Financial Statements Together with Report of Independent Certified Public Accountants

Molloy University

June 30, 2024,
with summarized comparative information for the year
ended June 30, 2023

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Molloy University

Opinion
We have audited the financial statements of Molloy University (the "University"), which comprise the statement of financial position 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 University as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion
We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on 2023 summarized comparative information

We have previously audited the University's 2023 financial statements (not presented herein), and we expressed an unmodified opinion on those audited financial statements in our report dated November 27, 2023. In our opinion, the accompanying summarized comparative information 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.

Grant Thornton LLP

New York, New York
November 25, 2024

Molloy University

STATEMENT OF FINANCIAL POSITION

June 30, 2024, with summarized comparative totals as of June 30, 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 43,721,672	$ 16,562,874
Short-term certificates of deposit	-	25,461,657
Student accounts receivable, net of allowance for credit losses of $2,022,892 and $1,690,077 as of June 30, 2024 and 2023, respectively	3,332,443	2,688,111
Pledges receivable, net	19,535	257,083
Government grants and other receivables	1,981,728	4,234,971
Prepaid expenses and other current assets	2,718,065	2,686,619
Certificate of deposit held as collateral for letter of credit	347,340	694,680
Total current assets	52,120,783	52,585,995
Noncurrent assets		
Pledges receivable, net	9,496	-
Funds held with trustee	4,425,092	4,370,341
Long-term investments	57,960,349	49,675,703
Student loans receivable	1,454,527	1,769,512
Right-of-use asset - operating leases	16,538,446	17,821,102
CAP21 trade name and curriculum, net of amortization	26,250	78,750
Cash surrender value of donated life insurance policy	953,954	951,162
Property, plant and equipment, net	122,451,942	127,545,893
Total assets	$ 255,940,839	$ 254,798,458
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 11,935,066	$ 13,080,988
Student credit balances and deposits	3,377,069	3,348,733
Deferred revenue	3,787,335	3,748,162
Finance lease liability	97,681	148,383
Operating lease liability	1,541,746	1,399,875
Bonds payable	2,525,000	2,410,000
Bond interest payable	1,890,250	1,950,500
Total current liabilities	25,154,147	26,086,641
Noncurrent liabilities		
Finance lease liability	165,079	262,760
Operating lease liability	18,606,343	19,979,503
Bonds payable, net of current portion	77,512,094	80,484,463
Conditional asset retirement obligations	2,944,973	2,869,515
Refundable U.S. government grants	1,536,467	1,667,668
Total noncurrent liabilities	100,764,956	105,263,909
Total liabilities	125,919,103	131,350,550
Net assets		
Net assets without donor restrictions	115,614,665	110,029,430
Net assets with donor restrictions	14,407,071	13,418,478
Total net assets	130,021,736	123,447,908
Total liabilities and net assets	$ 255,940,839	$ 254,798,458

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

Molloy University

STATEMENT OF ACTIVITIES

Year ended June 30, 2024, with summarized comparative totals for year ended June 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2024 Total	2023 Total
Operating revenue, gains and other support				
Student revenues, net	$ 119,632,481	$ -	$ 119,632,481	$ 113,856,916
Government grants and programs	3,036,891	-	3,036,891	2,551,381
Gifts and private grants	357,376	4,195,425	4,552,801	4,220,948
Special events	665,839	-	665,839	933,627
Investment return designated for operations	2,000,000	871,084	2,871,084	3,288,740
Other interest and dividends	2,345,307	-	2,345,307	1,099,768
Other revenues	1,492,357	-	1,492,357	1,365,093
Net assets released from restrictions	4,024,922	(4,024,922)	-	-
Total operating revenue, gains and other support	133,555,173	1,041,587	134,596,760	127,316,473
Operating expenses				
Instruction	63,326,276	-	63,326,276	59,707,875
Academic support	24,824,463	-	24,824,463	25,149,065
Institutional support	19,043,030	-	19,043,030	20,278,086
Student services	16,478,122	-	16,478,122	16,140,383
Auxiliary enterprises	8,217,527	-	8,217,527	8,543,466
Special events	347,329	-	347,329	414,140
Total operating expenses	132,236,747	-	132,236,747	130,233,015
Changes in net assets from operations	1,318,426	1,041,587	2,360,013	(2,916,542)
Non-operating activities				
Investment return in excess of amounts designated for operations	3,963,815	-	3,963,815	1,277,547
Government capital grant	250,000	-	250,000	-
Conditional asset retirement obligation adjustment	-	-	-	(24,295)
Loss on contingency	-	-	-	(719,590)
Net assets released from restrictions for capital purposes	52,994	(52,994)	-	-
Total non-operating activities	4,266,809	(52,994)	4,213,815	533,662
CHANGES TO NET ASSETS	5,585,235	988,593	6,573,828	(2,382,880)
Net assets, beginning of year	110,029,430	13,418,478	123,447,908	125,830,788
Net assets, end of year	$ 115,614,665	$ 14,407,071	$ 130,021,736	$ 123,447,908

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

Molloy University

STATEMENT OF CASH FLOWS

Year ended June 30, 2024, with summarized comparative totals for year ended June 30, 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 6,573,828	$ (2,382,880)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,078,552	8,252,993
Conditional asset retirement obligations	75,458	(237,679)
Net amortization of premium/discount on bonds payable	(556,085)	(573,629)
Amortization of cost of issuance	108,716	109,989
Unrealized gains on long-term investments	(703,016)	(5,285,188)
Decrease (increase) in allowance for credit losses	332,815	(467,786)
Contributions restricted in perpetuity	(276,782)	(312,561)
Changes in assets and liabilities:		
(Increase) decrease in student accounts receivables	(977,147)	148,713
Decrease in other receivables	2,253,243	786,972
Increase in prepaid expenses and other current assets	(31,446)	(225,123)
Decrease in pledges receivable	228,052	234,276
Increase in cash surrender value of donated life insurance policy	(2,792)	(20,399)
Decrease in right-of-use assets	1,511,677	1,309,770
Decrease in accounts payable and accrued expenses	(1,145,922)	(65,631)
Decrease in bond interest payable	(60,250)	(57,500)
Increase in student credit balances and deposits	28,336	239,548
Increase in deferred revenue	39,173	69,092
Decrease in operating lease liabilities	(1,460,310)	(1,045,775)
Net cash provided by operating activities	14,016,100	477,202
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,932,101)	(3,907,248)
Sales of certificates of deposit	25,461,657	31,928,824
Purchase of certificates of deposit	-	(30,461,657)
Sales of investments	111,726,936	62,543,547
Purchase of investments	(119,308,566)	(62,007,304)
Decrease in loans receivable	314,985	53,817
Net cash provided by (used in) investing activities	15,262,911	(1,850,021)
Cash flows from financing activities:		
Principal payments on bonds payable	(2,410,000)	(2,300,000)
Change in deposits with bond trustee	(54,751)	(52,505)
Certificate of deposit held as collateral for letter of credit	347,340	-
Payments on finance lease obligations	(148,383)	(90,877)
Contributions restricted in perpetuity	276,782	312,561
Changes in refundable U.S. government grants	(131,201)	104,659
Net cash used in financing activities	(2,120,213)	(2,026,162)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,158,798	(3,398,981)
Cash and cash equivalents, beginning of year	16,562,874	19,961,855
Cash and cash equivalents, end of year	$ 43,721,672	$ 16,562,874
Supplemental information:		
Interest paid during the year	$ 3,849,299	$ 3,985,467
Increase in accounts payable and accrued expense related to capital projects	$ -	$ 328,791
Right-of-use assets acquired under finance lease	$ -	$ 347,250
Right-of-use assets acquired under operating lease	$ 229,021	$ 97,699

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

Molloy University

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE 1 - NATURE OF BUSINESS

Founded in 1955 by the Dominican Sisters of Amityville, Molloy College is an independent, co-educational Catholic college, rooted in the Dominican tradition of study, spirituality, service, and community, and committed to academic excellence with respect for each person. Effective June 1, 2022, Molloy College became Molloy University (the "University"). Through transformative education, the University promotes a lifelong search for truth and the development of ethical leadership. With 4,970 students, the University offers a range of undergraduate degrees across the schools of Arts and Sciences, Business, Education and Human Services and Nursing and Health Sciences, along with numerous master's programs and doctoral opportunities.

The University provides a student-centered learning experience, which enhances the intellectual, ethical, spiritual and social development of every student, and strives to enhance the quality of its academic programs, faculty, and teaching learning environment. The University continues to identify, recruit and educate students who demonstrate leadership qualities, understand the need for civic engagement and aspire to serve the community.

Located in Rockville Centre, New York, the University is a highly ranked, comprehensive, regional institution of higher education with outstanding faculty, state-of-the-art technology and distinguished academic programs. Recently, Molloy was awarded four stars by *Money Magazine* on its list of 'Best Colleges' which focuses on affordability and student outcomes. The University was also honored by *U.S. News and World Report* as a 'College of Distinction'. Furthermore, Niche.com named Molloy the #1 Safest College Campus in New York State for the last three years.

The University is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") (the "Code") and a similar provision of the New York State income tax laws. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The University's financial statements are prepared using the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). As required by U.S. GAAP, the University's financial statements distinguish between net assets with donor restrictions and net assets without donor restrictions. The University's net assets consist of the following:

Net Assets Without Donor Restrictions - consist of all resources of the University which are expendable for carrying on the University's operations. Net assets without donor restrictions include investment in plant, which is the net property, plant and equipment owned by the University less long-term debt, as well as quasi-endowment funds designated by the Board of Trustees.

Net Assets With Donor Restrictions - consist of the University's net assets resulting from contributions and other inflows of assets whose use by the University is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the University pursuant to those stipulations. In addition, appreciation and income on certain donor-restricted endowment funds are classified as net assets with donor restrictions until authorized for spending by the Board of Trustees.

Another portion of net assets with donor restrictions results from donors who stipulate that their donated resources be maintained in perpetuity by the University. Generally, the University is permitted to expend part or all of the income and gains derived from these donated assets, restricted only by donors' stipulations as to their use, a standard of prudence and other provisions governing endowment funds of this nature pursuant to the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) (see Note 9).

Fair Value Measurements

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

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

Level 1 - Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2 - Observable inputs other than Level 1 prices 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 full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. government and agency mortgage-backed securities, and corporate-debt securities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.

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

The University also measures certain investments using a net asset value (“NAV”) which is exempted from categorization within the fair value hierarchy and related disclosures. Instead, the University separately discloses the information required for assets measured using the NAV practical expedient and discloses a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in banks, money market funds, and U.S. Treasury bills. The University 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 investing purposes.

Long-Term Investments

The estimated fair value of investments is based on quoted market prices, except for certain alternative investments, for which quoted market prices are not available. The estimated fair value of these investments is based on valuations provided by external investment managers. Because the alternative investments which consist of private equity and hedge funds are not readily marketable, their estimated fair value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. The statement of activities recognizes investment return as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Investments, which consist principally of equities, mutual funds, corporate bonds and money market funds, are carried at fair market value based on quoted market prices. Investments in hedge funds and private equity investments are carried at fair value based upon their stated NAV. Purchases and sales of securities are reflected on a trade-date basis. Realized gains and losses on sales of securities are based on average costs and are recorded in the statement of activities in the period in which the securities are sold. The net change in unrealized appreciation or depreciation that results from market fluctuations is recognized in the period in which the change occurs. Interest and dividends are recognized in the period earned. Unrealized and realized gains and losses, and interest and dividend revenue is reported as investment return, net of investment fees, on the statement of activities.

Investments are exposed to various risks, such as interest rate, market, economic conditions, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in their value could occur in the near term and such changes could materially affect the reported amounts in the accompanying financial statements.

Student Loans Receivable

Student loans receivable represent student loans principally issued under the Federal Perkins Student Loan program and Nurse Faculty Loan program. Student loans are guaranteed by the federal government. On September 30, 2017, the authority for schools to make new loans under the Federal Perkins Loan program ended and final disbursements to students were permitted through June 30, 2018. The University intends to continue servicing the outstanding loans and remit the federal share of repayments to the U.S. Department of Education.

Property, Plant and Equipment

The University capitalizes assets acquired for $1,000 or more with a useful life greater than one year. Property, plant and equipment are carried at cost for those assets purchased by the University. Fixed assets donated to the University are recorded at fair value as of the date of the donation.

Property, plant and equipment are depreciated beginning in the year they are placed in service using a half-year convention, except for instances in which using the date the asset was placed in service to begin calculating depreciation is materially different than using the half-year convention. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings	40 - 50 years
Building improvements	10 - 20 years
Leasehold improvements	5 - 10 years
Furniture, furnishings and equipment	5 - 10 years
Computers	3 - 5 years

Costs incurred for repairs, maintenance and minor improvements are charged to expense as incurred. Major improvements, which substantially extend the useful lives of the assets, are capitalized.

Debt Issuance Costs

Costs incurred for the issuance of debt are deferred and amortized over the life of the outstanding debt to which they pertain. Such costs are presented in the statement of financial position as a direct deduction from the carrying amount of the debt liability.

Impairment of Long-Lived Assets and Intangible Assets

Long-lived assets, including land, buildings, and equipment, and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If the carrying amount of the long-lived assets (or asset group) exceeds its fair value and the carrying amount is not recoverable, an impairment charge is recognized. An impairment loss is measured as the amount by which the long-lived asset (or asset group) exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Intangible assets with definite lives are amortized over their estimated useful lives. The University amortizes intangible assets on a straight-line basis over five through eight years and records amortization expense on its statement of activities.

Refundable U.S. Government Grants

Funds provided by the federal government under the federal Perkins Student Loan program and Nurse Faculty Loan program are loaned to qualified students and may be reloaned after collection. These funds are ultimately refundable to the government and are presented in the statement of financial position as a liability.

Revenue Recognition

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), the University recognizes revenue when control of the promised goods or services are transferred to the University’s students or outside parties in an amount that reflects the consideration the University 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.

The University has identified tuition, auxiliary revenue and other revenue as revenue categories subject to ASC 606. The University recognizes contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

Tuition, Fees and Auxiliary Enterprises

Revenue is recorded on the accrual basis of accounting. The University derives its revenue primarily from student tuition and fees, and auxiliary enterprises, which relate to student and campus activities. Such revenues are recognized in the academic semester to which they relate. The University apportions revenues associated to academic semesters that span fiscal years and recognizes such amounts in the fiscal year to which they pertain. Accordingly, amounts received in advance are recorded as deferred revenues until earned.

Student accounts receivable and loans relate to tuition and fees for student attendance and auxiliary enterprises for student and campus activities. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. Receivables are written-off in the period in which they are deemed uncollectible and payments subsequently received are recorded as income in the period received.

Contributions, Grants and Contracts

The University recognizes revenue from grants and contracts in accordance with Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the University 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 University applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the University evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the University 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 University records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either net assets with or without donor restrictions, depending on whether the donor has imposed a restriction on the use of such assets. Unconditional contributions to be received after one year are discounted using a credit risk adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. An allowance for uncollectible contributions receivable is provided based on historical collection experience, an assessment of the creditworthiness of the respective donor and nature of fundraising activity. Receivables are written-off in the period in which they are deemed uncollectible and payments received subsequently are recorded as income in the period received.

The University reports gifts of cash or other assets as net assets with donor restrictions if they are received with donor stipulations 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 statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year as the receipts are reported as contributions within net assets without donor restrictions.

The University reports gifts of property, plant and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long such assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional promises to give and intentions to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Revenue from federal and state grants have been deemed to be conditional and is recognized to the extent that qualifying reimbursable expenses have been incurred over the terms of the respective agreements.

Accounting for Income Taxes

The University 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 University 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 University has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The University has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements at June 30, 2024 and 2023.

Functional Expenses

Expenses are allocated into functional categories on the statement of activities depending upon the ultimate purpose of the expenditure. Plant operation and maintenance, depreciation, amortization and accretion expenses, and interest expense have been allocated amongst the functional categories benefitted based on square footage.

Measure of Operations

The statement of activities presents the changes in net assets by distinguishing between operating and non-operating activities. Operating activities principally include all revenues and expenses that relate to the University's educational programs, research, training, and supporting activities. Operating revenues also include interest and dividends earned on the University's long-term investments based on the University's spending formula. Operating revenues without donor restrictions also include releases of net assets with restrictions in support of operating activities. Contributions, except for those intended for capital or endowment purposes, are also included as operating revenues.

The University has defined non-operating activities principally as investment returns on long-term investments not designated for operations; capital campaign contributions added to the endowment or supporting major capital acquisition or construction; other grants supporting capital acquisition or construction; and net assets released from restrictions designated for capital expenditures. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of non-operating activities.

Concentrations of Credit Risk

Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To mitigate such risks, the University maintains its cash in a bank deposit account and a custodial account, which, at times, may exceed federally insured limits. At June 30, 2024 and 2023, the University's cash and investments were placed with high credit quality financial institutions and, accordingly, the University does not expect nonperformance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

The University determines if an arrangement is a lease or a service contract at inception. 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. When an arrangement is a lease, the University determines if it's an operating or a finance lease.

Leases result in recognition of right-of-use ("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. Lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis.

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 is based on the University's incremental borrowing rate using a period comparable with the lease term.

The lease term may include options to extend or terminate the lease that the University is reasonably certain to exercise. Operating lease expense is generally recognized on a straight-line basis over the lease term. A ROU asset and lease liability is not recognized for leases with an initial term of 12 months or less.

New Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326), which requires organizations to recognize expected credit losses for financial instruments held at the reporting date. The estimate of expected credit losses considers not only historical information, but also current and future economic conditions and events. ASU 2016-13 and subsequent amendments are codified in ASC 326, which is effective for all not-for-profit entities for fiscal years beginning after December 15, 2022. The University adopted ASU 326 effective July 1, 2023 using the modified retrospective transition approach. The impact of adopting this standard was not material to the financial statements and, therefore, no adjustment to the beginning net assets was made.

Summarized Comparative Information

The statement of activities includes certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's audited financial statements as of and for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent Events

The University evaluated its June 30, 2024 financial statements for subsequent events through November 25, 2024, the date the financial statements were issued. The University is not aware of any subsequent events which require recognition or disclosure in the accompanying financial statements.

NOTE 3 - PLEDGES RECEIVABLE, NET

Pledges receivable, net, are summarized as follows at June 30, 2024 and 2023:

	2024	2023
Unconditional promises expected to be collected in:		
Less than one year	$ 19,535	$ 257,083
One to five years	10,000	-
	29,535	257,083
Less: unamortized discount to present value	(504)	-
Pledges receivable, net	$ 29,031	$ 257,083

The discount rate on outstanding pledges receivable was 5.31% at June 30, 2024. There was no discount rate applied at June 30, 2023.

NOTE 4 - INVESTMENTS

Long-term investments, stated at fair value, consisted of the following at June 30, 2024 and 2023:

	Fair Value	
	2024	2023
Cash and cash equivalents	$ 1,442,159	$ 6,632,760
U.S. government and agency bonds	5,594,269	5,585,632
Corporate bonds	4,893,710	6,942,826
Equities	39,041,531	6,808,808
Mutual funds	1,579,214	1,348,321
Private equity investments	1,622,224	698,956
Hedge funds	1,867,516	2,878,911
Exchange-traded funds	1,767,741	18,656,480
TIAA traditional annuity	138,985	115,009
State of Israel bonds	13,000	8,000
Total investments	$ 57,960,349	$ 49,675,703

The following table represents the University's investments, measured at fair value, within the fair value hierarchy, as of June 30, 2024.

	Fair Value	Level 1	Level 2	Level 3	Investments Measured at NAV
Cash and cash equivalents	$ 1,442,159	$ 1,442,159	$ -	$ -	$ -
U.S. Government and agency bonds	5,594,269	5,594,269	-	-	-
Corporate bonds	4,893,710	4,893,710	-	-	-
Equities	39,041,531	39,041,531	-	-	-
Exchange-traded funds	1,767,741	1,767,741	-	-	-
State of Israel bonds	13,000	-	13,000	-	-
TIAA Traditional Annuity	138,985	-	-	138,985	-
Private equity investments	1,622,224	-	-	-	1,622,224
Hedge funds	1,867,516	-	-	-	1,867,516
Mutual funds	1,579,214	-	1,579,214	-	-
Total investments	$ 57,960,349	$ 52,739,410	$ 1,592,214	$ 138,985	$ 3,489,740

The following table represents the University's investments, measured at fair value, within the fair value hierarchy, as of June 30, 2023.

	Fair Value	Level 1	Level 2	Level 3	Investments Measured at NAV
Cash and cash equivalents	$ 6,632,760	$ 6,632,760	$ -	$ -	$ -
U.S. government and agency bonds	5,585,632	5,585,632	-	-	-
Corporate bonds	6,942,826	6,942,826	-	-	-
Equities	6,808,808	6,808,808	-	-	-
Exchange-traded funds	18,656,480	18,656,480	-	-	-
State of Israel bonds	8,000	-	8,000	-	-
TIAA traditional annuity	115,009	-	-	115,009	-
Private equity investments	698,956	-	-	-	698,956
Hedge funds	2,878,911	-	-	-	2,878,911
Mutual funds	1,348,321	-	1,348,321	-	-
Total investments	$ 49,675,703	$ 44,626,506	$ 1,356,321	$ 115,009	$ 3,577,867

The University uses the NAV per share for purposes of reporting the fair value of all its underlying investments which: (a) do not have a readily determinable fair value; and (b) the investment managers prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following table lists investments by major category, which have a reported fair value based on NAV:

2024

Strategy	Significant Investment Strategy	NAV in Funds	Number of Funds	Life of Funds	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Infrastructure and infrastructure related assets, capital appreciation, global equities	$ 83,928	4	Approximately 10 years	$ 247,959	Over remaining life of funds	Illiquid	N/A
Private Equity	Capital appreciation	629,696	1	12 years with 2 - 1 year extensions	152,627	Over remaining life of funds	Illiquid	N/A
Private Credit	Hc ACOP Temp - called capital for HC ACOP that is not yet invested	756,268	1	N/A	N/A	Quarterly	N/A	N/A
Private Credit	Hirtle Callaghan Alternative Credit - Opportunities Offshore Portfolio Ltd	152,332	1	Evergreen	1,320,615	2-3 times per year, as managers draw down	Initial lock up is 4 years. Post lock up, annual with 90 days' notice.	Limited to 12.5% of investor's shares per quarter (full redemption in 8 quarters)
Hedge Fund	Beta-neutral equity L/S fund	1,867,516	1	N/A	N/A	N/A	1 year lockup, Qrtly with 65 days' notice, 25%, 33-1/3%, 50% & 100%	5% holdback until audit completed
		$ 3,489,740						

2023

Strategy	Significant Investment Strategy	NAV in Funds	Number of Funds	Life of Funds	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Redemption Terms	Redemption Restrictions
Private Equity	Infrastructure and infrastructure related assets, capital appreciation, global equities	$ 143,670	4	Approximately 10 years	$ 291,205	Over remaining life of funds	Illiquid	N/A
Private Equity	Capital appreciation	555,286	1	12 years with 2 - 1 year extensions	404,451	Over remaining life of funds	Illiquid	N/A
Hedge Fund	Beta-neutral equity L/S fund	2,878,911	1	N/A	N/A	N/A	1 year lockup, Qrtly with 65 days' notice, 25%, 33-1/3%, 50% & 100%	5% holdback until audit completed
		$ 3,577,867						

The University's Level 3 investment consists of a TIAA Traditional Annuity account, which is a fixed rate annuity contract that is fully and unconditionally guaranteed and backed by the claims-paying ability by Teachers Insurance and Annuity Association of America ("TIAA"). During the accumulation phase, the TIAA Traditional Annuity provides a guaranteed minimum rate of interest between 1% and 3% with the potential for additional interest, if declared by TIAA. The TIAA Traditional Annuity is reported at contract value. The contract value of the TIAA Traditional Annuity equals the accumulated cash contributions, interest credited, and transfers, if any, less than withdrawals and transfers, if any. The TIAA Traditional Annuity is not available for sale or transfer on any securities exchange. Accordingly, transactions in similar investment instruments are not observable. The crediting rate is supported by the investment performance of a large, diversified portfolio which is correlated with the highest quality debt security yields and is adjusted for contract liquidity. A twenty-year analysis of crediting rates for TIAA Traditional Annuity contracts suggests a rate of return that is representative of a risk adjusted market rate for this type of product. While transactions involving the purchases and sales of individual TIAA Traditional contracts are not observable in a public marketplace, contract value provides an approximation of fair value. Purchases of Level 3 investments were $4,599 and $4,283 for the years ended June 30, 2024 and 2023, respectively.

NOTE 5 - STUDENT LOANS RECEIVABLE AND REFUNDABLE U.S. GOVERNMENT GRANTS

The University makes uncollateralized loans to students based on financial need under the Federal Perkins and Nurse Faculty loan programs. Student loans are funded through Federal government loan programs or institutional resources. At June 30, 2024 and 2023, student loans represented .57% and .69%, respectively, of total assets. At June 30, 2024 and 2023, student loans for Federal government programs totaled $1,454,527 and $1,769,512, respectively. Of these amounts, as of June 30, 2024 and 2023, $153,276 and $272,379, respectively, were not yet in repayment status.

Amounts due under the Federal Perkins and Nurse Faculty loan programs are guaranteed by the government and therefore, no reserves are placed on any past due balances.

At June 30, 2024 and 2023, the following amounts were past due under the Federal Perkins and Nurse Faculty loan programs.

June 30,	In Default < 240 Days (Monthly Installments) or 270 Days (Other Installments)	In Default > 240 Days (Monthly Installments) or 270 Days (Other Installments) and < 2 Years	In Default > 2 Years, up to 5 Years	In Default > 5 Years	Total Past Due
2024	$ 71,470	$ 59,866	$ 3,500	$ 2,684	$ 137,520
2023	115,723	69,877	10,306	2,684	198,590

The availability of funds for loans under the Federal Perkins and Nurse Faculty loan programs is dependent on reimbursement to the pool from repayments on outstanding loans. Funds advanced by the Federal government of $1,536,467 and $1,667,668 at June 30, 2024 and 2023, respectively, are ultimately refundable to the government and are classified as liabilities in the accompanying statement of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT, NET

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

	2024	2023
Buildings	$ 131,139,207	$ 130,966,468
Furniture, furnishings and equipment	43,338,907	41,697,287
Building improvements	47,412,239	46,166,361
Leasehold improvements	7,291,836	7,280,504
	229,182,189	226,110,620
Less: accumulated depreciation and amortization	(110,076,025)	(102,049,973)
Net depreciable property, plant and equipment	119,106,164	124,060,647
Land	3,273,630	3,273,630
Construction in progress	72,148	211,616
	$ 122,451,942	$ 127,545,893

Depreciation and amortization expense for the years ended June 30, 2024 and 2023, excluding amortization of CAP21 trade name and curriculum of $52,500 at June 30, 2024 and 2023, was $8,026,052 and $8,200,493, respectively.

Included in the furniture, furnishings and equipment category above are certain assets acquired under finance leases, which are further discussed in Note 16.

NOTE 7 - CONDITIONAL ASSET RETIREMENT OBLIGATIONS

The University recognizes the cost associated with the eventual remediation and abatement of asbestos contained within its physical plant. The cost of the abatement is based upon the estimate of a contractor who specializes in such abatements. During fiscal 2024, there was no remediation work performed. During fiscal 2023, partial remediation work was performed, which resulted in a decrease in the obligation of $237,679 and a loss of $24,295. The conditional asset retirement obligation was $2,944,973 and $2,869,515 at June 30, 2024 and 2023, respectively, using an average inflationary rate of 3.13% and a credit adjusted discount rate of 3.38%.

NOTE 8 - BONDS PAYABLE

Bonds payable consists of the following as of June 30:

	2024	2023
Town of Hempstead Local Development Corporation Revenue Bonds, Series 2014, net of premium of $1,117,172 and $1,226,630 at June 30, 2024 and 2023, respectively.[(a)]	$ 27,382,172	$ 28,191,630
Town of Hempstead Local Development Corporation Revenue Bonds, Series 2017, net of premium of $3,840,374 and $4,241,174 at June 30, 2024 and 2023, respectively.[(b)]	39,375,374	41,211,174
Town of Hempstead Local Development Corporation Revenue Bonds, Series 2018, net of premium of $848,128 and $893,955 at June 30, 2024 and 2023, respectively.[(c)]	14,658,128	14,978,955
	81,415,674	84,381,759
Less: bond issuance costs	(1,378,580)	(1,487,296)
	$ 80,037,094	$ 82,894,463

(a) In November 2014, the Town of Hempstead Local Development Corporation (the "Agency") issued $30,000,000 of Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), with maturities through 2044 at a fixed interest rate of 5.0%, plus a premium of $2,574,808.

The proceeds from the Series 2014 Bonds were used to finance the costs of certain facilities located on portions of the University's campus, consisting of (i) the construction, furnishing and equipping of an approximately 50,000 square foot academic building for the nursing program, (ii) reimbursing the University for certain costs of the renovation and improvement of an existing approximately 24,000 square foot faculty residence into a student residence, and (iii) related site work and other renovations and improvements on the Campus. Proceeds from the sale of the Series 2014 Bonds were also used to pay certain capitalized interest on the Series 2014 Bonds during the construction period and to pay costs of issuance totaling $795,274, with accumulated amortization of $364,240 and $330,227 at June 30, 2024 and 2023, respectively. Amortization expense of the cost of issuance, calculated using the effective interest method, for the years ended June 30, 2024 and 2023 was $34,013 and $34,923, respectively. The proceeds have been deposited with US Bank National Association, as Trustee (the "Trustee"). As of June 30, 2024 and 2023, cash and cash equivalents (primarily money market funds) with the Trustee were $1,391,650 and $1,374,150, respectively.

(b) In November 2009, the Agency issued $50,000,000 of Revenue Bonds, Series 2009 (the "Series 2009 Bonds"), with maturities through 2039. The proceeds from the Series 2009 Bonds were used to finance the costs of certain facilities located on portions of the University's campus, consisting of (a) the acquisition, construction, furnishing and equipping of (i) an approximately 36,000 square foot residence hall, (ii) an approximately 59,000 square foot campus center and associated parking, and (iii) an approximately 6,000 square foot two-story maintenance building, and, (b) the renovation and improvement of various walkways, parking areas, landscaped areas and courtyards located on the campus. Proceeds from the sale of the Series 2009 Bonds were also used to pay certain capitalized interest on the Series 2009 Bonds during the construction period and to pay costs of issuance. On July 7, 2017, the University refinanced the Series 2009 Bonds.

In July 2017, the Agency issued $43,250,000 of Revenue Bonds, Series 2017 (the "Series 2017 Bonds"), plus a premium of $6,348,501 to redeem the outstanding principal and interest on the Series 2009 Revenue bonds. Series 2009 bonds had a ten-year call provision. As such, the proceeds funded a refunding escrow account to be drawn upon to pay the principal and interest due to the Series 2009 bondholders until July 1, 2019. Therefore, the refunding escrow account called all remaining bonds from the Series 2009 bondholders using the remaining funds in the escrow to pay the par amount due to investors during fiscal year 2021. The refunding escrow is structured as a legal defeasance to satisfy the requirement of the Series 2009 bondholders, therefore, the Series 2009 bonds are removed from the University's financials effective July 7, 2017 and the Series 2017 bonds were added. The cost of issuance of the Series 2017 Bonds totaling $1,010,554, net of amortization of $463,360 and $409,313 at June 30, 2024 and 2023, respectively. Amortization expense of the cost of issuance, calculated using the effective interest method, for the years ended June 30, 2024 and 2023 was $54,048 and $54,640, respectively. The proceeds have been deposited with the Trustee. As of June 30, 2024 and 2023, cash and cash equivalents (primarily money market funds) with the Trustee were $2,396,798 and $2,367,672, respectively.

The Series 2017 bonds bear interest at fixed rates ranging from 3.00% to 5.00% with price to yield rates ranging from 1.16% to 3.31%. The bonds are scheduled to mature beginning July 1, 2018 through July 1, 2039. Prior to maturity, the Bonds are subject to redemption at the option of the University, mandatory sinking fund redemption, and extraordinary redemption at the option of the Agency only at the discretion of the University upon the occurrence of certain extraordinary events outlined in the bond indenture agreement.

(c) In October 2018, the Agency issued $15,000,000 of Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), with maturities through 2048 at a fixed interest rate of 5.0%, plus a premium of $1,073,694. The proceeds from the Series 2018 Bonds were used to finance the construction, furnishing and equipping of (i) a 23,396 square foot residential dormitory (ii) an approximately 1,257 square foot one-story expansion to an existing kitchen, and (iii) a three-surface parking expansion area. Proceeds from the sale of the Series 2018 Bonds were also used to pay certain capitalized interest on the Series 2018 Bonds during the construction period and to pay costs of issuance totaling $514,745, net of amortization of $114,392 and $93,738 at June 30, 2024 and 2023, respectively. Amortization expense of the cost of issuance, calculated using the effective interest method for the years ended June 30, 2024 and 2023 was $20,655 and $20,426, respectively. The proceeds have been deposited with the Trustee. As of June 30, 2024 and 2023, cash and cash equivalents (primarily money market funds) with the Trustee were $636,644 and $628,519, respectively.

In accordance with the bond agreement, the payment of the principal and interest on the Series 2014 Bonds, Series 2017 Bonds and the Series 2018 Bonds are an unconditional obligation of the University and are secured by a mortgage on the Rockville Centre campus and a pledge of gross revenues. Off-campus properties owned by the University will not be subject to the mortgage.

The University is required to make semi-annual payments to the Agency, in amounts equal to the Agency's debt service payments. As of June 30, 2024 and 2023, bond interest payable in the amount of $1,890,250 and $1,950,500 represents the interest due on July 1, 2024 and 2023, respectively.

Interest expense totaled $3,780,500 and $3,901,000 for the years ended June 30, 2024 and 2023, respectively.

The following is a summary of the minimum annual principal and interest payments for the University's Series 2014, 2017 and 2018 Bonds:

Year Ending June 30,	Principal	Interest	Total
2025	$ 2,525,000	$ 3,780,500	$ 6,305,500
2026	2,655,000	3,654,250	6,309,250
2027	2,790,000	3,521,500	6,311,500
2028	2,925,000	3,382,000	6,307,000
2029	3,070,000	3,235,750	6,305,750
Thereafter	64,645,000	26,793,000	88,438,000
Total	75,610,000	$ 44,367,000	$ 119,977,000
Plus: unamortized premium	5,805,674		
Less: unamortized cost of issuance	(1,378,580)		
	$ 80,037,094		

NOTE 9 - NET ASSETS AND ENDOWMENTS

Net assets with donor restrictions at June 30, 2024 and 2023 consisted of the following:

	2024	2023
Endowment		
Corpus of donor-restricted endowment	$ 8,057,300	$ 7,780,518
Accumulated unspent appreciation	1,412,211	736,552
Total endowment	9,469,511	8,517,070
Other grants and restricted donations	4,020,480	3,991,328
Capital campaign	845,524	838,524
Student loan funds and other	71,556	71,556
Total net assets with donor restrictions	$ 14,407,071	$ 13,418,478

The University's endowment consists of 126 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the University's Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The primary investment objectives of the University are to provide funds for scholarships and the operation of the University and to maintain and enhance the value of the investment assets. The overall investment goal of the University, therefore, is to achieve the proper balance between preservation of principal and current support and the need for real growth and future support.

The spending policy of the University is that the long-term target for the annual amount distributed from the investments shall be 5.0% or less of the investment balance. The investment balance shall be based on a three-year moving average of fair values, adjusted for contributions and distributions.

In September 2010, the State of New York passed NYPMIFA its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law.

The Board of Trustees of the University through its approved investment policy guidelines has interpreted NYPMIFA to allow the University to spend below the historical dollar value of its endowment funds unless specific donors have stipulated to the contrary.

As a result of this interpretation, the University classifies as net assets with donor restrictions (a) the original value of the gifts donated to its permanent endowment, (b) the original value of subsequent gifts to its permanent endowment, and (c) accumulations to its 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 that is not to be maintained in perpetuity is classified as net assets with donor restrictions until such amounts are appropriated for expenditure by the Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund.
2. The purpose of the University and its donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of endowment investments.
6. Other resources of the University.
7. The investment policy of the University.
8. Where appropriate, alternatives to spending from its donor-restricted endowment fund and the possible effects on the University.

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

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 9,469,511	$ 9,469,511
Board-designated endowment funds	46,702,243	-	46,702,243
	$ 46,702,243	$ 9,469,511	$ 56,171,754

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

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 8,517,070	$ 8,517,070
Board-designated endowment funds	40,738,428	-	40,738,428
	$ 40,738,428	$ 8,517,070	$ 49,255,498

The changes in endowment net assets for the fiscal years ended June 30, 2024 and 2023 are as follows:

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
Balance, June 30, 2022	$ 36,760,881	$ 7,803,367	$ 44,564,248
Contributions	-	232,445	232,445
Scholarships/expenses	-	(66,550)	(66,550)
Transfer of funds	-	15,849	15,849
Investment earnings	3,977,547	531,959	4,509,506
Balance, June 30, 2023	40,738,428	8,517,070	49,255,498
Contributions	-	265,443	265,443
Scholarships/expenses	-	(133,250)	(133,250)
Transfer of funds	-	33,580	33,580
Investment earnings	5,963,815	786,668	6,750,483
Balance, June 30, 2024	$ 46,702,243	$ 9,469,511	$ 56,171,754

For the years ended June 30, 2024 and 2023, the Board of Trustees approved an appropriation from the board designated endowment fund of $2,000,000 and $2,700,000, respectively, which the University did not ultimately utilize in operation. Accordingly, such amounts remained within the board-designated endowment.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. As of June 30, 2024, deficiencies of this nature exist in 2 donor-restricted endowment funds, which together have an original gift value of $166,275, a current fair value of $163,055, and a deficiency of $3,220. As of June 30, 2023, deficiencies of this nature exist in 33 donor-restricted endowment funds, which together have an original gift value of $2,373,149, a current fair value of $2,291,493, and a deficiency of $81,656. In accordance with US GAAP, deficiencies of this nature are reported in net assets with donor restrictions.

NOTE 10 - STUDENT REVENUES, NET

The University has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing, meals and various fees associated with enrollment in the University. Generally, enrollment and instructional services are billed prior to when a course or term begins and due within thirty days of the bill date. 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	Room, Board and Other	Total
Revenues	$ 154,214,957	$ 5,478,440	$ 159,693,397
Less: student aid	(39,984,916)	(76,000)	(40,060,916)
Student fees, net	$ 114,230,141	$ 5,402,440	$ 119,632,481

For the Year Ended June 30, 2023	Tuition and Fees	Room, Board and Other	Total
Revenues	$ 144,769,522	$ 5,160,176	$ 149,929,698
Less: student aid	(35,991,132)	(81,650)	(36,072,782)
Student fees, net	$ 108,778,390	$ 5,078,526	$ 113,856,916

The University has taken a portfolio approach in determining whether student aid should apply across tuition and fees, housing, and meals. In general, the University awards student aid on the basis of tuition and fees. A small pool of funds is allocated for athletic housing.

Deferred revenue at June 30, 2024 and 2023 was $3,787,335 and $3,748,162, respectively, and represents the University's performance obligation to transfer future enrollment and instructional services to students. For the years ended June 30, 2024 and 2023, the University recognized revenue of $3,724,732 and $3,654,527, respectively, from amounts that were included in the deferred revenues at the beginning of the year. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments. The University 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 11 - OTHER REVENUES

Other revenues are recognized at a point in time. Other revenues include theatre ticket sales, summer camps, space rentals, and bad debt. The following is a summary of revenues by category:

	2024	2023
Theatre ticket sales and camp revenue	$ 478,290	$ 622,567
Bad debt recovery and forfeited deposits	86,081	160,329
Space rentals	317,557	274,650
Other	610,429	307,547
	$ 1,492,357	$ 1,365,093

NOTE 12 - SPECIAL EVENTS

The University received revenue from the following special events during the years ended June 30, 2024 and 2023:

	Gross Revenues		Direct Expenses		Net Revenues	
Special Events	2024	2023	2024	2023	2024	2023
Trustees' Dinner Dance *	$ 223,459	$ 395,600	$ 86,748	$ 112,144	$ 136,711	$ 283,456
Evening of Entertainment	-	71,827	-	62,769	-	9,058
Golf Outing	249,330	296,450	151,863	134,214	97,467	162,236
Energeia Golf Outing	193,050	169,750	108,718	105,013	84,332	64,737
	$ 665,839	$ 933,627	$ 347,329	$ 414,140	$ 318,510	$ 519,487

*The fiscal year 2022 Trustees' Dinner Dance was postponed to fiscal year 2023.

NOTE 13 - EXPENSES

Expenses are reported in the statement of activities in categories. The University's primary program service is instruction. Expenses reported as academic support, institutional support, student services, and auxiliary enterprises are incurred in support of these program services. Facilities costs, depreciation, and interest are allocated and reported on a functional basis using a combination of specific identification and estimates of building square footages, consistently applied. Institutional support includes fund-raising expenses of $1,656,698 and $1,709,508, which are expensed as incurred for the years ended June 30, 2024 and 2023, respectively. For purposes of reporting fundraising expenses, the University includes only those fundraising costs incurred by its development office.

The following table presents the University's expenses by functional and natural category for the year ended June 30, 2024, with comparative totals for the year ended June 30, 2023:

	Instruction	Academic Support	Institutional Support	Student Services	Auxiliary Enterprises	Special Events	2024	2023
Salaries, wages and benefits	$ 46,555,498	$ 22,316,552	$ 7,278,743	$ 9,340,997	$ 1,867,351	$ -	$ 87,359,141	$ 86,235,121
Plant and depreciation	5,822,291	714,186	900,776	1,671,273	2,633,128	-	11,741,654	12,034,033
Occupancy and utilities	2,004,768	266,706	467,258	801,229	887,561	198,782	4,626,304	4,926,351
Printing and advertising	163,277	43,801	1,829,589	97,414	160	14,093	2,148,334	2,618,358
Professional services	1,727,270	171,068	1,588,422	1,182,538	180,452	7,547	4,857,297	5,046,855
Subscriptions and fees	1,424,905	92,787	436,925	232,409	4,674	-	2,191,700	1,715,285
Conferences and travel	459,802	97,735	95,701	857,412	4,692	2,105	1,517,447	1,410,594
Equipment and repairs	856,554	581,838	2,367,327	630,333	256,305	1,948	4,694,305	4,817,241
Supplies	519,476	57,831	80,125	273,684	109,435	274	1,040,825	1,044,222
Insurance	6,707	580	2,092,260	433	808	-	2,100,788	2,118,321
Other	3,785,728	481,379	1,905,904	1,390,400	2,272,961	122,580	9,958,952	8,266,634
Grand total	$ 63,326,276	$ 24,824,463	$ 19,043,030	$ 16,478,122	$ 8,217,527	$ 347,329	$ 132,236,747	$ 130,233,015

NOTE 14 - EMPLOYEE BENEFIT PLANS

The University participates in a defined contribution benefit plan administered by TIAA. Total defined contribution benefit expense was $2,693,396 and $2,384,892 for the years ended June 30, 2024 and 2023, respectively.

The University has a 457(b) deferred compensation plan, for a select group of management and highly compensated employees, which is also administered by TIAA. The 457(b) Plan is a nonqualified deferred compensation plans subject to the provisions of the IRC section 457. Until paid or made available to the participant, all deferred amounts and investment earnings related to deferral amounts are solely the property and rights of the University and are subject to the claims of the University's creditors. Participants' rights under the 457 Plan are equal to those of a general creditor of the University. As of June 30, 2024, and 2023, the 457 Plan assets and corresponding liabilities totaled $1,718,198 and $1,463,329, respectively, and are included in investments and accounts payable and accrued expenses in the accompanying statement of financial position. Participants have discretion over the investments in their account.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

A provision for amounts due to government agencies for costs which may be disallowed upon examination by government auditors has not been included in the accompanying financial statements. Management believes that the effect of such disallowances, if any, would not have a material effect on the financial position, changes in net assets or cash flows of the University.

The University is obligated under employment contracts beginning in 2023 that will expire in varying years through 2027.

Future minimum payments under all agreements at June 30, 2024 are as follows:

Fiscal Year		
2025	$	442,170
2026		451,013
	$	893,183

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

NOTE 16 - LEASES

The University assesses contracts at inception to determine whether an arrangement includes a lease, which conveys the University's right to control the use of an identified asset for a period of time in exchange for consideration.

The University has entered into various leases for copy machines and they are recorded in the financial statements as finance leases. The related obligation, in the amount equal to the present value of the minimum lease payments payable during the remaining term of the lease, is recorded as a liability.

As of June 30, 2024, the future minimum payments (principal and interest) are as follows:

Year Ending June 30:	
2025	$ 103,236
2026	71,832
2027	71,832
2028	23,944
Total minimum lease payments	270,844
Less: amount representing interest	(8,084)
Finance lease liability at year end	$ 262,760

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

	2024	2023
ROU asset	$ 544,662	$ 544,662
Accumulated amortization	(313,977)	(205,134)
	$ 230,686	$ 339,528
Weighted-average remaining lease term years (finance leases):	3.31	3.23
Weighted-average discount rate (finance leases):	2.01%	2.57%

The University has several non-cancellable operating leases for building space, equipment and automobiles for which ROU assets and lease liabilities are recorded in the accompanying fiscal 2024 statement of financial position. The discount rate applied to measure the ROU assets and lease liabilities is based on the estimated incremental borrowing rate. Certain leases include renewal options which the University is not certain of exercising and therefore were excluded in the measurement of the corresponding lease liability and ROU asset. The University's lease payments are based on fixed payments. There are no variable leases or leases that contain termination options or residual value guarantee.

On July 2, 2017, the University signed a 16-year lease agreement with 50 Broadway Realty Corp (the "50 Broadway Lease") for New York City space rental for the University's Bachelor of Fine Arts Theatre Arts program (the "BFA Program"). The lease will expire on March 31, 2033. The terms of the lease include rent escalations in each year of the lease period. On December 1, 2017, the University signed a Rockville Centre Lease agreement with RVC Associates L.P. for rental space for the University's academic programs. In May 2022 two of the leases were extended and remeasured using an updated discount rate, all of the RVC leases will expire on May 31, 2033. The terms of the lease include rent escalations in each year of the lease period. On August 31, 2021, the University signed a 15-year lease agreement with Broadville Realty LLC (the "1100 N. Broadway" lease) for Nursing courses including state of the art Lab space. The terms of the lease include rent escalations in each year of the lease period and a $1,163,800 lease incentive reimbursement to defray some of the expense to make the rental space suitable for the needs of the Nursing program. This lease will expire on June 30, 2037.

The University also leases property at the West Sayville, NY boat basin for its Center for Environmental Research and Coastal Oceans Monitoring. That lease was entered into on September 1, 2016 and expired on August 31, 2019, then renewed until August 31, 2023, and then renewed through August 31, 2026. The

University also leased space at 555 Albany Avenue beginning in April 2024, primarily for administrative offices and to house our Sustainability and Energeia initiatives. This is a one year lease agreement and therefore is not considered an operating lease under ASU No. 2016-02, *Leases (Topic 842)*.

Other information:

	2024	2023
Weighted-average remaining lease term years (operating leases):	10.24	11.2
Weighted-average discount rate (operating leases):	3.76%	3.76%

The table below presents a maturity analysis of the operating lease liability and a reconciliation of the total amount of such liabilities in the statement of financial position as of June 30, 2024:

Year Ending June 30:	
2025	$ 2,256,758
2026	2,310,825
2027	2,302,271
2028	2,225,280
2029	2,328,072
Thereafter	13,038,313
Total lease obligation, gross	24,461,519
Less: amounts representing interest (rates from .35% to 5.36%)	(4,313,430)
Total lease liability	$ 20,148,089

Rental expense for the years ended June 30, 2024 and 2023 totaled approximately $2.3 million.

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

	2024	2023
Operating lease cost	$ 2,292,238	$ 2,289,986
Short-term lease cost	46,347	84,585
Finance lease cost		
Amortization of ROU assets	108,843	90,043
Interest on lease liabilities	49,065	5,700
Total lease cost	$ 2,496,492	$ 2,470,314

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

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 2,292,522	$ 1,989,557
Operating cash flows from finance leases	49,065	84,432
Financing cash flows from finance leases	148,383	96,898

NOTE 17 - CERTIFICATE OF DEPOSIT HELD AS COLLATERAL FOR LETTER OF CREDIT

On July 1, 2017, the University entered into the lease agreement for Manhattan space rental which will serve as the New York City site for the University's BFA Theatre Arts program. In accordance with the terms of the lease, the University was required to obtain an irrevocable standby letter of credit in lieu of a cash security deposit for the lease agreement with 50 Broadway Realty Corp. On June 15, 2017, the University opened a certificate of deposit in the amount $694,680 with Signature Bank (now known as Flagstar) to be held as collateral for the irrevocable standby letter of credit. The balance of the certificate of deposit for the years ended June 30, 2024 and 2023 was $347,340, and $694,680, respectively.

NOTE 18 - CAP21 TRADE NAME AND CURRICULUM, NET

Effective November 10, 2016, the University and CAP21 executed a termination agreement which ended CAP21's contractual responsibility for the provision for instructional studio courses for the BFA Theatre Arts program. The termination agreement stipulated that the University assume responsibilities and control for all instructional, operational, financial, and programmatic components of the BFA program. This allowed the University to refine the program and develop a more unified and efficient conservatory curriculum within a four-year academic institution. In satisfaction of the $500,000 loan and advanced tuition payments provided by the University to CAP21 which totaled $905,809 at the date of termination agreement, CAP21 transferred its trade name, course curriculum, and various equipment and furniture to the University.

The University hired an independent valuation group to do an analysis on the acquisition of CAP21. The results of this analysis, valued the trade name at $420,000, the curriculum at $185,000, the goodwill at $708,798, and the gain on acquisition at $905,809, which was equivalent to the amount of receivable, the University forgave.

Based on the impairment test performed at fiscal 2017 year-end by an independent valuation company, the University was required to write off the full value of the Goodwill in the amount of $708,798 and was reflected on the 2017 financial statements.

The following table presents identified intangible assets as of and for the years ended June 30, 2024 and 2023:

	Amortization Period	Gross Amount	Fiscal 2023 Accumulated Amortization	Balance at June 30, 2023	Fiscal 2024 Amortization Expense	Balance at June 30, 2024
Intangible assets:						
Trade name	8 years	$ 420,000	$ 341,250	$ 78,750	$ 52,500	$ 26,250
Curriculum	5 years	185,000	185,000	-	-	-
Total		$ 605,000	$ 52,500	$ 78,750	$ 52,500	$ 26,250

The University recorded amortization of identified intangible assets of $52,500 for the years ended June 30, 2024 and 2023, respectively. The following table presents annual amortization of the remaining trade name intangible asset for its remaining useful life:

Year	Total
2025	$ 26,250
Total	$ 26,250

NOTE 19 - AVAILABLE RESOURCES AND LIQUIDITY

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The University has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities.

In analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities of instruction and public service, as well as the conduct of services undertaken to support those activities. Student notes receivables are not included in the analysis as principal and interest on these loans are used solely to make new loans, and are therefore, not available to meet current operating needs.

As of June 30, 2024 and 2023 the following tables show the total financial assets held by the University and the amounts of those financial assets that could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2024	2023
Financial assets available within one-year:		
Cash and cash equivalents	$ 43,721,672	$ 16,562,874
Short-term certificates of deposit	-	25,461,657
Student accounts receivable	3,332,443	2,688,111
Pledges receivable	19,535	257,083
Investments	57,960,349	49,675,703
	105,033,999	94,645,428
Less:		
Amounts unavailable for general expenditures within one-year due to:		
Donor restricted endowment	9,469,511	8,517,070
Other donor restricted assets	4,937,560	4,901,408
Total amounts unavailable due to donor restrictions or law	14,407,071	13,418,478
Total financial assets available to management for general expenditure before amounts subject to the Board's approval	90,626,928	81,226,950
Amounts available to management subject to the Board's approval:		
Board-designated endowment funds	46,702,243	40,738,428
Total financial assets available to management for general expenditure within one-year	$ 43,924,685	$ 40,488,522

NOTE 20 - RELATED-PARTY TRANSACTIONS

Members of the University's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees may participate in any decision in which he or she has a material financial interest. Each Trustee and senior manager are required to certify compliance with the conflict of interest policy on an annual basis as well as disclose any potential related-party transactions to the Audit, Risk Management and Compliance Committee. When such a relationship exists, the University requires that such transactions be conducted at arms' length, with terms that are fair and reasonable to and for the benefit of the University. For senior management, the University requires annual disclosure of significant financial interests in, or governance of employment or consulting relationships with, entities doing business with the University. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interest of the University. No related party transactions existed for fiscal year 2024 and 2023 that require disclosure.