SETON HALL UNIVERSITY

Financial Statements
Together With Report of Independent Certified Public Accountants
For The Years Ended June 30, 2024 and 2023

FINANCIAL STATEMENTS

and

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Regents of
Seton Hall University

Report on the financial statements

Opinion
We have audited the financial statements of Seton Hall University (the “University”), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the 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 financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the University’s ability to continue as a going concern for one year after the date the financial statements are 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Grant Thornton LLP

Iselin, New Jersey
December 16, 2024

SETON HALL UNIVERSITY

Statements of Financial Position
As of June 30, 2024 and 2023
(Dollars in thousands)

Assets	2024	2023
Cash and cash equivalents	$ 87,620	$ 81,293
Student accounts receivable, net	5,259	4,434
Contributions receivable, net	26,609	25,388
Prepaid expenses and other assets, net	26,260	19,610
Student loans receivable, net	1,179	1,818
Deposits with bond trustees	49,383	64,031
Investments	346,353	316,940
Funds held in trust by others	11,550	11,697
Right-of-use assets under operating leases	700	952
Right-of-use assets under finance leases	8,860	9,317
Property and equipment, net	357,915	346,264
Total assets	$ 921,688	$ 881,744
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 55,717	$ 50,943
Deferred revenue and deposits	16,762	15,282
Other liabilities, net	5,908	4,583
Conditional asset retirement obligations	10,435	10,009
Refundable U.S. government grants	2,290	2,878
Operating lease liabilities	700	952
Finance lease liabilities and secured borrowing arrangement	15,654	17,309
Bonds payable, net	261,665	266,055
Total liabilities	369,131	368,011
Net assets		
Without donor restrictions	287,322	270,658
With donor restrictions	265,235	243,075
Total net assets	552,557	513,733
Total liabilities and net assets	$ 921,688	$ 881,744

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

SETON HALL UNIVERSITY

Statements of Activities
For the years ended June 30, 2024 and 2023
(Dollars in thousands)

	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating revenues and support						
Student services revenue, net	$ 285,139	$ -	$ 285,139	$ 275,346	$ -	$ 275,346
Grants, contracts, and government appropriations	15,206	33	15,239	13,903	121	14,024
Contributions of financial assets	3,918	3,349	7,267	4,010	2,476	6,486
Contributed nonfinancial assets	617	-	617	522	-	522
Endowment return used for operations	11,921	2,402	14,323	11,532	2,203	13,735
Other investment income	9,105	441	9,546	4,887	322	5,209
Other revenues	16,388	52	16,440	16,770	198	16,968
Net assets released from restrictions and reclassifications	4,243	(4,243)	-	3,916	(3,916)	-
Total operating revenues and support	346,537	2,034	348,571	330,886	1,404	332,290
Operating expenses						
Instruction	98,748	-	98,748	90,504	-	90,504
Research and public service	10,122	-	10,122	9,872	-	9,872
Academic support	36,349	-	36,349	35,767	-	35,767
Student services	50,261	-	50,261	45,364	-	45,364
Auxiliary activities	12,044	-	12,044	12,881	-	12,881
Institutional support	62,790	-	62,790	55,704	-	55,704
Operations and maintenance	37,993	-	37,993	35,537	-	35,537
Depreciation and amortization	23,783	-	23,783	21,851	-	21,851
Interest expense	10,864	-	10,864	10,922	-	10,922
Total operating expenses	342,954	-	342,954	318,402	-	318,402
Changes in net assets from operating activities	3,583	2,034	5,617	12,484	1,404	13,888
Nonoperating activities						
Net endowment investment return	15,873	20,112	35,985	7,938	9,964	17,902
Endowment return used for operations	(6,324)	(7,999)	(14,323)	(6,103)	(7,632)	(13,735)
Investment (loss) return on funds held in trust by others	-	(147)	(147)	-	91	91
Capital gifts for buildings and endowment	(5)	8,649	8,644	(2)	16,243	16,241
State appropriations for capital	2,900	-	2,900	2,900	-	2,900
Provision for uncollectible contributions receivable	3	(300)	(297)	2	(1,787)	(1,785)
Change in value of split-interest agreements	-	211	211	-	202	202
Gain on asset dispositions	234	-	234	-	-	-
Net assets released from restrictions for capital expenditures	400	(400)	-	4,099	(4,099)	-
Legal investigation	-	-	-	(1,776)	-	(1,776)
Other	-	-	-	120	-	120
Changes in net assets from nonoperating activities	13,081	20,126	33,207	7,178	12,982	20,160
Changes in net assets	16,664	22,160	38,824	19,662	14,386	34,048
Net assets at beginning of year	270,658	243,075	513,733	250,996	228,689	479,685
Net assets at end of year	$ 287,322	$ 265,235	$ 552,557	$ 270,658	$ 243,075	$ 513,733

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

SETON HALL UNIVERSITY

Statements of Cash Flows
For the years ended June 30, 2024 and 2023
(Dollars in thousands)

	2024	2023
Cash flows from operating activities		
Changes in net assets	$ 38,824	$ 34,048
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	23,783	21,851
Amortization of net bond premiums and deferred financing costs	(42)	(49)
Amortization of IHS campus capital expenditures	586	580
Change in provision for uncollectible student accounts, loans and contributions receivable	(213)	2,115
Change in discount and allowance for contributions receivable	(290)	433
Net gains on investments	(37,543)	(18,577)
Settlement of conditional asset retirement liability	(205)	(272)
Accretion of interest on conditional asset retirement obligations	631	678
Change in value of split-interest agreements	(211)	(202)
Gain on disposition of property	(234)	-
Contributions restricted for long-term investment	(10,476)	(7,928)
Increase in student accounts, contributions and other receivables	(1,543)	(12,884)
Increase (decrease) in other liabilities, net	1,325	(6,175)
(Increase) decrease in prepaid expenses and other assets	(5,487)	707
Increase (decrease) in accounts payable and accrued expenses	1,191	(1,440)
(Decrease) increase in deferred revenue and deposits	(47)	1,443
Net cash provided by operating activities	10,049	14,328
Cash flows from investing activities		
Proceeds from sales and maturities of investments	62,685	96,492
Purchases of investments	(54,555)	(86,630)
Proceeds from sale of property	4,026	-
Capital expenditures	(34,992)	(41,338)
Student loans - disbursement, assignments and collections	640	2,163
Net cash used in investing activities	(22,196)	(29,313)
Cash flows from financing activities		
Proceeds from finance leases, secured borrowing arrangement and issuance of bonds	473	-
Payments on bonds payable	(4,821)	(5,535)
Payments on finance lease liabilities and secured borrowing arrangement	(1,861)	(1,786)
Contributions restricted for long-term investment	10,476	7,928
Depreciation (appreciation) in fair value of funds held in trust by others	147	(91)
Decrease in refundable U.S. government grants	(588)	(3,034)
Decrease in deposits with bond trustees	14,648	11,871
Net cash provided by financing activities	18,474	9,353
Net increase (decrease) in cash and cash equivalents	6,327	(5,632)
Cash and cash equivalents at beginning of year	81,293	86,925
Cash and cash equivalents at end of year	$ 87,620	$ 81,293
Supplemental disclosures:		
Cash paid for interest on bonds payable and capital lease obligation	$ 10,157	$ 10,363
Cash paid for interest on finance lease liabilities and secured borrowing arrangement	$ 605	$ 653
Cash paid for operating leases	$ 280	$ 165
Purchases of property and equipment in accounts payable	$ 6,141	$ 4,395
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 206	$ 31

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

NOTE 1 - THE UNIVERSITY

Seton Hall University (the "University"), established in 1856, is an independent institution of higher education, which operates under the auspices of the Roman Catholic Archdiocese of Newark, New Jersey. The University offers undergraduate degrees and advanced graduate degrees in a variety of studies and is composed of the College of Arts and Sciences, the College of Human Development, Culture, and Media, the College of Nursing ("CON"), the Stillman School of Business, the School of Health and Medical Sciences ("SHMS"), the School of Diplomacy and International Relations, the Division of Continuing Education and Professional Studies, the Immaculate Conception Seminary of the Roman Catholic Archdiocese of Newark, a separate legal entity, the School of Theology and the School of Law. All schools are at University campuses in New Jersey. The University is fully accredited by the Middle States Association of Colleges and Schools. The University derives its revenues principally from student services revenue, which includes tuition, dining services charges, residence hall charges and other fees, grants and contracts, gifts, and investment earnings. The University expends its resources to meet the instructional and educational mission of the University.

The University is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code ("IRC" or the "Code") as an organization described in Section 501(c)(3) and similar State of New Jersey provisions. Donations to the University qualify for tax deduction as charitable contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies employed by the University in the preparation of its financial statements are described below.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net Assets

Resources are reported, based on the existence or absence of donor-imposed restrictions in two net asset categories, as follows:

Net assets without donor restrictions - Expendable resources that are used to carry out the University's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the University's Board of Regents or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations. Certain donor restrictions are perpetual in nature, whereby the donor has stipulated the corpus be maintained in perpetuity by the University, such as the corpus associated with donor-restricted endowment funds. The donors of these assets may permit the University to use the income earned on related investments for general or specific purposes. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the University or by the passage of time. Included herein are earnings on donor-restricted endowment funds that have not yet been appropriated by the University's Board of Regents for expenditure.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed stipulations. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished, or the stipulated time period has elapsed, are reported as net assets released from restrictions. Because of changes or clarifications in donor-imposed stipulations, certain net assets may be reclassified amongst net assets with donor restrictions or net assets without donor restrictions.

Revenue Recognition

The University recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The University has identified student service revenue, grants, contracts, and government appropriations, and other revenues as revenue categories subject to the principles of ASC 606. The University recognizes contracts with customers as goods or services transferred or provided in accordance with ASC 606.

Contributions of Financial Assets, Grants, Contracts and Government Appropriations

The University recognizes revenue from contributions, grants, contracts and government appropriations in accordance with Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional, based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement.

Unconditional contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged at their net realizable value (Note 6). Unconditional promises to give which are to be received after one year are discounted using an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided in the net asset class in which the contribution receivable resides, based on an assessment of the creditworthiness of the respective donor and nature of fundraising activity. Contributions receivable are written-off in the period deemed uncollectible. Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Also included within contributions receivable are certain third-party trusts in which the University is the sole or partial beneficiary. Under the terms of these trusts, the University has the irrevocable right to receive an income stream over the life of the trust. The University does not control the assets held by outside trusts. The third-party trusts are recorded as increases to net assets at the fair value of trust assets, less the present value of the estimated future payments to outsiders to be made under the specific terms of the trusts.

Contributions with purpose or time restrictions are reported as increases in net assets with donor restrictions and subsequently released when the restrictions on which they depend are met. The University has determined that any donor-imposed restrictions for current programs and activities met within the operating cycle of the University are recorded directly as support for net assets without donor restrictions. Contributions subject to donor-imposed stipulations that the corpus be maintained in perpetuity are recognized as increases in net assets with donor restrictions.

Contributions to be used to acquire or construct long-lived assets are reported as increases in net assets with donor restrictions. The restriction is satisfied when the assets are acquired or constructed and placed in service.

Revenues associated with research and other grants, and contracts are deemed by the University to be conditional contributions and are recognized as increases in net assets without donor restrictions when related costs are incurred in accordance with the terms of the respective agreements. Amounts received in advance are recorded as deferred revenue. Indirect cost recoveries by the University on grants and contracts are based upon predetermined or negotiated rates and are recorded as increases in net assets without donor restrictions. Indirect cost recoveries totaled $507 and $628 in 2024 and 2023, respectively.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position and reported, based on quoted market prices (Note 4). Reported fair values for private equities, venture capital limited partnership interests, hedge funds and similar interests (collectively, “alternative investments”) are estimated by the respective external investment manager if ascertainable fair values are not readily available. Such valuations involve assumptions and methods that are reviewed by the University. Because the University’s alternative investments are not readily marketable, their estimated fair value is subject to uncertainty and, therefore, may differ significantly from the fair value that would have been reported had a ready market for such investments existed. Due to inherent risks and potential volatility in investment valuations, the amounts reported in the accompanying financial statements can vary substantially from year to year, and such differences could be material.

Debt Issuance Costs

The University capitalized and is amortizing bond issuance costs using the effective interest rate method over the respective lives of the bonds to which such costs pertain (Note 12). The University presents deferred bond issuance costs net of related debt on the statements of financial position.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risk. The University maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the University’s cash accounts are placed with high credit quality financial institutions and the University’s investment portfolio is diversified with several investment managers in a variety of asset classes. The University regularly evaluates its depository arrangements and investments, including performance thereof.

Student Accounts Receivable, Net, and Student Loans, Net

The University's student accounts receivable and loans relate to tuition and fees for student attendance and auxiliary activities. Accounts receivable are due at the beginning of each semester and are stated at amounts due from students, net of an allowance for doubtful accounts Receivables are written-off in the period in which they are deemed uncollectible. Student loans receivable represent institutional loans to students and loans issued under federal student loan programs and are reported net of an allowance for doubtful accounts (Note 3). On July 1, 2023, the University adopted ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("CECL"), or ASU No. 2016-13, using the modified retrospective approach. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including customer accounts receivable. Following the adoption of the new standard, the University's process of estimating expected credit losses remains materially consistent with its historical practice. Therefore, adoption did not have a material effect on reported assets, liabilities, or net assets.

Fair Value of Financial Instruments

The FASB issued Topic 820 under the ASC, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements, based on the transparency of information used in the valuation of the asset or liability at the measurement date.

Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - Quoted prices are available in active markets for identical assets and liabilities at the measurement date. The type of assets and liabilities in Level I include listed equities held in the name of the University.

Level II - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level III - Pricing inputs are unobservable for the assets and liabilities and include situations where there is little, if any, market activity for the respective assets and liabilities. The inputs into the determination of fair value require significant management judgment or estimation. Funds held in trust by others and alternative investments not valued at Net Asset Value ("NAV") are included in Level III.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other assets that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Investments measured by the University at NAV per share are exempted from categorization within the fair value hierarchy and related disclosures (Note 4). Instead, the University separately discloses the information required for assets measured using the NAV practical expedient and discloses a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Funds Held in Trust by Others

Funds held in trust by others represent perpetual trusts that are neither in the possession nor under the control of the University, but held and administered by outside trustees, with the University deriving income or a residual interest from the assets of such funds. Funds held in trust by others are recognized at the estimated fair value of the underlying assets, which consist primarily of mutual funds, fixed income securities, equity securities, marketable alternative partnerships, and limited partnership interests (Note 4).

Gift additions to funds held in trust by others are reported as increases in net assets with donor restrictions. Gains or losses in the fair value of these funds are reported as increases or decreases in net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid financial instruments, except for those assigned to the University's investment managers as part of the University's long-term investment strategies, and debt securities with original maturities of three months or less from the date of purchase.

Other Liabilities, Net

Other liabilities represents the net amounts owed to Hackensack Meridian Health, Inc. ("HMH") under a sublease related to the University's Interprofessional Health Sciences ("IHS") campus in the City of Clifton and Township of Nutley, New Jersey. The University's CON and SHMS share the IHS campus, which is leased by HMH, with the Hackensack Meridian School of Medicine ("HMSOM"), the medical school of HMH.

Property and Equipment

The University capitalizes property and equipment acquired for greater than $5 and with useful lives greater than one year (Note 8). Gifts of land, buildings and equipment are recorded at fair value at the date of donation as part of nonoperating activities in net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. No value was assigned to the University's main campus in South Orange, New Jersey when title was conveyed to the University by the Roman Catholic Archdiocese of Newark in 1864. Such value is deemed to be immaterial to the University's financial statements.

Maintenance, repairs, and minor improvements are charged to operations as incurred. Major improvements which substantially extend the useful lives of assets are capitalized. Upon sale or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts of the University and the resulting gain or loss, if any, is reflected as part of nonoperating activities.

Depreciation is computed on the straight-line basis over the estimated useful lives of the property and equipment as follows:

Buildings	30 to 50 years
Land and building improvements	3 to 20 years
Computers and software	3 to 10 years
Furniture, fixtures and equipment	3 to 10 years

(Dollars in thousands)

The University records its collections of art, historical treasures, and similar assets at appraised value, if donated, determined at the date of acquisition. These collections are held for public exhibition, education, and research in furtherance of the University's educational and public service mission. The University's collections are not depreciated.

The final disposition of research materials housed in the SPC/Walsh Gallery is made according to the judgment of the staff in consultation with the Director of Archives & Special Collections/Director of the Walsh Gallery. Procedures for the de-accession or removal of any materials will be administered along the same lines of donation, conducted as a serious and thorough exercise to determine the case for removal. In such cases, efforts to identify appropriate locations for the materials will be made for example, to other university special collections, sale, or gift.

The University capitalizes certain computer software costs which are amortized consistent with University policy upon being placed in service. Amortization of capitalized software is included in depreciation expense.

The University expenses the cost of library books upon acquisition.

Deferred Revenue and Deposits

Deferred revenue and deposits consist of amounts received for student and athletics goods and services that have not yet been earned as the underlying obligation has not been satisfied by the University. It also includes amounts received in advance for research and other grants and contracts. The University apportions student services revenue, net (Note 15) and the related expenses of academic semesters, which span fiscal years, between the fiscal years to which they pertain.

The following table depicts the significant activities of deferred revenue and deposits for the year ended June 30, 2024:

	June 30, 2023	Amounts returned to funding source in 2024	Revenue recognized in 2024	Cash received in advance of performance	June 30, 2024
Student services revenue, net	$ 6,707	$ -	$ 6,707	$ 6,980	$ 6,980
Athletic revenue	2,229	-	2,229	1,802	1,802
Grants and contracts	3,682	546	1,594	4,173	5,715
Other	2,664	-	499	100	2,265
	$ 15,282	$ 546	$ 11,029	$ 13,055	$ 16,762

(Dollars in thousands)

The following table depicts the significant activities of deferred revenue and deposits for the year ended June 30, 2023:

	June 30, 2022	Revenue recognized in 2023	Cash received in advance of performance	June 30, 2023
Student services revenue, net	$ 6,863	$ 6,863	$ 6,707	$ 6,707
Athletic revenue	1,785	951	1,395	2,229
Grants and contracts	4,724	1,655	613	3,682
Other	467	250	2,447	2,664
	$ 13,839	$ 9,719	$ 11,162	$ 15,282

The deferred revenue balance of $16,762 at June 30, 2024 includes amounts totaling $13,935 that will be earned and recognized as revenue in the next fiscal year, and $2,827 that will be earned thereafter.

Refundable U.S. Government Grants

Funds provided by the federal government under the Perkins Student and Nursing Faculty Loan Programs have been loaned to qualified students and may have been reloaned after collection. These funds are ultimately refundable to the U.S. government and are presented in the statements of financial position as a liability (Note 3).

Asset Retirement Obligations

Asset retirement obligations ("AROs") are legal obligations associated with the eventual retirement of long-lived assets. These liabilities, which for the University primarily relate to the cost of asbestos and lead paint abatement, were initially recorded at fair value and the related asset retirement costs capitalized by increasing the carrying amount of the related assets by the same amount as the liability. The cost of abatement was estimated following a site-specific survey of the campus. Significant assumptions utilized in the determination of such obligations include the selection of relevant discount factors, which articulate with the timing of performance related to the respective project, inflation factors, and the probabilities assigned to cost estimates. Asset retirement costs are subsequently depreciated over the estimated useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University derecognizes ARO liabilities when the related obligations are settled.

The following table summarizes the activity for the AROs for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning of year	$ 10,009	$ 9,603
Obligations settled during the period	(205)	(272)
Accretion expense	631	678
End of year	$ 10,435	$ 10,009

Student Services Revenue

Student services revenue, net of financial aid (Note 15), represents tuition, fees, housing, and meals revenues charged to students over the academic terms to which they relate. Financial aid is provided by the University from its operating budget, other non-donor-restricted sources, endowment earnings, donor-restricted gifts, and government grants awarded to students by the University.

Contributions of Nonfinancial Assets

The University recognizes in its financial statements the fair value of services contributed by members of religious orders who provide instructional, student or other institutional services. The difference between the amounts paid and the fair value of room and board provided to religious personnel and the fair value of the services performed, as determined by reference to comparable lay salaries, is added to contribution revenues and expenses on the statement of activities. These contributed services are reported as contributed nonfinancial assets and amounted to $607 of the $617 in nonfinancial assets contributed 2024 and $507 of the $522 in nonfinancial assets contributed 2023. The expenses are allocated amongst the functional expense categories benefited. The University does not receive gifts of nonfinancial assets that it monetizes other than gifts received for purposes of silent auctions and other donor events.

Accounting for Uncertainty in Income Taxes

The University has adopted the provisions of the ASC 740, *Accounting for Uncertainties in Income Taxes*. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The University is exempt from federal and New Jersey State income taxation by virtue of being an organization described in Section 501(c)(3) of the IRC and similar provisions of the New Jersey State tax code. Nevertheless, the University may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The University believes that there are no material uncertain tax positions within its financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant management estimates and assumptions relate to the determination of allowances for doubtful accounts for student accounts, loans, and contributions receivable; the determination of the University’s postretirement benefit obligation; year end operating accruals; useful lives assigned to fixed assets; conditional asset retirement obligations; and the reported fair values of the University’s alternative investments. Actual results could differ from those estimates.

Operations

The accompanying statements of activities present the changes in net assets distinguishing between operating and nonoperating activities. Operating activities principally include all revenues and expenses that relate to the University’s educational programs, research, training, and supporting activities. Operating revenues include investment return pursuant to the University’s endowment spending policy (Note 5) and earned on working capital funds. Operating revenues also include the release of net assets with donor restrictions, net assets in support of operating activities, and all contributions without donor restrictions and with donor restrictions, except for those intended for capital or endowment purposes.

The University has defined nonoperating activities principally to include endowment investment return, net of amounts distributed to support operations in accordance with the endowment spending policy; contributions and bequests added to the endowment or supporting major capital acquisition or construction; net assets released from donor restrictions for capital expenditures; investment return associated with funds held in trust by others; activity related to annuity and unitrust agreements; non-recurring legal expenses; and state appropriations for capital expenditures. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of nonoperating activities.

Leases

The University analyzes each lease agreement to determine whether it should be classified as a finance lease or an operating lease. For operating leases, right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date of the lease, based on the estimated present value of lease payments over the lease term. For finance leases, the University initially records the assets and lease liabilities at the present value of the minimum lease payments. When the University's leases do not provide an implicit interest rate, the University uses its incremental borrowing rate in effect at the commencement date of the lease agreement in determining the present value of lease payments. The University elects to apply the short-term lease recognition and measurement exemption for all leases with terms of 12 months or less.

The portion of payments on operating lease liabilities related to interest, along with the amortization of the related ROU assets, is recognized as rent expense. This rent expense is recognized on a straight-line basis over the term of the lease. The portion of the payments on finance lease liabilities related to interest is recognized as interest expense. The amortization of the ROU assets under finance leases is recognized as depreciation and amortization expense.

Recent Accounting Pronouncements

On July 1, 2023, the University adopted ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("CECL"), or ASU No. 2016-13, using the modified retrospective approach. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including customer accounts receivable. Following the adoption of the new standard, the University's process of estimating expected credit losses remains materially consistent with its historical practice. Therefore, the adoption did not have a material effect on reported assets, liabilities, or net assets.

Subsequent Events

The University has evaluated events occurring subsequent to June 30, 2024 through December 16, 2024, the date the financial statements were issued. The University is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

NOTE 3 - STUDENT ACCOUNTS AND LOANS RECEIVABLE, NET

Student accounts receivable are reported net of a reserve for credit losses of $6,955 and $7,456 at June 30, 2024 and 2023, respectively. Adjustments to the provision are recorded as part of institutional support in the accompanying statements of activities. Student receivables are written-off when deemed uncollectible.

The University makes uncollateralized loans to students, based on financial need. Student loans are funded mainly through federal government loan programs.

(Dollars in thousands)

The following is an analysis of net student loans receivable as of June 30:

	2024	2023
Current, including balances for students in school	$ 1,252	$ 1,712
1 - 120 days past due	159	175
More than 120 days past due	194	101
Receivables with collection agencies	291	547
Total gross student loans receivable	1,896	2,535
Allowance for uncollectible amounts	(717)	(717)
Student loans receivable, net	$ 1,179	$ 1,818

The primary federal loan program that the University participates in is the federal Perkins Loan program. Funds advanced by the federal government under all programs of $2,290 and $2,878 at June 30, 2024 and 2023, respectively, are ultimately refundable to the government and are classified as liabilities in the accompanying statements of financial position. Outstanding loans cancelled under these programs result in a reduction of the funds available for future loans and a decrease in the liability to the government.

Allowances for uncollectible loan amounts are established, based on prior collection experience, student default rates, and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed uncollectible. Loans disbursed under the Federal Perkins Loan program can be assigned to the federal government in certain nonrepayment situations.

The Federal Perkins Loan Extension Act of 2015 (the "Act") terminated the issuance of new Perkins loans after September 30, 2017. As part of this Act, the University is required to return the federal share of all Perkins funds, including future collections of principal and interest, to the federal government. The University returned $470 and $609 to the federal government in 2024 and 2023, respectively, in compliance with the Act.

NOTE 4 - INVESTMENTS AND FUNDS HELD IN TRUST BY OTHERS

A summary of investments by fund at June 30, 2024 and 2023, follows:

	2024	2023
Charitable gift annuity funds	$ 2,610	$ 2,492
Scholarship funds	2,982	2,727
Building and capital project funds	814	705
Endowment	339,240	310,169
Other restricted funds	707	847
Total investments	346,353	316,940
Funds held in trust by others	11,550	11,697
Total investments and funds held in trust by others	$ 357,903	$ 328,637

(Dollars in thousands)

The following table is a summary of investments at fair value, including accrued income of $9,006 and $1,388 at June 30, 2024 and 2023, respectively.

	2024				
	Level I	**Level II**	**Level III**	**NAV**	**Total**
Cash and other short-term investments	$ 22,742	$ -	$ -	$ -	$ 22,742
Corporate equities	106,720	-	-	-	106,720
Corporate bonds	4,256	3	-	-	4,259
Fixed income	15,898	-	-	-	15,898
Commingled fund	-	-	707	-	707
Alternative investments	-	-	-	196,027	196,027
Total investments	149,616	3	707	196,027	346,353
Funds held in trust by others	-	-	11,550	-	11,550
Total investments and funds held in trust by others	$ 149,616	$ 3	$ 12,257	$ 196,027	$ 357,903

	2023				
	Level I	**Level II**	**Level III**	**NAV**	**Total**
Cash and other short-term investments	$ 5,264	$ -	$ -	$ -	$ 5,264
Corporate equities	80,581	-	-	-	80,581
Corporate bonds	7,634	3	-	-	7,637
Commingled fund	-	-	847	-	847
Alternative investments	-	-	-	222,611	222,611
Total investments	93,479	3	847	222,611	316,940
Funds held in trust by others	-	-	11,697	-	11,697
Total investments and funds held in trust by others	$ 93,479	$ 3	$ 12,544	$ 222,611	$ 328,637

The following table summarizes the changes in the University's Level III investments for the years ended June 30, 2024 and 2023:

	2024			2023		
	Commingled Fund	**Funds Held in Trusts by Others**	**Total**	**Commingled Fund**	**Funds Held in Trusts by Others**	**Total**
Beginning of year	$ 847	$ 11,697	$ 12,544	$ 783	$ 11,606	$ 12,389
Net investment gains (losses)	88	(147)	(59)	64	91	155
Transfers out	(228)	-	(228)	-	-	-
End of year	$ 707	$ 11,550	$ 12,257	$ 847	$ 11,697	$ 12,544

The University has outstanding commitments of $20,315 associated with its investments at June 30, 2024. The University estimates that it will satisfy these outstanding commitments by the end of fiscal 2028.

(Dollars in thousands)

The University follows FASB guidance related to fair value measurements and disclosure of investments in certain entities that do not have a quoted market price but that calculate NAV per share or its equivalent. As a practical expedient, this guidance permits, but does not require, an entity to measure fair value of an investment in an investee within the scope of the amendments, based on the investee's NAV per share or its equivalent. As a result of applying the practical expedient, the fair value of the University's investments in certain investments as of June 30, 2024 and 2023, as detailed below, is determined, based on the reported NAV per share or its equivalent, as follows:

2024								
Alternative Investment Type	**Alternative Investment Strategy**	**# of Funds**	**NAV in Funds**	**Remaining Life**	**Amount of Unfunded Commitments**	**Timing to Draw Down Commitments**	**Redemption Terms**	**Redemption Restrictions**
Liquid Fixed Income	Seeks to generate superior risk-adjusted absolute returns by investing in asset-based credit investments such as mortgage, consumer, and commercial asset backed securities.	3	$ 13,711	N/A	$ -	N/A	Monthly and Quarterly, with 10-90 day notice	1 year "Lock-up Period" with up to 25% investor level gate
Illiquid Fixed Income	Seeks to maximize return while preserving capital and generate risk adjusted returns by investing in structured credit securities, various debt obligations, bankruptcy and insolvent business claims, and U.S. mortgage markets.	13	48,607	1-6 years	12,558	2025 - 2028	Quarterly, with 35-90 day notice	1 year "Lock-up Period" and may only redeem up to 25% of aggregate NAV shares for certain investments
Opportunistic	Seeks to generate high risk adjusted returns by investing in securities using diversification and hedging strategies, event driven investment strategies, corporate credit, currencies, risk arbitrage, interest rates, and distressed securities.	2	27,093	N/A	18	2025	Quarterly, with 45-60 day notice	1-2 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Long Equity	Seeks to provide long-term growth of capital by investing in equity securities, ADRs, and public equity markets of the financial services industry.	1	5,161	N/A	-	N/A	Within 7 business days for publicly traded funds or Quarterly, with 45- 90 day notice.	1-3 year "Lock-up Period" for some of the non-publicly traded funds
Hedge Funds	Seeks to deliver risk-adjusted returns by taking long and short positions with an investments horizon of 2 to 5 years, while also investing in "alpha shorts", various sector and market hedges, and long and short equity securities - domestic and global.	10	50,733	N/A	-	N/A	Daily, Monthly and Quarterly, with 28-65 day notice.	1 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Diversifying Assets	Seeks to achieve risk-adjusted returns by investing, directly and indirectly, in catastrophe risk markets, reinsurance contracts, retrocession contracts and discretionary macro investments.	2	6,118	N/A	-	N/A	Daily, Monthly and Quarterly, with 1-105 day notice.	1 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Real Assets	Seeks to deliver returns by investing in European and global real estate, and North American energy and natural resources.	5	17,638	3-8 years	3,519	2024	Monthly with 28 day notice.	Total repurchases are limited to 2% of aggregate NAV per month and 5% of aggregate NAV per quarter. Shares not held for at least one year will be repurchased at 98% of that Month's transaction price.
Private Equities	Multiple strategies to diversify risk through investing in private equities and secondary investments in pooled investment vehicles.	16	19,787	2-12 years, which includes possible extensions	3,943	2025	Redemptions not permitted. Distributions received as underlying investments are liquidated.	N/A
Venture Capital Funds	Seeks long-term capital appreciation through equity and venture partnership investments.	4	7,179	1-6 years, which includes possible extensions	277	2025	Redemptions not permitted. Distributions received as underlying investments are liquidated.	N/A
Total			$ 196,027		$ 20,315			

(Dollars in thousands)

2023								
Alternative Investment Type	**Alternative Investment Strategy**	**# of Funds**	**NAV in Funds**	**Remaining Life**	**Amount of Unfunded Commitments**	**Timing to Draw Down Commitments**	**Redemption Terms**	**Redemption Restrictions**
Liquid Fixed Income	Seeks to generate superior risk-adjusted absolute returns by investing in asset-based credit investments such as mortgage, consumer, and commercial asset backed securities.	3	$ 12,634	N/A	$ -	N/A	Monthly and Quarterly, with 45-90 day notice	1 year "Lock-up Period" with up to 25% investor level gate
Illiquid Fixed Income	Seeks to maximize return while preserving capital and generate risk adjusted returns by investing in structured credit securities, various debt obligations, bankruptcy and insolvent business claims, and U.S. mortgage markets.	13	44,442	1-7 years	14,770	2024 - 2028	Quarterly, with 35-90 day notice	1 year "Lock-up Period" and may only redeem up to 25% of aggregate NAV shares for certain investments
Opportunistic	Seeks to generate high risk adjusted returns by investing in securities using diversification and hedging strategies, event driven investment strategies, corporate credit, currencies, risk arbitrage, interest rates, and distressed securities.	2	22,495	N/A	1,274	2024	Quarterly, with 45-90 day notice	1-2 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Long Equity	Seeks to provide long-term growth of capital by investing in equity securities, ADRs, and public equity markets of the financial services industry.	2	20,477	N/A	-	N/A	Within 7 business days for publicly traded funds or Quarterly, with 45- 90 day notice.	1-3 year "Lock-up Period" for some of the non-publicly traded funds
Hedge Funds	Seeks to deliver risk-adjusted returns by taking long and short positions with an investments horizon of 2 to 5 years, while also investing in "alpha shorts", various sector and market hedges, and long and short equity securities - domestic and global.	11	52,311	N/A	-	N/A	Monthly and Quarterly, with 30-90 day notice	1 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Diversifying Assets	Seeks to achieve risk-adjusted returns by investing, directly and indirectly, in catastrophe risk markets, reinsurance contracts, retrocession contracts and discretionary macro investments.	4	24,455	N/A	-	N/A	Monthly and Quarterly, with 5- 105 day notice.	1 year "Lock-up Period" as well as various restrictions on the amount and timing of partial redemptions
Real Assets	Seeks to deliver returns by investing in European and global real estate, and North American energy and natural resources.	5	19,145	4-8 years	4,497	2024	N/A	N/A
Private Equities	Multiple strategies to diversify risk through investing in private equities and secondary investments in pooled investment vehicles.	16	18,561	2-13 years, which includes possible extensions	5,035	2024 - 2025	Redemptions not permitted. Distributions received as underlying investments are liquidated.	N/A
Venture Capital Funds	Seeks long-term capital appreciation through equity and venture partnership investments.	4	8,091	2-4 years, but all may be extended	267	2024	Redemptions not permitted. Distributions received as underlying investments are liquidated.	N/A
Total			$ 222,611		$ 25,843			

The University had investment income of $7,573 and $5,209 on short-term and other non-pooled investments in 2024 and 2023, respectively, which has been included as part of operating activities in the accompanying statements of activities.

(Dollars in thousands)

NOTE 5 - ENDOWMENT

The University's donor-restricted (gifted) endowment consists of 582 individual funds established primarily for scholarships and academic programs. The University's endowment includes both donor-restricted endowment funds and funds designated by the University's Board of Regents to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported, based on the existence or absence of donor-imposed restrictions. Some endowment assets are held, controlled, and administered by third-party trustees (funds held in trust by others).

Interpretation of Relevant Law

New Jersey's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") was enacted in June 2009. The University's Board of Regents has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the respective donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions: (a) the original value of gifts donated to its permanent endowment, (b) the original value of subsequent gifts to its permanent endowment, and (c) accumulations of income to its permanent endowment made in accordance with the direction of the applicable donor gift instrument. Therefore, endowment net assets, within net assets with donor restrictions, represent the original corpus of gifts given to the University for which the gift instruments stipulate that the principal be invested in perpetuity and only income be used for donor-intended purposes, if any.

Total return earned on the corpus of the endowment, under UPMIFA, is spendable, and accordingly, the University classifies the earnings as net assets with donor restrictions, pending appropriation for expenditure by the University's Board of Regents.

The following table summarizes endowment net asset composition at June 30, 2024:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amounts and the amounts required to be maintained in perpetuity by donors	$ -	$ 122,214	$ 122,214
Accumulated unspent earnings	-	94,696	94,696
Funds held in trust by others	-	11,550	11,550
Quasi-endowment funds	141,347	-	141,347
Total endowment fund	$ 141,347	$ 228,460	$ 369,807

The following table summarizes endowment net asset composition at June 30, 2023:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amounts and the amounts required to be maintained in perpetuity by donors	$ -	$ 115,282	$ 115,282
Accumulated unspent earnings	-	82,746	82,746
Funds held in trust by others	-	11,697	11,697
Quasi-endowment funds	126,092	-	126,092
Total endowment fund	$ 126,092	$ 209,725	$ 335,817

Donor-restricted endowment funds include contributions receivable of $17,822 and $15,291 at June 30, 2024 and 2023, respectively.

The University's individual endowment funds are pooled for investment purposes. The investment portfolio is managed to achieve a prudent long-term total return. The University 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 University 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. Under the University's investment policy, as approved by the Board of Regents, the endowment assets are invested in a manner that is intended to preserve the long-term real purchasing power of the assets while providing a relatively predictable and growing stream of annual distributions to support the University.

The University applies a 4.5% spending rate to a three-year moving average of endowment investment funds. The Board of Regents sets the spending rate. The purpose of using a moving average is to smooth out any wide fluctuations in the fair value of endowment investments. Endowment earnings in excess of the spending rate are classified as net assets with donor restrictions until such time that they are appropriated for expenditure. When annual yield is insufficient to support spending appropriations, the balance is provided from net assets with donor restrictions. Special allocations are made for certain purposes in addition to the spending rate, as approved by the University's Board of Regents, annually, if determined to be necessary. Such special allocations are made from the quasi-endowment.

In accordance with the spending rate and special allocations, endowment investment return on pooled assets of $14,323 and $13,735 was made available in fiscal 2024 and 2023, respectively, to support operations of the University. The effective spending rate was 4.6% and 4.5% in fiscal 2024 and 2023, respectively.

(Dollars in thousands)

The following tables summarize the changes in endowment net assets, including the University's total return on endowment investments, for the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 126,092	$ 209,725	$ 335,817
Net endowment investment return	15,873	20,112	35,985
New gifts and pledges, less provisions for uncollectible pledges	-	6,274	6,274
Transfers in	5,706	495	6,201
Investment return on funds held in trust by others	-	(147)	(147)
Endowment return used for operations	(6,324)	(7,999)	(14,323)
Endowment net assets, end of year	$ 141,347	$ 228,460	$ 369,807

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 124,257	$ 193,662	$ 317,919
Net endowment investment return	7,938	9,964	17,902
New gifts and pledges, less provisions for uncollectible pledges	-	12,281	12,281
Transfers in	-	1,359	1,359
Investment return on funds held in trust by others	-	91	91
Endowment return used for operations	(6,103)	(7,632)	(13,735)
Endowment net assets, end of year	$ 126,092	$ 209,725	$ 335,817

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 UPMIFA requires the University to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted endowment contributions and from the continued appropriation of earnings on other endowment funds that were deemed prudent by the University's Board of Regents.

SETON HALL UNIVERSITY

Notes to Financial Statements
June 30, 2024 and 2023
(Dollars in thousands)

The following tables reflect the portion of the endowment net asset composition that had deficiencies, along with the number of deficient funds at June 30, 2024 and 2023:

2024	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions: Funds Held In Trust By Others	Net Assets With Donor Restrictions: Original Donor-Restricted Gift Amount And Amounts Required To Be Maintained In Perpetuity By Donor	Net Assets With Donor Restrictions: Accumulated (Losses) Unspent Earnings	Net Assets With Donor Restrictions: Total Net Assets With Donor Restrictions	Total Endowment
Quasi-endowment funds	$ 141,347	$ -	$ -	$ -	$ -	$ 141,347
Donor-restricted endowment funds						
Endowment funds with deficiencies	-	-	1,065	(52)	1,013	1,013
Other endowment funds	-	-	121,149	94,748	215,897	215,897
Other	-	11,550	-	-	11,550	11,550
	-	11,550	122,214	94,696	228,460	228,460
Total endowment funds	$ 141,347	$ 11,550	$ 122,214	$ 94,696	$ 228,460	$ 369,807
Number of donor-restricted endowment funds with deficiencies	12					

2023	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions: Funds Held In Trust By Others	Net Assets With Donor Restrictions: Original Donor-Restricted Gift Amount And Amounts Required To Be Maintained In Perpetuity By Donor	Net Assets With Donor Restrictions: Accumulated (Losses) Unspent Earnings	Net Assets With Donor Restrictions: Total Net Assets With Donor Restrictions	Total Endowment
Quasi-endowment funds	$ 126,092	$ -	$ -	$ -	$ -	$ 126,092
Donor-restricted endowment funds						
Endowment funds with deficiencies	-	-	6,237	(277)	5,960	5,960
Other endowment funds	-	-	109,045	83,023	192,068	192,068
Other	-	11,697	-	-	11,697	11,697
	-	11,697	115,282	82,746	209,725	209,725
Total endowment funds	$ 126,092	$ 11,697	$ 115,282	$ 82,746	$ 209,725	$ 335,817
Number of donor-restricted endowment funds with deficiencies	38					

NOTE 6 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consists of the following unconditional promises to give at June 30, 2024 and 2023:

	2024	2023
Amounts expected to be collected:		
In one year or less	$ 15,903	$ 13,187
Between one and five years	9,342	11,059
In more than five years	7,405	7,185
	32,650	31,431
Less: discount to present value (at discount rates ranging between 1.50% and 5.01%)	(2,764)	(3,053)
Less: allowance for uncollectible amounts	(3,277)	(2,990)
	$ 26,609	$ 25,388

(Dollars in thousands)

At June 30, 2024 and 2023, included within contributions receivable were certain trusts totaling $4,284 and $3,901, respectively. Such trusts are considered Level III assets within the fair value hierarchy. The following table summarizes the changes in the University's trusts for the years ended June 30, 2024 and 2023:

	2024	2023
Beginning of year	$ 3,901	$ 3,767
Return	499	247
Distributions	(116)	(113)
End of year	$ 4,284	$ 3,901

The University has been notified of certain intentions to give, primarily representing bequests, totaling $62,878. The University's share of these intentions to give are recorded when the University has an irrevocable right to the amount to be given and the proceeds are measurable.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University has various sources of liquidity at its disposal, including cash and cash equivalents, marketable equity securities, commercial paper investments, and a line of credit (Note 9).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities of teaching, research, and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

Cash and loans associated with student loan programs, primarily the federal Perkins loan program, are not available to meet current operating needs. The federal share of Perkins cash and future collections of loans are refundable to federal government (Note 3). In the case of other loan programs, principal and interest on these loans are used to make new loans and are therefore not available to meet current operating needs.

In addition to financial assets available to meet general expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting enough revenue to cover general expenditures not covered by donor-restricted resources.

(Dollars in thousands)

As of June 30, 2024 and 2023, the following University financial assets and resources could readily be made available to meet general expenditures within one year:

		2024		2023
Financial Assets:				
Cash and cash equivalents, net of cash related to student loan programs totaling $863 and $988 at June 30, 2024 and 2023, respectively	$	86,757	$	80,305
Student accounts receivable, net		5,259		4,434
Pledges receivables, net		1,839		3,399
Payout on endowments and quasi-endowments for use over next 12-months		14,600		14,100
Investments not subject to donor or board restrictions		814		705
Total financial assets available within one year		109,269		102,943
Liquidity Resources:				
Bank line of credit (Note 9)		30,000		20,000
Total financial assets and resources available within one year	$	139,269	$	122,943

NOTE 8 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following at June 30, 2024 and 2023:

		2024		2023
Land improvements	$	11,873	$	11,873
Buildings and building improvements		589,534		583,950
Furniture, equipment, software and other plant assets		73,348		66,441
		674,755		662,264
Less: accumulated depreciation		(356,821)		(336,071)
		317,934		326,193
Land		4,537		5,184
Construction-in-progress		33,645		13,088
Collections		1,799		1,799
	$	357,915	$	346,264

Buildings and building improvements include capitalized conditional asset retirement obligations at a cost of $1,190 at both June 30, 2024 and 2023, with accumulated depreciation of $1,173 and $1,163 at June 30, 2024 and 2023, respectively.

NOTE 9 - UNSECURED LINES OF CREDIT

The University consolidated two unsecured lines of credit with two financial institutions, totaling $30,000, into one line of credit with one financial institution and cancelled one of the original lines prior to expiration. There were no draws or outstanding loans under either the combined or separate lines of credit as of and for the years ended June 30, 2024 and 2023. The line of credit for $30,000 was renewed and extended in June 2024 and expires in June 2025.

(Dollars in thousands)

NOTE 10 - DEFINED CONTRIBUTION PLAN AND POSTRETIREMENT BENEFIT OBLIGATIONS

The University participates in the Teachers' Insurance Annuity Association ("TIAA") and the College Retirement Equities Fund ("CREF") program, a defined contribution plan, for all eligible employees. Vesting provisions are full and immediate under this plan. Employees who have attained age 21 and have completed two years of service were required to contribute 4% of their base salary with the University contribution being 8% of employee base salary.

The University also participates in a noncontributory defined benefit pension plan, which is sponsored and administered solely by the Roman Catholic Archdiocese of Newark, covering all priests who are not covered by the TIAA-CREF program, and a contributory defined contribution multi-employer plan for certain hourly employees.

Pension costs for all plans totaled $8,190 in 2024 and $8,205 in 2023. Pension cost is funded currently.

The University provides life insurance benefits to retired staff employees. It also pays out any unused sick time to staff and maintenance employees that retire while still employed at the University.

NOTE 11 - LEASES AND SECURED BORROWING ARRANGEMENT

In July 2020, the University executed an agreement whereby a bank purchased $10,000 of equipment and other property from the University and leased those assets back to the University at a monthly rental amount of $262 in July 2020 and $131 per month thereafter for 82 months. The discount rate is 2.9%. The bank has a security interest in the assets under lease. This lease meets the characteristics of a finance lease as the University will buy the assets back for one dollar at the end of the lease term. Accordingly, this transaction does not qualify for sale-leaseback treatment rules and has been treated as a secured borrowing arrangement.

The University's rent under the sublease with HMH for the IHS campus is $3,052 and $3,128 for calendar years 2024 and 2025. Thereafter, rent will increase by 2.5% per year. The rent covers its dedicated space for the University's CON and SHMS, along with academic space shared with the HMSOM. Only the portion of the rent related to dedicated space meets the definition of a lease under U.S. GAAP and is accounted for as a finance lease. The discount rate is 4%. The portion of the monthly rent related to shared space is being expensed as occupancy cost. The future minimum portion of the monthly rent associated with shared space is disclosed in Note 19. The University is also responsible for its proportionate share of improvements, as defined. The sublease will expire on December 30, 2041, one day prior to the expiration of the HMH lease. The ROU asset under this finance lease is being amortized over the life of the sublease. The University and HMH will co-own the IHS campus when the HMH lease and the University's sublease expire.

The University leases certain office equipment under the terms of finance leases. These finance leases had a weighted average discount rate of 4.41% and weighted average remaining term of 2.96 years as of June 30, 2024.

Supplemental statement of financial position information related to financial lease at June 30, 2024 and 2023:

	2024	2023
Right-of-use asset	$ 12,550	$ 12,344
Accumulated amortization	(3,690)	(3,027)
Total	$ 8,860	$ 9,317

(Dollars in thousands)

The total expense associated with all finance leases in 2024 and 2023 consisted of the following:

	2024	2023
Amortization on finance lease assets included in depreciation and amortization	$ 663	$ 657
Interest on finance lease liabilities included in interest expense	605	653
Total	$ 1,268	$ 1,310

The following is a summary of the future payments for all finance lease obligations and secured borrowing arrangement:

Year ending June 30,	Finance Lease Obligations	Secured Borrowing Arrangement	Total
2025	$ 926	$ 1,573	$ 2,499
2026	822	1,573	2,395
2027	809	1,442	2,251
2028	825	-	825
2029	815	-	815
Thereafter	11,740	-	11,740
	15,937	4,588	20,525
	(4,677)	(194)	(4,871)
	$ 11,260	$ 4,394	$ 15,654

The University leases certain equipment and space under the terms of operating leases. The University's operating leases had a weighted average discount rate of 4.63% and a weighted average remaining term of 4.09 years as of June 30, 2024. The University's operating leases had a weighted average discount rate of 4.48% and a weighted average remaining term of 4.67 years as of June 30, 2023.

(Dollars in thousands)

Supplemental statement of financial position information related to operating leases at June 30, 2024 and 2023:

	2024	2023
Right-of-use asset	$ 1,716	$ 1,716
Accumulated amortization	(1,016)	(764)
Total	$ 700	$ 952

The total cost of operating leases consists of the following for the year ended June 30, 2024 and 2023:

	2024	2023
Operating lease cost	$ 290	$ 344
Short-term lease cost	185	142
Total	$ 475	$ 486

The following is a summary of the future payments for operating lease obligations

Year ending June 30,	
2025	$ 239
2026	182
2027	129
2028	129
2029	96
	775
Less: amounts representing interest	(75)
	$ 700

NOTE 12 - BONDS PAYABLE, NET

Bonds payable, net of issuance costs, consist of bonds with varying terms and maturity dates through June 2050. Cash interest payments on indebtedness, including finance lease obligations and the secured borrowing arrangement, totaled $10,762 and $11,016 and interest expense was $10,235 and $10,245 for the years ended June 30, 2024 and 2023, respectively.

(Dollars in thousands)

Bonds payable consist of the following at June 30, 2024 and 2023:

	2024	2023
New Jersey Educational Facilities Authority Higher Education Equipment Leasing Fund, 2023 Series A, 5.00%, due 2032	$ 473	$ -
New Jersey Educational Facilities Authority Revenue Bonds 2021 Series D, 1.67%, due 2033	11,990	11,990
New Jersey Educational Facilities Authority Revenue Bonds 2020 Series C, 3.25% to 4.00%, due 2050	33,962	33,979
New Jersey Educational Facilities Authority Revenue Bonds 2020 Series D, 2.30% to 3.96%, due 2048	75,360	77,210
New Jersey Educational Facilities Authority Revenue Bonds 2017 Series D, 3.50% to 5.00%, due 2047	41,384	41,455
New Jersey Educational Facilities Authority Revenue Bonds 2017 Series E, 3.09% to 4.02%, due 2039	29,185	30,195
New Jersey Educational Facilities Authority Revenue Bonds 2016 Series C, 3.00% to 5.00%, due 2046	37,353	37,453
New Jersey Educational Facilities Authority Higher Education Capital Improvement Fund Bonds, 2016 Series A, 3.44%, due 2025	203	435
New Jersey Educational Facilities Authority Higher Education Capital Improvement Fund Bonds, 2016 Series B, 4.00% to 5.50%, due 2037	557	587
New Jersey Educational Facilities Authority Revenue Bonds 2015 Series C, 3.00% to 5.00%, due 2037	16,266	17,233
New Jersey Educational Facilities Authority Revenue Bonds 2013 Series D, 4.00% to 5.00%, due 2043	17,695	17,709
New Jersey Educational Facilities Authority Higher Education Capital Improvement Fund Bonds, 2014 Series B, 3.50% to 5.00%, due 2034	646	695
New Jersey Educational Facilities Authority Revenue Refunding Bonds, 2011 Series A, 4.13% to 4.50%, due 2026	1,702	2,514
Subtotal	266,776	271,455
Less: unamortized bond issuance cost	(5,111)	(5,400)
	$ 261,665	$ 266,055

(Dollars in thousands)

Mortgage bond indenture agreements require that the University pledge revenues and maintain certain funding for debt repayment. Funds on deposit with bond trustees, pursuant to these provisions, as of June 30, 2024 and 2023, are as follows:

	2024	2023
Construction funds	$ 49,277	$ 63,955
Debt service funds	106	76
	$ 49,383	$ 64,031

Deposits with bond trustees are held in government fixed income securities, money market funds, and cash and are recorded at fair value. As of June 30, 2024 and 2023, all deposits were classified as Level I within the fair value hierarchy. The University had no lifetime-to-date excess investment return, based on Internal Revenue Service arbitrage bond yield limitations, as of June 30, 2024 and 2023.

Land and buildings with a carrying value of $73,845 at June 30, 2024 and $70,906 at June 30, 2023 collateralize the mortgage bonds.

As of June 30, 2024 and 2023, unamortized bond issuance costs total $5,111 and $5,400, respectively, and are netted against bonds payable in the University's statements of financial position. Amortization expense for issuance costs totaled $289 and $295 for the years ended June 30, 2024 and 2023, respectively.

The bonds mature serially in installments through fiscal 2050. The aggregate debt service requirements during the next five fiscal years and in total thereafter are as follows:

Year ending June 30,	Principal	Interest	Total
2025	$ 6,141	$ 9,976	$ 16,117
2026	6,324	9,787	16,111
2027	6,521	9,597	16,118
2028	6,718	9,394	16,112
2029	6,935	9,175	16,110
Thereafter	229,435	110,567	340,002
	262,074	$ 158,496	$ 420,570
Add: unamortized original issuance premium	4,702		
Less: unamortized bond issuance cost	(5,111)		
	$ 261,665		

NOTE 13 - NET ASSETS

Net assets with donor restrictions are principally restricted for educational and other donor-stipulated purposes. The composition of net assets with donor restrictions at June 30, 2024 and 2023 is as follows:

	2024	2023
Restricted for capital expenditures	$ 8,483	$ 6,746
Restricted for educational programs, scholarships and other	28,292	26,604
Donor-restricted endowment funds	228,460	209,725
Net assets with donor restrictions	$ 265,235	$ 243,075

(Dollars in thousands)

NOTE 14 - NET ASSETS RELEASED FROM RESTRICTIONS AND RECLASSIFICATIONS

Net assets released from donor-imposed restrictions, other than endowment return used for operations, for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Financial aid	$ 1,708	$ 1,630
Academic support	2,227	1,958
Expiration of time restrictions on contributions	333	457
Reclassifications due to clarification of donor stipulations	(25)	(129)
Net assets released from restrictions - operating	4,243	3,916
Expiration of time restrictions on nonoperating contributions for capital purposes	400	4,099
Net assets released from restrictions	$ 4,643	$ 8,015

NOTE 15 - STUDENT SERVICES REVENUE, NET

The University has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing, meals, and various fees associated with enrollment in the University. Generally, enrollment and instructional services are billed prior to the beginning of a term, with the payment due date being within 30 days of the bill date.

Below is a breakdown of student services revenue, net:

	2024		
	Tuition and Fees	Housing and Meals	Total
Student services revenue	$ 419,607	$ 39,295	$ 458,902
Less: financial aid	(170,182)	(3,581)	(173,763)
Student services revenue, net	$ 249,425	$ 35,714	$ 285,139

	2023		
	Tuition and Fees	Housing and Meals	Total
Student services revenue	$ 401,060	$ 37,596	$ 438,656
Less: financial aid	(159,452)	(3,858)	(163,310)
Student services revenue, net	$ 241,608	$ 33,738	$ 275,346

NOTE 16 - EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATION

The University's primary program services are instruction and research and public service. Expenses reported as academic support, student services and auxiliary activities are incurred in support of these primary program services. Institutional support includes general and administrative expenses of the University. The statements of activities also report certain categories of expenditures that support more than one major program of the University. These expenses include operation and maintenance of plant, depreciation expense, and interest expense.

(Dollars in thousands)

Expenses by functional and natural classification for the years ended June 30, 2024 and 2023 are as follows:

2024

	Expenses per Financial Statements	Allocation	Totals After Allocation	Final Allocated Natural Expenses: Salaries and Benefits	Depreciation and Amortization	Interest	Other	Final Allocated Expenses
Instruction	$ 98,748	$ 20,493	$ 119,241	$ 91,993	$ 5,279	$ 3,305	$ 18,664	$ 119,241
Research and public service	10,122	1,010	11,132	7,135	268	30	3,699	11,132
Academic support	36,349	9,228	45,577	30,586	5,078	561	9,352	45,577
Student services	50,261	12,635	62,896	30,406	4,801	2,702	24,987	62,896
Auxiliary activities	12,044	26,287	38,331	6,499	6,998	4,187	20,647	38,331
Institutional support	62,790	2,987	65,777	37,829	1,359	79	26,510	65,777
Operations and maintenance	37,993	(37,993)	-	-	-	-	-	-
Depreciation and amortization	23,783	(23,783)	-	-	-	-	-	-
Interest expense	10,864	(10,864)	-	-	-	-	-	-
Total expenses	$ 342,954	$ -	$ 342,954	$ 204,448	$ 23,783	$ 10,864	$ 103,859	$ 342,954

2023

	Expenses per Financial Statements	Allocation	Totals After Allocation	Final Allocated Natural Expenses: Salaries and Benefits	Depreciation and Amortization	Interest	Other	Final Allocated Expenses
Instruction	$ 90,504	$ 19,522	$ 110,026	$ 86,404	$ 4,866	$ 3,389	$ 15,367	$ 110,026
Research and public service	9,872	902	10,774	6,993	217	32	3,532	10,774
Academic support	35,767	8,617	44,384	30,109	4,698	579	8,998	44,384
Student services	45,364	11,818	57,182	28,130	4,392	2,653	22,007	57,182
Auxiliary activities	12,881	24,618	37,499	6,122	6,427	4,184	20,766	37,499
Institutional support	55,704	2,833	58,537	32,678	1,251	85	24,523	58,537
Operations and maintenance	35,537	(35,537)	-	-	-	-	-	-
Depreciation and amortization	21,851	(21,851)	-	-	-	-	-	-
Interest expense	10,922	(10,922)	-	-	-	-	-	-
Total expenses	$ 318,402	$ -	$ 318,402	$ 190,436	$ 21,851	$ 10,922	$ 95,193	$ 318,402

The University views its controllable expenses as instruction, academic support, student services, auxiliary activities, institutional support, and operations and maintenance, before allocations. Instruction as a percentage of the total controllable expenses in 2024 was 33.1% as compared to 32.8% in 2023.

NOTE 17 - FUNDRAISING EXPENSES

Fundraising expenses are included in institutional support in the accompanying statements of activities. For the years ended June 30, 2024 and 2023, fundraising costs total $9,024 and $8,928, respectively. For purposes of reporting fundraising expenses, the University includes only those fundraising costs incurred by its development office and certain members of executive management.

NOTE 18 - AFFILIATED AND RELATED-PARTY TRANSACTIONS

As noted in Note 1 the University operates under the auspices the Roman Catholic Archdiocese of Newark which also provides support to students in certain programs within the University's School of Theology. Additionally, as described in Note 2 as contributed services, the Archdiocese contributes the services of priests whose duties are integral to the operations of the University.

(Dollars in thousands)

Members of the University's Board of Regents and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. For senior management, the University requires an annual disclosure of significant financial interests in, or employment or consulting relationships with, entities doing business with the University. These annual disclosures cover both senior management and their immediate family members. When such relationships exist, measures are taken to address the actual or perceived conflict to protect the best interests of the University. The University has a written conflict of interest policy that requires, among other things, that no member of the Board of Regents or its committees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Regent is required 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 Regent 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 relevant conflict of interest laws. The University is unaware of any such transactions or associations considered to be material.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

Amounts received and expended by the University under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, would not have a material effect on the financial position, changes in net assets or cash flows of the University.

The future minimum portion of the monthly rent associated with shared space under the sublease with HMH (Note 11) and under employment contracts is as follows:

Year ending June 30,	
2025	$ 6,697
2026	6,806
2027	6,917
2028	5,714
2029	5,374
Thereafter	41,188
	$ 72,696

The University has entered various construction contracts associated with its South Orange Campus; such future unpaid obligations per contractual arrangements total $33,861 at June 30, 2024, of which $6,141 represents costs incurred that are included in accounts payable and accrued expenses in the accompanying 2024 statement of financial position.

In the normal course of its operations, the University is a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the University is not aware of any claims or contingencies which are not covered by insurance that would have a material adverse effect on the University's financial position, changes in net assets or cash flows.