MANHATTAN COLLEGE

Financial Statements

June 30, 2024
(with summarized comparative financial information as of and for the year ended June 30, 2023)

(With Independent Auditors’ Report Thereon)

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

Independent Auditors' Report

The Board of Trustees
Manhattan College:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manhattan College (the College), which comprise the balance sheet as of June 30, 2024, and the related statements of activities and cash flows for the year 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 the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audit. 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 U.S. generally accepted accounting principles, 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 that the financial statements are available to be issued.

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

KPMG

In performing an audit in accordance with GAAS, we:

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

Report on Summarized Comparative Information

We have previously audited the College's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

New York, New York
December 19, 2024

MANHATTAN COLLEGE

Balance Sheet

June 30, 2024
(with comparative financial information as of June 30, 2023)

Assets	**2024**	**2023**
Cash	$ 15,631,087	14,811,457
Student accounts receivable (net of allowance for uncollectible amounts of $411,000 in 2024 and $254,000 in 2023)	2,380,354	2,438,418
Government grants and other receivables	1,085,816	1,013,423
Contributions receivable, net (note 7)	21,148,486	25,021,293
Investments (note 3)	152,253,543	148,243,620
Student loans receivable (net of allowance for uncollectible amounts of $122,000 in 2024 and 2023)	171,675	394,432
Funds held by bond trustee (note 3)	161,073	161,062
Other assets	1,341,435	1,227,980
Property, plant, and equipment, net (note 5)	230,392,200	238,073,144
Total assets	$ 424,565,669	431,384,829
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 15,409,140	12,092,187
Deferred revenue and student deposits (note 8)	9,263,162	9,149,518
Liability under planned giving agreements	909,736	1,260,213
Long-term debt, net (note 6)	87,929,221	90,043,099
Other liabilities	3,042,796	3,135,342
U.S. government grants refundable	622,765	716,424
Total liabilities	117,176,820	116,396,783
Commitments and contingencies (notes 6 and 11)		
Net assets (note 4):		
Net assets without donor restrictions	123,405,921	147,350,386
Net assets with donor restrictions	183,982,928	167,637,660
Total net assets	307,388,849	314,988,046
Total liabilities and net assets	$ 424,565,669	431,384,829

See accompanying notes to financial statements.

MANHATTAN COLLEGE

Statement of Activities

Year ended June 30, 2024
(with summarized financial information for the year ended June 30, 2023)

	Without donor restrictions	With donor restrictions	Total 2024	Total 2023
Revenues:				
Student services (net of financial aid of $82,611,572 and $81,058,159) (note 8)	$ 95,484,068	—	95,484,068	97,876,254
Contributions (note 7)	6,648,119	7,076,832	13,724,951	20,833,644
Investment return, net (note 3)	37,804	18,780,522	18,818,326	13,552,640
Government grants and contracts	2,243,755	3,509,733	5,753,488	4,441,803
Other revenue	4,239,908	—	4,239,908	4,480,478
Net assets released from restrictions	10,664,191	(10,664,191)	—	—
Total revenues	119,317,845	18,702,896	138,020,741	141,184,819
Expenses (note 9):				
Instruction	52,744,194	—	52,744,194	55,305,118
Research and sponsored programs	1,521,106	—	1,521,106	929,326
Academic support	12,514,961	—	12,514,961	14,401,658
Student services	45,500,036	—	45,500,036	49,515,221
Institutional support	33,339,641	—	33,339,641	28,552,403
Total expenses	145,619,938	—	145,619,938	148,703,726
(Deficiency) excess of revenue over expenses before gain on sale of real estate	(26,302,093)	18,702,896	(7,599,197)	(7,518,907)
Gain on sale of real estate (note 5)	—	—	—	16,118,696
(Deficiency) excess of revenue over expenses after sale of real estate and before other changes	(26,302,093)	18,702,896	(7,599,197)	8,599,789
Other changes:				
Net assets released from restrictions related to capital projects	2,357,628	(2,357,628)	—	—
(Decrease) increase in net assets	(23,944,465)	16,345,268	(7,599,197)	8,599,789
Net assets at beginning of year	147,350,386	167,637,660	314,988,046	306,388,257
Net assets at end of year	$ 123,405,921	183,982,928	307,388,849	314,988,046

See accompanying notes to financial statements.

MANHATTAN COLLEGE

Statement of Cash Flows

June 30, 2024
(with comparative financial information as of June 30, 2023)

		2024	2023
Cash flows from operating activities:			
(Decrease) increase in net assets	$	(7,599,197)	8,599,789
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:			
Accretion expense		81,000	96,000
Provision for doubtful student accounts receivable		640,000	430,000
Contributions and grants restricted for long-term investment and capital projects		(6,012,663)	(771,484)
Depreciation expense		13,404,185	11,973,075
Other expense		1,675,979	—
Gain on the sale of real estate		—	(16,118,696)
Net appreciation in fair value of investments		(14,558,113)	(10,772,752)
Amortization of deferred bond issuance costs		52,570	52,570
Accretion of original issue premium		(356,448)	(356,448)
Changes in operating assets and liabilities:			
Student accounts receivable		(581,936)	(538,685)
Government grants and other receivables		(72,393)	(79,071)
Contributions receivable		1,887,807	(1,358,801)
Other assets		(113,455)	279,001
Accounts payable and accrued expenses		2,866,692	(3,588,254)
Deferred revenues and student deposits		113,644	(493,364)
Other liabilities		(173,546)	(166,086)
U.S. government grants refundable		(93,659)	(106,124)
Net cash used in operating activities		(8,839,533)	(12,919,330)
Cash flows from investing activities:			
Proceeds from sale of real estate		—	18,000,000
Proceeds from the sale of investments		146,045,121	2,307,591
Purchase of investments		(135,496,931)	(7,955,083)
Payments on student loans		222,757	144,930
Acquisitions of property, plant, and equipment		(6,948,959)	(19,908,398)
Net cash provided by (used in) investing activities		3,821,988	(7,410,960)
Cash flows from financing activities:			
Contributions and grants restricted for long-term investment and capital projects		7,997,663	771,484
Increase in funds held by bond trustee		(11)	(16)
Payment on long-term debt		(1,810,000)	(1,720,000)
(Decrease) increase in liability under planned giving agreements		(350,477)	322,977
Net cash provided by (used in) financing activities		5,837,175	(625,555)
Net increase (decrease) in cash		819,630	(20,955,845)
Cash at beginning of year		14,811,457	35,767,302
Cash at end of year	$	15,631,087	14,811,457
Supplemental disclosure of cash flow information:			
Cash paid during the year for interest	$	3,709,994	3,798,244
Non-cash settlement of contributions receivable through stock donation		—	2,117,879

See accompanying notes to financial statements.

(1) Organization

Manhattan College (the College) is a private independent institution of higher learning. The College was founded by the Brothers of the Christian Schools, an order organized by St. John Baptist de La Salle, an educational leader and social reformer. The College was incorporated by the Regents of the State of New York in 1863. Its principal campus is located on approximately 22 acres in the Riverdale Section of Bronx County in the City of New York. The College is exempt from federal income tax under the provisions of Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

On July 15, 2024, the Board of Regents of the University of the State of New York, on behalf of the State Education Department, voted and granted the College's application to amend its charter and change its name to Manhattan University effective August 1, 2024. No change in mission or purpose of operations accompanied the name change.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The College's financial statements are prepared on the accrual basis of accounting in accordance with standards established by the Financial Accounting Standards Board (FASB) for external financial reporting by not-for-profit organizations. Accordingly, net assets of the College and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions, including board-designated funds.

With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the College or the passage of time. These net assets also include net assets subject to donor-imposed restrictions, which stipulate that the principal be maintained permanently by the College, but permit the College to expend part or all of the income and gains derived therefrom.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Expiration of donor restrictions on net assets is reported as net assets released from restrictions.

(b) Release of Restrictions on Net Assets Held for Acquisition of Property, Plant, and Equipment

Contributions of property, plant, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues in the net assets with donor restrictions classification and are released from restriction within the same year. Contributions of cash or other assets to be used to acquire property, plant, and equipment with such donor stipulations are reported as revenues in the net assets with donor restrictions classification; the restrictions are considered to be released at the time such long-lived assets are placed into service.

(c) Cash Equivalents

The College considers all highly liquid securities that have an original maturity of three months or less at the time of purchase to be cash equivalents, except for those short-term investments purchased by the College's investment managers as part of their investment strategy and included in investments and funds held by bond trustee.

(d) Investments

The College's investments (including investments held by bond trustees) are reported at estimated fair value based upon quoted or published market prices or, with respect to alternative investments, at estimated fair value using net asset values, as a practical expedient, provided by the fund manager. The net asset value is reviewed and evaluated by the College. Due to the inherent uncertainties of the estimate, the value may differ from the values that would have been used had a ready market existed for such investment.

(e) Property, Plant, and Equipment

Property, plant, and equipment are valued as follows:

- Buildings, improvements, and equipment – at cost.
- Library books – at $10 per volume.

Depreciation expense is computed on a straight-line basis over the estimated useful lives of the respective assets as follows:

Asset	Average useful life (years)
Buildings	40
Building improvements	15–25
Equipment	5

(f) Deferred Revenues

Deferred revenue includes tuition received and deposits related to programs applicable to the next fiscal year, as well as vendor funding for capital improvements, which are amortized over the life of the contract.

(g) Deferred Bond Issuance Costs and Original Issue Premium

Deferred bond issuance costs and original issue premium are reported net of long-term debt and are amortized over the lives of the related bonds.

(h) U.S. Government Grants Refundable

The College participates in the federally sponsored Perkins Loan Program. The government's share of the program is recorded as a liability.

(Continued)

(i) Liabilities under Planned Giving Agreements

The College receives certain gifts (charitable annuities and life income trusts) where a donor or named beneficiary maintains an interest in income earned. Contribution revenue is recognized at the date the trusts are established, after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the term of the trusts for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

(j) Contributions

Contributions, including unconditional promises to give (pledges), are initially reported at fair value as revenues in the period received or pledged. Contributions with purpose and/or time restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Contributions subject to donor-imposed restrictions that the corpus be maintained permanently are recognized as increases in net assets with donor restrictions.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized as revenue until the performance barrier and the right of return or release has been overcome. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions not expected to be received within one year are discounted at a risk-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. In addition, an allowance for contributions receivable estimated to be uncollectible is provided.

(k) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, 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. Actual results could differ from those estimates.

(l) Risks and Uncertainties

The College invests in various investment securities. Investment securities are exposed to various risks and other factors such as interest rate changes, market fluctuations, and credit risks. Due to the level of fluctuation in values associated with certain investment securities, it is reasonably possible that changes in the values of investments securities will occur and that such changes could materially affect the amounts reported in the balance sheet in future periods.

(m) Tax Status

The College recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. The College evaluates, on an annual basis, the effects of any uncertain tax positions on its financial statements. As of June 30, 2024 and 2023, the College has not identified or provided for any such positions.

(n) Functional Allocation of Expenses

The College presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the College are reported as expenses of those functional areas. If expenses benefit multiple functional areas, they have been allocated using cost allocation techniques, such as square footage and time and effort. Natural expenses are accounted for on a direct cost basis to the program or function upon which the expense is incurred.

(o) Prior Year Summarized Financial Information

The accompanying statement of activities is presented with prior year summarized financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the College's financial statements as of and for the year ended June 30, 2023, from which the summarized information was derived.

(p) New Accounting Standard Adopted

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 201613, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU), which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The ASU is intended to improve financial reporting by requiring earlier recognition of credit losses on certain financial assets. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The College adopted the provisions of the ASU using a prospective transition approach, effective July 1, 2023. As such, the College is not required to adjust comparative periods or provide comparative period disclosures. The adoption of this ASU did not have a material impact to the College's financial statements.

(3) Investments and Fair Value

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

The College measures the fair value of its financial assets and liabilities utilizing a three-tiered hierarchy, defined as follows:

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

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

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

The following tables present the College's fair value hierarchy for assets measured at fair value on a recurring basis reconciled to the amounts reported in the balance sheets as of June 30, 2024 and 2023:

		2024			
Investments		**Level 1**	**Level 2**	**Investments reported at net asset value**	**Total**
Money market funds	$	265,957	—	—	265,957
Common stocks		83,520	—	—	83,520
Mutual funds – equity:					
Domestic		64,679,900	—	—	64,679,900
International		34,701,853	—	—	34,701,853
Mutual funds – bonds		49,692,065	—	—	49,692,065
Cash surrender value of life insurance policies		—	2,706,405	—	2,706,405
Preferred term securities		—	123,843	—	123,843
Total investments	$	149,423,295	2,830,248	—	152,253,543

		2023			
Investments		**Level 1**	**Level 2**	**Investments reported at net asset value**	**Total**
Money market funds	$	4,805,637	—	—	4,805,637
Common stocks		69,600	—	—	69,600
Mutual funds – equity:					
Domestic		74,060,374	—	—	74,060,374
International		13,151,651	—	—	13,151,651
Mutual funds – bonds		48,816,866	—	—	48,816,866
Cash surrender value of life insurance policies		—	2,637,952	—	2,637,952
Preferred term securities		—	110,050	—	110,050
Alternative investments – hedge fund of funds		—	—	4,591,490	4,591,490
Total investments	$	140,904,128	2,748,002	4,591,490	148,243,620

Funds held by bond trustee at June 30, 2024 and 2023 include cash equivalents, which are considered Level 1 in the fair value hierarchy.

Included in investments are $1,912,315 and $2,286,398 under planned giving agreements at June 30, 2024 and 2023, respectively.

Investment return, net comprised $4,260,213 of dividends and interest income and $14,558,113 of net appreciation in fair value of investments for the year ended June 30, 2024, and $2,863,174 of dividends and interest income and $10,772,752 of net appreciation in fair value of investments for the year ended June 30, 2023.

At June 30, 2023, the alternative investments consist of one hedge fund of funds. The College has the right to redeem all or a portion of its shares in the hedge fund annually with at least 90 days' prior written notice.

At June 30, 2024, the College had no outstanding commitments to invest in any alternative investment funds.

(4) Net Assets

At June 30, 2024 and 2023, net assets consists of the following:

		2024	2023
Net assets:			
Without donor restrictions:			
Net investment in plant	$	139,001,077	144,611,107
Undesignated		(15,595,156)	2,739,279
Total net assets without donor restrictions		123,405,921	147,350,386
With donor restrictions:			
Donor – restricted endowments:			
Scholarship		77,033,545	75,672,797
Chairs		15,045,793	15,297,320
Other purposes		4,863,719	5,092,088
Life income, annuity, and similar funds available for general purposes		2,293,253	2,291,618
Time and purpose restriction:			
Scholarship		47,679,728	36,756,319
Chairs		13,092,739	10,588,642
Capital projects		3,551,229	446,026
Other purposes		9,391,565	8,337,881
Pledges		11,031,357	13,154,969
Total net assets with donor restrictions		183,982,928	167,637,660
Total net assets	$	307,388,849	314,988,046

At June 30, 2024, the College's endowment consists of 326 individual donor-restricted funds established for a variety of purposes, the investment return on which is expendable principally to support scholarships.

In fiscal 2024 the College employed an asset allocation spending model of up to 7% on a trailing five -year moving average of the fair value of the fund. In fiscal 2023 the College employed an asset allocation spending model of up to 5% on a trailing three-year moving average of the fair value of the fund. The College manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The College's spending policy is designed to provide a stable level of financial support and to preserve the real value of its endowment. The College compares the performance of its investments against several benchmarks, including its asset allocation spending model policy index.

The donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure in a manner consistent with the standards of prudence prescribed by the New York Prudent Management of Institutional Funds Act.

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted amounts reported below include net appreciation (depreciation) reported as net assets with donor restrictions. There were 10 endowment funds totaling $186,843 as of June 30, 2024 where the fair value of the endowment fund was less than the original fair value (underwater). There were 13 underwater endowment funds totaling $186,008 as of June 30, 2023.

Changes in endowment net assets for the fiscal years ended June 30, 2024 and 2023 were as follows:

		With donor restrictions
Net assets, June 30, 2022	$	138,691,965
Interest and dividends		2,812,920
Net appreciation		10,339,771
Contributions		1,622,021
Distributions		(8,033,217)
Net assets, June 30, 2023		145,433,460
Interest and dividends		4,167,004
Net appreciation		14,372,818
Contributions		868,294
Distributions		(4,676,646)
Net assets, June 30, 2024	$	160,164,930

(5) Property, Plant, and Equipment

Property, plant, and equipment at June 30, 2024 and 2023 are summarized as follows:

		2024	2023
Land and land improvements	$	9,499,444	9,499,444
Buildings and improvements		388,768,034	381,841,494
Construction in progress		142,479	1,665,443
Equipment		38,849,552	38,507,879
Artwork		214,425	214,425
Library books		2,271,000	2,317,990
		439,744,934	434,046,675
Less accumulated depreciation		(209,352,734)	(195,973,531)
Property, plant, and equipment, net	$	230,392,200	238,073,144

In May 2023, the College sold an off-campus building that housed students in apartment style units. The sales price was $18,000,000 and the gain on the sale was $16,118,696.

(6) Long-Term Debt

Long-term debt at June 30, 2024 and 2023 consists of the following:

		2024	2023
Revenue bonds, Series 2017, 3.25% to 5% through 2047	$	80,955,000	82,765,000
Add unamortized original issue premium		8,183,458	8,539,906
Less unamortized debt issuance costs		(1,209,237)	(1,261,807)
Total long-term debt, net	$	87,929,221	90,043,099

On June 14, 2017, Build NYC Resource Corporation issued $90,575,000 of Manhattan College Revenue Bonds, Series 2017. The proceeds of the bonds, including the original issue premium of $10,693,446, were used to refund certain outstanding bonds, and to pay costs of issuance of the Series 2017 bonds and were used in part to finance a new Engineering and Science Innovation Center and other capital projects. The Series 2017 bonds are secured by certain revenues (tuition, fees, and other charges) of the College.

Interest expense on long-term debt, excluding amortization of bond premium and debt issuance costs, approximated $3,672,000 in 2024 and $3,778,000 in 2023.

Aggregate scheduled future minimum annual payments of principal for long-term debt at June 30, 2024 are as follows:

Year ending June 30:		
2025	$	1,900,000
2026		2,000,000
2027		2,100,000
2028		2,210,000
2029		2,325,000
Thereafter		70,420,000
	$	80,955,000

The College is required to meet certain financial covenants in connection with the respective outstanding bonds. As of June 30, 2024, the College failed to comply with the Debt Service Coverage Ratio stipulated in its bond agreements. This is not considered an event of default under the agreement; however, pursuant to the Pledge and Security Agreement from the College to the Trustee, the College hired a consultant to review financial and operational information and provide a report to the trustee with its findings and recommendations. Within sixty days of receipt of the findings and recommendations, the College will notify the trustee and issuer of its intended plan of action for achieving future compliance with the Debt Service Coverage Ratio.

(7) Contributions

Contributions receivable at June 30, 2024 and 2023, including pledges from various corporations, foundations, and individuals, are as follows:

		2024	2023
Contributions due:			
In less than one year	$	2,122,500	1,604,000
In one to five years		6,034,500	5,406,894
Over five years		24,087,050	26,782,300
Gross contributions receivable		32,244,050	33,793,194
Allowance for uncollectible contributions		(100,000)	(100,000)
Discount to present value (1.1%–5.4%)		(10,995,564)	(8,671,901)
Contributions receivable, net	$	21,148,486	25,021,293

As of June 30, 2024 and 2023, net contributions receivable, of approximately $17,997,000 and $22,761,000, respectively, was from two donors, who were current or former board members of the College in fiscal years 2024 and 2023.

(8) Student Services

Student services are presented net of amounts awarded to students to defray their cost of attending the College and are summarized as follows for the years ended June 30, 2024 and 2023:

		2024	2023
Tuition and fees	$	157,453,942	157,443,489
Room and board		20,641,698	21,490,924
Less:			
College funded scholarships, tuition, and fees		(76,710,328)	(74,794,305)
Endowed scholarships		(4,008,718)	(4,361,685)
Government grant and private gift funded scholarships		(1,892,526)	(1,902,169)
Tuition and fees, net	$	95,484,068	97,876,254

Tuition and fees and room and board revenues are recognized in the fiscal year in which the academic programs and residential services are delivered. Scholarships awarded to students reduce the amount of tuition and fees revenue recognized. Payments for tuition and fees and residential services are due prior to the start of the academic term in accordance with the College’s payment due dates. Generally, students who adjust their course load or withdraw completely within one to two weeks of the academic term may receive a full or partial refund in accordance with the College’s refund policy. Refunds issued reduce the amount of revenue recognized.

(Continued)

The College recognizes revenue from student tuition and fees within the fiscal year in which the academic term is conducted as performance obligations are satisfied. Amounts collected in advance of such revenue recognition are deferred. Such amounts are recognized in revenue in the subsequent year.

Deferred revenues and student deposits consisted of the following as of June 30:

		2024	2023
Deferred student tuition and fees	$	4,985,736	4,525,418
Other deferred amounts		4,277,426	4,624,100
Total	$	9,263,162	9,149,518

(9) Expenses

Expenses are reported in the accompanying statement of activities in categories recommended by the National Association of Colleges and College Business Officers. The College's primary program services are instruction and research and sponsored programs. Expenses reported as academic support and student services are incurred in support of these primary program services. Institutional support includes fundraising expenses of $4,493,584 and $4,308,617 in 2024 and 2023, respectively. For purposes of reporting fundraising expenses, the College includes only those fundraising costs incurred by its institutional advancement office.

For the years ended June 30, 2024 and 2023, the following tables present expenses by both their nature and their function:

		Instruction	Research and sponsored programs	Academic support	Student services	Institutional support	Total 2024
Salaries and wages	$	31,490,449	727,640	6,446,776	11,666,041	13,803,979	64,134,885
Employee benefits		9,232,517	254,383	1,963,579	3,374,319	4,384,565	19,209,363
Maintenance and supplies		392,855	228,192	153,510	667,957	325,330	1,767,844
Occupancy		4,905,330	—	2,053,357	6,118,888	1,449,442	14,527,017
Food service		—	—	—	6,711,484	—	6,711,484
Other expenses		1,499,312	310,891	1,111,326	7,041,154	12,586,956	22,549,639
Depreciation		3,937,309	—	786,413	8,129,016	551,447	13,404,185
Interest and other debt-related expenses		1,286,422	—	—	1,791,177	237,922	3,315,521
Total	$	52,744,194	1,521,106	12,514,961	45,500,036	33,339,641	145,619,938

	Instruction	Research and sponsored programs	Academic support	Student services	Institutional support	Total 2023
Salaries and wages	$ 32,410,110	449,683	7,063,272	12,725,318	12,021,884	64,670,267
Employee benefits	9,186,011	71,048	2,086,828	3,504,731	3,865,006	18,713,624
Maintenance and supplies	2,093,046	98,364	839,833	1,968,369	901,897	5,901,509
Occupancy	4,529,598	8,915	1,862,157	5,730,028	1,102,747	13,233,445
Food service	—	—	—	7,677,874	—	7,677,874
Other expenses	1,893,398	301,316	1,793,912	9,238,677	9,899,330	23,126,633
Depreciation	3,869,732	—	755,656	6,830,944	516,743	11,973,075
Interest and other debt-related expenses	1,323,223	—	—	1,839,280	244,796	3,407,299
Total	$ 55,305,118	929,326	14,401,658	49,515,221	28,552,403	148,703,726

(10) Pension Plans

Retirement benefits are provided to academic and nonacademic personnel under a defined-contribution plan through Teacher's Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF), a national organization used to fund pension benefits for educational institutions. Under this agreement, the College makes annual contributions to TIAA-CREF to purchase individual annuities equivalent to retirement benefits earned. Pension expense for the years ended June 30, 2024 and 2023 aggregated $3,901,509 and $2,803,516, respectively. There are no unfunded vested benefits, and it is the College's policy to fund pension costs accrued.

(11) Contingencies and Commitments

Certain federally funded financial aid programs are routinely subject to special audit. The reports on the audits, which are conducted pursuant to specific regulatory requirements by the auditors of the College, are required to be submitted to both the College and the U.S. Department of Education. Such agency has the authority to determine liabilities, as well as to limit, suspend, or terminate federal student aid programs. In the opinion of management, audit adjustments, if any, would not have a significant effect on the financial position of the College.

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

(12) Liquidity and Availability

Financial assets available for general expenditure within one year of June 30, 2024 and 2023 are as follows:

		2024	2023
Financial assets:			
Cash	$	15,631,087	14,811,457
Student accounts receivable, net		2,380,354	2,438,418
Government grants and other receivables		1,085,816	1,013,423
Contributions receivable, net		21,148,486	25,021,293
Investments		152,253,543	148,243,620
Student loans receivable, net		171,675	394,432
Funds held by bond trustee		161,073	161,062
Total financial assets at June 30		192,832,034	192,083,705
Less amounts not available to meet general expenditures within one year:			
Contributions receivable		(20,005,985)	(25,005,793)
Student loans receivable, net		(171,675)	(394,432)
Funds held by bond trustee		(161,073)	(161,062)
Donor-restricted for endowment and capital		(140,609,092)	(133,560,760)
Planned giving and other investments		(4,618,719)	(3,681,317)
Board-designated and spending rate:			
Endowment payout		9,500,000	4,600,000
Financial assets available to meet general expenditures within one year	$	36,765,490	33,880,341

The College considers all expenditures (except for plant assets funded by donor contributions) related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities, to be general expenditures.

The College’s cash flows have seasonal variations during the year attributable to tuition billing and related cash receipts. As part of its liquidity management, the College has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The College invests cash in excess of daily requirements in various short-term investments.

(13) Related Party Transactions

Manhattan 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 they (or an immediate family member) have a material financial interest.

Each Board member is requested to certify compliance with the conflict-of-interest policy on an annual basis and indicate whether the College does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the College, and in accordance with applicable conflict of interest laws.

From time to time board members contribute to the College for the purposes of purchasing and constructing capital assets, granting scholarships, programing, and general operations. In 2023, a board member redesignated approximately $2,000,000 from net assets with donor restrictions to net assets without donor restrictions.

See note 7, for additional disclosure regarding contributions receivable.

(14) Subsequent Events

On August 19, 2024, the College entered into a four-year lease renting the entirety of one of its buildings to an educational institution that has an annual base rent of approximately $2,400,000. The lease, which begins on September 1, 2024 and expires August 31, 2028, is renewable for up to an additional two three-year terms.

In connection with the preparation of the financial statements, the College evaluated events through December 19, 2024, which was the date the financial statements were issued, and concluded that no additional disclosures were required.