Le Moyne College

Independent Auditor's Report, Consolidated Financial Statements, and Supplementary Information

May 31, 2024 and 2023

Le Moyne College
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May 31, 2024 and 2023

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Independent Auditor's Report

Board of Trustees
Le Moyne College
Syracuse, New York

Opinion

We have audited the consolidated financial statements of Le Moyne College and its subsidiaries (the College), which comprise the consolidated statements of financial position as of May 31, 2024 and 2023, and 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 consolidated financial position of the College as of May 31, 2024 and 2023, and the changes in their net assets and their 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 in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the College 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 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

Auditor's 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 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 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 College'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 College'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedule of financial responsibility data required by the U.S. Department of Education is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

New York, New York
October 9, 2024

Le Moyne College
Consolidated Statements of Financial Position
May 31, 2024 and 2023

	2024	2023
ASSETS		
Cash, cash equivalents, and restricted cash	$ 22,300,246	$ 34,753,218
Accounts receivable, net	11,096,064	8,523,438
Contributions receivable, net	8,447,268	2,860,054
Student loans receivable, net	580,962	821,156
Deposits held for debt obligations	4,306,123	11,839,435
Investments	272,648,578	237,161,304
Lease right-of-use assets	194,505	345,398
Land, building, and equipment, net	115,303,911	103,815,273
Other assets	3,533,528	3,155,593
Total Assets	$ 438,411,185	$ 403,274,869
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 10,143,806	$ 10,665,378
Deferred revenue and deposits	5,904,994	6,857,556
Annuity and trust obligations	105,187	111,732
Refundable government loans	989,056	1,226,874
Lease right-of-use liabilities	194,505	345,398
Asset retirement obligations	3,389,653	3,279,646
Postretirement benefits	2,154,138	2,322,934
Borrowings, net	87,243,445	85,938,089
Total Liabilities	110,124,784	110,747,607
Net Assets		
Without donor restrictions	99,372,090	100,234,213
With donor restrictions		
Perpetual	122,596,744	102,380,537
Time or purpose restriction	106,317,567	89,912,512
Total Net Assets With Donor Restrictions	228,914,311	192,293,049
Total Net Assets	328,286,401	292,527,262
Total Liabilities and Net Assets	$ 438,411,185	$ 403,274,869

Le Moyne College
Consolidated Statements of Activities
Year Ended May 31, 2024
(With Summarized Information for the Year Ended May 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenues				
Tuition and fees	$ 50,278,387	$ -	$ 50,278,387	$ 48,241,564
Residence and dining services	17,446,883	-	17,446,883	16,721,080
Student Revenues	67,725,270	-	67,725,270	64,962,644
Federal and state grants and contracts	7,012,501	-	7,012,501	6,180,493
Private gifts	4,825,877	7,330,439	12,156,316	7,791,735
Endowment income designated for current operations	2,524,992	7,560,333	10,085,325	11,963,910
Other sources	5,336,237	-	5,336,237	3,534,511
Net assets released from restrictions	9,715,973	(9,715,973)	-	-
Total Operating Revenues	97,140,850	5,174,799	102,315,649	94,433,293
Operating Expenses				
Salaries and employee benefits	57,520,294	-	57,520,294	51,126,727
Campus repairs and contracted services	14,132,964	-	14,132,964	12,703,167
Other operating expenses	18,608,487	-	18,608,487	17,139,313
Interest expense	2,992,633	-	2,992,633	2,928,835
Depreciation and amortization	8,545,627	-	8,545,627	7,984,517
Total Operating Expenses	101,800,005	-	101,800,005	91,882,559
Change in Net Assets From Operating Activities	(4,659,155)	5,174,799	515,644	2,550,734
Nonoperating Activities				
Long-term capital and endowment gifts and grants	-	17,120,926	17,120,926	5,824,849
Net assets released from restrictions	1,070,301	(1,070,301)	-	-
Total return of endowment pool less amounts designated for current operations	5,833,701	15,395,838	21,229,539	(10,529,057)
Change in accounting estimates	(1,186,970)	-	(1,186,970)	(580,023)
Other	(1,920,000)	-	(1,920,000)	171,116
Change in Net Assets From Nonoperating Activities	3,797,032	31,446,463	35,243,495	(5,113,115)
Change in Net Assets	(862,123)	36,621,262	35,759,139	(2,562,381)
Net Assets, Beginning of Year	100,234,213	192,293,049	292,527,262	295,089,643
Net Assets, End of Year	$ 99,372,090	$ 228,914,311	$ 328,286,401	$ 292,527,262

Le Moyne College
Consolidated Statements of Activities
Year Ended May 31, 2024
(With Summarized Information for the Year Ended May 31, 2023) **(Continued)**

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Operating Revenues			
Tuition and fees	$ 48,241,564	$ -	$ 48,241,564
Residence and dining services	16,721,080	-	16,721,080
Student Revenues	64,962,644	-	64,962,644
Federal and state grants and contracts	6,180,493	-	6,180,493
Private gifts	3,842,340	3,949,395	7,791,735
Endowment income designated for current operations	6,987,738	4,976,172	11,963,910
Other sources	3,534,511	-	3,534,511
Net assets released from restrictions	6,548,157	(6,548,157)	-
Total Operating Revenues	92,055,883	2,377,410	94,433,293
Operating Expenses			
Salaries and employee benefits	51,126,727	-	51,126,727
Campus repairs and contracted services	12,703,167	-	12,703,167
Other operating expenses	17,139,313	-	17,139,313
Interest expense	2,928,835	-	2,928,835
Depreciation and amortization	7,984,517	-	7,984,517
Total Operating Expenses	91,882,559	-	91,882,559
Change in Net Assets From Operating Activities	173,324	2,377,410	2,550,734
Nonoperating Activities			
Long-term capital and endowment gifts and grants	17,206	5,807,643	5,824,849
Net assets released from restrictions	767,323	(767,323)	-
Total return of endowment pool less amounts designated for current operations	(3,616,448)	(6,912,609)	(10,529,057)
Change in accounting estimates	(580,023)	-	(580,023)
Other	174,757	(3,641)	171,116
Change in Net Assets From Nonoperating Activities	(3,237,185)	(1,875,930)	(5,113,115)
Change in Net Assets	(3,063,861)	501,480	(2,562,381)
Net Assets, Beginning of Year	103,298,074	191,791,569	295,089,643
Net Assets, End of Year	$ 100,234,213	$ 192,293,049	$ 292,527,262

Le Moyne College
Consolidated Statements of Cash Flows
Years Ended May 31, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	$ 35,759,139	$ (2,562,381)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation, amortization, and accretion	7,905,384	7,331,098
Net realized and unrealized (gain) loss on investments	(29,085,090)	2,183,352
(Credit) provision for bad debts	(404,852)	174,187
Gain on disposal of assets	-	(172,555)
Contributions restricted for long-term investments	(13,052,802)	(1,808,888)
Contributions restricted for land, building, and equipment	(3,675,750)	(638,700)
Change in accounting estimate for asset retirement obligations	37,131	872,555
Change in accounting estimate for fringe benefits	1,149,780	-
Change in accounting estimate for postretirement obligation	(127,945)	292,532
Changes in operating assets and liabilities that provide (use) cash		
Accounts receivable, net	(2,057,057)	(3,144,909)
Contributions receivable, net	(5,697,931)	(2,860,054)
Other assets	(377,935)	16,469
Accounts payable and accrued liabilities	(1,146,790)	(3,943,568)
Deferred revenue and deposits	(952,562)	1,436,257
Annuity and trust obligations	(6,545)	(14,809)
Postretirement benefits	(40,851)	(697,888)
Asset retirement obligations	(47,847)	(738,453)
Net Cash Used in Operating Activities	(11,822,523)	(4,275,755)
Investing Activities		
Purchase of land, building, and equipment, net of change in construction costs payable	(20,438,104)	(11,015,603)
Proceeds from sales, redemptions, and maturities on investments	16,171,630	95,266,481
Purchase of investments	(22,573,814)	(89,082,545)
Proceeds from sales of land, building, and equipment	-	172,555
Student loans receivable, net	240,194	250,536
Net Cash Used in Investing Activities	(26,600,094)	(4,408,576)
Financing Activities		
Contributions restricted for long-term investment	13,052,802	1,808,888
Contributions restricted for land, building, and equipment	3,675,750	638,700
Principal payments on borrowings	(1,904,401)	(1,545,112)
Proceeds from borrowings	3,850,000	3,500,000
Change in deposits held for debt obligations, net	7,533,312	5,289,272
Decrease in refundable government loans	(237,818)	(350,513)
Net Cash Provided by Financing Activities	25,969,645	9,341,235
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash	(12,452,972)	656,904
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	34,753,218	34,096,314
Cash, Cash Equivalents, and Restricted Cash, End of Year	$ 22,300,246	$ 34,753,218
Supplemental Disclosure		
Interest paid	$ 3,457,790	$ 3,618,620
Fixed assets in accounts payable	$ -	$ 524,562
Taxes paid	$ 10,005	$ 17,607

Note 1. Summary of Significant Accounting Policies

Organization

Le Moyne College is an independent comprehensive liberal arts college located in Syracuse, New York, established by the Jesuits in 1946. The College is a diverse learning community that strives for academic excellence in the Catholic and Jesuit tradition through its comprehensive programs rooted in the liberal arts and sciences. The College offers undergraduate and graduate programs, and is primarily funded by tuition and other student fees charged for programs offered. Agilitas, LLC began in July 2022 to provide administrative and operational support to institutions of higher education that are exempt under Sections 501(c)(3) of the code. Phins Management Inc. was formed in May 2023 to assist Le Moyne College with the administration, management, and operation of programs and facilities, and supporting the community at large. Hereinafter, these entities are collectively referred to as the "College."

Basis of Presentation

The College's consolidated financial statements have been prepared on the accrual basis of accounting and are presented in accordance with U.S. generally accepted accounting principles. Accordingly, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the College are classified as follows:

- *Net assets without donor restrictions* are not subject to donor stipulations restricting their use, but may be designated for specific purposes by the College or may otherwise be limited by contractual agreements with outside parties.
- *Net assets with donor restrictions* are subject to donor-imposed stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to the stipulations, or may be perpetual.

Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Principles of Consolidation

The financial statements include the accounts of Le Moyne College and its wholly-owned subsidiaries, Agilitas, LLC and Phins Management Inc. All material interorganizational accounts and transactions have been eliminated in consolidation.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on deposit with financial institutions or other highly liquid investments with a maturity of three months or less when purchased or other similar interest-bearing accounts except that similar instruments included in deposits held for debt obligations or investments are not considered to be cash equivalents for purposes of the consolidated statements of financial position and cash flows.

Amounts included in restricted cash represent cash or cash equivalents required to be set aside for federal lending programs. Restricted cash reported in the consolidated statements of financial position is $432,217 and $474,297 at May 31, 2024 and 2023, respectively.

Accounts and Student Loans Receivable

Student accounts and loans receivable are reported net of an allowance for credit losses. The receivables are recorded at their current unpaid principal balance and associated interest income, if applicable, is accrued based on the principal amount outstanding and applicable interest rates. Allowances for credit losses are recorded representing amounts that, in the opinion of management of the College, are necessary to account for probable losses related to the receivables. These allowances are determined based upon numerous considerations, including economic conditions adjusted for current conditions and reasonable and supportable forecasts, the specific composition of the receivable balance, as well as trends of delinquencies and write-offs. On a periodic basis, these factors are considered and the allowances for credit losses are adjusted accordingly, with a corresponding adjustment to the provision for allowance for credit losses.

An allowance for credit loss of $1,230,878 and $2,064,668 at May 31, 2024 and 2023, respectively, have been provided for accounts receivable estimated to be uncollectible.

An allowance for credit loss of $396,379 at May 31, 2024 and 2023 have been provided for student loans receivable estimated to be uncollectible.

Refundable Government Loans

The College holds certain amounts advanced by the U.S. Government under the federal Perkins Loan Program (the Program). Prior to May 31, 2018, such amounts were loaned to students and re-loaned by the College after collection. Congressional authorization for this program ended in September 2017. The lack of renewal requires the federal share of amounts collected to be returned to the Department of Education as loans are repaid, subject to the Department of Education's requirements.

Revenue Recognition

Revenue is recognized when control of the promised good or service is transferred in an amount that reflects the consideration to which the College expects to be entitled in exchange for those goods or services (*i.e.*, the transaction price).

Students

Tuition, fees, residence, and dining service revenue is recognized in the fiscal year in which the academic programs, and residence and dining services are delivered. The amount of revenue per student varies based on the specific program or class in which the student enrolls as well as whether the student lives on campus. Such revenues are recognized at amounts determined based on standard published rates for the services less institutional scholarships awarded to qualifying students. Aid in excess of a student's tuition and fees is reflected as a reduction in residence and dining revenue. Disbursements made directly to students for living costs, books, or other purposes are reported as an expense. Total financial aid provided to students for the years ended May 31, 2024 and 2023 is $53,036,047 and $50,309,438, respectively.

The College has determined the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, students' governmental programs and others) that have different reimbursement and payment methodologies
- Demographic and enrollment trends
- Institutional aid and federal and state aid programs

The composition of revenue by segment for the years ended May 31, 2024 and 2023 is as follows:

	2024	2023
Tuition and fees	$ 50,278,387	$ 48,241,564
Residence and dining services	17,446,883	16,721,080
Other sources	2,703,935	1,949,052
Total	$ 70,429,205	$ 66,911,696

	2024	2023
Timing of revenue and recognition		
Services transferred over time	$ 62,017,554	$ 59,512,998
Sales at point in time	8,411,651	7,398,698
Total	$ 70,429,205	$ 66,911,696

In addition, students who adjust their course load, dining assignment, residence assignment or withdraw completely within the drop/add period published in the College's academic calendar may receive a full or partial refund in accordance with the College's refund policy. Refunds issued reduce the amount of revenue recognized. Payments are due the day before the start of the academic term and are recorded as a receivable when billed.

The following table provides information about the College's receivables:

	2024	2023
Accounts receivable, beginning of the year		
Student accounts	$ 5,373,391	$ 3,740,037
Other receivables	3,150,047	1,812,680
Accounts receivable, end of the year		
Student accounts	6,282,134	5,373,391
Other receivables	4,813,930	3,150,047

Revenues received in advance of services provided are included in deferred revenue and deposits. The total student deferred revenues were $4,016,061 and $4,723,499 at May 31, 2024 and 2023, respectively. The deferred revenue will be recognized as the related academic services are provided, all within the respective fiscal year following the most recent year-end and would fluctuate based on when the billing for these services occur.

Significant changes in deferred revenues during the years ended May 31, 2024 and 2023 are as follows:

	2024	2023
Balance, beginning of year	$ 4,723,499	$ 2,125,709
Effects of		
Revenue recognized that was included in the contract liability balance at the beginning of the period	(4,723,499)	(2,125,709)
Increases due to cash received, excluded amounts recognized as revenue during the period	4,016,061	4,723,499
Balance, end of year	$ 4,016,061	$ 4,723,499

Grants and Contracts

Grants and contracts awarded by federal and other sponsors, which are generally considered non-exchange transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreement are met. Grants and contracts whose conditions are met in the same fiscal year as their receipt are reported as without donor restrictions revenue.

Payments received from sponsors in advance of conditions being met are reported as deferred revenues, and totaled $9,558 and $48,075 for the years ended May 31, 2024 and 2023, respectively. Contracted federal obligations where the conditions under the agreement have been met and the funds have not been drawn down are reported as accounts receivable, net and totaled $17,663 and $1,371,464 for the years ended May 31, 2024 and 2023, respectively.

The College has conditional grants outstanding which have not been earned or collected in the amount of $4,490,338 and $5,897,961 at May 31, 2024 and 2023, respectively. The funds will be earned upon incurring qualifying expenses to satisfy the grant requirements.

Contributions

Contributions, including unconditional pledges, are recognized as revenue when donors’ commitments are received. Conditional pledges are recognized as revenue when the conditions are substantially met. Unconditional pledges are recognized at their estimated net present value, net of an allowance for uncollectible amounts, and are classified as net assets with donor restrictions. Gifts whose restrictions are met in the same fiscal year as their receipt are reported as without donor restrictions contribution revenue. Contributions specified for the acquisition or construction of long-lived assets are reported as net assets without donor restrictions when the assets are placed in service. Contributions received for which the designation is pending are classified as net assets with donor restrictions. Once a designation is made by a donor, the contributions are reclassified to the appropriate net asset category as part of net assets release from restrictions.

The College has additional pledge intents it has received that are not included within these statements.

Fundraising expenses as of May 31, 2024 and 2023 totaled $2,578,692 and $2,727,770, respectively.

Investments

Investments are reported at estimated fair value. If an investment is held directly by the College and in an active market where quoted prices exist, the College reports the fair value as the market price of an identical security. Shares in mutual funds are based on share values reported by the funds as of the last business day of the fiscal year. The College also holds shares or units in alternative investment funds involving hedge and private equity strategies. Such alternative investment funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, such funds may hold assets that require the estimation of fair values in the absence of readily determinable market values. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. The College utilizes the net asset value (NAV) reported by each of the alternative investment funds as a practical expedient for determining the fair value of the investment. These investments are redeemable at NAV under the original terms of the subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by these funds, changes in market conditions and the economic environment, as well as the liquidity positions of the funds, may significantly impact the NAV of the funds and, consequently, the fair value of the College's interests in the funds.

Endowment investment return includes interest and dividends, management fees, realized gains and losses, and the change in unrealized appreciation (depreciation) on the associated investments. The average cost of investment securities sold is used to determine the basis for computing realized gains or losses, and the College accounts for investment sales and purchases on a trade-date basis.

Land, Building, and Equipment

Land, building, and equipment are recorded at cost at the date of acquisition or fair value at the date of donation. Depreciation is recorded using the straight-line method with estimated useful lives of 20 to 50 years for buildings, 20 years for land improvements, and 3 to 10 years for furnishings, equipment, and library collections. Interest expense on construction projects is capitalized as part of the fixed asset cost during the construction period.

Income Taxes

The College generally does not provide for income taxes since it is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The College recognizes the benefit and establishes an accrual for an uncertain tax position only when the position is "more likely than not" to be sustained in the event of examination by tax authorities. In evaluating whether a tax position has met the recognition threshold, the College must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. Tax positions deemed to meet the "more likely than not" threshold are recorded as a tax expense in the current year.

The College has analyzed all open tax years, as defined by the statutes of limitations, for all major jurisdictions. The open tax years include the years ended May 31, 2021 through May 31, 2024. The College has no examination in progress, and believes it has no significant uncertain tax positions.

Annuity and Trust Obligations

The College has several irrevocable charitable remainder annuity trusts with specified periodic annuity or life income distributions to be made to designated beneficiaries over the trusts' terms. Upon termination of the trusts, the College will receive the assets remaining in the respective trust. Assets associated with these gifts are recorded at their fair value. The College recognizes contribution revenue in an amount equal to the difference between the fair value of the contributed asset and the net present value of the payment obligations, and classifies contribution revenue as an increase in net assets with donor restrictions, based on the donor stipulations. Liabilities associated with these gifts (the annuity or life income obligation) represent the present value of payments expected to be made to beneficiaries. Changes in annuity and life income obligations resulting from changes in actuarial assumptions and the accretion of the discount are recorded as increases or decreases in net assets with donor restrictions based on the donor stipulations. At May 31, 2024 and 2023, the College held such annuities and trusts of $245,974 and $250,109, respectively, that are included within investments and cash, cash equivalents, and restricted cash on the consolidated statements of financial position.

Leases

Lease liabilities and right-of-use assets are initially measured at the present value of the remaining lease payments using a risk-free discount rate. The risk-free discount rate is determined using a period comparable to that of the lease term. Additionally, the College has made a policy election to exclude the recognition requirements to all classes of leases with original terms of 12 months or less.

Contingencies and Commitments

The College is subject to various claims, legal proceedings, and environmental reviews that arise in the ordinary course of its business activities. Liabilities for loss contingencies arising from claims, assessments, and litigation, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs associated with loss contingencies are expensed as incurred. Based on information presently known, the College believes that the outcome of these matters will not have a material adverse effect on the financial position, operating activities, or cash flows of the College.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenues and expenses during the reporting period. The College’s significant estimates include the valuation of certain investments, accruals for postretirement benefits and asset retirement obligations, and reserves for uncollectible accounts receivable, student loan receivables, and self-insurance. Actual results could differ from these estimates.

Measure of Operations

The College includes in its measure of operations all activities except for long-term gifts and grants, release from restrictions related to long-term gifts and grants, total return of endowment pool less amounts designated for current operations, change in accounting estimates, and other (which primarily includes various adjustments to charitable gift annuity contracts).

Note 2. Financial Assets and Liquidity Resources

The financial assets and liquidity resources available for one year for general expenditures, including operating expenses, scheduled principal payments on borrowings, and capital construction expenditures not financed with debt, are included below as of May 31, 2024 and 2023:

	2024	2023
Liquidity summary		
Financial assets		
Cash, cash equivalents, and restricted cash	$ 22,300,246	$ 34,753,218
Accounts receivable	11,096,064	8,523,438
Investments	272,648,578	237,161,304
Contributions receivable	8,447,268	2,860,054
Subtotal	314,492,156	283,298,014
Add subsequent year board approved endowment spending distribution	11,719,286	10,188,500
Less donor restricted endowments	(203,008,036)	(174,222,816)
Less quasi endowments	(68,722,077)	(62,688,376)
Less deferred giving	(952,912)	(957,048)
Less restricted cash	(432,217)	(474,297)
Less contributions receivable greater than one year	(7,940,620)	(2,860,054)
Total financial assets available for general expenditures within one year	45,155,580	52,283,923
Other resources		
Add line of credit	6,000,000	6,000,000
Financial assets and other resources available to meet cash needs for general expenditures within one year	$ 51,155,580	$ 58,283,923

The College's working capital and cash flows have seasonal variations during the year attributable to tuition, fees, residence, and dining service billing cycles. To manage liquidity, the College strives to operate with a balanced budget on a cash flow basis in accordance with policies approved by the Board of Trustees. The College did not draw upon the available line of credit during the years ended May 31, 2024 and 2023. In addition, the quasi endowment can be made available for general expenditure with approval from the College's Board of Trustees, subject to investment liquidity provisions further discussed in Note 4.

Note 3. Investments

The investment objective of the College is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The College's investment strategy incorporates a diversified asset allocation approach that maintains, within board approved limits, exposure to domestic and international equities, fixed income, real estate, commodities, and private equity markets. The majority of the College's investments are managed in a pooled fund that consists primarily of endowment assets.

The College utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The College determines fair value based on the assumption that market participants would use in pricing an asset or liability in the principal or most advantageous market. Except for investments at NAV or its equivalent as a practical expedient to estimate fair value, the College uses a three-tiered hierarchy to categorize those assets and liabilities carried at fair value based on the valuation methodologies employed. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the College has the ability to access at the measurement date. Assets classified as Level 1 generally include listed equities and mutual funds. Level 1 also includes cash and cash equivalents given the short maturity of these investments.
- Level 2 inputs are quoted market prices for markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly. Assets and liabilities classified as Level 2 generally include fixed income securities or investments in common collective trusts that hold Level 1 assets.
- Level 3 inputs include pricing inputs that are unobservable for the assets and reflect certain assumptions to determine fair value. The College does not have any Level 3 investments.

The inputs or methodology used for valuing or classifying investments for financial reporting purposes is not necessarily an indication of the risk associated with investing in those investments or a reflection on the liquidity of each fund's underlying assets and liabilities. With respect to those investments reported at NAV as a practical expedient, fair value hierarchy categorization is not required. Investments reported at NAV are presented to permit reconciliation of the fair value hierarchy disclosure to the amounts presented in the consolidated statements of financial position. The College has no specific plans or intentions to sell investments at amounts different than NAV.

The College's investments at May 31, 2024 are summarized in the following:

	Level 1	Level 2	NAV	May 31, 2024	Redemption Frequency	Days Notice
Investments						
Equity securities						
Domestic securities	$ 64,040,435	$ 132,938	$ -	$ 64,173,373	Daily	Same day–5 days
International securities	54,388,888	-	14,851,070	69,239,958	Daily–Monthly	Same day–30 days
Global securities	-	-	8,719,027	8,719,027	Quarterly	90 days–365 days
Fixed income securities	46,458,920	-	-	46,458,920	Daily	Same day–5 days
Real assets and real estate funds	5,017,109	-	6,631,617	11,648,726	Daily–Illiquid	5 days–Illiquid
Limited partnerships and other						
Flexible capital*	-	-	31,863,578	31,863,578	Quarterly	90 days–365 days
Private equity	-	-	40,544,996	40,544,996	Illiquid	Illiquid
Total investments	$ 169,905,352	$ 132,938	$ 102,610,288	$ 272,648,578		

*Flexible capital includes hedge funds

The College's investments at May 31, 2023 are summarized in the following:

	Level 1	Level 2	NAV	May 31, 2023	Redemption Frequency	Days Notice
Investments						
Equity securities						
Domestic securities	$ 51,619,733	$ 127,039	$ -	$ 51,746,772	Daily	Same day–5 days
International securities	48,974,441	-	13,300,137	62,274,578	Daily–Monthly	Same day–30 days
Global securities	-	-	7,053,183	7,053,183	Quarterly	90 days–365 days
Fixed income securities	34,513,134	-	-	34,513,134	Daily	Same day–5 days
Real assets and real estate funds	4,987,009	-	4,882,989	9,869,998	Daily–Illiquid	5 days–Illiquid
Limited partnerships and other						
Flexible capital*	-	-	30,327,358	30,327,358	Quarterly	90 days–365 days
Private equity	-	-	41,376,281	41,376,281	Illiquid	Illiquid
Total investments	$ 140,094,317	$ 127,039	$ 96,939,948	$ 237,161,304		

*Flexible capital includes hedge funds

As of May 31, 2024, unfunded capital commitments were $21,927,704.

Note 4. Endowment Funds

The College's endowment consists of funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the College to function as endowments (board designated).

Return Objectives and Risk Parameters

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking, at minimum, to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period, as well as board-designated funds. The primary investment objective of the management of the endowment fund is to maintain and grow the fund's real value by generating average annual real returns that meet or exceed the spending rate, after inflation, management fees, and administrative costs. Consistent with this goal, the Board of Trustees and the Investment Committee intend that the endowment fund be managed with an intention to maximize total returns consistent with prudent levels of risk, and reduce portfolio risk through asset allocation and diversification.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Investment Committee is responsible for recommending for approval by the Board of Trustees an asset allocation policy. The asset allocation policy is designed to attempt to achieve diversity among capital markets and within capital markets by investment discipline and management style. The Investment Committee designs a policy portfolio in light of the endowment's needs for liquidity, preservation of purchasing power, and risk tolerances.

The College targets a diversified asset allocation that places emphasis on investments in domestic and international equities, fixed income, private equity, real assets, and hedge fund strategies to achieve its long-term return objectives within prudent risk constraints. The Investment Committee reviews the policy portfolio asset allocation, exposures, and risk profile on an ongoing basis.

Spending Policy

During February 2023, the Board of Trustees modified the spending policy to be 4.5% of the 12-quarter trailing average of endowment market value using the most recently audited year-end balance effective on June 1, 2023. Through May 31, 2023, the College employs a total return spending policy, based on the "Yale Rule," which recognizes for spending purposes 70% of the previous year's spending, increased by the trailing August to August CPI-U, plus 1%, plus 30% of the pooled endowment fund's four-quarter average multiplied by 4.50%, the long-term real spending rate. The actual spending rate was 4.26% and 4.89% for the years ended May 31, 2024 and 2023, respectively. The Investment Committee may recommend to the Board of Trustees additional amounts beyond those calculated under the spending rule in exceptional circumstances.

In establishing these policies, the College considered the expected return on its endowment and its programming needs. Accordingly, the College expects the current spending policy to allow its endowment to maintain its purchasing power and to provide a predictable and stable source of revenue to the annual operating budget. Additional real growth will be provided through new gifts, any excess total return, or additions designated by the Board of Trustees.

The College follows the *New York Uniform Prudent Management of Institutional Funds Act* (NYPMIFA) in the management of its endowment. The College has interpreted NYPMIFA as allowing the College to spend or accumulate the amount of an endowment fund that the College determines is 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 College has not changed the way net assets with perpetual donor restrictions are classified as a result of this interpretation and classifies net assets with perpetual donor restrictions as (a) the original values of gifts donated to perpetual endowments, (b) the original values of subsequent gifts to perpetual endowments, and (c) accumulations to perpetual endowments made in accordance with the directions of the applicable donors' gift instruments at the times the accumulations are added to the funds. U.S. generally accepted accounting principles requires the portion of a donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions to be classified as net assets with time or purpose restrictions until those amounts are appropriated for spending by the College's Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Investment Committee considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the College and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the College
- The investment policies of the College

Endowment funds are considered to be underwater when their fair value is less than their historical gift amounts. In accordance with the prudent management standards contained in NYPMIFA, the College has the ability to spend from individual endowments that are underwater, if it considers such action to be prudent for that particular endowment. In addition, in accordance with the implementation of NYPMIFA in 2011, the College was required to ask certain existing donors if they wished to prevent spending from their endowment if underwater. If the donor had requested spending not occur if their endowment is underwater, the College is required to comply with this request. As of May 31, 2024, four funds were underwater by $1,521 and at May 31, 2023, 21 funds were underwater by $281,741.

Endowment Net Assets

The following is a summary of the College's endowment net asset composition by type of fund for the years ended May 31, 2024 and 2023:

	2024		
	Original Gift/ Designation	**Accumulated Gains (Losses)**	**Total**
Without donor restrictions			
Board designated (quasi)	$ 52,886,885	$ 15,835,192	$ 68,722,077
With donor restrictions			
Underwater	621,100	(1,521)	619,579
Other	116,651,586	85,736,871	202,388,457
Total with donor restrictions	117,272,686	85,735,350	203,008,036
Total endowment	$ 170,159,571	$ 101,570,542	$ 271,730,113

	2023		
	Original Gift/ Designation	**Accumulated Gains (Losses)**	**Total**
Without donor restrictions			
Board designated (quasi)	$ 52,686,885	$ 10,001,491	$ 62,688,376
With donor restrictions			
Underwater	3,904,789	(281,741)	3,623,048
Other	99,674,535	70,925,233	170,599,768
Total with donor restrictions	103,579,324	70,643,492	174,222,816
Total endowment	$ 156,266,209	$ 80,644,983	$ 236,911,192

Changes in endowment net assets are summarized as follows for the years ended May 31, 2024 and 2023:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$ 62,688,376	$ 174,222,816	$ 236,911,192
Investment return	8,358,693	22,956,171	31,314,864
Contributions	-	13,389,382	13,389,382
Board designated transfers	200,000	-	200,000
Endowment income designated for operations	(2,524,992)	(7,560,333)	(10,085,325)
Endowment net assets, end of year	$ 68,722,077	$ 203,008,036	$ 271,730,113

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$ 66,254,824	$ 178,550,342	$ 244,805,166
Investment return	384,019	1,050,834	1,434,853
Contributions	-	2,585,083	2,585,083
Board designated transfers	50,000	-	50,000
Endowment income designated for operations	(4,000,467)	(7,963,443)	(11,963,910)
Endowment net assets, end of year	$ 62,688,376	$ 174,222,816	$ 236,911,192

Note 5. Land, Building, and Equipment

The following is a summary of land, building, and equipment at May 31:

	2024	2023
Land	$ 2,171,822	$ 1,551,647
Land improvements	19,997,539	18,436,191
Buildings	184,167,870	172,482,172
Furnishings, equipment, and library collections	46,108,422	44,378,898
	252,445,653	236,848,908
Accumulated depreciation		
Land improvements	(9,144,833)	(8,258,311)
Buildings	(93,971,949)	(88,578,711)
Furnishings, equipment, and library collections	(39,490,518)	(37,345,375)
	(142,607,300)	(134,182,397)
Construction in progress	5,465,558	1,148,762
	$ 115,303,911	$ 103,815,273

Depreciation expense for the years ended May 31, 2024 and 2023 was $8,424,907 and $7,860,548, respectively.

Note 6. Borrowings

Long-term obligations at May 31 consist of the following:

	Maturity Date	Interest Rate	Original Issue	Balance 2024	Balance 2023
OCDC, Le Moyne College Project, Civic Facility Revenue Bonds, Series 2015 (a)	2045	5.00%	$ 15,000,000	$ 14,310,000	$ 14,665,000
OCDC, Le Moyne College Project, Civic Facility Revenue Bonds, Series 2018 (b)	2043	5.00%	12,945,000	11,125,000	11,470,000
OCDC, Le Moyne College Project, Civic Facility Revenue Bonds, Series 2020 B (c)	2040	4.00%-5.00%	18,780,000	18,170,000	18,380,000
OCDC, Le Moyne College Project, Civic Facility Revenue Bonds, Series 2021 (d)	2051	4.00%-5.00%	15,000,000	14,755,000	15,000,000
OCDC, Le Moyne College Project, Civic Facility Revenue Bonds, Series 2022 (e)	2042	4.00%-5.00%	15,595,000	14,515,000	14,980,000
First American Term Loan (f)	2033	5.10%	3,500,000	3,179,562	3,434,888
Phins loan payable (g)	2053	7.00%	3,850,000	3,820,926	-
				79,875,488	77,929,888
Plus premium				8,742,881	9,499,934
Less bond issuance costs				(1,374,924)	(1,491,733)
				$ 87,243,445	$ 85,938,089

a) Fixed rate bonds have a serially maturing fixed rate of 5%. The proceeds from the bonds were used primarily for the renovation of the Coyne Science Center. Remaining funds were used for various renovations across the Le Moyne campus. The bonds are collateralized by College property and equipment. As of May 31, 2024 and 2023, unamortized bond premiums were $570,561 and $616,262, respectively, and unamortized bond issuance costs were $286,948 and $309,932, respectively.

b) Fixed rate bonds have a serially maturing fixed rate of 5%. The proceeds from the bonds were used to refinance previously issued bonds originally used to finance capital improvement projects. The bonds are collateralized by College property and equipment. As of May 31, 2024 and 2023, unamortized bond premiums were $888,485 and $970,557, respectively, and unamortized bond issuance costs were $287,401 and $313,949, respectively.

c) Fixed rate bonds have a serially maturing fixed rate of 4% to 5%. The proceeds from the bonds were used to refinance previously issued bonds originally used to finance capital improvement projects. The bonds are collateralized by College property and equipment. As of May 31, 2024 and 2023, unamortized bond premiums were $3,163,827 and $3,480,398, respectively, and unamortized bond issuance costs were $265,433 and $291,992, respectively.

d) Fixed rate bonds have a serially maturing fixed rate at 4% to 5%. The proceeds from the bonds will be used to finance certain capital improvement and pay issuance costs of the bonds. The bonds are not collateralized by College property and equipment. As of May 31, 2024 and 2023, unamortized bond premiums were $2,553,069 and $2,706,771, respectively, and unamortized bond issuance costs were $329,157 and $348,973, respectively.

e) Fixed rate bonds have a serially maturing fixed rate at 4% to 5%. The proceeds from the bonds were used to refinance previously issued bonds originally used to finance capital improvement projects and pay issuance costs of the bonds. The bonds are not collateralized by College property and equipment. As of May 31, 2024 and 2023, unamortized bond premiums were $1,566,939 and $1,725,946, respectively, and unamortized bond issuance costs were $205,985 and $226,887, respectively.

f) American Term loan note is fixed interest rate of 5.10%. The proceeds from the note are being used to implement a new Enterprise Resource Planning system. The term loan is not collateralized.

g) Phins management term loan note has a fixed interest rate of 7.00%. The proceeds from the note were used to purchase houses surrounding the campus. The term loan is collateralized by the homes.

Aggregate principal payments on long-term obligations are as follows:

2025	$ 2,031,212
2026	2,149,854
2027	2,249,529
2028	2,930,295
2029	3,077,215
Thereafter	67,437,383
	$ 79,875,488

Line-of-Credit

At May 31, 2024, the College has a $6,000,000 unsecured demand line-of-credit agreement, which may be terminated by the lending institution or the College with 30 days written notice. The agreement bears interest at a variable rate based on the lending institution’s secured overnight financing rate (SOFR). The rate was 5.34% and 5.15% as of May 31, 2024 and 2023, respectively. The College had no amounts outstanding as of May 31, 2024 and 2023, and the College pays no fees for the availability of the unused portion.

Note 7. Deposits Held for Debt Obligations

Deposits held for debt obligations, and invested with third-party trustees, for debt and reserve funds at May 31, 2024 and 2023 were $4,306,123 and $11,839,435, respectively. The deposits are invested in money market funds and U.S. Treasury notes and are categorized as Level 1 in the fair value hierarchy. The debt service, debt service reserve, and construction funds are established based on the requirements in the related bond agreements. The May 31, 2024 and 2023 balance includes $3,936,682 and $8,917,417, respectively, in funds held by the trustee related to the Series 2021 bond issuance.

Note 8. Retirement Plans and Other Postretirement Benefits

The College participates in contributory retirement plans administered by the Teachers Insurance Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF) for full-time employees. The College's policy is to fund the cost of these defined contribution plans on a current basis. Total plan expense charged to operations relating to these plans was approximately $3,625,000 and $3,293,000 for the years ended May 31, 2024 and 2023, respectively.

Effective for the first payroll period that began after August 31, 2020, the College matching contribution was amended from a fixed percentage of a participant's base compensation to a discretionary matching contribution, initially set at 0%. On May 6, 2021, the Board of Trustees approved a discretionary matching contribution, set by the Board of Trustees.

The College also provides postretirement health and insurance benefits (the Plan) for eligible retired employees and their dependents, and accrues the cost of retiree health and life benefits during the working careers of active employees.

Effective July 1, 2015, the College no longer offers a subsidized retirement healthcare plan to faculty and staff employees. Those employees who retired prior to June 30, 2015 are grandfathered at the subsidized rate. For retirees after July 1, 2015, the College continues to provide access to the retirement healthcare, payable by the retiree at 100% of premium, as long as the employee is at least age 55 and has at least 10 years of service on the retirement date.

The College uses a May 31 measurement date for its plan.

Associated activity with the Plan and amounts recognized in the consolidated statements of financial position at May 31 for the Plan based on actuarial present values are as follows:

	2024	2023
Change in benefit obligation		
Benefit obligation at beginning of year	$ 2,322,934	$ 2,728,290
Service cost	4,321	4,461
Interest cost	103,717	95,122
Plan participant contributions	120,229	119,811
Actuarial gain	(46,649)	(272,995)
Benefits paid	(350,414)	(351,755)
Benefit obligation at end of year	$ 2,154,138	$ 2,322,934

	2024	2023
Change in plan assets		
Beginning plan assets	$ -	$ -
Employer contribution	230,185	231,944
Plan participant contribution	120,229	119,811
Benefits paid	(350,414)	(351,755)
Ending plan assets	$ -	$ -
Amount recognized in the statements of financial position		
Unfunded status	$ (2,154,138)	$ (2,322,934)

Unfunded Status

Amounts recorded in net assets without donor restrictions as of May 31 not yet amortized as components of net periodic benefit costs are as follows:

	2024	2023
Statement of position - postretirement liabilities		
Unamortized actuarial losses	$ (218,006)	$ (171,357)
Unamortized prior service credits	(63,526)	(239,710)
Amount recognized as a decrease in net assets without donor restrictions	$ (281,532)	$ (411,067)

A summary of the components of net periodic postretirement benefit credit for the years ended May 31, 2024 and 2023 is presented below:

	2024	2023
Operating activities - salaries and employee benefits		
Service cost	$ 4,321	$ 4,461
Nonoperating activities - change in accounting estimate		
Interest cost	103,717	95,122
Amortization of losses	-	-
Amortization of unrecognized prior service credits	(176,184)	(361,085)
	(72,467)	(265,963)
Net periodic postretirement benefit credit	$ (68,146)	$ (261,502)

Assumptions

A summary of the weighted average assumptions used to determine the benefit obligations and net periodic benefit cost at May 31 is presented below:

	2024	2023
Discount rate - benefit obligation	5.23%	4.71%
Discount rate - net periodic benefit cost	4.71	3.82

For measurement purposes, the annual blended rate of increase in the per capita cost of covered healthcare benefits for pre-65 and post-65 individuals and prescription drug costs are 7.00%, 4.50%, and 7.00%, respectively. The rates are assumed to decrease gradually to 3.78% through fiscal year 2076 and remain at that level thereafter.

Benefit Payments

At May 31, 2024, the future estimated benefit payments, which reflect expected future services net of participant contributions, by fiscal year are as follows:

2025	$	231,207
2026		234,299
2027		218,113
2028		214,695
2029		206,401
2030–2034		901,894

Cash Flow Contribution

As the Plan is unfunded, estimated contributions to the postretirement benefit plan for fiscal year 2025 are approximately $231,207.

Note 9. Asset Retirement Obligations

The College has certain legal obligations associated with the retirement of long-lived assets (asset retirement obligations or ARO). These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the College records period-to-period changes in the ARO liability resulting from the passage of time as accretion expense. Upon settlement of the obligation, any difference between the actual cost to settle the ARO and the liability recorded is recognized as a gain or loss in the consolidated statements of activities.

The ability to reasonably estimate a conditional ARO is a matter of management judgment, based upon management’s ability to estimate a settlement date or range of settlement dates, a method or potential method of settlement, and probabilities associated with the potential dates and methods of settlement of its conditional ARO. In determining whether the College’s conditional AROs can be reasonably estimated, management considers past practices, industry practices, management’s intent, and the estimated economic lives of the assets.

The College has identified assets where asbestos is present, and not a present danger, but which would need to be abated if disturbed during renovation or in the event of abandonment or demolition of the relevant asset.

During 2024 and 2023, the College revised its assumptions for changes in the estimated cost of abatement. As a result, the College recalculated the conditional asset retirement obligation resulting in an increase of $481,558 and $872,555 for the years ended May 31, 2024 and 2023, respectively.

The following is a summary of the components of the asset retirement obligation:

	2024	2023
Change in asset retirement obligations		
Asset retirement obligation at beginning of year	$ 3,279,646	$ 3,021,576
Asbestos liabilities settled during the year	(565,847)	(738,453)
Accretion expense	120,723	123,968
Effect of revisions to estimated remediation costs	555,131	872,555
Asset retirement obligation at end of year	$ 3,389,653	$ 3,279,646

Note 10. Contributions Receivable

Contributions receivable at May 31 consisted of the following:

	2024	2023
Unconditional promises expected to be collected in		
Less than one year	$ 2,519,866	$ 745,000
One year to five years	4,460,620	3,065,000
More than five years	3,480,000	-
	10,460,486	3,810,000
Less unamortized discount	1,751,972	799,417
Less allowance for uncollectible contributions	261,246	150,529
Contributions receivable, net	$ 8,447,268	$ 2,860,054

The discount rate ranged from 4.51% to 5.18% for 2024 and 2023.

Note 11. Expenses by Natural and Functional Classification

The College’s primary program service is instruction. All other functional expenses reported are incurred in support of this primary program activity. Operation and maintenance of buildings, depreciation expense, and interest expense are allocated among the functional areas based on square footage, number of employees, or a direct allocation. The natural classifications were grouped into five categories and examples of the types of expenses included in each are as follows:

- Salaries and employee benefits include wages, insurances (health, dental, etc.), retirement contributions, and employer taxes

- Campus repairs and contracted services include utilities, insurance, and fixed contracts such as food services, janitorial, and technology
- Discretionary services include personal services, travel, and marketing expenditures. Personal services include expenses related to HEERF student payments, consultants, legal and audit fees, student stipends or awards, and honoraria to guest speakers
- Departmental costs include general operating expenses such as supplies, mail, copier charges, student employees, and other miscellaneous costs
- Depreciation, amortization, and interest includes the depreciation, amortization, and interest associated with debt, asset retirement obligation, and land, building, and equipment

Expenses presented below are by natural and functional classification for the periods ended May 31, 2024 and 2023:

	2024					
			Other Operating Expenses			
	Salaries and Employee Benefits	Campus Repairs and Contracted Services	Discretionary Services	Departmental Costs	Depreciation, Amortization, and Interest	Total
Instruction	$ 30,025,771	$ 1,430,393	$ 1,921,744	$ 2,871,325	$ 5,355,192	$ 41,604,425
Research	52,697	-	65,226	63,515	-	181,438
Public service	2,855,062	75,922	1,244,605	458,674	23,496	4,657,759
Academic support	4,744,538	384,397	1,260,927	1,076,393	733,414	8,199,669
Student services	5,103,633	401,981	1,730,444	1,005,295	852,331	9,093,684
Intercollegiate athletics	2,548,825	666,003	2,319,478	800,154	636,097	6,970,557
Institutional support	9,923,378	2,691,425	2,663,415	144,402	521,447	15,944,067
Auxiliary services	2,266,390	8,482,843	34,084	948,806	3,416,283	15,148,406
Total expenses	$ 57,520,294	$ 14,132,964	$ 11,239,923	$ 7,368,564	$ 11,538,260	$ 101,800,005

	2023					
			Other Operating Expenses			
	Salaries and Employee Benefits	Campus Repairs and Contracted Services	Discretionary Services	Departmental Costs	Depreciation, Amortization, and Interest	Total
Instruction	$ 26,672,169	$ 2,279,410	$ 1,476,527	$ 630,371	$ 5,169,866	$ 36,228,343
Research	52,666	-	63,049	21,687	-	137,402
Public service	2,489,961	54,575	1,145,418	398,824	18,551	4,107,329
Academic support	3,875,289	344,355	1,044,286	2,142,914	750,706	8,157,550
Student services	5,009,370	399,374	1,536,231	845,802	846,455	8,637,232
Intercollegiate athletics	1,983,728	499,741	1,652,292	929,394	606,203	5,671,358
Institutional support	9,213,774	2,358,125	2,683,720	1,552,259	538,123	16,346,001
Auxiliary services	1,829,770	6,767,587	421,839	594,700	2,983,448	12,597,344
Total expenses	$ 51,126,727	$ 12,703,167	$ 10,023,362	$ 7,115,951	$ 10,913,352	$ 91,882,559

Note 12. Net Assets

Additional information pertaining to the College's net assets at May 31 is presented below:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Operating funds	$ (11,070,384)	$ 13,936,282*	$ 2,865,898
Donor restricted capital gifts	-	2,675,000	2,675,000
Land, buildings, and equipment	41,696,274	-	41,696,274
Endowment funds	68,722,077	203,008,036	271,730,113
Annuity and trust funds	-	847,725	847,725
Loan funds	24,123	-	24,123
Contributions receivable	-	8,447,268	8,447,268
	$ 99,372,090	$ 228,914,311	$ 328,286,401

*Primarily for scholarships, institutional support, and public service

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Operating funds	$ (914,552)	$ 13,294,562*	$ 12,380,010
Donor restricted capital gifts	-	1,070,301	1,070,301
Land, buildings, and equipment	38,390,458	-	38,390,458
Endowment funds	62,688,376	174,222,817	236,911,193
Annuity and trust funds	-	845,315	845,315
Loan funds	68,579	-	68,579
Contributions receivable	-	2,860,054	2,860,054
	$ 100,232,861	$ 192,293,049	$ 292,525,910

*Primarily for scholarships, institutional support, and public service

Note 13. Leases

The College's leases consist of two separate leases related to office space and equipment, and contain options to renew the lease. These options to renew are generally not considered to be reasonably certain to exercise, and are therefore not included in the lease term until such a time that the option to renew is reasonably certain.

	2024
Operating lease cost	$ 231,239
Short-term lease cost	19,515
	$ 250,754

The table below outlines the future minimum commitments related to operating leases for the next five years and thereafter as of May 31, 2024:

2025	$ 155,399
2026	41,897
2027	-
2028	-
2029	-
Total lease payments	197,296
Less interest	(2,791)
Present value of lease liabilities	$ 194,505

The following table shows the weighted average remaining operating lease term and the weighted average risk-free discount rate:

	2024
Weighted-average remaining lease term - operating leases	1.42 years
Weighted-average risk-free discount rate - operating leases	0.31%

Note 14. Related-Party Transactions

The College maintains a policy requiring trustees to abstain from voting on matters regarding business operations where potential conflicts of interest exist. Management has determined that the College did not have any material related-party transactions in 2024 or 2023.

Note 15. Subsidiaries

Agilitas LLC began in July 2022 to provide administrative and operational support to institutions of higher education that are exempt under Sections 501(c)(3) of the code.

Phins Management Inc. was formed in May 2023 to assist Le Moyne College with the administration, management, and operation of programs and facilities, and supporting the community at large.

The following summarized balances of Agilitas and Phins is included in the accompanying consolidated statements of financial position for the year ended May 31:

	2024		2023	
	Agilitas	**Phins**	**Agilitas**	**Phins**
Revenue				
Residence and dining	$ -	$ 429,569	$ -	$ -
	-	429,569	-	-
Expenses	(237,155)	(631,935)	-	-
Excess (deficit) of revenues over expenses	$ (237,155)	$ (202,366)	$ -	$ -

The following activity of Agilitas and Phins is included in the accompanying consolidated statements of activities for the year ended May 31:

	2024		2023	
	Agilitas	**Phins**	**Agilitas**	**Phins**
Assets	$ 5,038,389	$ 4,333,638	$ -	$ -
Liabilities	5,275,544	4,536,004	-	-
Net assets	(237,155)	(202,366)	-	-

Note 16. Subsequent Events

Subsequent events have been evaluated through October 9, 2024, which is the date the consolidated financial statements were issued.

Supplementary Information

Le Moyne College
Supplementary Schedule of Financial Responsibility Data
As of and for the Year Ended May 31, 2023

Primary Reserve Ratio	
Expendable Net Assets	
Net assets without donor restrictions (1)	$ 99,372,090
Net assets with donor restrictions (1)	228,914,311
Net assets with donor restrictions in perpetuity (1)	(122,596,744)
Post-implementation net land, building, and equipment (1)	(115,303,911)
Postretirement and defined benefit pension liabilities	2,154,138
Post-implementation borrowings for long-term capital purposes (1)	87,243,445
Post-implementation lease right-of-use assets (1)	(194,505)
Post-implementation lease right-of-use liabilities (1)	194,505
Total Expendable Net Assets	$ 179,783,329
Total Expenses Without Donor Restrictions	
Total operating expenses without donor restrictions (2)	$ 101,800,005
Total Expenses Without Donor Restrictions	$ 101,800,005
Equity Ratio	
Modified Net Assets	
Net assets without donor restrictions (1)	$ 99,372,090
Net assets with donor restrictions (1)	228,914,311
Total Modified Net Assets	$ 328,286,401
Modified Assets	
Total assets (1)	$ 438,411,185
Total Modified Assets	$ 438,411,185
Net Income Ratio	
Changes in net assets without donor restrictions	$ (862,123)
Total Revenues and Gains Without Donor Restrictions	
Total operating revenue without donor restrictions (2)	$ 97,140,850
Long-term capital gifts and grants without restrictions (2)	-
Investment gain from total return of endowment pool less amount designated for current operations without donor restrictions (2)	5,833,701
Net assets released from restrictions	1,070,301
Gain on change in accounting estimates without donor restrictions (2)	(1,186,970)
Total Revenues Without Donor Restrictions	$ 102,857,882

See accompanying independent auditors' report.
(1) Consolidated Statement of Financial Position
(2) Consolidated Statement of Activities
(3) Consolidated Statement of Cash Flows
(4) N/A