
Institutional support	78,198	74,084
Total operating expenses	<u>495,201</u>	<u>473,464</u>
Net operating revenues	1,235	4,754
Nonoperating activities:		
Investment return net of amount utilized in operations	19,904	(19,774)
Change in fair value of bond purchase agreement (note 9)	—	(8,190)
Effect of refunding of long-term debt	—	(628)
Other	(2,525)	—
Increase (decrease) in net assets without donor restrictions	<u>18,614</u>	<u>(23,838)</u>
Changes in net assets with donor restrictions:		
Investment return, net	17,411	(356)
Private gifts, grants, and contracts	26,491	15,715
Government grants and contracts	5,000	—
Net assets released from restrictions (note 12)	(10,863)	(17,474)
Increase (decrease) in net assets with donor restrictions	<u>38,039</u>	<u>(2,115)</u>
Increase (decrease) in net assets	56,653	(25,953)
Net assets at beginning of year	<u>1,060,564</u>	<u>1,086,517</u>
Net assets at end of year	\$ <u><u>1,117,217</u></u>	<u><u>1,060,564</u></u>

See accompanying notes to consolidated financial statements.

**ST. JOHN'S UNIVERSITY, NEW YORK**

Consolidated Statements of Cash Flows

Years ended May 31, 2024 and 2023

(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 56,653	(25,953)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Change in fair value of bond purchase agreement	—	8,190
Effect of refunding of long-term debt	—	628
Noncash lease expense	4,161	4,113
Depreciation and amortization	35,213	36,097
Amortization of deferred bond issuance costs	300	329
Amortization of bond premium	(4,443)	(4,253)
Bad debt expense – student accounts receivable	1,850	2,150
Bad debt expense and cancellations and write-offs – student loans	116	619
Net appreciation in fair value of investments	(67,063)	(4,601)
Contributions and grants restricted for permanent investment and capital	(20,383)	(12,358)
Changes in operating assets and liabilities:		
Student accounts receivable	(2,093)	(1,539)
Other receivables	937	(717)
Nonendowment and noncapital contributions receivable	(5,206)	5,687
Other assets	(3,635)	(1,298)
Noncapital accounts payable and accrued expenses	(2,864)	5,206
Deferred revenues and other liabilities	4,564	(2,291)
Operating lease liabilities	(4,931)	(4,818)
Net cash (used in) provided by operating activities	<u>(6,824)</u>	<u>5,191</u>
Cash flows from investing activities:		
Plant assets acquired	(72,413)	(41,428)
Change in accounts payable and accrued expenses related to plant asset acquisitions	1,879	1,790
Purchase of investments	(175,607)	(162,185)
Sale of investments	194,392	170,390
Student loans – disbursements	(232)	(104)
Student loans – collections	1,262	1,031
Net cash used in investing activities	<u>(50,719)</u>	<u>(30,506)</u>
Cash flows from financing activities:		
Proceeds from bonds issued	—	58,643
Payments from refinancing of debt	—	(57,997)
Principal payments on finance leases	(391)	(1,076)
Payment of long-term debt principal	(20,960)	(19,720)
Bond issuance costs incurred	—	(213)
Change in funds held by bond trustees	38,566	16,473
Contributions and grants restricted for permanent investment and capital	20,383	12,358
Change in endowment and capital contributions receivable	(129)	(1,061)
Change in present value of split-interest agreements	66	(345)
Change in refundable U.S. government advances	(489)	(1,485)
Net cash provided by financing activities	<u>37,046</u>	<u>5,577</u>
Net decrease in cash, cash equivalents, and restricted cash	<u>(20,497)</u>	<u>(19,738)</u>
Cash, cash equivalents, and restricted cash at beginning of year	<u>47,337</u>	<u>67,075</u>
Cash, cash equivalents, and restricted cash at end of year	\$ <u>26,840</u>	\$ <u>47,337</u>
Reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	\$ 26,837	47,313
Restricted cash included in funds held by bond trustees	3	24
Total cash, cash equivalents, and restricted cash shown above	\$ <u>26,840</u>	\$ <u>47,337</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 18,546	20,829
Right-of-use assets obtained in exchange for operating lease liabilities	6,038	452
Right-of-use assets obtained in exchange for finance lease liabilities	331	—

See accompanying notes to consolidated financial statements.

## **ST. JOHN'S UNIVERSITY, NEW YORK**

### **Notes to Consolidated Financial Statements**

May 31, 2024 and 2023

(Dollars in thousands)

#### **(1) Organization**

St. John's University, New York (the University), founded by the Vincentian community in 1870, is an independent not-for-profit institution of higher education, accredited by the Middle States Association of Colleges and Secondary Schools and by the State of New York Department of Education. The University is one of the largest Catholic universities in the United States with approximately 20,000 students on five campuses/sites – Queens, Staten Island, and Manhattan in New York; Rome, Italy; and Paris, France. The University offers more than 100 unique degree programs at the associate, bachelor's, master's, and doctoral levels. The degree programs span a wide range of disciplines from the liberal arts to professional programs. The majority of classes in the degree programs are taught face-to-face at one of the campuses/sites. The University also delivers classes online.

The University announced on August 12, 2022 that it will begin the process of phasing out academic operations on the Staten Island campus, citing declining enrollment. Total enrollment at the Staten Island campus in fall 2022 was 780 students. The University concluded operations on the Staten Island campus at the end of the spring 2024 semester.

The consolidated financial statements of the University include the accounts of the following affiliates:

- St. John's Paris Association, a separately incorporated French affiliate, incorporated in August 2008
- St. John's University SRL (Rome SRL), a separately incorporated Italian affiliate, incorporated in January 2009

The purpose of these affiliates is to provide a study-abroad experience to American students, and especially students of the University, in France and Italy.

#### **(2) Summary of Significant Accounting Policies**

The significant accounting policies followed by the University are described below:

##### **(a) Basis of Presentation**

The University's consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All material intercompany transactions and balances have been eliminated.

The net assets of the University and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed restrictions, including those designated by the Board of Trustees (the Board) of the University to function as endowment. In addition, changes to this category of net assets include restricted gifts whose donor-imposed restrictions are met in the year received, through the passage of time, or through fulfillment of the restricted purpose.

## ST. JOHN'S UNIVERSITY, NEW YORK

### Notes to Consolidated Financial Statements

May 31, 2024 and 2023

(Dollars in thousands)

*With donor restrictions* – Net assets that are subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time. Expirations of restrictions on net assets with donor restrictions, including reclassification of net assets with donor restrictions for the acquisition or construction of long-lived assets when the associated long-lived asset is placed in service, are reported as net assets released from restrictions in the accompanying consolidated statements of activities. Also included in this category are net assets subject to donor-imposed restrictions, which stipulate that the principal be maintained permanently by the University, but permit the University to expend part or all of the income and gains derived therefrom.

Revenues and gains and losses on investments and other assets and liabilities are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions.

The University delineates changes in net assets without donor restrictions as operating or nonoperating activities. Operating activities include all operating revenues and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated and other nonoperating funds to support current operating activities. The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions designated for long-term investment (donor-restricted and quasi-endowment funds) according to the University's spending rate policy, which is detailed in note 5. Nonoperating activities include investment return net of the amount utilized in operations in accordance with the University's spending rate policy, contributions designated for capital projects and quasi-endowment, change in the fair value of bond purchase agreements, and other nonrecurring items.

#### **(b) Use of Estimates**

The preparation of the consolidated financial statements in conformity with GAAP 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 year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include valuation of investments and allocation of functional expenses.

#### **(c) Cash Equivalents**

Cash equivalents consist of money market accounts, savings accounts, and certificates of deposit purchased with original maturities of three months or less, except for such instruments purchased by the University as part of its ongoing intermediate-term and long-term investment strategies, and funds held by bond trustees.

#### **(d) Fair Value**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.



**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

For financial and nonfinancial instruments measured at fair value on a recurring basis, the University uses the three-tiered hierarchy to categorize those assets and liabilities based on the valuation methodologies employed. This hierarchy is defined as follows:

Level 1 – Valuation based on quoted or published prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices, such as quoted or published prices for similar assets or liabilities.

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available.

**(e) Investments**

The University's investments (including investments held by bond trustees) are reported at estimated fair value based upon quoted or published market prices or, with respect to alternative investments, at estimated fair value using net asset values as a practical expedient, provided by the general partners of limited partnerships or other external investment managers. These net asset values are reviewed and evaluated by the University. Due to the inherent uncertainties of these estimates, these values may differ from the values that would have been used had a ready market existed for such investments.

**(f) Contributions, Grants, and Contracts**

Contributions, including grants, contracts, and unconditional promises to give (pledges), are recognized initially at fair value as revenues in the period received or pledged. Contributions subject to donor-imposed restrictions that are met in the same reporting period are reported as revenues without donor restrictions.

Contributions with purpose or time restrictions that are not met in the same reporting period as received are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed stipulations that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value. The University reports contributions of plant assets as increases in net assets without donor restrictions unless the donor places restrictions on their use. Contributions expected to be received after one year are discounted at a risk-adjusted rate of return. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contribution.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met. As of May 31, 2024 and 2023, the University had received conditional promises to give of approximately \$20,181 and \$20,575, respectively, in the form of measurable performance-related or

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

other barriers and a right of return that have not been reflected in the accompanying consolidated financial statements because the barriers on which they depend have not been met. For the fiscal year ended May 31, 2024, the University recognized \$5,501 of the \$20,575 prior year conditional promises to give as revenue.

**(g) Plant Assets**

Plant assets are stated at cost. Library books are not capitalized. Depreciation and amortization of plant assets is computed on a straight-line basis over the estimated useful lives as follows:

Buildings	50 years
Building improvements	20–40 years
Site improvements	10–20 years
Leasehold improvements	Shorter of remaining lease term or useful life
Furniture and equipment	4–10 years

**(h) Student Services Revenue Recognition**

Tuition and fees and room and board revenues are recognized in the fiscal year in which the academic programs and residential services are delivered. Institutional scholarships awarded to students reduce the amount of tuition and fees revenue recognized. Room and board revenues, net of housing grants awarded, are reported in auxiliary enterprises in the accompanying consolidated statements of activities. Payments for tuition and fees and residential services are due prior to the start of the academic term in accordance with the University's due dates. Generally, students who adjust their course load or withdraw completely within four to five weeks of the academic term may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized.

**(i) Deferred Revenues and Other Liabilities**

The University recognizes revenue from student tuition and fees within the fiscal year in which the academic term is conducted as performance obligations are satisfied. Amounts collected in advance of such revenue recognition are reported as deferred revenue in the accompanying consolidated balance sheets.

Other liabilities primarily include amounts received in advance, which are recognized as performance obligations are satisfied, and liabilities relating to split-interest agreements.

The University's split-interest agreements consist primarily of charitable gift annuities and charitable remainder trusts for which the University serves as trustee. Contribution revenue is recognized at the date the assets are received net of the liabilities recorded for the present value of the estimated future payments to be made to the donors and/or beneficiaries. These liabilities are adjusted annually for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits. Liabilities relating to split-interest agreements were \$3,558 and \$3,493 as of May 31, 2024 and 2023, respectively.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

As of May 31, deferred revenues and other liabilities consisted of the following:

	<u>2024</u>	<u>2023</u>
Deferred student tuition and fees	\$ 8,229	8,542
Other liabilities	<u>14,482</u>	<u>9,539</u>
Total	\$ <u>22,711</u>	<u>18,081</u>

**(j) Refundable U.S. Government Advances**

Funds provided by the U.S. government under the Federal Health Professions Student Loan program are loaned to qualified students and may be reloaned after collection. These funds, in addition to funds provided under the Federal Perkins Loan program, are ultimately refundable to the U.S. government and are presented in the accompanying consolidated balance sheets as refundable U.S. government advances.

**(k) Leases**

The University assesses contracts at inception to determine whether an arrangement includes a lease. Operating lease right-of-use assets represent the University's right to use the underlying assets and operating lease liabilities represent the University's obligation to make lease payments for the use of the leased assets. Operating and finance lease right-of-use assets and related lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term discounted using an appropriate discount rate.

The University has elected the short-term lease exemption for leases with a term of 12 months or less. The discount rate is based on the rate implicit in the lease or is based on the incremental borrowing rate using a period comparable with the lease term (note 10).

Operating leases are included in operating right-of-use assets, net and operating leases liabilities in the accompanying consolidated balance sheets. Finance leases are included in plant assets, net and long-term debt in the accompanying consolidated balance sheets.

**(l) Related Parties**

The University has a written conflict-of-interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Board member is requested to certify compliance with the conflict-of-interest policy on an annual basis and indicate whether the University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the University, and in accordance with applicable conflict-of-interest laws. No such associations are considered to be significant as of and for the fiscal years ended May 31, 2024 or 2023.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

**(m) Tax Status**

The University is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code, except for any unrelated business income activities. A portion of the activities of the Paris Association is subject to corporate income and value added tax (VAT) under the provisions of the French Tax Code. The activities of Rome SRL are subject to corporate and VAT taxes under the provisions of the Italian Tax Code. The University recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The University evaluates, on an annual basis, the effects of any uncertain tax positions on its consolidated financial statements. As of May 31, 2024 or 2023, the University has not identified or provided for any such positions.

**(n) Reclassifications**

Certain amounts in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation.

**(3) Investments**

As of May 31, the fair value of investments consisted of the following:

	<b>2024</b>	<b>2023</b>
Cash equivalents	\$ 178,378	95,249
Equities – domestic	217,730	156,683
Fixed income	20,137	63,987
Split-interest agreements and other	6,129	5,665
Commingled funds	104,462	142,166
Alternative investments	423,968	438,776
Total	\$ 950,804	902,526

In addition to split-interest agreements, investments at May 31, 2024 and 2023 include nonendowment funds of \$125,509 and \$114,965, respectively, for capital and operating use.

**(4) Fair Value of Financial Instruments**

The fair value of investments in debt and equity securities is based upon quoted or published market prices. The fair values of commingled funds and alternative investments are based on net asset values provided by the external investment managers and assessed by management for reasonableness. The fair value of the bond purchase agreements is calculated based on market rates and assessed by management for reasonableness.

A reasonable estimate of the fair value of student loans receivable under government loan programs could not be made because the notes are not marketable and can only be assigned to the U.S. government or its designees. The fair value of notes receivable from students under the University's loan programs approximates carrying value.

**ST. JOHN'S UNIVERSITY, NEW YORK**

Notes to Consolidated Financial Statements

May 31, 2024 and 2023

(Dollars in thousands)

The University's commingled funds and alternative investments are allocated among the following investment strategies (amounts as of May 31, 2024):

*Commingled funds* (\$104,462) consist of funds representing beneficial interests in entities that invest in portfolios of public equity, fixed income, and/or related securities. These investments have various redemption intervals with notice periods ranging from 6 to 60 days. Certain investments allow for partial redemption with the remainder retained by the fund managers until the issuance of their respective financial statements. In addition, certain investments have audit holdbacks and side pocket investments. Side pocket investments are generally less liquid, and redemption of these investments is at the discretion of the manager.

*Hedge funds* (\$211,321) consist of investments in hedge funds across a range of strategies (e.g., long/short, long-biased, and multistrategy). Under the terms of certain hedge fund agreements, the University had no open commitments at May 31, 2024. These investments contain various restrictions and redemption intervals with notice periods ranging from 45 to 150 days. Certain investments allow for partial redemption with the remainder retained by fund managers until the issuance of their respective financial statements. In addition, certain investments have initial and/or rolling lockups, audit holdbacks, and side pocket investments. At May 31, 2024, lockup periods expire in less than 1 year. Side pocket investments are generally less liquid, and redemption of these investments is at the discretion of the manager.

*Private equity and debt funds* (\$182,759) consist of investments in funds of funds and direct private funds across a broad range of strategies (e.g., buyout, distressed, growth, venture capital, secondaries, and private debt). Under the terms of certain private equity and debt agreements, the University had open commitments of approximately \$104,000 at May 31, 2024. These investments are generally less liquid, and redemption of these investments is at the discretion of the manager over the duration of the investment term. The University's investments in private equity and debt funds have remaining terms of up to 13 years, including extension periods at the discretion of the manager.

*Real estate funds* (\$29,888) consist of funds formed to invest in various real estate and real-estate-related investments (e.g., equity in real property, first mortgage and mezzanine debt, public and private equity, debt in real estate companies, and structured products). Under the terms of certain real estate fund agreements, the University had open commitments of approximately \$4,000 at May 31, 2024. These investments are generally less liquid, and redemption of these investments is at the discretion of the manager over the duration of the investment term. The University's investment in real estate funds have remaining terms of up to nine years, including extension periods at the discretion of the manager.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

As of May 31, the following tables summarize the redemption frequency by category of commingled funds and alternative investments:

		2024				
		Commingled funds	Hedge funds	Private equity and debt funds	Real estate funds	Total
Redemption frequency:						
Monthly	\$	80,137	—	—	—	80,137
Quarterly		22,953	109,557	—	—	132,510
Semiannual		—	19,912	—	—	19,912
Annual		—	4,071	—	—	4,071
Lockup		824	70,342	—	—	71,166
No redemptions		548	7,439	182,759	29,888	220,634
Total	\$	104,462	211,321	182,759	29,888	528,430
		2023				
		Commingled funds	Hedge funds	Private equity and debt funds	Real estate funds	Total
Redemption frequency:						
Monthly	\$	112,537	—	—	—	112,537
Quarterly		26,432	118,247	—	—	144,679
Semiannual		—	19,355	—	—	19,355
Annual		—	3,384	—	—	3,384
Lockup		3,197	76,067	—	—	79,264
No redemptions		—	6,068	185,950	29,705	221,723
Total	\$	142,166	223,121	185,950	29,705	580,942

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

The following tables present the University's fair value hierarchy for investments and funds held by bond trustees measured at fair value as of May 31, 2024 and 2023. The split-interest agreements included in investments have a corresponding liability of \$3,558 and \$3,493 at May 31, 2024 and 2023, respectively.

Assets	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash equivalents	\$ 178,378	—	—	178,378
Equities – domestic:				
Common stock	135,195	—	—	135,195
Mutual funds	54,062	—	—	54,062
Common trust funds	28,473	—	—	28,473
Fixed income	20,137	—	—	20,137
Split-interest agreements	4,306	1,581	—	5,887
Other	242	—	—	242
	<u>420,793</u>	<u>1,581</u>	<u>—</u>	<u>422,374</u>
Investments measured at net asset value (or its equivalent)				<u>528,430</u>
Total investments				<u>950,804</u>
Funds held by bond trustees:				
Cash	3	—	—	3
U.S. government securities	<u>43,181</u>	<u>—</u>	<u>—</u>	<u>43,181</u>
	<u>43,184</u>	<u>—</u>	<u>—</u>	<u>43,184</u>
Total assets	\$ <u>463,977</u>	<u>1,581</u>	<u>—</u>	<u>993,988</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

Assets	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash equivalents	\$ 95,249	—	—	95,249
Equities – domestic:				
Common stock	117,606	—	—	117,606
Mutual funds	16,767	—	—	16,767
Common trust funds	22,310	—	—	22,310
Fixed income	63,987	—	—	63,987
Split-interest agreements	4,004	1,543	—	5,547
Other	118	—	—	118
	<u>320,041</u>	<u>1,543</u>	<u>—</u>	<u>321,584</u>
Investments measured at net asset value (or its equivalent)				<u>580,942</u>
Total investments				<u>902,526</u>
Funds held by bond trustees:				
Cash	24	—	—	24
U.S. government securities	<u>81,747</u>	<u>—</u>	<u>—</u>	<u>81,747</u>
	<u>81,771</u>	<u>—</u>	<u>—</u>	<u>81,771</u>
Total assets	\$ <u>401,812</u>	<u>1,543</u>	<u>—</u>	<u>984,297</u>

**(5) Endowment Funds**

The University's endowment consists of over 800 individual funds established for a number of purposes. The endowment includes donor-restricted funds and funds designated by the Board, including operating surpluses, to function as endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Spending Rate Policy**

The University established a spending rate policy designed to preserve the value of these investments in real terms and provide a predictable flow of funds to support operations. The University calculates annual spending as (i) 60% of the prior year's endowment spending, adjusted for inflation by the consumer price index, and (ii) 40% of the average endowment market value of the trailing 12 quarters multiplied by the spending rate of 4.50%. To avoid unintentional spending distortions over time, in no event shall the spending amount with respect to any fiscal year, excluding any special endowment draws, be less than 4% or more than 6% of the average market value over the trailing four quarters.



**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

**(b) Return Objectives**

The endowment assets are invested in a manner that is intended to earn, over a full market cycle, a compound annual rate of return in excess of inflation, the spending rate, and fund expenses while maintaining a moderate risk level considered prudent based upon all the facts and circumstances known at that time. The University pools its investments and manages them to achieve a prudent long-term total return.

**(c) Interpretation of Relevant Law**

Pursuant to the investment policy approved by the Board, the University has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the University deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The University considers the duration and preservation of the fund, the purposes of the University and endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, the University's investment policy, and certain other resources in making a determination to appropriate or accumulate endowment funds.

Appreciation on donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University. The amounts appropriated for expenditure are based on the endowment spending rate, which is approved by the Board as part of the University's operating budget.

**(d) Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. At May 31, 2024 and 2023, 33 and 58 endowment funds with an aggregate original gift value of \$19,708 and \$23,928, respectively, were underwater by \$632 and \$1,401, respectively. The University's policy permits spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

The tables below present the endowment net assets, excluding contributions receivable of \$17,665 and \$18,117 at May 31, 2024 and 2023, respectively, by type of fund:

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Board-designated/operating surplus endowment funds	\$ 565,936	—	565,936
Donor-restricted endowment funds:			
Term endowment	—	2,569	2,569
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity	—	191,273	191,273
Accumulated investment gains	—	59,630	59,630
Total endowment	<u>\$ 565,936</u>	<u>253,472</u>	<u>819,408</u>

	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Board-designated/operating surplus endowment funds	\$ 549,460	—	549,460
Donor-restricted endowment funds:			
Term endowment	—	790	790
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity	—	180,784	180,784
Accumulated investment gains	—	50,980	50,980
Total endowment	<u>\$ 549,460</u>	<u>232,554</u>	<u>782,014</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

The tables below present the changes in endowment net assets for the years ended May 31:

<b>2024</b>			
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, May 31, 2023	\$ 549,460	232,554	782,014
Investment return, net	49,236	16,373	65,609
New gifts	—	10,147	10,147
Appropriation for expenditure	(30,949)	(7,557)	(38,506)
Transfers and other changes	(1,811)	1,955	144
Endowment net assets, May 31, 2024	\$ <u>565,936</u>	<u>253,472</u>	<u>819,408</u>

<b>2023</b>			
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, May 31, 2022	\$ 627,991	240,941	868,932
Investment return (loss), net	6,768	(635)	6,133
New gifts	—	7,173	7,173
Appropriation for expenditure	(29,562)	(7,856)	(37,418)
Transfers and other changes	(55,737)	(7,069)	(62,806)
Endowment net assets, May 31, 2023	\$ <u>549,460</u>	<u>232,554</u>	<u>782,014</u>

**(6) Financial Assets and Liquidity Resources**

Financial assets available within one year for general expenditures, including scheduled principal payments on debt and capital construction costs not financed with debt, were as follows at May 31:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 26,837	47,313
Accounts receivable:		
Students	3,901	3,658
Other	7,929	8,678
Contributions receivable, net	2,460	1,211
Investments	125,509	114,965
Debt service funds held by bond trustees	29,365	25,927
Endowment appropriation, fiscal year 2025 and 2024, respectively	<u>39,073</u>	<u>38,995</u>
Total financial assets available within one year	235,074	240,747

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Other resources available:		
Line of credit (a)	\$ <u>30,000</u>	<u>50,000</u>
Total financial assets and other resources available within one year	\$ <u><u>265,074</u></u>	<u><u>290,747</u></u>

In addition to financial assets available within one year, the University operates within a balanced budget and anticipates sufficient revenue to cover general expenditures. The University's cash flows have seasonal variations during the year attributable to tuition billing and related cash receipts. As part of its liquidity management, the University has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The University invests cash in excess of daily requirements in various short-term investments. Also, at May 31, 2024 and 2023, the University had \$565,936 and \$549,460, respectively, in funds functioning as endowment. Although the University does not intend to spend from its funds functioning as endowment other than amounts appropriated as part of its annual budget approval and appropriation process, amounts could be made available for general expenditures with Board approval, subject to certain redemption terms. For fiscal year 2024, the Board approved a special draw of up to \$20,000 from funds functioning as endowment to fund continuing COVID-19 pandemic-related revenue shortfalls and strategic investments to support revenue growth. The University did not use the special endowment draw in fiscal year 2024.

- (a) The University maintains a two-year committed line of credit with a bank for \$30,000 that can be drawn upon as needed during the year to manage cash flows. Borrowings under the current line bear interest at Term SOFR with SOFR adjustment of 10 basis points and an applicable margin of 70 basis points. A fee of 10 basis points is also charged on the unused portion. At May 31, 2024 and 2023, there were no amounts outstanding under the line and no amounts were drawn during fiscal years 2024 or 2023. The \$50,000 line of credit available at May 31, 2023 expired on March 31, 2024. The current line of credit expires on March 31, 2026.

**(7) Contributions Receivable**

Contributions receivable were as follows at May 31:

	<u>2024</u>	<u>2023</u>
Amounts expected to be collected in:		
Less than one year	\$ 9,292	8,074
One to five years	18,754	16,462
More than five years	<u>23,480</u>	<u>18,125</u>
	51,526	42,661

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Less:		
Discount for net present value (0.30%–6.00%)	\$ (9,581)	(6,051)
Allowance for uncollectible amounts	<u>(750)</u>	<u>(750)</u>
	<u>\$ 41,195</u>	<u>35,860</u>

Pledges from five donors accounted for 58% and 61% of gross contributions receivable at May 31, 2024 and 2023, respectively.

**(8) Plant Assets**

Plant assets at May 31 consisted of the following:

	<u>2024</u>		
	<u>Cost</u>	<u>Accumulated depreciation and amortization</u>	<u>Net carrying value</u>
Land	\$ 27,378	—	27,378
Site improvements	60,070	56,270	3,800
Buildings	520,904	234,735	286,169
Construction in progress	80,618	—	80,618
Building improvements	310,011	187,647	122,364
Leasehold improvements	26,577	19,458	7,119
Furniture and equipment	<u>98,991</u>	<u>55,439</u>	<u>43,552</u>
Total	<u>\$ 1,124,549</u>	<u>553,549</u>	<u>571,000</u>

	<u>2023</u>		
	<u>Cost</u>	<u>Accumulated depreciation and amortization</u>	<u>Net carrying value</u>
Land	\$ 27,708	—	27,708
Site improvements	59,687	55,786	3,901
Buildings	550,064	240,206	309,858
Construction in progress	29,897	—	29,897
Building improvements	310,943	184,178	126,765
Leasehold improvements	26,251	17,976	8,275
Furniture and equipment	<u>100,563</u>	<u>57,735</u>	<u>42,828</u>
Total	<u>\$ 1,105,113</u>	<u>555,881</u>	<u>549,232</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

Construction in progress relates to the health sciences center, which was placed in service in September 2024. Commitments outstanding on the construction of the building as of May 31, 2024, amounted to approximately \$14,000.

On April 6, 2023, the University entered into an agreement to sell an off-campus, academic building. The sale is expected to close in fiscal year 2025.

The University concluded operations on the Staten Island campus at the end of the spring 2024 semester and is currently in the process of selling the underlying assets which are reported as assets held for sale at net carrying value in the consolidated balance sheet at May 31, 2024.

**(9) Long-Term Debt**

The University's plant includes acquisition and construction costs for various facilities financed through revenue obligations of the Dormitory Authority of the State of New York (the Dormitory Authority) and capital leases. The following obligations were outstanding at May 31:

	<u>2024</u>	<u>2023</u>
Dormitory authority:		
St. John's University, Insured Revenue Bonds, Series 2007C, 5.25%, due from 2025 to 2031 (including unamortized premium of \$287 and \$440 in 2024 and 2023, respectively) (Series 2007C Bonds) (a)	\$ 49,612	60,760
St. John's University, Revenue Bonds, Series 2012A, 4.00%, due 2024 (including unamortized premium of \$8 in 2023) (Series 2012A Bonds) (b) (e)	—	158
St. John's University, Revenue Bonds, Series 2013B, 4.282% to 4.982%, due from 2025 to 2030 (Series 2013B Bonds) (c)	3,195	3,695
St. John's University, Revenue Bonds, Series 2015A, 3.00% to 5.00%, due from 2025 to 2038 (including unamortized premium of \$7,598 and \$8,515 in 2024 and 2023, respectively) (Series 2015A Bonds) (d)	91,308	96,330
St. John's University, Revenue Bonds, Series 2017A, 5.00%, due from 2027 to 2031 (including unamortized premium of \$3,407 and \$4,259 in 2024 and 2023, respectively) (Series 2017A Bonds) (e)	45,987	46,839
St. John's University, Revenue Bonds, Series 2021A, 4.00% to 5.00%, due from 2025 to 2049 (including unamortized premium of \$18,345 and \$19,950 in 2024 and 2023, respectively) (Series 2021A Bonds) (f)	129,670	136,485
St. John's University, Revenue Bonds, Series 2021B, 3.43% due from 2049 to 2052 (Series 2021B Bonds) (f)	42,390	42,390

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
St. John's University, Revenue Bonds, Series 2022, 5.00%, due from 2030 to 2031 (including unamortized premium of \$2,648 and \$3,095 in 2024 and 2023, respectively) (Series 2022 Bonds) (g) (i)	\$ 17,878	18,325
St. John's University, Revenue Bonds, Series 2023, 5.00%, due from 2039 to 2045 (including unamortized premium of \$11,185 and \$11,646 in 2024 and 2023, respectively) (Series 2023 Bonds) (h) (i)	69,120	69,581
Obligations under finance leases (j)	<u>589</u>	<u>649</u>
Subtotal	449,749	475,212
Less unamortized debt issuance cost	<u>(2,595)</u>	<u>(2,895)</u>
	<u>\$ 447,154</u>	<u>472,317</u>

- (a) Under agreements with the Dormitory Authority, the University issued revenue bonds to finance construction, renovations, furnishings, and information technology upgrades. The University has granted the Dormitory Authority a security interest in tuition revenue equal to the maximum annual debt service in any one year and a mortgage on certain property, including certain fixtures, furnishings, and equipment.
- (b) The Series 2012A Bonds were issued to reduce the University's overall interest costs, with the proceeds being used to refund Series 1998, Series 2001A, and Series 2005A Insured Revenue Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. See (e) below.
- (c) The Series 2013A and 2013B Bonds were issued to acquire the Henley Road Residence, an off-campus student residence hall that was previously leased. The proceeds of the Series 2013A Bonds were used to reimburse the University for cash paid by the University for the residence and to prepay the Henley Road mortgage. The proceeds of the Series 2013B Bonds (taxable) were used to pay capitalized interest and cost of issuance on the Series 2013A Bonds.
- (d) The Series 2015A Bonds were issued to reduce the University's overall interest costs, with the proceeds being used to refund Series 2007A Insured Revenue Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. Accordingly, the trustee assets and

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

the refunded portion of the bonds are not reflected in the accompanying consolidated financial statements.

- (e) The Series 2017A Bonds were issued to reduce the University's overall interest costs, with the proceeds being used to partially advance refund Series 2012A and Series 2012B Bonds, and partially refund Series 2008B-1 and Series 2008B-2 Variable Rate Demand Bonds. These funds were deposited in irrevocable trusts with an escrow agent and used to purchase noncancelable U.S. government securities to provide for future debt service payments of the advanced refunded portion of the bonds. In conjunction with the creation of these trusts, the Dormitory Authority released the University from its obligation relating to the advance refunded portion of the bonds. Accordingly, the trust assets and the refunded portion of the bonds are not reflected in the accompanying consolidated financial statements.
- (f) The Series 2021A Bonds and Series 2021B Bonds (taxable) were issued to provide funds to construct a health sciences center and for capital improvements and other deferred maintenance projects, refund Series 2008B-1 and Series 2008B-2 Variable Rate Demand Bonds, terminate the interest rate swap agreement associated with the Series 2008B-1 Bonds, and pay capitalized interest. Funds not used at May 31, 2024 and 2023 were held by bond trustees.
- (g) The Series 2022 Bonds were issued to current refund Series 2012B Bonds, finance or refinance expenditures paid with the upfront payment on the health sciences center, and to finance additional costs of the health sciences center. Funds not used at May 31, 2023 were held by bond trustees.
- (h) The Series 2023 Bonds were issued to current refund Series 2013A Bonds and finance expenditures paid with the upfront payment and pay capital costs related to the health sciences center. Funds not used at May 31, 2023 were held by bond trustees.
- (i) The University entered into two forward delivery bond purchase agreements and received upfront payments of \$3,377 and \$10,713 for options for the purchaser to purchase Series 2022 Bonds (to refund Series 2012B Bonds) and Series 2023 Bonds (to refund Series 2013A Bonds), respectively. On January 20, 2022, the purchaser exercised its option to purchase the Series 2022 Bonds, see (g) above. On February 1, 2023, the purchaser exercised its option to purchase the Series 2023 Bonds, see (h) above. The change in fair value of the Series 2023 forward delivery bond purchase agreement is reported as nonoperating gain or loss in the accompanying consolidated statements of activities.
- (j) The University entered into multiple master lease and sublease agreements with the Dormitory Authority under the Dormitory Authority's Tax-Exempt Leasing Program. The last of such agreements expired on August 10, 2023. The University has also entered into finance leases for certain office equipment.



**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

Future debt service payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt services</u>
Year ending May 31:			
2025	\$ 22,845	18,173	41,018
2026	23,942	16,989	40,931
2027	24,384	15,776	40,160
2028	25,123	14,545	39,668
2029	26,275	13,268	39,543
Thereafter	<u>283,710</u>	<u>119,955</u>	<u>403,665</u>
	406,279	\$ <u>198,706</u>	<u>604,985</u>
Plus unamortized premium	43,470		
Less unamortized debt issuance cost	<u>(2,595)</u>		
	<u>\$ 447,154</u>		

The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders. Bond trustees invest such amounts as permitted under the applicable bond agreements until they are withdrawn to affect the purposes for which they were generated. Deposits held by bond trustees, at fair value, consisted of the following at May 31:

	<u>2024</u>	<u>2023</u>
Debt service funds	\$ 29,365	25,927
Construction funds	13,819	54,308
Capitalized interest funds	<u>—</u>	<u>1,536</u>
Total	<u>\$ 43,184</u>	<u>81,771</u>

**(10) Leases**

The University has entered into operating leases for certain facilities that expire at various dates through December 2038. In December 2013, the University entered into a lease for 71,000 square feet of space for its Manhattan campus at Astor Place, expiring in July 2030. The lease terms provided for a free rent period through July 2015 and tenant improvement allowances (TI allowance). Free rent and TI allowances of \$4,062 and \$2,219, respectively, as of May 31, 2024, and \$4,472 and \$2,579, respectively, as of May 31, 2023, are accounted for on a straight-line basis over the life of the lease and are netted against operating lease right-of-use assets. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets, net and operating lease liabilities in the consolidated financial statements.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

The University has also entered into finance leases for certain office equipment. Finance lease right-of-use assets and finance lease liabilities are included in plant assets, net and long-term debt, respectively.

The table below presents a maturity analysis of lease liabilities and a reconciliation of the total amount of such liabilities recognized in the consolidated balance sheet at May 31, 2024.

	<b>Operating leases</b>	<b>Finance leases</b>
Year ending May 31:		
2025	\$ 5,024	172
2026	5,092	167
2027	4,824	158
2028	4,423	158
2029	4,496	—
Thereafter	10,013	—
	33,872	655
Less discount for net present value	(7,834)	(66)
	<u>\$ 26,038</u>	<u>589</u>

Lease costs and other related information for the years ended May 31, 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
Lease cost:		
Operating lease cost	\$ 4,161	4,113
Finance lease cost:		
Amortization of right-of-use assets	269	819
Interest on lease liabilities	3	19
Short-term lease cost	215	211
Total lease cost	<u>\$ 4,648</u>	<u>5,162</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ (3)	(19)
Operating cash flows from operating leases	(4,931)	(4,818)
Financing cash flows from finance leases	(391)	(1,076)
Weighted-average remaining lease term – operating leases	7.9 years	6.7 years
Weighted-average remaining lease term – finance leases	3.9 years	1.8 years
Weighted-average discount rate – operating leases	3.6 %	3.5 %
Weighted-average discount rate – finance leases	4.5	1.1

**(11) Pension and Other Retirement Benefits**

The University has defined-contribution retirement plans covering substantially all academic and nonacademic personnel. Costs for the years ended May 31, 2024 and 2023 were approximately \$12,845 and \$12,198, respectively.

**(12) Net Assets**

Net assets consisted of the following at May 31:

	<u>2024</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating and capital	\$ 45,060	47,638	92,698
Contributions receivable	—	41,195	41,195
Net investment in plant	154,967	5,000	159,967
Endowment funds (a)	565,936	253,472	819,408
Split-interest agreements	—	3,949	3,949
Total net assets	<u>\$ 765,963</u>	<u>351,254</u>	<u>1,117,217</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<b>2023</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Operating and capital	\$ 60,250	41,318	101,568
Contributions receivable	—	35,860	35,860
Net investment in plant	137,639	—	137,639
Endowment funds (a)	549,460	232,554	782,014
Split-interest agreements	—	3,483	3,483
Total net assets	<u>\$ 747,349</u>	<u>313,215</u>	<u>1,060,564</u>

- (a) The endowment component of net assets without donor restrictions (quasi-endowment) is comprised of amounts designated by the Board to function as endowment. These funds are designated as follows:

	<b>2024</b>	<b>2023</b>
Scholarship programs	\$ 74,777	72,587
Educational programs	26,261	24,767
Other programs, primarily general activities	464,898	452,106
	<u>\$ 565,936</u>	<u>549,460</u>

Net assets with donor restrictions at May 31 were available for the following purposes:

	<b>2024</b>	<b>2023</b>
Subject to expenditures for specified purposes:		
Scholarship programs	\$ 16,095	15,027
Educational programs	12,747	12,187
Capital	17,231	12,337
Other programs	1,565	1,767
	<u>47,638</u>	<u>41,318</u>
Pledges to support the following purposes:		
Scholarship programs	1,096	1,370
Educational programs	189	440
Capital	9,084	8,503
Other programs	13,161	7,430
	<u>23,530</u>	<u>17,743</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Donor-restricted endowment pledges to support:		
Scholarship programs	\$ 12,344	14,015
Educational programs	5,092	2,866
Other programs	229	1,236
	<u>17,665</u>	<u>18,117</u>
Government grant to support capital	5,000	—
Donor-restricted term endowment – principal and accumulated gains to support:		
Scholarship programs	450	—
Educational programs	2,119	790
	<u>2,569</u>	<u>790</u>
Donor-restricted endowments subject to spending policy and appropriation:		
Accumulated investment gains:		
Scholarship programs	42,816	36,522
Educational programs	15,206	13,053
Other programs	1,608	1,405
	<u>59,630</u>	<u>50,980</u>
Original donor-restricted gift amounts and amounts required to be maintained in perpetuity:		
Scholarship programs	136,403	128,498
Educational programs	49,919	48,586
Other programs	4,951	3,700
	<u>191,273</u>	<u>180,784</u>
Split-interest agreements to support scholarship and educational programs:		
Time or purpose	1,726	1,508
Perpetual trusts	2,223	1,975
	<u>3,949</u>	<u>3,483</u>
	<u>\$ 351,254</u>	<u>313,215</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows:

	<b>2024</b>	<b>2023</b>
Scholarship programs	\$ 5,874	6,281
Educational programs	3,636	9,171
Capital	342	455
Other programs	1,011	1,567
	<u>\$ 10,863</u>	<u>17,474</u>

**(13) Functional and Natural Classification of Expenses**

The University's primary program service is instruction. Expenses reported as research and other sponsored programs, academic support, student services, and auxiliary enterprises are incurred in support of this primary program activity. Certain categories of expenses attributable to more than one program or supporting services function are allocated using cost allocation methods, such as square footage and estimates of time and effort.

The University allocates expenses relating to the operation and maintenance of plant and depreciation using building square footage based on functional use. Interest expense is allocated based on the functional use of each facility financed by debt.

Expenses by functional classification for the years ended May 31 were as follows:

	<b>2024</b>							
	<b>Program activities</b>							
	<b>Instruction</b>	<b>Research and other sponsored programs</b>	<b>Academic support</b>	<b>Student services</b>	<b>Auxiliary enterprises</b>	<b>Total program</b>	<b>Institutional support</b>	<b>Total expenses</b>
Salaries and wages	\$ 114,824	4,048	26,419	21,160	17,901	184,352	31,114	215,466
Employee benefits	43,686	514	11,829	8,705	5,641	70,375	12,179	82,554
Repairs, maintenance, and occupancy	14,633	643	6,324	8,018	21,372	50,990	2,405	53,395
Depreciation and amortization	11,330	598	3,136	6,396	11,846	33,306	1,907	35,213
Interest	3,739	18	384	192	6,805	11,138	2,156	13,294
Student meal plans	—	—	—	—	11,410	11,410	—	11,410
Supplies	2,076	923	4,644	616	1,942	10,201	327	10,528
Travel	1,584	239	1,016	1,387	5,413	9,639	514	10,153
Professional fees	838	516	751	3,993	1,578	7,676	5,765	13,441
Student aid	—	—	—	208	2,383	2,591	—	2,591
Other	2,670	741	6,617	6,745	8,552	25,325	21,831	47,156
	<u>\$ 195,380</u>	<u>8,240</u>	<u>61,120</u>	<u>57,420</u>	<u>94,843</u>	<u>417,003</u>	<u>78,198</u>	<u>495,201</u>

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

		2023						
		Program activities						
	Instruction	Research and other sponsored programs	Academic support	Student services	Auxiliary enterprises	Total program	Institutional support	Total expenses
Salaries and wages	\$ 112,518	3,466	24,364	17,963	22,337	180,648	28,459	209,107
Employee benefits	40,240	458	10,749	7,361	5,478	64,286	10,532	74,818
Repairs, maintenance, and occupancy	13,335	577	5,730	7,434	17,581	44,657	2,183	46,840
Depreciation and amortization	11,533	609	3,103	6,542	12,304	34,091	2,006	36,097
Interest	3,694	18	367	177	8,191	12,447	2,276	14,723
Student meal plans	—	—	—	—	10,767	10,767	—	10,767
Supplies	1,752	660	4,338	408	1,684	8,842	358	9,200
Travel	1,380	211	864	952	4,519	7,926	355	8,281
Professional fees	189	468	529	3,428	431	5,045	4,952	9,997
Student aid	—	—	—	2,347	2,308	4,655	—	4,655
Other	2,830	570	7,366	6,286	8,964	26,016	22,963	48,979
	<u>\$ 187,471</u>	<u>7,037</u>	<u>57,410</u>	<u>52,898</u>	<u>94,564</u>	<u>399,380</u>	<u>74,084</u>	<u>473,464</u>

Other expenses primarily include insurance expenses, advertising and promotion, special events expenses, communication and data access expenses, software costs, clinical rotation expenses, student search expenses, bank charges, bond-related administrative fees, postage, and printing costs.

Fundraising expenses are included in institutional support. For the years ended May 31, 2024 and 2023, such costs were \$10,581 and \$9,245, respectively.

**(14) Contingent Liabilities**

The University is a defendant in various lawsuits arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the University's financial position.

**(15) Impact of COVID-19**

During the fiscal year ended May 31, 2023, the remaining \$2,205 student portion of the Higher Education Emergency Relief Fund (HEERF) allocation under the American Rescue Plan (ARP) Act was drawn and distributed to students. In addition, \$2,202 of the institutional portion which was previously drawn and included in deferred revenues and other liabilities in the consolidated balance sheet was recognized as revenues.

HEERF allocations recognized as revenues amounted to \$4,407 for the year ended May 31, 2023, and are included in government grants and contracts in the consolidated statement of activities.

**ST. JOHN'S UNIVERSITY, NEW YORK**  
Notes to Consolidated Financial Statements  
May 31, 2024 and 2023  
(Dollars in thousands)

**(16) Subsequent Events**

The University evaluated events subsequent to May 31, 2024 through September 13, 2024, the date on which the consolidated financial statements were issued, and determined that no additional disclosures are required.