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Financial Statements and Report of Independent Certified Public Accountants

Ithaca College

June 30, 2024 and 2023

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GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Ithaca College

Opinion

We have audited the financial statements of Ithaca College (the "College"), 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 College 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 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 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 College'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 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 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.

GRANT THORNTON LLP (signed manually)

New York, New York
November ---, 2024

Ithaca College

STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Cash and cash equivalents	$ 8,519,872	$ 13,750,102
Accounts receivable, net	4,419,639	5,070,986
Inventories and prepaid expenses	5,560,003	5,224,669
Contributions receivable, net	1,201,995	1,784,828
Student loans receivable, net	1,208,830	2,497,622
Investments	503,043,945	471,504,823
Operating lease right-of-use assets	9,097,038	8,931,622
Property, plant and equipment, net	341,433,732	340,750,868
Total assets	$ 874,485,054	$ 849,515,520
LIABILITIES		
Accounts payable and accrued expenses	$ 24,577,839	$ 22,980,358
Deposits and deferred revenues	3,570,365	3,284,027
Operating lease liability	8,735,048	8,711,227
Finance lease liability	235,975	-
Debt obligations, net	106,493,628	111,853,453
Conditional asset retirement obligations	1,900,896	1,831,351
U.S. government grants refundable	2,055,313	3,299,831
Interest rate swap agreements	2,494,591	2,800,307
Postretirement benefit obligation	13,028,237	13,082,557
Total liabilities	163,091,892	167,843,111
Commitments and contingencies		
Net assets		
Without donor restrictions	542,092,418	523,678,739
With donor restrictions:		
Time or purpose	12,354,513	15,743,160
Endowment returns subject to future appropriation	62,607,398	51,888,731
Perpetual endowment	94,338,833	90,361,779
Total with donor restrictions	169,300,744	157,993,670
Total net assets	711,393,162	681,672,409
Total liabilities and net assets	$ 874,485,054	$ 849,515,520

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

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Ithaca College

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Operating revenues and support			
Student related revenues	$ 167,391,786	$ -	$ 167,391,786
Auxiliary services	5,906,027	-	5,906,027
Private gifts and grants	925,619	3,136,685	4,062,304
Government grants and contracts	6,222,513	-	6,222,513
Endowment distribution	10,096,708	5,512,551	15,609,259
Investment return designated for operations	4,721,243	-	4,721,243
Sales of educational departments and other revenue	2,784,943	-	2,784,943
Transfer from board designation for facilities	1,652,948	-	1,652,948
Net assets released from restrictions for operating and program purposes	10,073,341	(10,073,341)	-
Total operating revenues and support	209,775,128	(1,424,105)	208,351,023
Operating expenses			
Program expenses			
Instruction, research, and public service	78,314,424	-	78,314,424
Academic support	16,739,350	-	16,739,350
Student services	29,719,464	-	29,719,464
Auxiliary activities	44,354,361	-	44,354,361
Total program expenses	169,127,599	-	169,127,599
Institutional support	40,350,911	-	40,350,911
Total operating expenses	209,478,510	-	209,478,510
Increase (decrease) in net assets from operating activities	296,618	(1,424,105)	(1,127,487)
Nonoperating activities			
Transfers from board designation for facilities	(1,652,948)	-	(1,652,948)
Net assets released from restrictions and redesignations	2,531,046	(2,531,046)	-
Endowment and capital gifts	374,293	5,212,914	5,587,207
Investment return	25,609,760	15,574,650	41,184,410
Endowment distribution for spending	(10,096,708)	(5,512,551)	(15,609,259)
Change in postretirement benefit obligation	367,261	-	367,261
Gain on disposal of assets	678,641	-	678,641
Change in fair value of interest rate swap agreements	305,716	-	305,716
Present value adjustment to split-interest agreements	-	(12,788)	(12,788)
Increase in net assets from nonoperating activities	18,117,061	12,731,179	30,848,240
CHANGE IN NET ASSETS	18,413,679	11,307,074	29,720,753
Net assets, beginning of year	523,678,739	157,993,670	681,672,409
Net assets, end of year	$ 542,092,418	$ 169,300,744	$ 711,393,162

The accompanying notes are an integral part of this financial statement.

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Ithaca College

STATEMENT OF ACTIVITIES

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Operating revenues and support			
Student related revenues	$ 169,001,084	$ -	$ 169,001,084
Auxiliary services	6,042,899	-	6,042,899
Private gifts and grants	1,135,352	2,161,787	3,297,139
Government grants and contracts	4,113,932	-	4,113,932
Endowment distribution	9,680,815	5,648,382	15,329,197
Investment return designated for operations	2,799,562	(3,072)	2,796,490
Sales of educational departments and other revenue	2,143,477	-	2,143,477
Transfer from board designation for facilities	1,322,430	-	1,322,430
Net assets released from restrictions for operating and program purposes	9,817,981	(9,817,981)	-
Total operating revenues and support	206,057,532	(2,010,884)	204,046,648
Operating expenses			
Program expenses			
Instruction, research, and public service	78,745,543	-	78,745,543
Academic support	17,032,818	-	17,032,818
Student services	27,053,137	-	27,053,137
Auxiliary activities	38,297,954	-	38,297,954
Total program expenses	161,129,452	-	161,129,452
Institutional support	40,970,271	-	40,970,271
Total operating expenses	202,099,723	-	202,099,723
Increase (decrease) in net assets from operating activities	3,957,809	(2,010,884)	1,946,925
Nonoperating activities			
Transfers from board designation for facilities	(1,322,430)	-	(1,322,430)
Net assets released from restrictions and redesignations	360,234	(360,234)	-
Endowment and capital gifts	180,866	4,474,879	4,655,745
Investment return	18,400,430	12,004,024	30,404,454
Endowment distribution for spending	(9,680,815)	(5,648,382)	(15,329,197)
Change in postretirement benefit obligation	1,476,646	-	1,476,646
Change in fair value of interest rate swap agreements	476,067	-	476,067
Present value adjustment to split-interest agreements	-	(23,696)	(23,696)
Increase in net assets from nonoperating activities	9,890,998	10,446,591	20,337,589
CHANGE IN NET ASSETS	13,848,807	8,435,707	22,284,514
Net assets, beginning of year	509,829,932	149,557,963	659,387,895
Net assets, end of year	$ 523,678,739	$ 157,993,670	$ 681,672,409

The accompanying notes are an integral part of this financial statement.

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Ithaca College

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 29,720,753	$ 22,284,514
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	19,855,764	19,939,153
Net realized and unrealized gain on investments	(34,128,136)	(22,209,987)
Change in fair value of interest rate swap agreements	(305,716)	(476,067)
Gifts of property and equipment	(95,000)	-
Loss on disposal of property, plant and equipment	208,733	-
Amortization of bond premium and bond issuance costs	(588,587)	(641,442)
Accretion of interest and liability adjustment for conditional asset retirement obligations	69,545	65,716
Contributions and investment income restricted for long-term investment	(5,941,458)	(14,607,792)
Changes in assets and liabilities:		
Decrease in accounts receivable, net	651,347	3,988,948
Decrease in contributions receivable, net	582,833	1,679,993
Increase in inventories and prepaid expenses	(335,334)	(709,766)
(Increase) decrease in operating lease right-of-use assets	(165,416)	1,279,925
Increase (decrease) in operating lease liability	23,821	(1,342,267)
Increase in accounts payable and accrued expenses	1,359,921	576,588
Increase (decrease) in deposits and deferred revenues	286,338	(460,370)
Decrease in postretirement benefit obligation	(54,320)	(1,203,858)
Net cash provided by operating activities	11,145,088	8,163,288
Cash flows from investing activities:		
Purchases of property and equipment	(20,153,893)	(16,766,972)
Purchases of investments	(395,707,387)	(154,675,899)
Proceeds from the sales of investments	398,296,401	161,434,686
Student loans receivable - collections	1,288,792	898,435
Net cash used in investing activities	(16,276,087)	(9,109,750)
Cash flows from financing activities:		
Contributions and investment income restricted for long-term investment	5,941,458	14,607,792
Payments on debt obligations	(4,771,238)	(4,514,357)
Proceeds from debt obligations	-	750,000
Payments on finance lease obligations	(24,933)	-
Decrease in U.S. Government grants refundable	(1,244,518)	(1,019,639)
Net cash (used in) provided by financing activities	(99,231)	9,823,796
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,230,230)	8,877,334
Cash and cash equivalents, beginning of year	13,750,102	4,872,768
Cash and cash equivalents, end of year	$ 8,519,872	$ 13,750,102
Supplemental disclosure:		
Cash paid for interest	$ 5,130,575	$ 5,249,256
Right-of-use assets acquired under financing leases	$ 260,909	$ -
Right-of-use assets acquired under operating leases	$ 867,991	$ 558,668
Increase (decrease) in construction payables, non-cash activity	$ 237,560	$ (437,410)

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ithaca College (the "College") is a private, nonsectarian, coeducational liberal arts college located in Ithaca, New York. The College was founded in 1892 as the Ithaca Conservatory of Music, and became a nonprofit, private college in 1931. The College has approximately 4,400 undergraduate and 460 graduate students and offers a broadly diversified program of professional and liberal arts studies. The College offers academic programs through the School of Business, the Roy H. Park School of Communications, the School of Health Sciences and Human Performance, the School of Humanities and Sciences, and the School of Music, Theatre, and Dance.

Basis of Presentation

The accompanying financial statements of the College 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").

Classifications of Net Assets

The College reports its net assets and changes therein based on the existence or absence of donor-imposed restrictions as follows:

Net assets without donor restrictions are free of donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All expenses are reported as decreases in net assets without donor restrictions. Net assets without donor restrictions may also be designated by the College's Board of Trustees (the "Board") (Notes 12 and 13).

Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by actions of the College or the passage of time. These net assets include donor-restricted endowments, unconditional pledges, and other private gifts and grants subject to donor restrictions (Notes 12 and 13).

Expirations of donor-imposed restrictions of net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the statements of activities.

Measure of Operations

The accompanying statements of activities report the changes in net assets without donor restrictions and net assets with donor restrictions, distinguishing between operating and non-operating activities. Operating revenues consist of those activities attributable to the College's primary mission of providing education, research and public service. They include income from tuition (net of financial aid) and fees; grants and contracts; private gifts and grants for operating programs; investment earnings designated for operations; the allocation of endowment spending for operations based upon a Board-approved spending formula; sales of auxiliary services; and sales of education departments and other revenues. Non-operating activities include investment return on endowment and similar assets less amounts allocated for spending for operations; capital and endowment contributions, changes in the value of certain financial instruments, and other activities considered to be more of an unusual or non-recurring nature.

Cash and Cash Equivalents

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

Revenue Recognition

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers ("ASC 606")*, the College recognizes revenue when control of the promised goods or services are transferred to the College's students or outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified tuition fees, auxiliary enterprise revenue, and sales of educational departments and other revenue as revenue categories subject to the adoption of ASC 606. The College recognizes contracts with customers as goods or services transferred or provided in accordance with ASC 606.

Student Accounts Receivable

The carrying value of student receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience; and therefore, approximates net realizable value. Student receivables are written-off when deemed uncollectible.

Deposits and Deferred Revenue

Deposits and deferred revenue consist of payments received from students in advance of the start of the academic period. Deferred revenue also includes contract liabilities related to student accounts receivable for summer sessions whereby payment for tuition was due prior to the end of the College's fiscal period. Such amounts are recorded as revenues when the related services are performed.

Auxiliary Services

Auxiliary services include revenues and expenses primarily related to the campus bookstore, retail dining facilities, student insurance revenue, and parking services. An auxiliary service exists to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services.

Sales of Educational Departments and Other Revenue

Sales of educational departments and other revenue include non-academic program revenue from activities other than auxiliary activities, athletic and theatre tickets, student activities, and various items of other revenue.

Contributions, Grants and Contracts

The College recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update ("ASU") 2018 08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions received, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged at fair value. Contributions for acquisition or construction of plant facilities are released from restrictions in the period in which the assets are placed in service within the non-operating section on the statements of activities.

Contributed property, plant and equipment are capitalized in accordance with the College's capitalization policy. Contributed goods other than property, plant and equipment are recognized as expenses in the period received.

Contributions, Grants and Contract Receivable

Contributions receivable are stated at the estimated present value using discount rates ranging from 0.95% to 5.20% depending on the year of pledge inception. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. The carrying value of contributions, grants and contract receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience and therefore approximates net realizable value. An allowance for uncollectible contributions, grants and contract receivables is provided based on management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, grants and contract receivables are written-off when deemed uncollectible.

Investments

Investments are reported at fair value. U.S. GAAP establishes a hierarchy of valuation methodologies based on the extent to which asset valuations are observable in the marketplace.

The following describes the hierarchy of methodologies used to measure fair value of investments:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date;

Level 2 - 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 reporting date, and fair value is determined through the use of models or other valuation methodologies; and,

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs used in the determination of fair value require significant management judgment or estimation.

The College's interest in alternative investments (principally limited partnership interests in public equity, hedge funds, real assets, private equity, and other similar funds) are reported at the net asset value ("NAV") per share. NAV is determined by the underlying investment managers and is based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer and subsequent developments concerning the companies to which the securities relate. The College has performed due diligence on these investments and uses NAV as a practical expedient. Accordingly, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

Derivatives

The College uses derivatives for both debt and investment-related purposes. Interest-rate swap agreements, as described in Note 9, are initially used to manage interest-rate risk by fixing the rate on associated variable-rate debt issuances. In addition, as described in Note 5, as a means to manage the asset allocation of the investment portfolio, the College may enter into transactions utilizing a variety of exchange-traded financial instruments, including options, futures contracts, and swaps, and forward currency contracts. These financial instruments are executed with creditworthy banks and brokerage firms, are subject to an enforceable master netting arrangement or similar agreement, and are presented at fair value on a net basis in the statements of financial position.

Property, Plant and Equipment

Land, buildings, capital improvements, equipment, enterprise software, collections, and construction-in-progress are stated at cost at the time of acquisition or fair value (if contributed). Equipment includes physical assets owned by the College as well as equipment acquired through finance leases. Collections include works of art maintained in the College's public areas on campus. These collections are protected and preserved for public exhibition, education, and the furtherance of public service.

The College capitalizes computer equipment with a cost of $5,000 or more and other equipment and fixed assets with costs of $2,000 or more which have useful lives greater than one year. Property, plant and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets as follows:

Land improvements	10 to 40 years
Buildings	8 to 60 years
Building improvements	10 to 40 years
Equipment	5 to 21 years
Enterprise software	8 to 15 years

Land, collections, and construction-in-progress are not depreciated. 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 assets, the cost and related accumulated depreciation are removed from the accounts of the College and the resulting gain or loss, if any, is reflected as part of non-operating activities.

Leases

At the inception of an arrangement, the College determines if the arrangement is, or contains, a lease based on the unique facts and circumstances present in the arrangement. Lease classifications, recognition, and measurement are then determined as of the lease commencement date. For arrangements that contain a lease, the College (i) identifies lease and non-lease components, (ii) determines the consideration in the contract, (iii) determines whether the lease is an operating or financing lease, and (iv) recognizes lease right-of-use ("ROU") assets and lease liabilities. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable, and as such, the College uses its incremental borrowing rate based on the information available at the lease commencement date, a rate which represents one that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment. For lease contracts with a readily determinable implicit interest rate, the College uses the implicit interest rate. Some leases include options to renew and/or terminate the lease, which can impact the lease term. The exercise of these options as at the College's discretion and the College does not include any of these options within the expected lease term where it is not reasonably certain that these options will be exercised.

Operating lease payments include both fixed and variable payments. Variable payments are based on indices specified in the lease agreements. The College has elected the short-term lease exemption and, therefore, does not recognize a ROU asset or corresponding liability for lease arrangements with an original term of 12 months or less.

On the statement of financial position, finance lease ROU assets are included with "Property, plant and equipment, net," and operating lease ROU assets are presented separately.

Split-Interest Agreements

Certain donors have established irrevocable charitable gift annuity agreements with the College, whereby the donated assets are invested in a segregated fund and distributions are made to the donor and/or other beneficiaries in accordance with the agreement for a specified period of time, after which the remaining assets and future investment return are retained by the College. Donated assets are measured at fair value, are included in the College's investments, and are classified as net assets with donor restrictions. Amounts are reclassified from net assets with donor restrictions to net assets without donor restrictions as distributions are received by the College under the terms of the split-interest agreements.

Contribution revenues are recognized when annuity agreements are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Discount rates and actuarial assumptions are used to calculate the net present value of the obligations and are based on market rates commensurate with each beneficiary's life expectancy.

The College is required to maintain donated assets from split-interest agreements in segregated funds which meet state-mandated reserve amounts. Legally mandated reserves totaled $223,277 and $249,078 at June 30, 2024 and 2023, respectively.

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 most significant management estimates and assumptions are the fair value of investments, interest rate swap agreements, pension and postretirement benefit obligations, conditional asset retirement obligations, liabilities for self-insured programs and split-interest agreements; useful lives and depreciation expense for property, plant, and equipment; and allowances for uncollectible accounts, notes, and pledges receivable. Actual results could differ from these estimates.

Concentrations of Credit Risk

Cash, cash equivalents, and investments are exposed to interest rate, market, and credit risks. The College maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the College's cash accounts are placed in high credit quality financial institutions and are partially collateralized by securities held by the pledging financial institution in the College's name; and the College's investment portfolio is diversified among a variety of asset categories, which are held by several investment managers. The College regularly evaluates its depository arrangements and investment strategies. The College does not anticipate any material losses with respect to such accounts due to concentration of credit risk.

Income Taxes

The College is exempt from federal income tax under Internal Revenue Code (the "Code") Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The College is, likewise, exempt from New York State income tax under comparable state statutes. Federal law imposes tax on income that is not related to an organization's tax-exempt purposes or otherwise excluded under the Code.

The College follows guidance that 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 guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements 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 College has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. Management believes there are no uncertain tax positions for the year ended June 30, 2024.

New Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts and loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. This standard is effective for fiscal years beginning after December 15, 2022 (i.e., fiscal year 2024), and requires a modified-retrospective approach. The College adopted this standard for the year ended June 30, 2024. The adoption did not have a material effect on reported assets, liabilities, or net assets.

Subsequent Events

The College evaluated its June 30, 2024 financial statements for subsequent events through November XX, 2024, the date the financial statements were issued. The College is not aware of any material subsequent events which would require recognition or disclosure in the financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the College's financial assets as of June 30, 2024 and 2023, as well as the financial assets available to meet general expenditures over the next 12 months. Amounts available include the Board-approved appropriation from the endowment for the following year as well as donor-restricted amounts that are available for general expenditure in the following year.

	2024	2023
Cash and cash equivalents	$ 8,519,872	$ 13,750,102
Investments	503,043,945	471,504,823
Accounts receivable, net	4,419,639	5,070,986
Contributions receivable, net	1,201,995	1,784,828
Student loans receivable, net	1,208,830	2,497,622
Total financial assets	$ 518,394,281	$ 494,608,361

The following financial assets could readily be made available within one year to meet general expenditures:

	2024	2023
Cash and cash equivalents	$ 8,519,872	$ 13,750,102
Less: cash restricted for Federal Perkins loan	(801,358)	(957,245)
Investments not encumbered by donor or Board restrictions	97,915,517	96,043,005
Spending policy withdrawal on donor-restricted endowments	7,265,883	6,972,373
Spending policy withdrawal on Board-designated endowments	8,984,281	8,949,628
Accounts receivable, net	4,419,639	5,070,986
Contributions receivable due in one year or less	694,366	1,334,847
Total financial assets available within one year	$ 126,998,200	$ 131,163,696

The College's Board of Trustees has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board in addition to the financial assets available within one year outlined above.

In addition to financial assets available to meet general expenditures over the next 12 months, the College's objective is to operate with a balanced budget and generally anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The College's working capital and cash flows have seasonal variations during the year attributable to the timing of cash receipts for tuition, which occurs predominantly in August and January. The College has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and lines of credit.

NOTE 3 - REVENUE RECOGNITION

The College 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 College. Generally, enrollment and instructional services are billed when a course or term begins and paid within 30 days of the bill date.

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Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various parking facilities and vending machines across campuses. Generally, this fee revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

In the following table, revenue is disaggregated by type of service provided:

	For the Year Ended June 30, 2024		
	Tuition	Room and Board	Total
Revenues	$ 233,027,758	$ 56,431,561	$ 289,459,319
Less: student aid	(117,502,883)	(4,564,650)	(122,067,533)
Student related revenues	$ 115,524,875	$ 51,866,911	$ 167,391,786

	For the Year Ended June 30, 2023		
	Tuition	Room and Board	Total
Revenues	$ 233,630,910	$ 55,410,752	$ 289,041,662
Less: student aid	(117,429,578)	(2,611,000)	(120,040,578)
Student related revenues	$ 116,201,332	$ 52,799,752	$ 169,001,084

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, are summarized as follows:

	2024	2023
Unconditional promises expected to be collected in:		
Less than one year	$ 694,366	$ 1,334,847
One to five years	540,251	500,500
After five years	61,600	25,000
	1,296,217	1,860,347
Less: allowance for doubtful accounts	(50,000)	(50,000)
Less: unamortized discount to present value	(44,222)	(25,519)
Contributions receivable, net	$ 1,201,995	$ 1,784,828

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NOTE 5 - INVESTMENTS

The College's endowment and other investment portfolios include investments in various asset classes, each with different return expectations, risk characteristics, and liquidity provisions. Descriptions of the College's asset classes are as follows:

Cash and Money Markets - Consists of cash designated for investment purposes and money market funds.

Fixed Income - Consists of direct holdings of U.S. government, municipal, and corporate securities, as well as investments in mutual funds, exchange-traded funds, and commingled funds with a primary focus in fixed income.

Global Equity - Consists of direct holdings of public securities as well as investments in mutual funds, exchange-traded funds, and commingled funds with a primary focus in public equity.

Absolute Return - Consists of investments in private funds whose managers generally invest in a variety of publicly traded securities based on the strategy of the fund.

Private Equity - Consists of investments in private funds whose managers invest primarily in buyouts or venture capital. Private equity funds generally are illiquid during the life of the fund.

Real Assets - Consists of investments in private funds whose managers invest primarily in real estate. Real asset funds generally are illiquid during the life of the fund.

The following table represents the fair value hierarchy of investments that are measured at fair value as of June 30, 2024 and 2023. For funds and accounts with contractual flexibility to invest across more than one asset class, all of the assets and market value of the underlying funds and accounts are included in the asset class that is the primary focus of the fund or account:

	June 30, 2024		
	Total	Level 1	NAV
Fixed income	$ 126,847,121	$ 100,909,756	$ 25,937,365
Global equities*	186,643,066	92,743,677	93,899,389
Private equities	45,733,938	-	45,733,938
Absolute return	56,640,858	-	56,640,858
Real assets	37,052,041	15,790,425	21,261,616
	452,917,024	$ 209,443,858	$ 243,473,166
Cash and money markets	50,126,921		
Total investments	$ 503,043,945		

*Includes derivative financial instruments at fair value

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	June 30, 2023		
	Total	Level 1	NAV
Fixed income	$ 110,254,158	$ 110,254,158	$ -
Global equities	210,356,037	138,229,050	72,126,987
Private equity	41,265,652	-	41,265,652
Absolute return	52,159,840	-	52,159,840
Real assets	23,640,564	7,688,418	15,952,146
	437,676,251	$ 256,171,626	$ 181,504,625
Cash and money markets	33,828,572		
Total investments	$ 471,504,823		

The following table lists investments by major asset category reported at fair value using NAV and includes the redemption terms and unfunded commitments for alternative investments at June 30, 2024 and 2023:

2024					
Redeemable Alternative Investments	Significant Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed income	High quality sovereign bonds	$ 25,937,365	$ -	Semi-monthly, monthly, quarterly	5-90 days
Global equities	Long-term capital appreciation	93,899,389	-	Semi-monthly, monthly, quarterly, annually	3-90 days
Absolute return	High growth and long-term capital appreciation	56,435,407	-	Quarterly, semi-annually, annually	45-100 days
Real assets	Capital appreciation and inflation protection	3,482,445	-	Monthly	30 days
Total		$179,754,606	$ -		
Illiquid Alternative Investments	**Significant Investment Strategy**	**Fair Value**	**Unfunded Commitments**	**Remaining Life of Funds**	**Timing to Draw**
Private equities	High growth companies and capital appreciation	$ 45,733,938	$ 40,727,710	Up to 14 years	Over the life of the funds
Absolute return	High growth and long-term capital appreciation	205,451	2,820,000	Up to 7 years	Over the life of the funds
Real assets	Capital appreciation and inflation protection	17,779,171	23,437,767	Up to 13 years	Over the life of the funds
Total		63,718,560	66,985,477		
Total alternative investments measured at NAV		$243,473,166	$ 66,985,477		

2023

Redeemable Alternative Investments	Significant Investment Strategy	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global equities	Long-term capital appreciation	$ 72,126,987	$ -	Semi-monthly, monthly, quarterly	3-90 days
Absolute return	High growth and long-term capital appreciation	52,159,840	-	Semi-annually, quarterly, in liquidation	In liquidation - 90 days
Total		$124,286,827	$ -		
Illiquid Alternative Investments	**Significant Investment Strategy**	**Fair Value**	**Unfunded Commitments**	**Remaining Life of Funds**	**Timing to Draw**
Private equities	High growth companies and capital appreciation	$ 41,265,652	$ 34,220,209	Up to 15 years	Over the life of the funds
Real assets	Capital appreciation and inflation protection	15,952,146	14,228,867	Up to 10 years	Over the life of the funds
Total		57,217,798	48,449,076		
Total alternative investments measured at NAV		$181,504,625	$ 48,449,076		

For redeemable alternative investments, lock-up provisions range from none to 2 years.

Derivative Holdings

The College utilizes derivative financial instruments to fine-tune the asset allocation of the endowment investment portfolio. Investment-related derivative exposures at June 30 are as follows:

2024

Derivative Type	Long Notional	Net Derivative Assets (Liabilities)	Net Gain (Loss)
Equity index futures	$ 16,840,575	$ (77,729)	$ 3,013,325

2023

Derivative Type	Long Notional	Net Derivative Assets (Liabilities)	Net Gain (Loss)
Equity index futures	$ -	$ -	$ -

The derivative holdings at June 30, 2024 and 2023 are classified as Level 1 in the fair value hierarchy. Gains and losses on investment-related derivatives are included within investment return on the statements of activities. Notional amounts are representative of the volume and activity of the derivative type during the years ended June 30, 2024 and 2023. These derivatives, based on definitions in US GAAP, are not designated as hedging instruments.

Investment-related derivative assets, liabilities, and collateral by counterparty at June 30 are as follows:

2024				
Counterparty	Number of Contracts	Gross Derivative Asset	Gross Derivative Liability	Collateral Pledged
Counterparty A	61	$ -	$ (77,729)	$ 902,467

2023				
Counterparty	Number of Contracts	Gross Derivative Asset	Gross Derivative Liability	Collateral Pledged
Counterparty A	-	$ -	$ -	$ -

NOTE 6 - STUDENT LOANS RECEIVABLE AND REFUNDABLE GOVERNMENT GRANTS

The College makes uncollateralized loans to students based on financial need under the Federal Perkins loan program. Student loans are funded through federal government loan programs or institutional resources. At June 30, 2024 and 2023, student loans represented 0.1% and 0.3% of total assets, respectively.

	2024	2023
Federal government programs	$ 1,558,830	$ 2,847,622
Less: allowance for doubtful accounts	(350,000)	(350,000)
Student loans receivable, net	$ 1,208,830	$ 2,497,622

Of these loan amounts, $243,462 and $469,250 as of June 30, 2024 and 2023, respectively, are not yet in repayment status.

At June 30, 2024 and 2023, the following amounts were past due under the student loan program:

June 30,	In Default < 240 Days (Monthly Installments) or 270 Days (Other Installments)	In Default > 240 Days (Monthly Installments) or 270 Days (Other Installments) and < 2 Years	In Default > 2 Years, Up To 5 Years	In Default > 5 Years	Total Past Due
2024	$ 97,984	$ 110,183	$ 60,429	$ 447	$ 269,043
2023	175,870	151,054	196,260	346,676	869,860

The availability of funds for loans under the Federal Perkins loan program is dependent on reimbursement to the pool from repayments on outstanding loans from student loan recipients. Funds advanced by the federal government of $2,055,313 and $3,299,831 at June 30, 2024 and 2023, respectively, are ultimately refundable to the government and are classified as liabilities on the accompanying statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for future loans to eligible students and a decrease in the liability to the government.

The fair value of notes receivable from students under federal government financial assistance programs could not be reasonably estimated because the notes are not saleable and can only be assigned to the federal government or its designees. Therefore, the loans are stated at the amount of principal outstanding, less an appropriate reserve for potentially uncollectible accounts. The loans' maturities range from one to 10 years and have stated interest rates ranging from approximately 3% to 6%.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT, NET

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

	2024	2023
Land improvements	$ 17,327,370	$ 10,786,656
Buildings and building improvements	583,140,444	575,812,795
Equipment and software	65,621,929	71,178,145
Finance lease ROU assets	260,909	-
	666,350,652	657,777,596
Less: accumulated depreciation and amortization	(345,709,437)	(336,258,965)
Land	13,477,359	13,625,326
Collections	1,291,000	1,291,000
Construction-in-progress	6,024,158	4,315,911
Property, plant and equipment, net	$ 341,433,732	$ 340,750,868

For the years ended June 30, 2024 and 2023, depreciation and amortization expense totaled $19,855,764 and $19,939,153, respectively.

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NOTE 8 - DEBT OBLIGATIONS

Debt obligations at June 30, 2024 and 2023, consist of the following:

	2024	2023
Tompkins County Development Corporation, Tax-Exempt Revenue Refunding Bonds (Ithaca College Project): Series 2015, 5.00% fixed rate bonds, net of unamortized premiums of $1,240,271 and $1,440,419 at June 30, 2024 and 2023, respectively; maturing serially through July 2034, payable thereafter in annual sinking fund installments to maturity in July 2038[1]	$ 22,350,271	$ 23,530,419
Tompkins County Development Corporation, Tax-Exempt Revenue Refunding Bonds (Ithaca College Project): Series 2017, 5.00% fixed rate bonds, net of unamortized premium of $1,888,511 and $2,119,402 at June 30, 2024 and 2023, respectively; maturing serially through July 2037, payable thereafter in annual sinking fund installments to maturity in July 2041[1]	20,468,511	21,344,402
Tompkins County Development Corporation, Tax-Exempt Revenue Refunding Bonds (Ithaca College Project): Series 2018, 5.00% fixed rate bonds, net of unamortized premiums of $1,204,044 and $1,447,395 at June 30, 2024 and 2023, respectively; maturing serially through July 2034[1]	15,739,044	16,947,395
Tompkins County Development Corporation, Tax-Exempt Revenue Refunding Bonds (Ithaca College Project): Series 2020, 2.14% fixed rate bonds, payable monthly; no unamortized premium; maturing serially through July 2050[1]	31,808,472	32,707,881
Mortgage Notes held by Nationwide Life Insurance Company:		
College Circle #1; 6.78% fixed rate; payable monthly and maturing October 2033[2]	11,636,089	12,500,990
College Circle #2; 6.63% fixed rate; payable monthly and maturing October 2033[2]	363,205	390,429
College Circle #3; 7.26% fixed rate, payable monthly and maturing October 2033[2]	1,861,449	1,996,118
College Circle #4; 6.80% fixed rate, payable monthly and maturing October 2033[2]	2,858,327	3,070,546
Mortgage Notes - Seller-Financed:		
929 Danby Rd #1, 6.00% fixed rate; payable monthly starting February 2024 and maturing January 2028	353,592	375,000
929 Danby Rd #2, 6.00% fixed rate; payable monthly starting February 2024 and maturing January 2028	353,592	375,000
	107,792,552	113,238,180
Less: bond issuance costs	(1,298,924)	(1,384,727)
Debt obligations, net	$ 106,493,628	$ 111,853,453

[1] Secured by a parity pledge of the College's tuition and fee revenue.
[2] Collateralized by the College Circle Apartments and improvements located thereon.

Interest expense on debt obligations totaled $4,438,466 and $4,586,568 for the years ended June 30, 2024 and 2023, respectively. Interest expense includes interest incurred on outstanding bonds and notes, amortization of premium, amortization of bond issuance costs, and net interest rate swap payments incurred. Premiums and issuance costs are amortized using the effective-interest method and straight-line method, respectively, over the period the bonds are outstanding.

Under the terms of the loan agreements associated with the College's debt obligations, the College is required to maintain compliance with various covenants, including certain financial ratios. As of June 30, 2024 and 2023, the College was in compliance with the required covenants.

The aggregated required principal and sinking fund payments on all bonds and notes payable for each of the next five fiscal years, and thereafter to maturity, are as follows:

Years Ending June 30,	
2025	$ 5,164,757
2026	5,424,707
2027	5,712,390
2028	5,924,118
2029	6,076,353
Thereafter	75,157,401
Total payments	103,459,726
Plus: unamortized premium, net	4,332,826
Less: unamortized costs of issuance	(1,298,924)
Debt obligations, net	$ 106,493,628

Lines of Credit

The College has a $5,000,000 line of credit with HSBC Bank USA, N.A., with a maturity date of December 31, 2024. The College has a $5,000,000 line of credit with Tompkins Trust Company, with a maturity date of February 25, 2025. There were no outstanding borrowings on the lines of credit as of June 30, 2024 and 2023.

NOTE 9 - INTEREST RATE SWAPS

The College utilizes interest rate swap agreements as a strategy for managing interest rate risk associated with its variable rate bond obligations, the last of which was refunded in June 2020. While the use of these agreements is for risk management purposes, their use by the College is not considered to be hedging activity based on definitions in U.S. GAAP. The objectives for holding the interest rate swap agreements in the context of each debt issuance are as follows:

Series 2015 Bonds

In connection with the issuance of the Series 2007 Bonds, which were refunded by the Series 2015 Bonds, the College entered into two fixed payer interest rate swap agreements that terminate coincident with the original maturity of the Series 2007 Bonds in July 2037 ("2007 Fixed Payer I" and "2007 Fixed Payer II"). In connection with the issuance of the Series 2015 Bonds, the College entered into two fixed receiver interest rate swap agreements that became effective in July 2016 and terminate coincident with the original maturity of the Series 2007 Bonds in July 2037 ("2015 Fixed Receiver I" and "2015 Fixed Receiver II").

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The terms of the College's interest rate swap agreements are summarized as follows:

Swap Agreement	Counterparty	Initial Notional	Maturity	Rate Received	Rate Paid
2007 Fixed Payer I	Royal Bank of Canada	$ 19,075,000	July 2037	67% 1M LIBOR	3.721%
2007 Fixed Payer II	Royal Bank of Canada	11,565,000	July 2037	67% 1M LIBOR	3.398%
2015 Fixed Receiver I	Royal Bank of Canada	15,220,000	July 2037	1.376%	67% 1M LIBOR
2015 Fixed Receiver II	Royal Bank of Canada	9,805,000	July 2037	1.366%	67% 1M LIBOR

The notional declines in accordance with the repayment schedule of the underlying debt.

The estimated fair values of derivative assets and liabilities at June 30, 2024 and 2023, are summarized as follows, along with the net non-operating gains and losses for the respective years then ended:

2024				
Swap Agreement	Notional Outstanding	Derivative Assets	Derivative Liabilities	Net Gain (Loss)
2007 Fixed Payer I	$ 11,265,000	$ -	$ (645,341)	$ 247,803
2007 Fixed Payer II	7,485,000	-	(313,393)	152,205
2015 Fixed Receiver I	11,265,000	-	(921,788)	(54,099)
2015 Fixed Receiver II	7,485,000	-	(614,069)	(40,193)
	$ 37,500,000	$ -	$ (2,494,591)	$ 305,716

2023				
Swap Agreement	Notional Outstanding	Derivative Assets	Derivative Liabilities	Net Gain (Loss)
2007 Fixed Payer I	$ 11,890,000	$ -	$ (893,144)	$ 665,160
2007 Fixed Payer II	7,860,000	-	(465,598)	411,894
2015 Fixed Receiver I	11,890,000	-	(867,689)	(363,496)
2015 Fixed Receiver II	7,860,000	-	(573,876)	(237,491)
	$ 39,500,000	$ -	$ (2,800,307)	$ 476,067

Net interest expense incurred on swap agreements was $416,140 and $440,425 for the years ended June 30, 2024 and 2023, respectively, and is included within interest expense on debt obligations reported in Note 8.

Derivatives by their nature bear, to varying degrees, elements of market risk and credit risk that are not reflected in the amounts recorded in these financial statements. Market risk in this context represents the potential for changes in the value of derivative instruments due to levels of volatility and liquidity or other events affecting the underlying debt obligations, including those embodied in interest rate movements. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of a contract. The College's risk of loss in the event of a counterparty default is typically limited

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to the amounts recognized in the statement of financial position, not the notional amounts of the instruments.

The College's swap agreements contain credit support obligations and termination provisions on agreements in net liability positions. Under the credit support obligations, the College could be required to post collateral with the counterparties if the credit rating on the College's bond obligations is downgraded below A3 by Moody's Investors Service or below A- by Standard & Poor's Rating Service. Under the termination provisions, the College could be required to settle the derivative instruments if the credit rating on the College's bond obligations is downgraded below Baa3 by Moody's Investors Service or below BBB- by Standard & Poor's Rating Service.

If the credit support obligations had been triggered, the College could have been required to post collateral to its counterparties in an amount up to the full liability position of the instruments, depending on the classification of assets used to post collateral. If the termination provisions had been triggered, the College could have been required to settle the instruments at the full liability position of the instruments.

The aggregate fair value of interest rate swaps that contain credit-risk-related contingent features that were in a net liability position was $2,494,591 and $2,800,307 at June 30, 2024 and 2023, respectively. Based on the quality of the credit rating of the College's bond obligations, the College had posted no collateral associated with these instruments at June 30, 2024 and 2023.

The College's interest rate swaps are valued by an independent third party that uses the mid-market levels, as of the close of business on the last day of the reporting period, to value each agreement. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions and the College's credit worthiness. The College's interest rate swaps are classified as Level 2 in the fair value hierarchy.

NOTE 10 - BENEFIT PLANS

Retirement Annuity Plan

Academic and certain other employees of the College are participants in the Retirement Annuity Plan (the "Plan") administered by the Teachers' Insurance and Annuity Association Program. Under this arrangement, the College's contributions to the Plan are vested immediately for participants who were benefits-eligible employees on or before December 31, 2018. Employer contributions have a two-year vesting period for participants who became benefits-eligible employees on or after January 1, 2019.

There are no unfunded past service costs under the Plan. The College's contributions to the Plan are based on a percentage of employees' salaries and amounted to $6,324,116 and $5,694,438 for the years ended June 30, 2024 and 2023, respectively.

Postretirement Benefits

The College sponsors two defined benefit postretirement plans (collectively, the "Postretirement Plan"). One plan provides medical benefits, and the other provides life insurance benefits to all of the College's employees who reach age 60 with at least 10 years of service or age 55 with at least 20 years of service. The postretirement health care plan is noncontributory for employees with dates of hire prior to January 1, 2007 and contributory for employees with dates of hire after January 1, 2007. The life insurance plan is noncontributory. Spouse coverage costs are contributory and assumed to increase at the ultimate inflation rate for medical claims. Medical benefits cease at age 65. The College's postretirement plans are unfunded.

The following tables provide information with respect to the other postretirement plans for the year ended June 30:

	2024	2023
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 13,082,557	$ 14,286,415
Service cost	312,941	272,788
Interest cost	657,455	692,066
Actuarial gain	(258,130)	(1,454,417)
Benefits paid	(766,586)	(714,295)
Benefit obligation, end of year	$ 13,028,237	$ 13,082,557
Change in plan assets:		
Fair value of plan assets, beginning of year	$ -	$ -
Employer contributions	766,586	714,295
Plan participants' contributions	-	-
Benefits paid	(766,586)	(714,295)
Fair value of plan assets, end of year	$ -	$ -
Amounts recognized in net assets without donor restrictions:		
Unamortized prior service cost	$ 292,231	$ 344,152
Unamortized net loss	55,101	313,231
Total amounts recognized in net assets without donor restrictions	$ 347,332	$ 657,383
Amounts recognized in the statement of financial position consist of:		
Accrued benefit liability	$ 13,028,237	$ 13,082,557
Net assets without donor restrictions	$ 347,332	$ 657,383
Components of net periodic postretirement benefit cost:		
Service cost	$ 312,941	$ 272,788
Interest cost	657,455	692,066
Amortization of unrecognized prior service costs	51,921	51,921
Net periodic benefit cost	1,022,317	1,016,775
Change in unamortized items:		
Actuarial loss	(258,130)	(1,454,417)
Amortization of:		
Prior service cost	(51,921)	(51,921)
Total changes recognized in net assets without donor restrictions	(310,051)	(1,506,338)
Total recognized in net periodic postretirement benefit cost and net assets without donor restrictions	$ 712,266	$ (489,563)

	2024	2023
Weighted-average assumptions as of June 30:		
Discount rate for benefit obligation at year end	5.32%	4.88%
Discount rate for net periodic benefit cost at year end	5.32%	4.88%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

Expected employer contributions for the next fiscal year are $1,396,045.

Assumed pre-65 medical trend rates at June 30:	
Healthcare cost trend rate assumed for next year	6.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%
Year that the rate reaches the ultimate trend rate	2067

Assumed prescription drug trend rates at June 30:	
Healthcare cost trend rate assumed for next year	6.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	3.78%
Year that the rate reaches the ultimate trend rate	2067

Estimated future benefit payments are as follows for the years ending June 30:

2025	$ 1,396,045
2026	1,299,807
2027	1,303,631
2028	1,266,736
2029	1,123,489
Years 2030 - 2033	4,107,485

NOTE 11 - ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations ("AROs") are legal obligations associated with the eventual retirement of long-lived assets. These liabilities, which for the College 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. 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 College 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 College derecognizes ARO liabilities when the related obligations are settled.

The cost of the abatement was estimated following a site-specific survey of the campus. The abatement projects, to which the adjustment pertains, consist principally of asbestos and lead removal and are expected to be completed by June 30, 2028.

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

	2024	2023
Beginning of year	$ 1,831,351	$ 1,765,635
Less: obligations settled during the year	(1,987)	(2,991)
Accretion expense	71,532	68,707
End of year	$ 1,900,896	$ 1,831,351

NOTE 12 - NET ASSETS

The following is a summary of the College's net assets at June 30, 2024 and 2023:

	2024	2023
Net assets without donor restrictions:		
Undesignated	$ 28,283,209	$ 35,265,862
Net investment in plant	172,451,844	169,580,349
Net investment in funded plant	62,244,745	59,317,066
Federal matching funds	304,875	505,036
Board-designated net assets:		
Quasi-endowment	246,249,493	231,438,758
Capital projects and other	32,558,252	27,571,668
Total Board-designated net assets	278,807,745	259,010,426
Total net assets without donor restrictions	542,092,418	523,678,739
Net assets with donor restrictions:		
Time restriction	1,201,995	1,784,828
Purpose restriction:		
Academic and operations	7,141,761	6,806,710
Scholarships	680,961	2,441,444
Grants	514,706	1,212,203
Capital funds	1,029,426	1,921,582
Charitable gift annuity agreements	571,475	559,015
Other	1,214,189	1,017,378
Total purpose restriction	11,152,518	13,958,332
Endowment:		
Endowment returns subject to future appropriations	62,607,398	51,888,731
Perpetual endowment	94,338,833	90,361,779
Total endowment	156,946,231	142,250,510
Total net assets with donor restrictions	169,300,744	157,993,670
Total net assets	$ 711,393,162	$ 681,672,409

NOTE 13 - ENDOWMENT

The College's endowment consists of approximately 475 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the College's Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments (quasi-endowment), are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") governs the management and investment of funds held by not-for-profit corporations and other institutions incorporated in the State of New York. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts.

The College classifies as net assets with donor restrictions the sum of (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, (c) accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, (d) the appreciation on donor-restricted endowment funds, and (e) unexpended amounts appropriated for expenditure by the Board of Trustees of the College in a manner consistent with the standard of prudence prescribed by NYPMIFA. The amounts appropriated for expenditure are based on the endowment spending rate per unit and the number of units for each fund. The spending rate is approved by the Board as part of the College's operating budget. In accordance with NYPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;

(2) The purposes of the College and its donor-restricted endowment fund;

(3) General economic conditions;

(4) The possible effect of inflation and deflation;

(5) The expected total return from income and the appreciation of investments;

(6) Other resources of the College;

(7) The investment policies of the College; and,

(8) Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects of the College.

The following table summarizes endowment net asset composition, by type of fund, as of June 30, 2024 and 2023:

2024	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 157,022,489	$ 157,022,489
Board-designated endowment funds	246,249,493	-	246,249,493
Underwater endowments	-	(76,258)	(76,258)
Total funds	$ 246,249,493	$ 156,946,231	$ 403,195,724

2023	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 142,457,258	$ 142,457,258
Board-designated endowment funds	231,438,758	-	231,438,758
Underwater endowments	-	(206,748)	(206,748)
Total funds	$ 231,438,758	$ 142,250,510	$ 373,689,268

The following table summarizes the changes in endowment net assets for the years ended June 30, 2024 and 2023:

2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 231,438,758	$ 142,250,510	$ 373,689,268
Investment return, net	24,528,041	15,341,587	39,869,628
Contributions and bequests	279,293	3,957,533	4,236,826
Amounts appropriated for expenditure	(10,096,708)	(5,512,551)	(15,609,259)
Transfers and other changes, net	100,109	909,152	1,009,261
Endowment net assets, end of year	$ 246,249,493	$ 156,946,231	$ 403,195,724

2023	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 222,683,278	$ 134,099,718	$ 356,782,996
Investment return, net	18,400,429	11,842,668	30,243,097
Contributions and bequests	35,866	1,567,095	1,602,961
Amounts appropriated for expenditure	(9,680,815)	(5,648,382)	(15,329,197)
Transfers and other changes, net	-	389,411	389,411
Endowment net assets, end of year	$ 231,438,758	$ 142,250,510	$ 373,689,268

Return Objectives and Risk Parameters

The College utilizes the total return concept in the management of its endowment, the objective of which is to achieve a return consisting of a combination of current income and capital appreciation, without regard to an emphasis on either, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various types of investment instruments and strategies to help reduce risk.

Spending Policy

The College has implemented a spending policy designed to stabilize annual spending levels and preserve the real value of the endowment over time. In accordance with the College's policy, a predetermined endowment spending rate consistent with the College's total return objective has been established and approved by the Board. Should endowment returns prove to be insufficient to support this policy, the balance is provided from accumulated capital gains. Should endowment returns exceed the amounts necessary to attain this objective, the balance is reinvested. For the years ended June 30, 2024 and 2023, the effective spending rate was 4.5% of the average quarterly fair value of its pooled investment portfolio as of the allocation date. The annual distributions under the spending policy described above, netted with unspent funds reinvested into the endowment, are reported as endowment distributions included in operating revenues.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the College to retain as a fund of perpetual duration. Subsequent gains that restore the fair value of the assets of such endowment funds to the required level are classified as an increase in net assets with donor restrictions. These deficiencies generally resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that was deemed prudent by the College. As of June 30, 2024, funds with original gift values of $1,025,000, fair values of $948,742, and deficiencies of $76,258 were reported in net assets with donor restrictions. As of June 30, 2023, funds with original gift values of $2,702,513, fair values of $2,495,765, and deficiencies of $206,748 were reported in net assets with donor restrictions.

NOTE 14 - FUNCTIONAL AND NATURAL CLASSIFICATION OF EXPENSES

The College reports operating expenses by natural and functional classifications reflecting core operational objectives for higher education as promulgated by the National Association of College and University Business Officers. Functional classifications include program services, which reflect the major activities of the College; and institutional support services, which include management and general, and fundraising expenses. Certain expenses incurred by the College are allocated to specific program and support service activities on the basis of utilization of the underlying assets. Expenses are categorized into the following functions:

- *Instruction, Research, and Public Service* - includes expenses for activities that are part of the College's instruction program. Research includes expenses for activities specifically organized to produce research. Public service includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the College.

- *Academic Support* - includes expenses incurred to provide support services for instruction.

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- *Student Services* - include activities that, as their primary purpose, contribute to students' well-being and intellectual, cultural, and social development outside the context of the formal instruction program.
- *Auxiliary Activities* - include expenses primarily related to the College's auxiliary activities such as student housing, food service, parking, and so forth.
- *Institutional Support* - includes expenses incurred to provide support services for the institution's primary mission and program functions. This category includes the College's fundraising activities as well as executive management, fiscal operations, general administration and administrative information technology.

	2024					
	Instruction, Research, and Public Service	Academic Support	Student Services	Auxiliary Activities	Institutional Support	Total
Salaries and wages	$ 45,199,915	$ 8,499,223	$ 12,900,523	$ 15,624,951	$ 17,581,151	$ 99,805,763
Benefits	14,106,429	2,487,528	4,013,323	4,189,842	5,049,806	29,846,928
Interest	1,846,160	-	-	2,549,239	52,311	4,447,710
Depreciation and amortization	7,377,548	823,020	2,327,972	8,080,936	1,246,288	19,855,764
Materials, equipment and supplies	2,485,314	1,261,173	1,743,275	8,201,496	5,208,092	18,899,350
Utilities, taxes, and occupancy	3,062,173	312,412	651,731	4,687,231	404,043	9,117,590
Outside services	2,668,338	2,383,104	2,306,118	924,449	7,695,046	15,977,055
Lodging, travel, and similar costs	690,693	386,258	2,131,006	29,107	296,387	3,533,451
Other expense	877,854	586,632	3,645,516	67,110	2,817,787	7,994,899
	$ 78,314,424	$ 16,739,350	$ 29,719,464	$ 44,354,361	$ 40,350,911	$209,478,510

	2023					
	Instruction, Research, and Public Service	Academic Support	Student Services	Auxiliary Activities	Institutional Support	Total
Salaries and wages	$ 45,715,661	$ 8,282,408	$ 11,740,767	$ 13,199,250	$ 17,188,321	$ 96,126,407
Benefits	13,185,494	2,275,288	3,392,848	3,163,665	4,772,249	26,789,544
Interest	1,910,832	-	-	2,675,736	-	4,586,568
Depreciation and amortization	7,529,991	842,011	2,381,690	7,910,415	1,275,046	19,939,153
Materials, equipment and supplies	2,682,289	1,277,733	1,700,859	7,002,945	3,928,692	16,592,518
Utilities, taxes, and occupancy	3,853,540	827,643	957,951	3,225,982	601,217	9,466,333
Outside services	2,462,637	2,538,694	1,704,008	909,239	7,564,603	15,179,181
Lodging, travel, and similar costs	596,765	441,855	1,947,804	25,621	374,663	3,386,708
Other expense	808,334	547,186	3,227,210	185,101	5,265,480	10,033,311
	$ 78,745,543	$ 17,032,818	$ 27,053,137	$ 38,297,954	$ 40,970,271	$202,099,723

Expenses related to fundraising activities totaled $2,832,010 and $2,538,160 for the years ended June 30, 2024 and 2023, respectively, and are included within institutional support on the accompanying statements of activities.

Allocations

Expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant are allocated based on square footage.

Depreciation expense for buildings is allocated based on estimates of building square footage and the functional use of each building. Depreciation and amortization of equipment is allocated based on the location of the equipment and the use of that space.

Interest expense is allocated based on usage of debt-financed space.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Lease Commitments

Finance leases consist of non-cancellable equipment leases. Operating leases consist of various non-cancellable leases for educational and office space, equipment, and vehicles. Short-term leases consist of leases for educational space, storage space, and equipment. These leases contain no residual value guarantees, and there are no restrictions or covenants imposed by leases.

Maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the finance and operating lease liabilities is as follows:

Year Ending June 30:	Finance	Operating
2025	$ 102,533	$ 1,768,663
2026	102,533	1,203,724
2027	68,355	952,183
2028	-	675,321
2029	-	611,936
Thereafter	-	3,686,988
Total undiscounted minimum lease payments	273,421	8,898,815
Less: amounts representing interest	(37,446)	(163,767)
Present value of lease liabilities	$ 235,975	$ 8,735,048

The components of lease cost are as follows for the years ending June 30:

	2024	2023
Finance lease cost:		
Amortization of ROU assets	$ 17,394	$ -
Interest on lease liabilities	9,244	-
Operating lease cost	2,246,575	2,126,568
Variable lease cost	106,427	134,637
Short-term lease cost	1,316,143	749,306
Total lease cost	$ 3,695,783	$ 3,010,511

Supplemental quantitative information related to the College's leases is as follows for the years ending June 30, 2024 and 2023:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 9,244	$ -
Financing cash flows from finance leases	24,934	-
Operating cash flows from operating leases	2,353,002	2,261,205
Weighted-average remaining lease term:		
Finance leases	2.7 years	-
Operating leases	15.0 years	15.1 years
Weighted-average discount rate:		
Finance leases	11.0%	-
Operating leases	2.9%	2.5%

Construction Commitments

As of June 30, 2024 and 2023, the College had entered into renovation and construction contracts and commitments totaling $8,756,089 and $6,954,281, respectively.

GATE Student Loan Program

From 2000 through 2007, the College provided its students access to the GATE Student Loan Program to assist them in financing their educational experience at the College. The loans taken out under this program by the students, which are securitized by National Collegiate Student Loan Trusts and administered by GSS Data Services, Inc., are repayable over a maximum of 20 years. Under the terms of the program, the College guarantees to cover defaults up to a specified maximum amount, ranging from 19% to 33% of the outstanding loan balance. As of June 30, 2024 and 2023, students had outstanding loans under the program of $1,283,769 and $1,687,330, respectively, and the College's maximum unfunded default pledge obligation was $2,962,295 and $2,971,476, respectively.

Utilities Purchase Commitment

In 2015, the College entered into a 25-year solar power purchase agreement with Finger Lakes Solar 1, LLC (the "Provider"). The Provider will furnish, install, maintain and own solar electric generating facilities (e.g., solar panels, meters, monitoring equipment, etc.) at the College. The College has agreed to purchase all of the electricity produced by these solar facilities according to the terms set forth in the agreement with the Provider. After the initial term of the agreement, the agreement will automatically renew for one-year terms, unless a written notice of non-renewal is given by either party to the transaction.

After the initial 25-year term, which ends on December 31, 2041, the agreement automatically renews for additional one-year terms, unless a written notice of non-renewal is given by either party 90 days prior to the expiration of the initial term or the then-applicable renewal term.

If the College terminates the agreement without cause prior to December 31, 2041, or if it terminates during any subsequent one-year renewal period outside the 90-day notice period, it must pay an early termination fee now ranging from $4.59 million in the ninth year to $2.72 million in the 25th year or thereafter. There would be no early termination fee if the College gives the appropriate non-renewal notice 90 days in advance of the annual renewal for the 26th year or any year thereafter.

Contingencies

In the normal course of its operations, the College 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 College is not aware of any claims or contingencies, which are not covered by insurance that would have a material adverse effect on the College's financial position, changes in net assets or cash flows.

The College participates in a number of federal and state programs. These programs require that the College comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on the College's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying financial statements.

NOTE 16 - RELATED PARTY TRANSACTIONS

The College has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each trustee is required to certify compliance with the conflict-of-interest policy on an annual basis and indicate whether the College does business with an entity in which the trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring such transactions to be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the College, and in accordance with relevant conflict of interest laws. The College had no material related party transactions during the years ended June 30, 2024 and 2023.