Financial Statements and Report of Independent Certified Public Accountants

New York Institute of Technology

June 30, 2024 and 2023

Contents

GRANT THORNTON LLP
445 Broad Hallow Road, Suite 300
Melville, NY 11747

D +1 631 249 6001
F +1 631 249 6144

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
New York Institute of Technology

Opinion
We have audited the financial statements of New York Institute of Technology (the "Institute" or "NYIT"), 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 Institute as of June 30, 2024 and 2023, and the results of its operations 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 Institute 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 Institute'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 Institute'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 Institute'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

Melville, New York
October 24, 2024

New York Institute of Technology

STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Cash and cash equivalents	$ 42,208,235	$ 58,850,392
Grants receivable	3,464,480	3,336,351
Student accounts receivable, net of allowance of $10,133,293 and $9,929,777	4,321,277	4,515,150
Student loans receivable, net of allowance of $77,269 and $74,233	3,843,006	4,606,903
Contributions receivable, net	1,043,604	1,406,415
Investments, at fair value	153,860,907	130,297,889
Investments in real estate, at fair value	17,718,600	18,247,250
Funds held in trust	96,495,598	54,872
Other assets	3,771,039	5,268,036
Operating right-of-use assets	128,479,085	103,119,593
Property, plant and equipment, net	131,505,129	111,100,493
Total assets	$ 586,710,960	$ 440,803,344
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 37,944,628	$ 26,063,187
Deferred revenues	24,255,864	29,785,695
Refundable grants and U.S. Government loan funds	7,881,796	8,434,242
Operating lease obligations	143,793,410	118,521,412
Postretirement health benefits	5,042,699	5,123,272
Bonds payable	108,673,360	18,078,425
Total liabilities	327,591,757	206,006,233
Commitments and contingencies		
Net assets		
Without donor restrictions	243,421,306	219,857,493
With donor restrictions	15,697,897	14,939,618
Total net assets	259,119,203	234,797,111
Total liabilities and net assets	$ 586,710,960	$ 440,803,344

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

New York Institute of Technology

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition and fees	$ 253,831,345	$ -	$ 253,831,345
Grants and contracts	7,679,461	-	7,679,461
Government appropriations	567,512	-	567,512
Contributions	1,921,402	453,634	2,375,036
Training and public service	4,102,485	-	4,102,485
Endowment investment return designated for operations	3,923,310	187,957	4,111,267
Other investment return	2,347,468	-	2,347,468
Sales and services of auxiliaries	15,240,769	-	15,240,769
Other sources	8,477,852	15,000	8,492,852
Net assets released from restrictions and reclassifications	810,036	(810,036)	-
Total operating revenues	298,901,640	(153,445)	298,748,195
Operating expenses			
Instruction	125,813,108	-	125,813,108
Academic support	24,843,686	-	24,843,686
Student services	24,549,940	-	24,549,940
Research, training and public service	16,639,285	-	16,639,285
Auxiliary enterprises	16,397,108	-	16,397,108
Institutional support	70,056,846	-	70,056,846
Total operating expenses	278,299,973	-	278,299,973
Change in net assets from operations	20,601,667	(153,445)	20,448,222
Non-operating activities			
Endowment investment return, net of amounts designated for operations	5,725,104	911,724	6,636,828
Gain from bond defeasement	206,345	-	206,345
Gain on disposition of property	5,000,841	-	5,000,841
Writedown of inactive/impaired assets	(7,693,137)	-	(7,693,137)
Other components of net periodic benefit cost	2,024,928	-	2,024,928
Postretirement changes other than net periodic benefit cost	(2,301,935)	-	(2,301,935)
Change in net assets from non-operating activities	2,962,146	911,724	3,873,870
CHANGE IN NET ASSETS	23,563,813	758,279	24,322,092
Net assets			
Beginning of year	219,857,493	14,939,618	234,797,111
End of year	$ 243,421,306	$ 15,697,897	$ 259,119,203

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

New York Institute of Technology

STATEMENT OF ACTIVITIES

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition and fees	$ 240,038,533	$ -	$ 240,038,533
Grants and contracts	6,139,269	-	6,139,269
Government appropriations	621,025	-	621,025
Contributions	3,003,380	2,029,230	5,032,610
Training and public service	4,285,224	-	4,285,224
Endowment investment return designated for operations	4,158,966	223,874	4,382,840
Other investment return	1,152,111	-	1,152,111
Sales and services of auxiliaries	15,462,348	-	15,462,348
Other sources	5,904,784	20,050	5,924,834
Net assets released from restrictions and reclassifications	851,373	(851,373)	-
Total operating revenues	281,617,013	1,421,781	283,038,794
Operating expenses			
Instruction	125,107,979	-	125,107,979
Academic support	23,453,711	-	23,453,711
Student services	25,239,297	-	25,239,297
Research, training and public service	14,766,313	-	14,766,313
Auxiliary enterprises	14,405,102	-	14,405,102
Institutional support	66,496,396	-	66,496,396
Total operating expenses	269,468,798	-	269,468,798
Change in net assets from operations	12,148,215	1,421,781	13,569,996
Non-operating activities			
Endowment investment return, net of amounts designated for operations	746,264	429,286	1,175,550
Gain on lease settlement	1,125,366	-	1,125,366
Gain on disposition of property	597,500	-	597,500
Change in donor intent	1,000	(1,000)	-
Other components of net periodic benefit cost	1,992,973	-	1,992,973
Postretirement changes other than net periodic benefit cost	(1,798,235)	-	(1,798,235)
Change in net assets from non-operating activities	2,664,868	428,286	3,093,154
CHANGE IN NET ASSETS	14,813,083	1,850,067	16,663,150
Net assets			
Beginning of year	205,044,410	13,089,551	218,133,961
End of year	$ 219,857,493	$ 14,939,618	$ 234,797,111

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

New York Institute of Technology

STATEMENTS OF CASH FLOWS

Years ended June 30

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 24,322,092	$ 16,663,150
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,025,252	17,258,693
Amortization of bond issuance costs	46,226	103,661
Amortization of bond premium	(281,922)	-
Accretion expense, net of asbestos obligation payments	180,896	79,680
Gain on investments	(13,095,563)	(6,710,501)
Gain on funds held in trust	(1,342,553)	-
Loss from disposal of fixed assets	-	(1,125,366)
Gain on disposition of land	(4,749,300)	(597,500)
Writedown of inactive/impaired assets	7,693,137	-
Contributions to endowed investment portfolio	(155,028)	(181,976)
Postretirement health benefits, net	(80,573)	(663,692)
Change in provision for student accounts receivable	(203,515)	(119,354)
Change in provision on student loans receivable	(3,036)	(86,531)
Change in operating assets and liabilities:		
Student accounts receivable	397,388	(545,373)
Grants receivable	(128,129)	3,237,996
Contributions receivable	362,811	(845,314)
Other assets	1,496,997	415,090
Operating right-of-use assets	(25,359,492)	(7,626,766)
Accounts payable and accrued liabilities	2,521,917	(4,496,764)
Deferred revenues	(5,529,831)	3,398,476
Operating lease obligations	25,271,998	7,562,539
Net cash provided by operating activities	28,389,772	25,720,148
Cash flows from investing activities:		
Purchases of investments	(115,653,443)	(150,639,341)
Purchases of investments - funds held in trust	(109,488,513)	-
Sales of investments	105,185,988	158,246,649
Sales of investments - funds held in trust	14,390,340	-
Proceeds on disposition of property	5,277,950	-
Purchases of property, plant and equipment	(35,671,953)	(16,402,579)
Loans to students	(151,771)	(73,538)
Repayments of student loans	918,704	1,782,119
Net cash used in investing activities	(135,192,698)	(7,086,690)
Cash flows from financing activities:		
Repayments of principal indebtedness	(18,550,000)	(2,335,000)
Bond proceeds, inclusive of premium	109,947,838	-
Bond issuance cost, net	(567,207)	-
Payments on capital lease obligations	(272,444)	(304,136)
Contributions to endowed investment portfolio	155,028	181,976
Net change in refundable grants and U.S. government loan funds	(552,446)	(587,845)
Net cash provided by (used) in financing activities	90,160,769	(3,045,005)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(16,642,157)	15,588,453
Cash and cash equivalents - beginning of year	58,850,392	43,261,939
Cash and cash equivalents - end of year	$ 42,208,235	$ 58,850,392
Supplemental disclosure of cash flow information and noncash investing and financing:		
Cash paid for interest	$ 1,641,204	$ 829,157
Noncash investing and financing transactions:		
Property, plant and equipment included within accounts payable and accrued expenses	$ 9,451,072	$ 2,358,641

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

NOTE 1 - ORGANIZATION

New York Institute of Technology (the “Institute”) is an independent, private Institute offering a variety of undergraduate, graduate and doctoral degrees. The Institute operates two primary campuses located in Old Westbury and Manhattan, New York, with additional programs in Jonesboro, Arkansas; Vancouver, Canada; and China. The Institute’s schools - College of Arts and Sciences; College of Engineering and Computing Sciences; College of Osteopathic Medicine (“NYITCOM”); School of Architecture and Design; School of Health Professions; and School of Management offer career-oriented education in more than 80 programs using hands-on access to state-of-the-art technology in those fields. The Institute is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (“IRC”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Institute are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”).

Cash and Cash Equivalents

The Institute considers all highly liquid financial instruments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents do not include cash held for long-term investment purposes.

Grants Receivable

Grants are reported as revenue when expenses are incurred in accordance with the terms of the respective agreements. Grants receivable are due to be collected within one year. Any funds received by the Institute which have not yet been recognized as earned revenues under the terms of the respective grant contracts are reported as refundable grants on the accompanying consolidated statements of financial position.

Student Receivables and Allowance for Credit Losses

Student accounts receivable are carried at the unpaid balance of the original amount billed to students and student loans receivable are carried at the amount of unpaid principal. Both receivables are less an estimate made for credit losses based on a review of all outstanding amounts. Management determines the credit losses by identifying troubled accounts and by using historical experience, the current and future economic outlook and reasonable and supportable forecasts. Recoveries of student accounts and loans receivable previously written off are recognized as revenue when received.

Contributions, Grants and Beneficial Interest Revenue Recognition

The Institute recognizes revenue from contributions, grants and contracts in accordance with Topic 958, and accordingly, the Institute 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 Institute applies guidance under Accounting Standards Codification (“ASC”) 606. If the transfer of assets is determined to be a contribution, the Institute evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Institute 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.

The Institute records contributions of cash and other assets when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either with donor restrictions or without donor restrictions, based upon the presence or absence of donor-imposed restrictions. The Institute reports gifts of cash or other assets as restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions. The Institute reports pledges expected to be collected within one year at net realizable value. Pledges to be paid to the Institute over a period of years are recorded at their estimated present value using a risk-adjusted rate, ranging from 3.5% - 13.7%.

Investments

Investments in equity and debt securities are stated at fair value based upon quoted market prices in the statement of financial position. Purchases and sales of securities are reflected on a trade-date basis. Interest is recognized as earned. Dividends are accrued based on the ex-dividend date. Interest and dividend income and unrealized and realized gains and losses on investments are recorded in the caption investment return within the accompanying statements of activities. Realized gains and losses are determined on an average-cost basis.

Fair value for certain limited partnerships and hedge funds are estimated by the respective external investment managers if market values are not readily ascertainable. For those investments that do not have readily determinable fair values, their estimated value may differ from the value that would have been used had a ready market for such investment existed. Investments in limited partnerships and hedge funds are carried at fair value which represents the Institute’s share of the net assets of these investments at the end of the Institute’s fiscal year. The Institute records its share of the net income or loss for the accounting period in proportion to its participating percentage in each investment.

All investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position.

Investments in Real Estate

Investments in real estate consist of unimproved land and properties not used primarily for academic purposes and available for future sale. Due to the inherent uncertainty of real estate valuations, the appraised values or contracted sales values reflected in the financial statements may differ significantly from values that would be determined by negotiation between parties to a sales transaction, resulting in differences that could be material. Key assumptions used in valuing the appraisals include primarily a comparable sales approach, net of expenses and discount rate. For the year ended June 30, 2024 and 2023, the Institute recorded no change in the value of investments in real estate. The decrease in the Statement of Activities was from the sale of the remaining parcel land that was part of the former Central Islip campus. The investments are classified as Level 3 under the fair value hierarchy given the unobservable inputs that are supported by limited market activity during fiscal years 2024 and 2023.

Funds Held in Trust

At June 30, 2024 and 2023, the Institute had $96,495,598 and $54,872, respectively, invested in short-term, highly liquid investments that are classified as Level 1 within the fair value hierarchy. The 2024 investments were available for qualifying capital project costs and debt service to the Dormitory Authority of the State of New York (“DASNY”) for the Series 2024 bonds. The 2023 investments were available to pay debt service to the Dormitory Authority of the State of New York ("DASNY") for the Series 2020A and Series 2016A bonds. At June 30, 2024 and 2023, earnings of $324,306 and $54,872, respectively, are included within the caption other sources in the accompanying statements of activities.

Property, Plant and Equipment, net

Property, plant and equipment consisting of land; buildings and leasehold improvements; machinery, equipment, and furniture and software are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method based on estimated useful lives of 20 to 40 years for buildings; the lesser of 10 to 20 years or the remaining estimated useful life of the term of the lease for leasehold improvements; and three to ten years for machinery, equipment, vehicles, furniture and software.

The Institute capitalizes certain computer software costs which, upon being placed into service, are amortized utilizing the straight-line method over periods not exceeding three years. Amortization of capitalized software is included in depreciation expense. Upon disposal, the asset cost and related accumulated depreciation or amortization are eliminated from the respective accounts and resulting gain or loss, if any, is included in the statement of activities.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Impairment losses would be recognized if the carrying amount of the asset exceeds the undiscounted future cash flows expected to result from the use of the asset and its eventual disposal. The Institute performed a review of all assets to determine if assets were inactive or impaired and such assets were expensed in the fiscal year (Note 7).

Deferred Revenues

The Institute derives its revenue primarily from student tuition and fees. Revenue is recorded on the accrual basis of accounting. Deferred revenues primarily represent payments received from students relating to registrations for the following fall semester. Such amounts are recognized as revenue during the subsequent fiscal year (Note 3).

Refundable U.S. Government Grants

Funds provided by the Federal government under the Federal Perkins Student Loan program are loaned to qualified students with repayments directed back to the school (via its loan processing agent). The government ended the Perkins loan program on September 30, 2017, and final loan disbursements ceased on June 30, 2018. As outstanding loans continue to be collected, the funds are ultimately refunded to the government and unremitted funds are recorded within the accompanying statement of financial position as a liability.

Asset Retirement Obligation

The Institute recognizes the cost associated with the eventual remediation and abatement of asbestos located within its facilities. The cost of the abatement is based upon the estimate of a contractor who specializes in such abatements. The Institute recognized a net (decrease)/increase in these obligations of ($180,896) and $79,680 for the years ended June 30, 2024 and 2023, respectively. The obligation amounted to $1,413,467 and $1,594,363 at June 30, 2024 and 2023, respectively, and is included within the caption accounts payable and accrued liabilities in the accompanying statement of financial position. The conditional asset retirement obligation was calculated using an inflationary rate of 3.0% and a credit adjusted discount rate of 5.3% for the periods ended June 30, 2024 and 2023.

Net Assets

The net assets of the Institute and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions, as follows:

> Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and, therefore, are available to meet the Institute's objectives. Net assets without donor restrictions may also be designated by the Institute's Board of Trustees.
>
> With Donor Restrictions - net assets that are subject to donor-imposed restrictions that expire with the passage of time; can be fulfilled and removed by the actions of the Institute pursuant to those restrictions; or which may be perpetual.

Tuition and Fees Revenue

In accordance with Financial Accounting Standards Board ("FASB") ASC Topic 606, *Revenue from Contracts with Customers ("ASC 606")*, the Institute recognizes revenue when control of the promised goods or services are transferred to the Institute's students or outside parties in an amount that reflects the consideration the Institute 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 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 Institute has identified tuition and fees, state appropriations, and other revenues as revenue categories subject to the adoption of ASC 606. The Institute recognizes contracts with customers, as goods or services transferred or provided in accordance with ASC 606.

The carrying value of student receivables has been reduced by an estimated credit loss, based on historical collection experience, the current and future economic outlook and reasonable and supportable forecasts, and therefore, approximates net realizable value. Receivables are written off when they are deemed to be uncollectible. Amounts received in advance are reported as deferred revenues (Note 3).

Scholarships, Tuition Grants and Aid

The Institute maintains a policy of offering qualified applicants admission to the Institute without regard to financial circumstances. The Institute provides institutional financial aid to those admitted on the basis of merit or need in the form of direct grants or employment during the academic year. The Institute participates in certain student loan and grant programs. Under some of these programs, the Institute is required to make matching contributions of funds at contractual percentage rates.

Allocation of Expenses

Certain expenses of the Institute that relate to more than one activity were allocated among the Institute's respective functional expense categories. Allocated costs are predominantly related to the operations of the physical campus, and therefore are allocated on a square-footage basis by location, if appropriate, or across all Institute spaces. Depreciation, amortization, and interest expenses are also allocated on a square-footage basis across all Institute spaces.

Advertising Expense

The Institute expenses all advertising costs during the period in which they are incurred. Total advertising expense for the years ended June 30, 2024 and 2023 totaled $3,495,123 and $2,598,206, respectively, and is included as institutional support in the accompanying statement of activities.

Measure of Operations

The statement of activities distinguishes between operating and non-operating activities. Operating activities to carry out the mission of the Institute include all revenues and expenses that are an integral part of the Institute's educational programs and supporting activities. Non-operating activities include realized and unrealized gains or losses on real estate; investment return, net of amounts designated for operations; losses from the disposal of fixed assets; other real estate costs and postretirement benefit changes. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of non-operating activities.

Fair Value Measurements

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

Fair value accounting establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Institute for financial instruments on a recurring basis. The three levels of inputs are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same terms of the assets or liabilities; and

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

Concentration of Credit Risk

Financial instruments which potentially subject the Institute to concentrations of credit risk consist principally of temporary cash investments, marketable securities and limited partnerships. Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Institute maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits, and in a diversified investment portfolio. At June 30, 2024 and 2023, the Institute's cash and investments were placed with high-credit quality financial institutions and, accordingly, the Institute does not expect non-performance.

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. Significant estimates include allowance for doubtful student accounts and loans receivable; valuation of investments; valuation of right of use assets; a reserve for conditional asset retirement obligations; the liability for postretirement benefits; the liability for lease obligations and fair values of non-marketable investments, including real estate. Actual results could differ from those estimates.

Income Taxes

The Institute 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 Institute is exempt from federal income tax under IRC 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 Institute has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Institute has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, the Institute has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

NOTE 3 - REVENUE RECOGNITION

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

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from student health insurance and dining services. Generally, this other 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 and Fees
Revenues	$ 333,209,620
Less: student aid	(79,378,275)
Contract Price	$ 253,831,345

	Housing and Residential	Catering and Food Service	De Seversky Mansion	Student Insurance	Other	Sales and Services of Auxiliaries
Revenues	$ 3,777,070	$ 1,080,793	$ 2,289,597	$ 8,556,179	$ 37,105	$ 15,740,744
Less: student aid	(499,975)	-	-	-	-	(499,975)
Contract Price	$ 3,277,095	$ 1,080,793	$ 2,289,597	$ 8,556,179	$ 37,105	$ 15,240,769

For the Year Ended June 30, 2023:	Tuition and Fees
Revenues	$ 312,019,286
Less: student aid	(71,980,753)
Contract Price	$ 240,038,533

	Housing and Residential	Catering and Food Service	De Seversky Mansion	Student Insurance	Other	Sales and Services of Auxiliaries
Revenues	$ 3,429,505	$ 1,009,661	$ 3,494,652	$ 7,551,619	$ -	$ 15,485,437
Less: student aid	(23,089)	-	-	-	-	(23,089)
Contract Price	$ 3,406,416	$ 1,009,661	$ 3,494,652	$ 7,551,619	$ -	$ 15,462,348

Deferred revenue at June 30, 2024 and 2023 totaled $24,255,864 and $29,785,695, respectively, and primarily represents the Institute's performance obligation to transfer future enrollment and instructional services to students. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments. The related performance obligations are all expected to be satisfied within one year. The Institute has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

NOTE 4 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Institute's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity, the Institute can use a portion of the capital reserve fund or the quasi-endowment fund for general expenditures with the approval from the Institute's Board of Trustees, subject to investment liquidity provisions.

The following reflects the Institute's financial assets as of June 30, 2024 and 2023, and the amounts of those financial assets that could readily be made available within one year to meet general expenditures. Amounts available include the Board-approved appropriation from the endowment fund for the following year. Amounts not available include contributions receivable that are subject to donor-imposed restriction upon receipt.

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 42,208,235	$ 58,850,392
Grants receivable	3,464,480	3,336,351
Student accounts receivable, net	4,321,277	4,515,150
Student loans receivable, net	3,843,006	4,606,903
Contributions receivable, net	1,043,604	1,406,415
Investments, at fair value	153,860,907	130,297,889
Other assets	630,872	811,281
Funds held in trust	96,495,598	54,872
Financial assets, at period end	305,867,979	203,879,253
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Donor-restricted endowment	(12,481,374)	(11,390,722)
Contributions receivable due in greater than one year	(610,104)	(850,415)
Donor-restricted contributions receivable due within one year	(433,500)	(556,000)
Student loans receivable, net	(3,843,006)	(4,606,903)
Funds held in trust	(96,495,598)	(54,872)
Board-designations:		
Quasi-endowment fund	(104,439,847)	(88,713,643)
Capital reserve fund	(36,951,772)	(30,326,355)
Endowment spending distribution:		
Fiscal year appropriation 2025 and 2024, respectively	3,868,785	4,411,756
Financial assets available to meet cash needs for general expenditures within one year	54,481,563	71,792,099
Liquidity resources:		
Line of credit	8,243,505	8,243,505
Financial assets and liquidity resources available to meet cash needs for general expenditures within one year	$ 62,725,068	$ 80,035,604

NOTE 5 - INVESTMENTS

The fair value of investments at June 30, 2024 and 2023 is as follows:

	2024	2023
Money market funds	$ 6,024,327	$ 1,236,713
Mutual funds	38,168,135	30,798,115
Common stock	67,104,607	50,863,131
Corporate bonds	26,516,283	25,292,757
Hedge funds	-	7,645,568
Partnership and other investments	16,047,555	14,461,605
	$ 153,860,907	$ 130,297,889
Endowment investments	$ 116,909,135	$ 99,971,534
Capital reserve	36,951,772	30,326,355
	$ 153,860,907	$ 130,297,889

Investment return, net, for the years ended June 30, 2024 and 2023 is as follows:

	Endowment Investments	Capital Reserve	Total 2024
Investment income:			
Dividends and interest	$ 2,637,659	$ 1,288,776	$ 3,926,435
Realized gain/(loss)	503,549	16,837	520,386
Unrealized gain/(loss)	8,030,747	1,115,729	9,146,476
Expenses	(423,860)	(73,874)	(497,734)
	$ 10,748,095	$ 2,347,468	$ 13,095,563

	Endowment Investments	Capital Reserve	Total 2023
Investment income:			
Dividends and interest	$ 2,148,690	$ 1,329,024	$ 3,477,714
Realized gain/(loss)	(284,550)	(2,208,945)	(2,493,495)
Unrealized gain/(loss)	4,551,529	2,137,363	6,688,892
Expenses	(857,279)	(105,331)	(962,610)
	$ 5,558,390	$ 1,152,111	$ 6,710,501

The following table summarizes the Institute's fair value hierarchy for its investments, measured at fair value, as of June 30, 2024:

	Level 1	Level 2	Total
Mutual funds	$ 38,168,135	$ -	$ 38,168,135
Common stock	67,104,607	-	67,104,607
Corporate bonds	-	26,516,283	26,516,283
	$ 105,272,742	$ 26,516,283	$ 131,789,025
Money market			6,024,327
Alternative investments at NAV			16,047,555
Investments, at fair value			$ 153,860,907

The following table summarizes the Institute's fair value hierarchy for its investments, measured at fair value, as of June 30, 2023:

	Level 1	Level 2	Total
Mutual funds	$ 30,798,115	$ -	$ 30,798,115
Common stock	50,863,131	-	50,863,131
Corporate bonds	-	25,292,757	25,292,757
	$ 81,661,246	$ 25,292,757	$ 106,954,003
Money market			1,236,713
Alternative investments at NAV			22,107,173
Investments, at fair value			$ 130,297,889

The Institute has entered into agreements with private equity and external investment managers, which include commitments to make periodic cash disbursements in future periods. The expected amounts of these disbursements as of June 30, 2024 and 2023 are broken out in the Net Asset Value ("NAV") table.

The Institute utilizes the "practical expedient" to estimate the fair value of investments in various investment funds that have a calculated value of their capital account or NAV in accordance with, or in a manner consistent with U.S. GAAP whereby there is limited market activity. The practical expedient is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the entity expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with U.S. GAAP.

The Institute performs additional procedures including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided to ensure conformity with U.S. GAAP. The Institute has assessed factors including, but not limited to, manager's compliance with fair value measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

The Institute uses the NAV to determine the fair value of all the underlying investments, which do not have a readily determinable fair value and prepare their financial statement consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list investments in limited partnerships, private equities and hedge funds by major category.

2024

Category	Strategy	NAV in Funds	Number of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity and other	Funds with an investment diversification strategy	$ 13,577,799	11	$ 11,250,823	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	2,366,036	2	-	Quarterly with 95 days notice	Redemption at discretion of general partners and upon liquidation of fund
Equity funds (non-registered)	Diversified portfolio of global equity and equity like investments	61,066	1	156,579	None	Redemption at discretion of general partners and upon liquidation of fund
Equity funds (non-registered)	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	42,654	1	1,126,495	None; close end fund	Redemption at discretion of general partners and upon liquidation of fund
		$ 16,047,555	15	$ 12,533,897		

2023						
Category	Strategy	NAV in Funds	Number of Funds	Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Private equity and other	Funds with an investment diversification strategy	$ 11,620,321	9	$ 10,444,587	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Portfolio consisting of non-performing and re-performing mortgage credit loans	402	1	-	None	Redemption at discretion of general partners and upon liquidation of fund
Private equity and other	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	2,669,227	2	-	Quarterly with 95 days notice	Redemption at discretion of general partners and upon liquidation of fund
Equity funds (non-registered)	Diversified portfolio of global equity and equity like investments	93,741	2	313,330	None	Redemption at discretion of general partners and upon liquidation of fund
Equity funds (non-registered)	Real estate private equity, seeking high annual returns through direct property ownership, financing and operating public and private real estate	77,913	2	1,645,864	None; close end fund	Redemption at discretion of general partners and upon liquidation of fund
Hedge funds	Diverse global equity and credit strategies with concentrations in event-driven, arbitrage, and value opportunities	7,645,569	1	N/A	Monthly, quarterly, bi-annually, and annually, with 30-90 days' notice	None
		$ 22,107,173	17	$ 12,403,781		

NOTE 6 - STUDENT LOANS RECEIVABLE AND REFUNDABLE GOVERNMENT GRANTS

The Institute makes uncollateralized loans to students based on financial need. Student loans are funded mainly through Federal government loan programs.

The following is an analysis of gross student loans receivable aging as of June 30, 2024 and 2023:

	2024	2023
Past due:		
1-120 days	$ 53,951	$ 91,837
Greater than 120 days	101,474	64,307
Collections	288,999	395,793
Total past due	444,424	551,937
Current	3,475,851	4,129,199
Total gross student loans receivable	3,920,275	4,681,136
Less: reserve	(77,269)	(74,233)
	$ 3,843,006	$ 4,606,903

The Institute's receivable includes the amounts due from current and former students. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio. Management's assessment includes review of general economic conditions; a detailed review of the aging of the student loan receivable detail and a review of the default rate by loan category in comparison to prior years; the financial condition of specific borrowers; the level of delinquent loans; the value of any collateral and, where applicable, the existence of any guarantees or indemnifications. The level of the allowance is adjusted based on the results of management's analysis.

Loans disbursed under the Federal government loan programs are able to be assigned to the Federal government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT, NET

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

	2024	2023
Land	$ 4,798,837	$ 4,798,837
Buildings and leasehold improvements	216,218,648	252,791,077
Machinery, equipment, furniture and software	42,426,674	109,357,044
Construction in progress	31,897,920	6,319,835
Less: accumulated depreciation	(163,836,950)	(262,166,300)
	$ 131,505,129	$ 111,100,493

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to $17,025,252 and $17,258,693, respectively. For the year ended June 30, 2024 the Institute performed a review of all assets to determine if assets were inactive or impaired which resulted in $7,693,137 being expensed in the non-operating activities portion of the accompanying statement of activities. In addition, the Institute reduced the cost and accumulated depreciation noted in the table above for fully depreciated assets by $115,300,168. The Institute capitalized interest in the amount of $442,246 for the year ended June 30, 2024.

NOTE 8 - BONDS PAYABLE

The following is a summary of bonds payable at June 30, 2023 and 2022:

	2024	2023
Dormitory Authority of the State of New York, taxable revenue bonds, Series 2016A (the “Series 2016A” bonds), 3.19% to 3.36%, maturing 2024	$ -	$ 1,365,000
Dormitory Authority of the State of New York, taxable revenue bonds, Series 2020A (the “Series 2020A” bonds), 2.72% to 3.61%, maturing 2030	-	17,185,000
Dormitory Authority of the State of New York, tax-exempt revenue bonds, Series 2024 (the “Series 2024” bonds), 5.00% to 5.25%, maturing 2054	100,000,000	-
Add: Unamortized bond premium	9,665,916	-
Less: Unamortized bond issuance costs	(992,556)	(471,575)
Total bonds payable	$ 108,673,360	$ 18,078,425

In September 2023, the Institute transferred $18,015,774 to an irrevocable trust with an escrow agent to legally defease the remaining principal and interest balances for the Series 2016A and Series 2020A bonds.

In March 2024, the Institute issued $100,000,000 in federal and New York State tax exempt bonds through the Dormitory Authority of the State of New York. The Series 2024 bonds were issued for the purpose of providing funds which, together with other available money, will be used by the Institute to pay the costs of improvements on both the Long Island and New York City campuses, to pay capitalized interest on the Series 2024 Bonds for approximately sixteen months and to pay the costs of issuance incidental to the issuance of the Series 2024 Bonds.

The schedule below shows future principal payments for the Series 2024 bonds.

Years Ending June 30,	
2025	$ -
2026	-
2027	1,700,000
2028	1,785,000
2029	1,875,000
2030 - 2054	94,640,000
Total	$ 100,000,000

Per the terms of the bond indenture principal payments for the Series 2024 Bonds will begin during the year ending June 30, 2027. The Institute is obligated to comply with some financial covenants in conjunction with its outstanding debt portfolio. The Institute was in compliance with all financial covenants at June 30, 2024 and 2023.

Deferred Interest Cost

Costs related to the issuance of the debt are deferred and amortized over the life of the related debt. At June 30, 2024 and 2023, net deferred bond issuance costs totaled $992,556 and $471,575, respectively. For the years ended June 30, 2024 and 2023, amortization expense amounted to $46,226 and $103,661, respectively.

NOTE 9 - POSTRETIREMENT BENEFITS

The Institute sponsors defined benefit health care plans that provide postretirement medical benefits to all employees who meet certain eligibility requirements. The plans are pay-as-you-go. The Institute has a liability associated with its postretirement health benefits obligation recorded on the statement of financial position.

In fiscal 2013, the Institute changed the payment of postretirement benefits for existing employees to a fixed-reimbursement model, effective on January 1, 2013. No employee hired on or after September 1, 2013 is eligible for postretirement medical benefits under this plan. As a result, the Institute realized a reduction in the postretirement benefit obligation of $34,272,262 in the non-operating expense line in 2013, and that amount is being amortized into operational expense over the remaining working lives of the affected employees.

The status of the plan at June 30, 2024 and 2023 is as follows:

	2024	2023
Change in accumulated postretirement benefit obligation:		
Benefit obligation at July 1	$ (5,123,272)	$ (5,786,964)
Service cost	(122,714)	(159,875)
Interest cost	(270,669)	(252,715)
Benefits paid	480,294	628,829
Actuarial gain	(6,338)	447,453
Benefit obligation at June 30	$ (5,042,699)	$ (5,123,272)
Change in plan assets:		
Fair value of plan assets at July 1	$ -	$ -
Contributions	480,294	628,829
Benefits paid	(480,294)	(628,829)
Fair value of plan assets at June 30	$ -	$ -
Funded status of the plan:		
Accumulated employer contribution in excess of net periodic benefit cost	$ (7,951,670)	$ (10,334,178)
Unrecognized prior service credit	4,702,884	7,129,679
Unrecognized net losses	(1,793,913)	(1,918,773)
Net accrued benefit liabilities, recognized in the statement of financial position	$ (5,042,699)	$ (5,123,272)
Cost recognized in the statement of activities:		
Service cost	$ (122,714)	$ (159,875)
Interest cost	(270,669)	(252,715)
Amortization of actuarial loss	(131,198)	(181,107)
Amortization of prior credit	2,426,795	2,426,795
Net postretirement credit	$ 1,902,214	$ 1,833,098
Changes other than net periodic postretirement benefit cost:		
Actuarial gain (loss)	$ (6,338)	$ 447,453
Amortization of unrecognized amounts	(2,295,597)	(2,245,688)
Total changes other than net periodic postretirement benefit costs	$ (2,301,935)	$ (1,798,235)

The amortized components of net periodic benefit cost expected to be recognized in fiscal year 2025 are $2,426,795 for the amortization of prior service credit and $126,188 for the amortization of unrecognized net loss.

The significant actuarial assumptions used in the determination of actuarial present value of the projected benefit obligation and net periodic pension costs are:

Weighted-average discount rate	5.561%
Healthcare cost trend rate	Trend rates were not applicable in this assumption
Measurement date	June 30, 2024

Benefits expected to be paid in cash for the next period beginning July 1 are as follows:

2025	$	493,882
2026		512,648
2027		519,061
2028		594,800
2029		501,326
2030-2034		2,334,843

Estimated employer contributions expected to be paid by the Institute during the fiscal year ending June 30, 2025 total $493,882.

NOTE 10 - RETIREMENT PLAN

The Institute has a contributory defined contribution retirement plan funded through the Teachers Insurance and Annuity Association for substantially all full-time employees. Contributions are based on a percentage of the participants' salaries. Total contributions under this plan for the years ended June 30, 2024 and 2023 totaled $6,963,126 and $6,550,257, respectively.

NOTE 11 - ENDOWMENT

The Institute has endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Act of 2006 ("UPMIFA"). New York State adopted UPMIFA in September 2010 ("NYPMIFA").

The Institute's endowment consists of investments in 54 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Institute has interpreted relevant New York law, absent explicit donor stipulations to the contrary, to act in good faith and with care that an ordinary person in a like position would exercise under similar circumstances in making determinations to appropriate or accumulate endowment funds, taking into account both its obligation to preserve the value of the endowment and its obligation to use the endowment to achieve the purposes for which it was donated. As a result of this interpretation, the Institute classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund beyond the corpus continues to be classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Institute in a manner consistent with the standard of prudence prescribed by New York law.

In accordance with NYPMIFA the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- the duration and preservation of the fund;
- the purposes of the Institute and the donor-restricted endowment fund;
- general economic conditions;
- the possible effect of inflation or deflation;
- the expected total return from income and the appropriation of investments;
- other resources of the Institute; and
- the investment policy of the Institute.

The Institute has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 6.5% over the long term. Actual returns in any given year may vary from this amount. Annually, the Institute approves the endowment distribution for the following fiscal year. The endowment distribution is based on a formula-driven model, intended to lend stability to the Institute's annual operating budget. The distribution is based on an amount ranging from 5.0% to 6.0% of a three-year moving average of endowment market values, lagged by one year. The Board approves the distribution annually as part of the budget process. Differences between the endowment distribution and actual endowment earnings appear in the non-operating section of the statement of activities. From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the Institute may spend below the historical dollar value of its endowment funds unless specific donors have stipulated to the contrary. There were no deficiencies of this nature at June 30, 2024 and 2023.

To satisfy its long-term rate-of-return objectives, the Institute 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 Institute targets a diversified asset allocation that places a greater emphasis on equity based and alternative investments to achieve its long-term objective within prudent risk constraints.

At June 30, 2024, the endowment net asset composition by type of fund consisted of the following:

		With Donor Restrictions			
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	Total Funds
Board-designated endowment funds	$ 104,439,847	$ -	$ -	$ -	$ 104,439,847
Donor-restricted endowment funds	-	6,089,832	6,391,542	12,481,374	12,481,374
Total endowment funds	$ 104,439,847	$ 6,089,832	$ 6,391,542	$ 12,481,374	$ 116,921,221

At June 30, 2023, the endowment net asset composition by type of fund consisted of the following:

		With Donor Restrictions			
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	Total Funds
Board-designated endowment funds	$ 88,713,643	$ -	$ -	$ -	$ 88,713,643
Donor-restricted endowment funds	-	5,178,108	6,212,614	11,390,722	11,390,722
Total endowment funds	$ 88,713,643	$ 5,178,108	$ 6,212,614	$ 11,390,722	$ 100,104,365

At June 30, 2024 and 2023, pledges to donor-restricted funds, net of allowance for doubtful accounts and discount to present value was $110,288 and $164,557, respectively.

Changes in endowment net assets for the fiscal year ended June 30, 2024 consisted of the following:

		With Donor Restrictions			
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	Total Funds
Endowment net assets at beginning of period	$ 88,713,643	$ 5,178,108	$ 6,212,614	$ 11,390,722	$ 100,104,365
Investment return:					
Investment income	2,368,061	269,598	-	269,598	2,637,659
Management and administrative fees	(380,479)	(43,381)	-	(43,381)	(423,860)
Net appreciation (depreciation) (realized and unrealized)	7,660,832	873,464	-	873,464	8,534,296
Total investment return	9,648,414	1,099,681	-	1,099,681	10,748,095
Contributions	-	-	155,028	155,028	155,028
Transfer from Capital Reserve fund	10,000,000	-	-	-	10,000,000
Distribution for spending	(3,923,310)	(488,446)	-	(488,446)	(4,411,756)
Reinvested spending / change in donor intent	1,100	300,489	23,900	324,389	325,489
Endowment net assets at end of period	$ 104,439,847	$ 6,089,832	$ 6,391,542	$ 12,481,374	$ 116,921,221

Changes in endowment net assets for the fiscal year ended June 30, 2023 consisted of the following:

		With Donor Restrictions			
	Without Donor Restrictions	Purpose Gifts & Accumulated Gains (Losses)	Historic Book Value	Total	Total Funds
Endowment net assets at beginning of period	$ 67,460,325	$ 4,748,822	$ 6,031,638	$ 10,780,460	$ 78,240,785
Investment return:					
Investment income	1,896,200	252,490	-	252,490	2,148,690
Management and administrative fees	(756,541)	(100,738)	-	(100,738)	(857,279)
Net appreciation (depreciation) (realized and unrealized)	3,765,572	501,407	-	501,407	4,266,979
Total investment return	4,905,231	653,159	-	653,159	5,558,390
Contributions	507,055	-	181,976	181,976	689,031
Transfer from Capital Reserve fund	20,000,000	-	-	-	20,000,000
Distribution for spending	(4,158,968)	(459,182)	-	(459,182)	(4,618,150)
Reinvested spending / change in donor intent	-	235,309	(1,000)	234,309	234,309
Endowment net assets at end of period	$ 88,713,643	$ 5,178,108	$ 6,212,614	$ 11,390,722	$ 100,104,365

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2024 and 2023, net assets with donor restrictions consisted of the following:

	2024	2023
Professorship	$ 950,332	$ 774,456
Professorship (held in perpetuity)	1,000,000	1,000,000
Scholarships	5,623,583	4,816,019
Scholarships (held in perpetuity)	5,392,641	5,212,613
Contributions receivable, net	971,816	1,241,858
Contributions receivable, net (held in perpetuity)	110,288	164,557
Other restricted activities	1,649,237	1,730,115
Total net assets with donor restrictions	$ 15,697,897	$ 14,939,618

Net assets released from restrictions were as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Scholarships	$ 328,601	$ 651,589
Academic Support	282,838	43,561
Research, Training, & Public Service	198,597	156,223
Total net assets released from donor restrictions	$ 810,036	$ 851,373

NOTE 13 - FUND-RAISING EXPENSES

In the accompanying statement of activities, institutional support includes fund-raising expenses for contributions, grants and contracts. For the years ended June 30, 2024 and 2023, the Institute incurred fund-raising expenses of $2,628,718 and $2,470,698, respectively.

NOTE 14 - LEASES

The Institute determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Institute determines these assets are leased because the Institute has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Institute determines it does not have the right to control and direct the use of the identified asset. The Institute's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Institute determines lease classification as operating or finance at the lease commencement date. ROU assets and lease liabilities for operating leases are included in the statement of financial position and presented separately based on the classification of the underlying lease arrangement. ROU assets and lease liabilities for financing leases are included within the captions property, plant and equipment, and accounts payable and accrued liabilities, respectively, in the statement of financial position.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of all lease liabilities, the discount rate was provided by appraisal from a widely recognized bank. Operating lease expense is generally recognized on a straight-line basis over the lease term.

The Institute has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of various equipment leases. Termination of the leases generally are prohibited unless there is a violation under the lease agreement. Future minimum lease payments under capital lease obligations beyond June 30, 2024 are as follows:

Years Ending June 30,	Total
2025	$ 286,630
Total minimum lease payments	286,630
Less: amount representing interest	(5,058)
Present value of net minimum lease payments	$ 281,572

Supplemental balance sheet information related to financial leases at June 30, 2024 and 2023 follows:

	2024	2023
ROU Assets	$ 1,072,693	$ 1,072,693
Less: accumulated amoritization	(938,607)	(670,693)
	$ 134,086	$ 402,000
Weighted-average remaining lease term:	1 year	2 years
Weighted-average dicount rate:	3.30%	3.30%

Operating Leases

The Institute has several non-cancellable operating leases for space in New York, Arkansas, and Vancouver, Canada, that expire in various years through 2036. Some of these leases require payment of real estate taxes and escalations. Total rent expense for the years ending June 30, 2024 and 2023 were $17,405,669 and $16,184,683, respectively.

Future minimum payments required under operating leases are as follows:

	Operating Leases
2025	$ 18,241,691
2027	18,629,277
2028	17,753,980
2029	17,549,054
2030	18,437,729
Thereafter	87,451,408
Total minimum lease payments	178,063,139
Less: amount representing interest	(34,269,729)
Present value of net minimum lease payments	$ 143,793,410

In addition to the operating leases noted above, the institute has contractual obligations totaling $4,166,667 that expire in fiscal year 2029.

Supplemental balance sheet information related to financial leases at June 30, 2024 and 2023 follows:

	2024	2023
ROU Assets	$ 162,996,604	$ 136,163,249
Less: accumulated amoritization	(34,517,519)	33,043,656
	$ 128,479,085	$ 103,119,593
Weighted-average remaining lease term:	9.4 years	10.3 years
Weighted-average dicount rate:	3.92%	3.86%

The components of lease costs for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Operating lease cost	$ 17,123,577	$ 13,561,009
Financing lease cost		
Amoritization of ROU asset	272,444	362,044
Interest on lease liabilities	14,186	23,165

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2023 follows:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 17,410,730	$ 13,249,018
Financing cash flows from operating leases	272,444	304,136

Litigation

The Institute has been named as a defendant in various legal actions claiming damages in connection with various matters. Management believes, on the basis of its understanding and consideration of these matters, that these actions will not result in payments of amounts, if any, which would have a material adverse effect on the financial statements.

Line of Credit and Standby Letter of Credit

The Institute has one unsecured line of credit of $10,000,000 with a commercial bank. The line is subject to renewal with consent from both parties. There were no borrowings under the line of credit at June 30, 2024 and 2023. Under the $10,000,000 line of credit, expiring December 31, 2024, $1,756,495 is reserved for open Standby Letters of Credit for security deposits. As of June 30, 2024, the net amount available for borrowing on the $10,000,000 line of credit is $8,243,505. The interest rate on the $10,000,000 line of credit is SOFR plus 150 basis points.

Subsequent Events

The Institute has evaluated subsequent events and transactions that occurred after the statement of financial position date of June 30, 2023 through October 24, 2024 the date these financial statements were available to be issued and noted the following matters.

No other matters were noted that would require recognition or disclosure in the financial statements.

NOTE 15 - NATURAL CLASSIFICATION OF EXPENSES

The Institute allocates operation and maintenance of plant, depreciation and amortization, and interest expense based on proportional expenditures using estimates of building square footage and the functional use of each facility financed by debt. The Institute's primary program service is academic instruction. Expenses reported as academic support, student services, and institutional support are incurred in support of this primary program activity. Expenses by their natural classification and function are presented as follows for the fiscal years ended June 30, 2024 and 2023:

	2024 Function Expense Category as per Statement of Activities								
Natural Expense Category	**Instruction**	**Academic Support**	**Student Services**	**Research, Training and Public Service**	**Auxiliary Enterprises**	**Institutional Support**	**Operation and Maintenance of Plant**	**Total FY2024**	**Total FY2023**
Salaries and wages	$69,116,647	$9,609,359	$10,774,985	$7,211,980	$1,279,570	$19,478,893	$7,145,587	$ 124,617,021	$ 119,799,558
Benefits	21,426,391	3,406,522	3,658,287	2,026,731	424,612	6,768,515	2,542,127	40,253,185	36,929,459
Contract services and partner fees	4,781,951	1,143,335	381,297	1,360,778	426,273	6,216,900	4,227,435	18,537,969	17,065,786
Travel, conferences and hospitality	1,341,712	765,830	2,333,411	462,736	30,435	664,369	34,520	5,633,013	4,802,533
Professional services	149,814	142,579	2,325,341	80,509	-	1,859,478	1,103,937	5,661,658	4,769,429
Supplies	1,573,727	1,957,423	332,447	1,971,066	631,790	1,160,029	224,143	7,850,625	7,305,472
Licensing and software costs	508,668	3,863,533	48,527	208,594	16,444	3,149,218	97,130	7,892,114	6,856,971
Space rental	2,204,794	469,920	107,656	319,192	4,774,043	314,853	12,744,157	20,934,615	20,490,173
Depreciation and amortization	6,992,236	1,079,287	1,592,078	239,023	147,062	7,021,792	-	17,071,478	17,362,613
Insurance	178,285	2,193	-	664,216	8,244,620	4,119,200	31,372	13,239,886	11,020,248
Interest expense	67,145	10,364	15,289	2,295	1,412	67,430	-	163,935	687,309
Sales and other taxes	3,135,506	-		-	-	117,139	-	3,252,645	2,568,945
Litigation	-	-	-	-	-	2,400,000	-	2,400,000	3,168,520
Other	705,333	518,479	794,200	1,539,634	117,448	2,935,116	1,893,242	8,503,452	10,093,228
Operation and maintenance of plant	13,630,899	1,874,862	2,186,422	552,531	303,399	13,783,914	(30,043,650)	2,288,377	6,548,554
Total	$ 125,813,108	$ 24,843,686	$ 24,549,940	$ 16,639,285	$ 16,397,108	$ 70,056,846	$ -	$ 278,299,973	$ 269,468,798

New York Institute of Technology

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

	2023 Function Expense Category as per Statement of Activities							
Natural Expense Category	**Instruction**	**Academic Support**	**Student Services**	**Research, Training and Public Service**	**Auxiliary Enterprises**	**Institutional Support**	**Operation and Maintenance of Plant**	**Total FY2023**
Salaries and wages	$ 68,636,478	$ 8,775,554	$ 10,527,012	$ 6,785,456	$ 1,427,988	$ 17,538,452	$ 6,108,618	$ 119,799,558
Benefits	20,773,709	3,093,139	3,449,294	1,748,217	457,046	5,212,053	2,196,001	36,929,459
Contract services and partner fees	6,119,211	1,296,879	345,969	931,274	406,429	4,603,521	3,362,503	17,065,786
Travel, conferences and hospitality	1,055,138	514,359	2,226,452	382,079	34,640	550,279	39,586	4,802,533
Professional services	60,809	14,525	2,285,347	4,929	-	2,214,782	189,037	4,769,429
Supplies	1,155,321	2,004,203	258,202	1,904,905	630,472	1,149,112	203,257	7,305,472
Licensing and software costs	477,148	3,647,015	81,115	100,621	5,091	2,497,792	48,189	6,856,971
Space rental	2,997,324	415,152	90,712	299,788	3,631,834	265,236	12,790,127	20,490,173
Depreciation and amortization	7,111,480	1,097,693	1,619,230	243,099	149,570	7,141,541	-	17,362,613
Insurance	121,141	7,324	-	668,008	7,173,370	3,050,405	-	11,020,248
Interest expense	281,512	43,453	64,098	9,623	5,921	282,702	-	687,309
Sales and other taxes	2,163,696	-	-	-	-	405,249	-	2,568,945
Litigation	-	-	300,000	-	-	2,868,520	-	3,168,520
Other	282,959	454,482	1,588,655	300,853	168,698	4,824,481	2,473,100	10,093,228
Operation and maintenance of plant	13,872,053	2,089,933	2,403,211	1,387,461	314,043	13,892,271	(27,410,418)	6,548,554
Total	$ 125,107,979	$ 23,453,711	$ 25,239,297	$ 14,766,313	$ 14,405,102	$ 66,496,396	$ -	$ 269,468,798