Consolidated Financial Statements and Report of Independent Certified Public Accountants

Marist College and Affiliates

June 30, 2023 and 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Marist College and Affiliates

Opinion

We have audited the consolidated financial statements of Marist College and Affiliates (the "College"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the College as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

Grant Thornton LLP

New York, New York
November 22, 2023

Marist College and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30,

	2023	2022
ASSETS		
Cash and cash equivalents	$ 43,895,620	$ 87,670,533
Short-term investments	39,288,416	18,745,966
Accounts receivable, net	2,733,421	3,728,995
Contributions receivable, net	3,647,275	3,447,623
Deposits with bond trustees	48,265,091	62,657,790
Other assets	2,766,818	1,983,418
Student loans receivable	2,027,014	3,185,748
Assets held in charitable remainder trust	382,576	424,575
Investments	464,624,041	378,088,443
Right-of-use lease assets	1,940,397	1,411,592
Assets held for sale	-	15,625,000
Construction in progress	24,090,612	4,351,291
Land, buildings and equipment, net	401,421,993	417,453,766
Total assets	$ 1,035,083,274	$ 998,774,740
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 28,338,888	$ 20,718,212
Deferred income	8,593,472	9,101,018
Annuities payable	310,208	322,540
Finance lease liabilities	381,177	808,995
Operating lease liabilities	1,893,650	1,440,837
U.S. government advances refundable	2,245,405	3,188,752
Bonds payable, net	224,295,819	235,263,962
Note payable	-	384,000
Accrued post-retirement benefits	7,421,283	7,467,335
Interest rate swap obligation	-	1,991,467
Total liabilities	273,479,902	280,687,118
Net assets		
Without donor restrictions	650,417,543	614,359,630
With donor restrictions		
Restricted by time or purpose	67,525,124	61,156,388
Perpetual in nature	43,660,705	42,571,604
Total with donor restrictions	111,185,829	103,727,992
Total net assets	761,603,372	718,087,622
Total liabilities and net assets	$ 1,035,083,274	$ 998,774,740

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

Marist College and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition, fees, room and board, net	$ 203,234,343	$ -	$ 203,234,343
Government grants	3,622,688	-	3,622,688
Private grants and contracts	856,560	-	856,560
Contributions	2,623,570	3,304,696	5,928,266
Investment return designated for operations, net	6,435,340	4,150,437	10,585,777
Other income	4,421,689	-	4,421,689
Net assets released from restrictions	3,492,863	(3,492,863)	-
Total operating revenues	224,687,053	3,962,270	228,649,323
Operating expenses			
Instructional	81,222,984	-	81,222,984
Research	328,415	-	328,415
Public service	573,778	-	573,778
Academic support	22,074,651	-	22,074,651
Student services	45,366,014	-	45,366,014
Institutional support	23,579,086	-	23,579,086
Scholarships and fellowships	577,664	-	577,664
Auxiliary enterprises	41,037,633	-	41,037,633
Total operating expenses	214,760,225	-	214,760,225
Changes in net assets from operating activities	9,926,828	3,962,270	13,889,098
Nonoperating activities			
Net investment return in excess of amounts designated for operations	28,344,533	3,552,172	31,896,705
Loss on derecognition of Sprout Creek Farm, Inc.	(1,982,291)	(8,175)	(1,990,466)
Change in value of interest rate swap obligation	805,467	-	805,467
Payment to beneficiaries	-	(71,004)	(71,004)
Post-retirement related changes other than net periodic benefit costs	340,630	-	340,630
Net loss on disposal of fixed assets	(1,354,680)	-	(1,354,680)
Changes to donor’s restriction/net asset class	(22,574)	22,574	-
Changes in net assets from nonoperating activities	26,131,085	3,495,567	29,626,652
CHANGE IN NET ASSETS	36,057,913	7,457,837	43,515,750
Net assets, beginning of year	614,359,630	103,727,992	718,087,622
Net assets, end of year	$ 650,417,543	$ 111,185,829	$ 761,603,372

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

Marist College and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues			
Tuition, fees, room and board, net	$ 193,858,247	$ -	$ 193,858,247
Government grants	13,071,690	-	13,071,690
Private grants and contracts	1,217,396	-	1,217,396
Contributions	2,719,970	2,624,905	5,344,875
Investment return designated for operations, net	2,495,468	3,575,021	6,070,489
Other income	3,969,689	-	3,969,689
Net assets released from restrictions	3,058,112	(3,058,112)	-
Total operating revenues	220,390,572	3,141,814	223,532,386
Operating expenses			
Instructional	76,320,420	-	76,320,420
Research	245,188	-	245,188
Public service	406,896	-	406,896
Academic support	19,665,572	-	19,665,572
Student services	42,088,265	-	42,088,265
Institutional support	20,112,456	-	20,112,456
Scholarships and fellowships	5,064,341	-	5,064,341
Auxiliary enterprises	38,837,051	-	38,837,051
Total operating expenses	202,740,189	-	202,740,189
Changes in net assets from operating activities	17,650,383	3,141,814	20,792,197
Nonoperating activities			
Net gain on disposal of fixed assets	23,387	-	23,387
Write down of impaired assets	(1,738,707)	-	(1,738,707)
Write down of assets held for sale	(3,875,000)	-	(3,875,000)
Net investment return in excess of amounts designated for operations	(32,332,153)	(12,026,587)	(44,358,740)
Net loss from Sprout Creek Farm, Inc.	(81,632)	-	(81,632)
Change in value of interest rate swap obligation	2,847,809	-	2,847,809
Payment to beneficiaries	-	(71,194)	(71,194)
Post-retirement related changes other than net periodic benefit costs	2,554,345	-	2,554,345
Changes to donor's restriction/net asset class	(19,605)	19,605	-
Changes in net assets from nonoperating activities	(32,621,556)	(12,078,176)	(44,699,732)
CHANGE IN NET ASSETS	(14,971,173)	(8,936,362)	(23,907,535)
Net assets, beginning of year	629,330,803	112,664,354	741,995,157
Net assets, end of year	$ 614,359,630	$ 103,727,992	$ 718,087,622

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

Marist College and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30,

	2023	2022
Cash flows from operating activities:		
Changes in net assets	$ 43,515,750	$ (23,907,535)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Nonoperating items:		
Contributions restricted for investment in endowment	1,079,036	(394,032)
Gifts of stock	(132,042)	(463,673)
Interest and dividends restricted for endowment	(1,638,403)	(1,332,005)
Net realized (gain) loss on investments	(14,414,693)	(10,349,476)
Net realized (gain) loss on short-term investments	9,057	21,520
Net investment (gain) loss on assets held in charitable remainder trust	41,999	129,695
Noncash items:		
Depreciation	18,544,082	19,199,173
Amortization of bond issuance costs	128,095	124,858
Amortization of bond premium	(1,046,733)	788,524
Bad debt expense	34,262	(196,316)
Net unrealized (gain) loss on investments	(25,583,190)	71,402,435
Net unrealized (gain) loss on short-term investments	34,148	345,572
Net (gain) loss on interest rate swap obligation	(805,467)	(2,847,809)
Non-cash contributions	-	(20,000)
Non-cash lease expense	(58,392)	(32,520)
(Gain) loss on disposal of fixed assets	1,354,680	(23,387)
Write down of impaired assets	-	1,738,707
Write down of assets held for sale	-	3,875,000
Write off of SCF on transfer	2,800,734	-
Accrued post-retirement benefits	(46,052)	(2,160,192)
(Increase) decrease in:		
Accounts receivable	995,574	(927,773)
Contributions receivable	(233,914)	1,000,161
Other assets	(783,400)	(83,930)
Right of use assets - operating	(452,813)	548,547
Increase (decrease) in:		
Accounts payable and accrued liabilities	3,210,053	(5,272,759)
Deferred revenue	(507,546)	(829,271)
Annuities payable	(12,332)	(12,691)
Right of use liabilities - operating	452,813	(548,546)
Net cash provided by operating activities	26,485,306	49,772,277
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	83,697,689	96,691,305
Purchases of investments	(130,103,362)	(118,911,627)
Purchase of short-term investments	(53,519,463)	(10,150,659)
Proceeds from sale of short-term investments	32,933,808	7,693,196
Proceeds from sale of fixed assets	15,475,615	36,465
Purchase of property and equipment	(21,847,036)	(4,048,794)
Repayments on student loans	1,158,734	809,933
Net cash used in investing activities	(72,204,015)	(27,880,181)
Cash flows from financing activities:		
Repayments of principal on indebtedness	(10,573,657)	(7,256,875)
Repayments of swap obligation	(1,186,000)	-
Repayment of note payable	(384,000)	-
Proceeds from issuance of bonds	34,989,694	58,190,000
Extinguishment of bonds	(33,799,525)	-
Bond issuance cost	(666,017)	(827,977)
Repayments of principal on finance lease liabilities	(445,418)	(681,752)
Repayments of funds on U.S. government advances	(943,347)	(790,636)
Change in deposits with bond trustees	14,392,699	(54,873,031)
Interest and dividends restricted for endowment	1,638,403	1,332,005
Contributions restricted for investment in endowment	(1,079,036)	394,032
Net cash provided by (used in) financing activities	1,943,796	(4,514,234)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(43,774,913)	17,377,862
Cash and cash equivalents, beginning of year	87,670,533	70,292,671
Cash and cash equivalents, end of year	$ 43,895,620	$ 87,670,533
Supplemental cash flow information:		
Cash paid during the year for interest	$ 8,487,457	$ 6,703,329
Purchases of land, buildings and equipment within accounts payable and accrued liabilities	$ 4,410,623	$ -
Assets acquired in finance lease	$ -	$ 509,495

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Marist College (the "College") is an independent, comprehensive institution located on a 210 acre main campus in the Hudson River Valley of New York, a branch campus in Florence, Italy, and educational offerings around the world through its online and study abroad programs. Marist is dedicated to helping students develop the intellect, character and skills required for enlightened, ethical, and productive lives in the global community of the 21st century.

The consolidated financial statements of the College have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of the College's wholly owned subsidiaries, Sprout Creek Farm, Inc., Marist Real Property Service, Inc., Marist Real Property Service II, Inc., and VAYU, LLC. All significant intercompany transactions have been eliminated. Marist Real Property Services, Inc. and Marist Real Property Services II, Inc. are corporations that were formed by the College to purchase and hold real estate for the benefit and use of the College. The College is the single member of VAYU, LLC which holds real and personal property in Esopus, New York. Sprout Creek Farm, Inc. (the "Farm") is a New York 501(c)3 corporation which has provided educational experiences for children and adults. The College took over control of the Farm in January 2018. During the year ended June 30, 2020 all operations of the Farm were ceased. In May 2023, the Board of Directors of the Farm completed the transfer of the Farm and conveyed title to the Farm Property to Gopal Farm, LLC (see Note 25).

Basis of Presentation

Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into the following categories:

<u>Net Assets Without Donor Restrictions</u>

Net assets without donor restrictions are net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties (see also Notes 16 and 17).

<u>Net Assets With Donor Restrictions</u>

Net assets with donor restrictions are net assets subject to donor-imposed stipulations that will be met either by actions of the College and/or the passage of time. The College reports gifts of cash and other assets as restricted support 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 and/or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions also include earnings on donor-restricted endowment funds that have not yet been appropriated by the College's Board of Trustees for expenditure. Net assets with donor restrictions also include gifts from donors who stipulate that their donated resources be maintained in perpetuity by the College. Generally, the College is permitted to expend part or all of the income and gains derived from these donated assets, restricted only by donors' stipulations.

Fair Value Measurements

The College follows guidance that provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction.

The guidance 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 respective asset or liability as of the measurement date.

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

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments in Level 1 include listed equities held in the name of the College, and exclude listed equities and other securities held indirectly through commingled funds;

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies; and

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

The categorization of a financial instrument within the fair value hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the College's perceived risk of that instrument. As permitted by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Subtopic 820-10, the College has excluded investments that are measured at fair value using the net asset value ("NAV") per share practical expedient from the fair value hierarchy.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments consisting of demand deposit accounts, money market funds, and debt instruments with original maturities of three months or less at the time of purchase. Cash and cash equivalents held in the investment portfolio are excluded as a result of the College's intent to segregate these designated funds from cash available for current operations.

Accounts Receivable

Accounts receivable include student accounts receivable, grants receivable and other receivables and are reported net of allowance for doubtful accounts. The College provides for potentially uncollectible amounts through a provision for bad debts and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Receivables are written-off when deemed uncollectible and payments subsequently collected are recorded as revenue in the period received.

Revenue Recognition and Receivables

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

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

Tuition revenues for the fall and spring terms are recognized in the academic semester to which they relate. Revenues and expenses relating to summer session activities are recognized as earned. The carrying value of student receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience and therefore approximates net realizable value. Receivables are written-off in the period in which they are deemed uncollectible.

The College also generates other revenue through Cloud Computing and Analytics contracts, NCAA and MAAC distributions as part of the athletics program, as well as various camps and events on campus. Generally, this revenue is recognized over time with the completion of the specific performance obligations.

Contributions, Grants and Contracts

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

Unconditional contributions are recognized as revenues when donors' commitments are received. Contributions of assets other than cash are recorded at their estimated fair value. Conditional pledges are recognized as revenues when conditions are substantially met.

Contributions, including unconditional promises to give (pledges), are reported as revenues in the period received or pledged. Pledges, less an allowance for uncollectible amounts, are recorded as receivables at the net present value, determined using a credit-adjusted rate. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any. Restricted pledges are reported as additions to the with donor restrictions' net asset class. Contributions of cash or other assets that must be used to acquire or construct long-lived assets are reported with donor restrictions until the 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. The College has recorded revenue from conditional promises of $100,000 and $100,000 for the years ended June 30, 2023 and 2022, respectively, as the conditions on these pledges have been met. There were no new conditional pledges received during the year ended June 30, 2023.

Contributions with donor-imposed restrictions are reported as revenues restricted by time or purpose and are released to net assets without donor restrictions when donor-imposed restrictions are satisfied.

Contributions restricted for the acquisition of land, buildings and equipment or for the construction of assets are reported as revenues with donor restrictions. These contributions are released to net assets upon acquisition of the assets or when the assets are placed into service.

Government grants and contracts have been deemed to be conditional contributions. Accordingly, revenue is recognized when conditions have been met, that is, generally as related costs are incurred under the grant or contract. Amounts expended in excess of reimbursements are reported as accounts receivable on the consolidated statements of financial position.

Student Loans Receivable and U.S. Government Advances Refundable

Student loans receivable are carried at unpaid principal balances, which represent net realizable value. These loans have mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. Amounts received from the federal government to fund a portion of the student loans are ultimately refundable to the federal government and are classified as U.S. government advances refundable in the consolidated statements of financial position.

Investments

The estimated fair value of investments is based on quoted market prices, except for certain investments, principally limited partnerships and similar interests, for which quoted market prices are not available. The estimated fair value of limited partnerships and similar investments is based on valuations provided by external investment managers as of the measurement date. Because alternative investments 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. Such differences could be material.

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

Deposits with Bond Trustees

Deposits with bond trustees represent funds held by designated bond trustees for debt service payments and construction building projects. Deposits with trustees are held in cash, money market funds, and fixed income and are recorded at fair value as of June 30, 2023 and 2022.

Land, Buildings and Equipment

Land, buildings and equipment purchased in excess of $5,000 are recorded at cost or, if donated, at fair value at the date of the donation. Depreciation is computed on a straight-line basis, using the half-year convention, over the estimated useful lives of the related assets as follows:

	Years
Buildings and building improvements	20 - 45
Ground improvements	15 - 20
Equipment, furniture and fixtures	3 - 10
Library books	5
Vehicles	5

Works of art, historical treasures and similar assets (collectively, “collections”) have been recognized at their estimated fair value based upon appraisals or similar valuations at the date of acquisition or donation. Collections are capitalized but not depreciated.

The College has capitalized its collections since its inception. If purchased, items accessioned into the collection are capitalized at cost and, if donated, they are capitalized at their fair value as of the accession date. Gains or losses on the deaccession of collection items are classified on the consolidated statements of activities as with or without donor-restricted support depending on donor restrictions, if any, placed on the item at the time of accession.

Leases

The College 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 College 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 consolidated statements 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 rate implied within the lease, or on the College’s incremental borrowing rate using a period comparable with the lease term, or a risk-free rate of return for a period comparable with the lease term.

The lease term may include options to extend or terminate the lease that the College 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.

Deferred Income

Deferred income primarily consists of tuition and matriculation deposits and other payments for upcoming semesters that have been billed and/or received prior to the fiscal year end.

Interest Rate Swap Obligation

The College makes limited use of derivative financial instruments, specifically an interest rate swap, for the purpose of managing interest rate risks associated with its variable rate debt obligations. An interest rate swap agreement is used to mitigate the variability of future changes in net assets and cash flows caused by movement in interest rates. The differentials paid or received on the interest rate swap agreement are recognized as adjustments to interest expense. The reported fair value of the interest rate swap obligation represents the cost to terminate the agreement at the measurement date, taking into account current and projected market interest rates. Changes in fair value are reported as part of nonoperating activities on the consolidated statements of activities. In May 2023, the college terminated the interest rate swap. (See also Note 13).

Conditional Asset Retirement Obligation

The College is required to recognize the costs associated with the eventual remediation and abatement of asbestos located within the construction of certain of its buildings. However, based on the results of surveys performed by independent environmental consultants, the College concludes that the cost of remediation is immaterial to the accompanying consolidated financial statements and, accordingly, has not recognized a liability for this obligation as of June 30, 2023 and 2022.

Functional Expenses

Facilities operations and maintenance expenses, depreciation and amortization of plant assets and interest on long-term debt are allocated to program and supporting activities based on the primary use of the facilities (see Note 20).

Income Taxes

Tax effects from an uncertain tax position are recognized in the consolidated financial statements only if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. The College is exempt from income tax under Internal Revenue Code (the “Code”) Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the Code.

Advertising

Advertising costs are expensed as incurred. Advertising expense amounted to $1,881,743 and $1,752,745 for the years ended June 30, 2023 and 2022, respectively. Such amounts are included in student services on the accompanying consolidated statements of activities.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. In addition, estimates and assumptions are used to determine disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used in the determination of depreciation, post-retirement benefits, allowance for doubtful accounts, contributions receivable, certain accrued liabilities and certain overhead allocations, among others.

Concentrations of Credit Risk

The College maintains its cash and money market funds with high credit quality financial institutions, which at times may exceed federally insured limits. The College has not experienced, nor does it anticipate, any losses with respect to such accounts. The College has a significant investment in equities, fixed income securities, mutual and exchange-traded funds and alternative investments, both marketable and non-marketable, and is therefore subject to concentrations of credit risk.

Measure of Operations

The accompanying consolidated statements of activities present the changes in net assets distinguishing between operating and nonoperating activities. Operating activities principally include all revenues and expenses that relate to the College’s educational programs, research, training and supporting activities. Operating revenues also include investment return pursuant to the College’s spending rate policy earned on long-term investments held for endowment and similar purposes.

The College has defined nonoperating activities principally to include investment income earned, and gains and losses on investments held for long-term purposes, net of amounts distributed to support operations in accordance with the endowment spending policy; gains or losses on its interest rate swap obligation; activities related to the Farm; and activity related to post-retirement benefit plans. Certain other gains and losses considered to be of a more unusual or non-recurring nature are also included as part of nonoperating activities.

Reclassifications

Certain amounts reported in functional operating expenses in the fiscal 2022 financial statements have been reclassified to conform to the fiscal 2023 presentation. These reclassifications have no effect on previously reported changes in total assets, liabilities, net assets, operating revenues, operating expenses or nonoperating activities.

New Pronouncements

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

Subsequent Events

The College evaluated its June 30, 2023 consolidated financial statements for subsequent events through November 22, 2023, the date the consolidated financial statements were issued. The College is not aware of any other subsequent events which would require recognition or disclosure in the consolidated financial statements.

NOTE 2 - SHORT-TERM INVESTMENTS

Short-term investments consist of certificates of deposit with original maturities of greater than 90 days and short-term corporate and municipal bond funds maturing within a five-year period in accordance with the short-term investment policy. The fair value as of June 30, 2023 and 2022 is $39,288,416 and $18,745,966, including $34,148 and $345,572 in unrealized depreciation, respectively.

NOTE 3 - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net, consists of the following at June 30, 2023 and 2022:

	2023	2022
Student accounts receivable	$ 1,524,091	$ 2,515,642
Less: allowance for doubtful accounts	(294,676)	(386,314)
	1,229,415	2,129,328
Grants and contracts receivable	597,716	955,583
Other receivables	906,290	644,084
Accounts receivable, net	$ 2,733,421	$ 3,728,995

NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consists of unconditional promises to give and are summarized as follows at June 30, 2023 and 2022:

	2023	2022
Unconditional promises to give are expected to be collected in:		
Less than one year	$ 2,138,221	$ 1,364,651
One to five years	2,114,975	2,568,328
	4,253,196	3,932,979
Less:		
Allowance for uncollectible amounts	(236,925)	(202,663)
Discount to present value (with rates ranging from 4.13% to 5.4%)	(368,996)	(282,693)
	$ 3,647,275	$ 3,447,623

At June 30, 2023 and 2022, approximately 60% and 65%, respectively, of gross pledges receivable were due from four donors.

At June 30, 2023 and 2022, the College had outstanding conditional pledges and bequests of $2,968,613 and $3,068,613, respectively, which, in accordance with U.S. GAAP, have not been recorded in the accompanying consolidated financial statements.

NOTE 5 - STUDENT LOANS RECEIVABLE

The College makes uncollateralized loans to students based on financial need. Student loans are funded through federal government loan programs or institutional resources. At June 30, 2023 and 2022, student loans totaled $2,027,014 and $3,185,748, respectively, and represented 0.2% and 0.3% of total assets, respectively.

The College participates in the Federal Perkins revolving loan program (“Federal Perkins Loan Program”). The availability of funds for loans under this program is dependent on reimbursements to the pool from repayments on outstanding loans. Funds advanced by the federal government of $2,245,405 and $3,188,752 at June 30, 2023 and 2022, respectively, are ultimately refundable to the government and are classified as liabilities in the accompanying consolidated statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for future loans and a decrease in the College's liability to the government.

Amounts due under the Federal Perkins Loan Program are almost fully guaranteed by the government and, therefore, no reserves are placed on any past due balances. On September 30, 2015, the Federal Perkins Loan Program expired. It was then extended on December 18, 2015 under The Perkins Loan Extension Act of 2015 to permit institutions to issue new loans, under amended guidelines, until September 30, 2017. No new Perkins loans can be issued under this Act subsequent to September 30, 2017. In addition, as part of this Act, prior to October 1, 2017, the College is required to annually return the federal share of excess liquid capital, as defined, to the federal government. The College remitted distributions to the U.S. Department of Education totaling $547,653 and $734,206 during the years ended June 30, 2023 and 2022, respectively.

At June 30, 2023 and 2022, the following amounts were past due under student loan programs:

	2023	2022
1-60 days past due	$ 3,074	$ 6,381
60-90 days past due	1,311	2,577
90+ days past due	96,442	687,597
Total past due	$ 100,827	$ 696,555

NOTE 6 - INVESTMENTS

The fair value of investments at June 30, 2023 and 2022, are as follows:

	2023	2022
Endowments and other investible funds:		
Cash and cash equivalents	$ 25,994,702	$ 22,269,194
Investments made in advance	-	11,255,985
Fixed income securities	21,420,702	15,979,791
Domestic equity securities	9,195,605	5,983,705
International equity securities	15,650,139	14,258,868
Commingled fund	224,420,238	162,031,924
Hedge funds	82,269,748	71,597,755
Private equity	85,198,315	74,357,823
Total pooled investments	464,149,449	377,735,045
Operating and other investments:		
Domestic equity securities	308,640	278,297
Investment in TIAA annuities and mutual funds	165,952	75,101
Total operating and other investments	474,592	353,398
Total investments	$ 464,624,041	$ 378,088,443

NOTE 7 - CONSTRUCTION IN PROGRESS

Construction in progress consists of the following at June 30, 2023 and 2022:

	2023	2022
Dyson Center addition/upgrades	$ 22,140,335	$ 3,165,185
Other projects and renovations	1,950,277	1,186,106
Total construction in progress	$ 24,090,612	$ 4,351,291

NOTE 8 - LAND, BUILDINGS AND EQUIPMENT, NET AND ASSETS HELD FOR SALE

Land, buildings and equipment consist of the following at June 30, 2023 and 2022:

	2023	2022
Buildings and building improvements	$ 589,155,633	$ 592,997,920
Equipment, furniture and fixtures	81,940,899	80,253,486
Equipment acquired under finance leases	3,941,348	3,941,348
	675,037,880	677,192,754
Less: accumulated depreciation	(298,346,062)	(284,875,975)
	376,691,818	392,316,779
Land	16,832,550	17,239,362
Artwork and collectibles	7,897,625	7,897,625
Land, buildings and equipment, net	$ 401,421,993	$ 417,453,766

The net ROU asset relating to equipment acquired under finance leases is $452,841 and $931,504 at June 30, 2023 and 2022, respectively, and is included in land, buildings and equipment in the above chart.

Depreciation expense for the years ended June 30, 2023 and 2022 totaled $18,544,082 and $19,199,173, respectively, and is allocated to functional expense categories on the accompanying consolidated statements of activities (Note 20).

During the year ended June 30, 2022, the College entered into a purchase agreement in June 2022 for the sale of the New York City property resulting in a write down of $3,875,000 to reflect the sale price of $15,625,000 after closing costs. The sale was completed on August 25, 2022.

NOTE 9 - PENSION PLANS

Defined Contribution Plans

The College has a defined contribution pension plan for all eligible employees as defined in the “Retirement Resolution.” Pension obligations under the plan are funded each pay period by the College as they become due. Contributions are applied to plan accounts for each participant by Teachers Insurance and Annuity Association of America (“TIAA”) as record keeper for the plan. College contributions are dependent upon employee contributions in accordance with a schedule of percentages in the plan agreement. Employee contributions are normally made on a pre-tax basis unless an after tax agreement is so authorized by the employee. The College's contributions to the plan for the years ended June 30, 2023 and 2022 totaled $5,918,293 and $5,634,714, respectively.

The College funds a pension plan for all eligible employees in the SEIU Local 200 Union by participating in the pension plan provided by the 1199 Health Care Employees Pension Fund. The College's contribution is a fixed percentage of monthly gross wages for all employees covered under the agreement. The College's contributions for the years ended June 30, 2023 and 2022 totaled $738,720 and $569,768, respectively.

Deferred Compensation Plans

The College has deferred compensation plans for several employees based on years of service, which provide for cash payments at the end of the employment contract which are not guaranteed. The cost of the plans is being accrued over the period of active employment from the contract date. The liability under the agreements is determined based on the contributions required by the plans. The plans require annual contributions from $75,000 to $85,000, ranging from one to three years and coincide with the end of the respective employee's contract. The obligation related to and fair value of the assets of these plans at June 30, 2023 and 2022 was $165,951 and $330,101, respectively, and is included in the accompanying consolidated statements of financial position as part of accounts payable and accrued liabilities. Total contributions to these plans for the years ended June 30, 2023 and 2022 totaled $80,950 and $160,500, respectively.

NOTE 10 - CHARITABLE REMAINDER TRUST

A donor has established and funded a trust under which the College serves as the custodian and trustee. Assets held in this trust are stated separately in the consolidated statements of financial position. The fair value of the assets at June 30, 2023 and 2022 totaled $382,576 and $424,575, respectively. Specified distributions are to be made to a designated beneficiary over the trust's term. Upon termination of the trust, the College receives the assets remaining in the trust.

NOTE 11 - BONDS PAYABLE, NET

Bonds payable, net consists of the following at June 30, 2023 and 2022:

Bond	Original Maturity Date	2023	2022	
Dutchess County Industrial Development Agency				
Series 2008-A Variable Rate Demand Bonds	July 1, 2038	$ 13,220,000	$ 13,825,000	A
Dutchess County Local Development Corp.				
Series 2013-A Fixed Rate Bonds	July 1, 2043	-	12,225,000	B
Series 2013B-1 Revenue Bonds	July 1, 2028	-	3,266,692	C
Series 2013B-2 Revenue Bonds	July 1, 2028	-	4,989,175	C
Series 2013B-3 Revenue Bonds	July 1, 2035	-	11,873,613	C
Series 2015-A Revenue Bonds	July 1, 2045	73,230,000	74,915,000	D
Series 2016 Revenue Bonds	July 1, 2031	-	9,525,000	E
Series 2018 Revenue Bonds	July 1, 2048	35,150,000	35,790,000	F
Series 2022 Revenue Bonds	July 1, 2052	58,190,000	58,190,000	G
Series 2023 Revenue Bonds	July 1, 2043	31,505,000	-	H
Total principal		211,295,000	224,599,480	
Unamortized bond premium		15,750,445	13,312,485	
Unamortized bond issuance costs		(2,749,626)	(2,648,003)	
Total bonds payable, net		$ 224,295,819	$ 235,263,962	

A. Series 2008-A

On January 1, 2008, the College entered into an agreement with the Dutchess County IDA to issue variable rate demand bonds in the amount of $20,000,000. Proceeds were used to finance construction of additional student townhouses, parking lots and roadways on Fulton Street in Poughkeepsie, New York. Interest is reset weekly by a remarketing agent and payable monthly. Principal payments will be made annually through July 1, 2038 based upon a predetermined schedule. The initial principal payment was $380,000 and gradually increases to $1,065,000 in the final year. The Series 2008-A bonds are secured by a letter of credit issued by TD Bank, N.A. that expires in January 2025. The College's obligation to the letter of credit provider is an unsecured general obligation of the College with a springing mortgage on certain College property upon a default under the bank agreement. The Letter of Credit contains certain financial covenants including an annual liquidity covenant defined as unrestricted cash and investments to long-term debt of not less than 0.75:1.00.

B. Series 2013-A

On March 28, 2013, the College entered into an agreement with the Dutchess County Local Development Corporation to issue fixed rate serial and term bonds in the par amount of $14,710,000. The College also recorded a premium amount on the bond of $552,546. Proceeds were used to finance construction of a multi-purpose academic building in Poughkeepsie, New York. Series 2013-A bonds were defeased with the refinancing of 2023 Series bonds.

C. Series 2013-B

On September 12, 2013, the College refinanced the Series 1998-A, 1999-A, and 2005-A bonds totaling $33,045,000 from letter of credit enhanced variable rate demand bonds to variable rate revenue bonds, whereby TD Bank (the "Purchaser") became the sole holder of these bonds. Series 2013-B bonds were defeased with the refinancing of 2023 Series bonds.

D. Series 2015-A

On June 25, 2015, the College entered into an agreement with the Dutchess County Local Development Corporation to issue fixed rate serial and term bonds in the par amount of $80,885,000. The College also recorded a premium amount on the bond of $9,672,609. Proceeds were used to finance construction of the Science and Allied Health Building and Phase I of the North Campus student housing facility in Poughkeepsie, New York. Interest is payable semi-annually based on a coupon rate of 5.0%. Principal payments will be made annually through July 1, 2045 based upon a predetermined schedule ranging from $1,385,000 to $5,170,000. The Bonds are unsecured general obligations of the College. Financial covenants included a debt service coverage ratio of 1.00:1.00, which was to be maintained as long as the Series 2013-A Bonds were still outstanding. As of May 11, 2023, the Series 2013-A bonds had been defeased.

E. Series 2016

In 2016, the College refinanced the Series 2000-A bonds totaling $13,795,000 from letter of credit enhanced variable rate demand bonds to variable rate revenue bonds, whereby TD Bank, N.A. became the sole holder of these bonds. Series 2016 bonds were defeased with the refinancing of 2023 Series bonds.

F. Series 2018

On October 4, 2018, the College entered into an agreement with the Dutchess County Local Development Corporation to issue fixed rate serial and term bonds in the par amount of $35,790,000. The College also recorded a premium amount on the bond of $4,747,062. Proceeds were used to finance construction on the Steel Plant Studios and McCann Fitness Center Building, both located in Poughkeepsie, New York. Interest is payable semi-annually based on a coupon rate of 5.0%. Principal payments began on July 1, 2022, and will be made annually through July 1, 2048 based on a predetermined schedule ranging from $640,000 to $2,355,000. The Bonds are unsecured general obligations of the College. Financial covenants included a debt service coverage ratio of 1.00:1.00, which was to be maintained as long as the Series 2013A Bonds were still outstanding. As of May 11, 2023, the Series 2013A Bonds had been defeased.

G. Series 2022

On May 10, 2022, the College entered into an agreement with the Dutchess County Local Development Corporation to issue fixed rate serial and term bonds in the par amount of $58,190,000. The College also recorded a premium amount on the bond of $1,601,579. Proceeds were used to finance construction on the Dyson Center building, located in Poughkeepsie, New York. Interest is payable semi-annually based on a coupon rate of 4.0%, starting in 2044 and 5.0%, starting in 2050. Principal payments, starting on July 1, 2044, will be made annually through July 1, 2052, based on a predetermined schedule ranging from $430,000 to $10,430,000. The Bonds are unsecured general obligations of the College. Financial covenants included a debt service coverage ratio of 1.00:1.00, which was to be maintained as long as the Series 2013-A Bonds were still outstanding. As of May 11, 2023, the Series 2013-A Bonds had been defeased.

H. Series 2023

On May 11, 2023, the College entered into an agreement with the Dutchess County Local Development Corporation to issue fixed rate serial and term bonds in the par amount of $31,505,000. The College also recorded a premium amount on the bond of $3,484,694. Proceeds were used to refinance the Series 2013-A, 2013-B and 2016 bonds. Interest is payable semi-annually based on a coupon rate of 5.0%. Principal payments, starting on July 1, 2024, will be made annually through July 1, 2043, based on a predetermined schedule beginning with a payment of $2,990,000 and ending with a final payment of $585,000.

For the years ended June 30, 2023 and 2022, interest expense related to long-term debt totaled $8,926,609 and $6,994,898, respectively.

The College is in compliance with all required financial loan covenants at June 30, 2023 and 2022.

At June 30, 2023, aggregate principal maturities of long-term debt for each of the next five years and in total thereafter are as follows:

Fiscal Year Ending:	
2024	$ 3,065,000
2025	6,205,000
2026	6,460,000
2027	6,730,000
2028	7,005,000
Thereafter	181,830,000
	211,295,000
Plus: unamortized bond premium	15,750,445
Less: unamortized bond issuance costs	2,749,626
Total	$ 224,295,819

Bond issuance costs consist of the following at June 30, 2023 and 2022:

	2023	2022
Bond issuance costs	$ 3,744,842	$ 3,758,751
Less: accumulated amortization	(995,216)	(1,110,748)
Bond issuance costs, net	$ 2,749,626	$ 2,648,003

Amortization expense for the years ended June 30, 2023 and 2022 amounted to $128,095 and $124,858, respectively.

NOTE 12 - NOTE PAYABLE

On January 1, 2018, the College entered into a Change of Control Agreement (the “Agreement”) with the Society of Sacred Heart United States-Canada Province, Inc. (the “Society”) for the Farm. As a condition of the Agreement, the College assumed a note and mortgage from the Society in the amount of $480,000. The Society agreed to forgive the note on a straight-line basis annually over 10 years provided that the College continues to operate the Farm for agricultural and educational purposes. For the years ended June 30, 2023 and 2022, no amounts were forgiven by the Society. The balance on the note and mortgage is $0 and $384,000 at June 30, 2023 and 2022, respectively. The note was paid off upon the change in control and the transfer of title to Gopal Farm LLC (see note 25).

NOTE 13 - INTEREST RATE SWAP OBLIGATION

In order to mitigate the College's interest rate exposure on variable rate debt obligations, the College entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc. (the "Counterparty"). The notional principal amount of the swap was $30,510,000 at June 30, 2022. The swap agreement was fully settled on May 11, 2023.

The fair value of this obligation as of June 30, 2022 totaled $1,991,467 and is categorized as Level 2 within the fair value hierarchy. The change in the fair value of this obligation totals $805,467 and $2,847,809 for the years ended June 30, 2023 and 2022, respectively, and is included in the accompanying consolidated statements of activities as change in fair value of interest rate swap obligation.

Additional interest paid by the College related to the swap agreement amounted to approximately $132,731 and $928,726 for the years ended June 30, 2023 and 2022, respectively.

NOTE 14 - POST-RETIREMENT HEALTH CARE BENEFITS

The College sponsors post-retirement medical benefits for full-time employees and their spouses who satisfy pre-defined prior coverage, age, and years of service conditions. The benefit is offered in the form of annual payments from the College to a health reimbursement account ("HRA") set up in the retiree or spouse's name, which can be used to purchase insurance coverage through a private insurance exchange that the College has engaged to coordinate retirees' access to private insurance plans. The amount of the annual HRA contribution is graduated based on the retirees' prior years of active service with the College.

The College offers post-retirement dental benefits to a small group of retirees electing dental but not medical coverage.

The College also offers life insurance benefits for a group of retirees, whereby retirees were eligible for a $5,000 life insurance benefit from the College if their date of retirement was before January 1, 2019 and they did not previously decline life insurance coverage. Active employees retiring on or after January 1, 2019 are not eligible for post-employment life insurance benefits.

The following table provides a reconciliation of the changes in the plan's benefit obligations and fair value of assets for the years ended June 30, 2023 and 2022:

	2023	2022
Reconciliation of benefit obligation:		
Obligation at beginning of year	$ 7,467,335	$ 9,627,527
Service cost, including expenses	196,336	286,037
Interest cost	331,412	236,587
Plan participants' contributions	1,800	1,803
Actuarial gain	(95,967)	(2,254,606)
Benefits payments and expected expenses	(479,633)	(430,013)
Obligation at end of year	7,421,283	7,467,335
Reconciliation of fair value of plan assets:		
Fair value of plan assets at beginning of year	-	-
Employer contributions	477,833	428,210
Plan participants' contributions	1,800	1,803
Benefit payments and actual expenses	(479,633)	(430,013)
Fair value of plan assets at end of year	-	-
Funded status at end of year	$ (7,421,283)	$ (7,467,335)

The amounts recognized in net assets without donor restrictions on the consolidated statements of financial position at June 30, 2023 and 2022, consisted of:

	2023	2022
Unamortized prior service credit	$ (538,743)	$ (549,249)
Unamortized actuarial net gain	(4,385,312)	(4,512,009)
Total	$ (4,924,055)	$ (5,061,258)

Components of net periodic cost on the consolidated statements of activities for the years ended June 30, 2023 and 2022 consist of the following:

	2023	2022
Net periodic benefit cost:		
Service cost	$ 196,336	$ 286,037
Interest cost	331,412	236,587
Amortization of prior service credit	(10,506)	(10,506)
Amortization of net gain	(222,664)	(117,965)
Net periodic postretirement benefit cost	$ 294,578	$ 394,153

Amounts recognized in net assets without donor restrictions as of June 30, 2023 and 2022 are as follows:

	2023	2022
Actuarial gain	$ (95,967)	$ (2,254,606)
Amortization of prior service credit	10,506	10,506
Amortization of net gain	222,664	117,965
Total other amounts recognized in net assets without donor restrictions	$ 137,203	$ (2,126,135)

The expected effect in net assets without donor restrictions of the estimated transition obligation, prior service cost, and net gain for the plan that will be recognized as components of net periodic benefit cost for the year ended June 30, 2023 are $0, $10,506, and $222,664, respectively.

Weighted average assumptions as of June 30th (measurement date):

	2023	2022
Year-end benefit obligation		
Discount rate	4.88%	4.38%
Net periodic benefit cost		
Discount rate	4.38%	2.62%
Expected return on plan assets	N/A	N/A

As of June 30, 2023, the discount rate was updated from 4.38% to 4.88% based on an analysis of the Financial Times Stock Exchange Pension Discount Curve and the Plan's expected future cash flows. The increase in the discount rate is consistent with bond yields experienced throughout the market over the 12-month period ending June 30, 2023.

Due to a plan amendment in fiscal year 2016, valuation eliminates all future medical and prescription drug trend increases as capped annual employer contributions are now provided to plan participants. Therefore, there are no assumed future medical and prescription drug trend rates to disclose.

The College's post-retirement benefit plan prescription drug coverage is at least actuarially equivalent to the new Medicare coverage. The disclosure reflects, as of June 30, 2023 the subsidy payments from Medicare that commenced in 2007. The value of the subsidy is reflected as an actuarial gain and reduces the plan's accumulated post-retirement benefit obligation, service cost and the net periodic post-retirement benefit cost.

The following schedule summarizes the benefits to be paid by the plan in each of the next five years, along with the aggregate to be paid for the five years thereafter:

Fiscal Year Ending June 30:	Net Benefits
2024	$ 487,283
2025	492,670
2026	495,226
2027	499,415
2028	504,823
2029 through 2033	2,595,916
Total	$ 5,075,333

NOTE 15 - FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis at June 30, 2023 are as follows:

	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Short-term investments:				
Cash and cash equivalents	$ 76,036	$ -	$ -	$ 76,036
Fixed income securities	39,212,380	-	-	39,212,380
Total short-term investments	39,288,416	-	-	39,288,416
Assets held in charitable remainder trusts:				
Cash equivalents, fixed income securities and equities	-	382,576	-	382,576
Pooled endowment investments at fair value:				
Cash and cash equivalents	25,994,702	-	-	25,994,702
Fixed income securities	21,420,702	-	-	21,420,702
Domestic equity securities	9,195,605	-	-	9,195,605
International equity securities	15,650,139	-	-	15,650,139
Total pooled investments at fair value	72,261,148	-	-	72,261,148
Total investments at NAV				391,888,301
Total pooled endowment investments				464,149,449
Other investments:				
Domestic equity securities	308,640	-	-	308,640
Investment in TIAA annuities and mutual funds	-	165,952	-	165,952
Total assets	$ 111,858,204	$ 548,528	$ -	$ 504,295,033

Assets and liabilities measured at fair value on a recurring basis at June 30, 2022 were as follows:

	Level 1	Level 2	Level 3	Total Fair Value
Assets				
Short-term investments:				
Cash and cash equivalents	$ 5,643,889	$ -	$ -	$ 5,643,889
Fixed income securities	13,102,077	-	-	13,102,077
Total short-term investments	18,745,966	-	-	18,745,966
Assets held in charitable remainder trusts:				
Cash equivalents, fixed income securities and equities	-	424,575	-	424,575
Pooled endowment investments at fair value:				
Cash and cash equivalents	22,269,194	-	-	22,269,194
Fixed income securities	15,979,791	-	-	15,979,791
Domestic equity securities	5,983,705	-	-	5,983,705
International equity securities	14,258,868	-	-	14,258,868
Total pooled investments at fair value	58,491,558	-	-	58,491,558
Total investments at NAV				307,987,502
Investments made in advance				11,255,985
Total pooled endowment investments				377,735,045
Other investments:				
Domestic equity securities	278,297	-	-	278,297
Investment in TIAA annuities and mutual funds	-	75,101	-	75,101
Total assets	$ 77,515,821	$ 499,676	$ -	$ 397,258,984
Liabilities				
Interest rate swap obligation	$ -	$ 1,991,467	$ -	$ 1,991,467

The College uses the NAV to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their consolidated financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list investments by major category as of June 30, 2023 and 2022:

2023							
Fund Strategy	Number of Funds	NAV	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Notice Required	Lock-up and Redemption Terms
Commingled funds	29	$224,420,238	N/A	None	N/A	1 – 60 days	Redemptions range from daily to annually
Multi-Strategy Hedge funds	25	82,269,748	N/A	None	N/A	2 – 126 days	Redemptions range from daily to triennially; 3 funds have quarterly liquidity with a redemption gate of 25%, 6 funds have a 25% quarterly redemption window, 1 fund has quarterly liquidity, 2 funds have annual liquidity, 1 fund has biannual liquidity; 1 fund has triennial liquidity
Private equity	31	85,198,315	3 – 15 years	$ 55,699,297	N/A	N/A	N/A
Total	85	$391,888,301		$ 55,699,297			

2022							
Fund Strategy	Number of Funds	NAV	Remaining Life	$ Amount of Unfunded Commitments	Timing to Draw Down Commitments	Notice Required	Lock-up and Redemption Terms
Commingled funds	28	$162,031,924	N/A	None	N/A	1 – 60 days	Redemptions range from daily to annually
Multi-Strategy Hedge funds	23	71,597,755	N/A	None	N/A	2 – 126 days	Redemptions range from daily to triennially; 8 funds have a quarterly gate of 25%, 7 funds have quarterly liquidity, 2 funds have annual liquidity, 1 fund has biannual liquidity, 1 fund has triennial liquidity
Private equity	28	74,357,823	3 – 15 years	$ 43,813,620	N/A	N/A	N/A
Total	79	$307,987,502		$ 43,813,620			

NOTE 16 - NET ASSETS

Net assets consist of the following at June 30, 2023 and 2022:

	2023	2022
Without donor restrictions:		
For general operations	$ 328,133,809	$ 319,377,319
Designated for quasi-endowment	322,283,734	294,982,311
Total net assets without donor restrictions	650,417,543	614,359,630
With donor restrictions:		
Instruction, research and divisional support	6,073,954	4,870,896
Building and construction activities	15,262,498	15,814,585
Scholarship and endowment	46,188,672	40,470,907
Endowment funds held in perpetuity	43,660,705	42,571,604
Total net assets with donor restrictions	111,185,829	103,727,992
Total net assets	$ 761,603,372	$ 718,087,622

NOTE 17 - ENDOWMENT

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

On September 17, 2010, New York State passed the New York State Prudent Management of Institutional Funds Act ("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 College classifies donor-restricted endowment funds as net assets with donor restrictions, unless otherwise stipulated by the donor as follows: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the College may spend below the historical dollar value of its endowment funds, if determined to be prudent, unless specific donors have stipulated to the contrary. The College has received instructions from donors, who have contributed $407,958 and $405,758 in donor-restricted contributions (with a fair value of $678,859 and $645,690 as of June 30, 2023 and 2022, respectively), for which the College must maintain the historical dollar value of these funds. The College had certain underwater endowment funds with original gift amounts totaling $380,861 and $798,955 that were valued at $369,246 and $742,120, as of June 30, 2023 and 2022, respectively.

The investment objectives for the College's endowment are to preserve the principal value of those funds, in both absolute as well as real terms, and to maximize, over the long term, the total rate of return earned without assuming an unreasonable degree of risk. In connection with these investment objectives, the Board of Trustees has adopted a spending policy. The amount available for spending is determined annually by applying a rate of 5% to the average fair value of the endowment for the preceding three fiscal years.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity are classified as net assets with donor restrictions until such amounts are appropriated for expenditure by the College's Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the endowment fund;

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

(3) General economic conditions;

(4) The possible effect of inflation and deflation;

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

(6) Other resources of the College;

(7) The investment policies of the College; and

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

The table which follows presents information with respect to the College's endowment, inclusive of pledges of $615,769, as of June 30, 2023:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction			Total Funds as of June 30, 2023
		Original Gift	Accumulated Gains (Losses)	Total	
Board-designated endowment funds	$ 322,283,734	$ -	$ -	$ -	$ 322,283,734
Donor-restricted endowment funds					
Underwater endowment funds	-	380,861	(11,615)	369,246	369,246
Other endowment funds	-	43,279,844	46,200,287	89,480,131	89,480,131
	-	43,660,705	46,188,672	89,849,377	89,849,377
Total endowment funds	$ 322,283,734	$ 43,660,705	$ 46,188,672	$ 89,849,377	$ 412,133,111

The table which follows presents information with respect to the College's endowment, inclusive of pledges of $557,263, as of June 30, 2022:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction			Total Funds as of June 30, 2022
		Original Gift	Accumulated Gains (Losses)	Total	
Board-designated endowment funds	$ 294,982,311	$ -	$ -	$ -	$ 294,982,311
Donor-restricted endowment funds					
Underwater endowment funds	-	798,955	(56,835)	742,120	742,120
Other endowment funds	-	41,772,649	40,527,742	82,300,391	82,300,391
	-	42,571,604	40,470,907	83,042,511	83,042,511
Total endowment funds	$ 294,982,311	$ 42,571,604	$ 40,470,907	$ 83,042,511	$ 378,024,822

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction			Total Endowment Funds
		Original Gift	Accumulated Gains	Total	
Endowment net assets, beginning of year	$ 294,982,311	$ 42,571,604	$ 40,470,907	$ 83,042,511	$ 378,024,822
Transfer to board-designated endowment	360,000	-	-	-	360,000
Net investment return	27,448,394	2,491	7,695,331	7,697,822	35,146,216
Payment to beneficiaries	-	-	(71,004)	(71,004)	(71,004)
Contributions	120,102	1,025,341	-	1,025,341	1,145,443
Change in donor designation/transfers	-	61,269	-	61,269	61,269
Awards made	(627,073)	-	(1,906,562)	(1,906,562)	(2,533,635)
Endowment net assets, end of year	$ 322,283,734	$ 43,660,705	$ 46,188,672	$ 89,849,377	$ 412,133,111

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Net Assets Without Donor Restriction	Net Assets With Donor Restriction			Total Endowment Funds
		Original Gift	Accumulated Gains	Total	
Endowment net assets, beginning of year	$ 324,824,627	$ 41,148,102	$ 50,709,709	$ 91,857,811	$ 416,682,438
Transfer to board-designated endowment	547,711	-	-	-	547,711
Net investment return	(29,963,323)	(2,662)	(8,448,903)	(8,451,565)	(38,414,888)
Payment to beneficiaries	-	-	(71,194)	(71,194)	(71,194)
Contributions	137,150	1,404,991	-	1,404,991	1,542,141
Change in donor designation/transfers	-	21,173	-	21,173	21,173
Awards made	(563,854)	-	(1,718,705)	(1,718,705)	(2,282,559)
Endowment net assets, end of year	$ 294,982,311	$ 42,571,604	$ 40,470,907	$ 83,042,511	$ 378,024,822

NOTE 18 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions due to the passage of time and/or satisfying the restricted purposes specified by the donors are as follows:

	2023	2022
Capital projects	$ 375,961	$ 633,894
Scholarships	1,619,492	1,341,510
Instruction, research and divisional support	1,497,410	1,082,708
Total	$ 3,492,863	$ 3,058,112

NOTE 19 - TUITION, FEES, ROOM AND BOARD, NET

The College has various revenue streams that revolve primarily around student enrollment and instruction. Revenue is generated mainly through tuition, housing, meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed prior to when a course or term begins and due within 30 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, 2023	Tuition and Fees	Room	Board	Total
Revenues	$ 247,602,740	$ 44,561,422	$ 13,131,171	$ 305,295,333
Less: student aid	(100,422,995)	(1,130,461)	(507,534)	(102,060,990)
Net	$ 147,179,745	$ 43,430,961	$ 12,623,637	$ 203,234,343

For the Year Ended June 30, 2022	Tuition and Fees	Room	Board	Total
Revenues	$ 235,496,723	$ 41,021,695	$ 11,948,660	$ 288,467,078
Less: student aid	(93,117,226)	(1,052,272)	(439,333)	(94,608,831)
Net	$ 142,379,497	$ 39,969,423	$ 11,509,327	$ 193,858,247

The College has taken a portfolio approach in determining whether student aid should apply across tuition and fees, room, and board. In general, the College awards student aid factoring in the total cost of attendance, including tuition, fees, room and board and the students' expected ability to contribute towards such charges. Unless specifically earmarked, the College first applies student aid to tuition and fees charges. Any remaining student aid is applied to room and board. Accordingly, student aid has been applied against all student revenues.

For the year ended June 30, 2023 and 2022, the College recognized revenue of $9,087,505 and $9,415,305, respectively, from amounts that were included in deferred revenue at the beginning of the fiscal year. At June 30, 2023, deferred revenue totaled $8,593,472. Performance obligations related to $8,579,959 of this balance are expected to be met in one year.

NOTE 20 - FUNCTIONAL TO NATURAL EXPENSES

	2023								
	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Scholarships and Fellowships	Auxiliary	Total
Salaries and wages	$ 40,697,660	$ 160,798	$ 33,603	$ 10,541,379	$ 17,408,983	$ 12,494,855	$ -	$ 7,564,109	$ 88,901,387
Employee benefits	13,699,535	32,713	216	3,971,106	6,333,975	3,848,605	-	3,567,143	31,453,293
Scholarships and fellowships	-	-	-	-	-	-	577,664	-	577,664
Travel	513,115	21,604	-	244,479	3,966,203	209,608	-	13,420	4,968,429
Supplies	3,473,600	15,635	250	2,367,299	3,227,283	1,273,993	-	1,096,050	11,454,110
Utilities	1,183,344	-	-	337,264	672,418	104,504	-	2,990,516	5,288,046
Other contractual services	3,962,098	35,938	525,534	1,647,694	7,315,646	3,453,178	-	12,306,098	29,246,186
Depreciation and amortization	5,172,507	12,424	-	1,819,498	2,909,953	742,961	-	8,014,833	18,672,176
Interest	3,512,318	-	-	492,429	1,221,370	491,870	-	3,464,352	9,182,339
Other	9,008,807	49,303	14,175	653,503	2,310,183	959,512	-	2,021,112	15,016,595
Total expenses	$ 81,222,984	$ 328,415	$ 573,778	$ 22,074,651	$ 45,366,014	$ 23,579,086	$ 577,664	$ 41,037,633	$ 214,760,225

	2022								
	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Scholarships and Fellowships	Auxiliary	Total
Salaries and wages	$ 39,534,453	$ 132,085	$ 15,897	$ 9,384,055	$ 16,706,433	$ 9,821,755	$ -	$ 6,790,917	$ 82,385,595
Employee benefits	13,830,108	32,833	303	3,885,045	6,517,813	4,373,970	-	3,498,447	32,138,519
Scholarships and fellowships	-	-	-	-	-	-	5,064,341	-	5,064,341
Travel	360,238	6,619	-	121,370	2,811,611	84,013	-	5,143	3,388,994
Supplies	3,283,549	2,555	-	2,038,651	2,871,364	1,103,411	-	1,108,665	10,408,195
Utilities	1,105,935	-	-	253,125	541,137	107,615	-	2,477,979	4,485,791
Other contractual services	3,958,554	5,729	333,925	1,473,128	6,921,091	3,087,872	-	11,492,607	27,272,906
Depreciation and amortization	5,412,872	5,591	-	1,831,586	2,872,335	846,384	-	8,355,262	19,324,030
Interest	2,491,790	-	-	152,881	1,117,447	42,844	-	3,244,389	7,049,351
Other	6,342,921	59,776	56,771	525,731	1,729,034	644,592	-	1,863,642	11,222,467
Total expenses	$ 76,320,420	$ 245,188	$ 406,896	$ 19,665,572	$ 42,088,265	$ 20,112,456	$ 5,064,341	$ 38,837,051	$ 202,740,189

Allocations

In the above analysis, the costs of operation and maintenance of plant, information technology, depreciation, interest expense, post-retirement costs, medical plan costs and insurance have been allocated across all functional expense categories to reflect the full cost of those activities. Costs are allocated using the following methods:

- Expenses for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant are allocated based on square footage.
- Depreciation expenses for buildings are allocated based on the square footage used to support each function. Depreciation on equipment is allocated to other functions based on the original purchase and usage of the equipment. These allocations are based on information obtained through a periodic inventory of space and usage.
- Interest expense on capital debt is allocated based on usage of debt-financed space.
- Post-retirement periodic pension costs are allocated based on participants enrolled in the medical plan within each function.
- Information technology costs which support the institution, including enterprise computing, systems and technology, telecom and network, digital publication center and postal services are allocated to other functions based on total labor costs by function.
- The College has a self-insured hospitalization and medical coverage program for its employees. An estimation of annual plan costs is calculated each year and are expensed throughout the year through the payroll labor distribution system. At year end, a medical liability analysis is performed, and additional or reduction of expense is allocated across functions based on medical participants currently in each function.
- The College's insurance costs, including general liability, property, professional liability, automobile and crime policies are allocated across functions based on square footage. Workers' compensation insurance costs are allocated based on total labor distribution per function.

NOTE 21 - DEVELOPMENT EXPENSES

The College incurred expenses amounting to $1,494,689 and $1,441,242 related to development and fundraising for the years ended June 30, 2023 and 2022, respectively. Such amounts are included in institutional support on the accompanying consolidated statements of activities.

NOTE 22 - SELF-INSURED MEDICAL BENEFITS

The College has a self-insured hospitalization and medical coverage program for its employees. The College is limiting its losses through the use of stop-loss policies through reinsurers. Specific individual family losses for claims are limited to $200,000 per plan year, respectively. Healthcare costs of $11,327,760 and $12,555,557 are included in the accompanying consolidated statements of activities for the years ended June 30, 2023 and 2022, respectively. The amount reserved for claims incurred at June 30, 2023 and 2022 totals $2,167,956 and $2,194,852, respectively, and is included in accounts payable and accrued liabilities in the accompanying consolidated statements of financial position. Management believes they have adequately provided for all claims incurred in the accompanying consolidated financial statements, however, since the accrued liability is based on estimates, the College's ultimate liability may exceed or be less than the amounts accrued. The methods of making such estimates and establishing the accrual are reviewed continually and any resulting adjustments are reflected in change in net assets for the current year.

NOTE 23 - RELATED PARTY TRANSACTIONS

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

Unconditional promises to give include approximately $1.1 million and $1.7 million due from Board members and entities related to Board members for the years ended June 30, 2023 and 2022, respectively. Additionally, the College had approximately $274,000 and $302,000, due from employees as of June 30, 2023 and 2022, respectively. The College had no other material related party transactions during the years ended June 30, 2023 and 2022.

NOTE 24 - COMMITMENTS, CONTINGENCIES AND LEASES

The College is subject to various litigation incidental to its business activities. Management and its counsel believe that existing insurance policies are sufficient and that pending litigation will not have a material adverse effect on the College’s financial position, operations and cash flows.

The College is a member of the New York College & University Risk Management Group Trust. The Trust was created for the purpose of providing and securing workers compensation insurance for its members. There is a statutory requirement that each member be jointly and severally liable with all other members for the compensation and medical liability accruing during its participation in the Group Trust. Such liability shall survive the member’s termination from the Group or active participation in the program. As of June 30, 2023 and 2022, the College believes there is no exposure for future liabilities.

In addition to the benefits described in Note 9 above, the College has employment agreements in place that extend through fiscal 2028.

The future commitments for employment agreements are as follows:

Fiscal Year Ending:	
2024	$ 1,318,594
2025	671,239
2026	426,179
2027	154,500
2028	154,500
Total commitments	$ 2,725,012

The College has multiple leases for residential and classroom space in Florence, Italy for its international program as well as NYC lease for classroom space with terms expiring through August 2026.

Additionally, the College leases automobiles, copier equipment, and other equipment under finance and operating leases with terms ranging from three to five years.

The College has several non-cancelable operating leases for building space used in the delivery of College programs and the operation of the College bookstore, for which a ROU asset and a lease liability are recorded in the accompanying 2022 consolidated statement of financial position. The College measures its lease assets and liabilities using a risk-free rate of return selected based on the term lease. The College considered the likelihood of exercising renewal or termination terms in measuring its ROU assets and lease liabilities. The College's lease payments include both fixed and variable payments. Variable payments are based on indices specified in the leases. The leases contain no termination options or residual value guarantees.

The College has elected the practical expedient to forgo applying the recognition requirements in ASC 842 to short-term leases. The College has short-term leases for a vehicle and copiers, which are expensed as paid. The College has finance leases for computer equipment.

Supplemental quantitative information related to leases for the year ended June 30, 2023 and 2022 are as follows:

	2023	2022
Cash paid for amounts included in the measurement of lease obligations		
Operating cash flows from finance lease	$ 10,503	$ 37,439
Financing cash flows from finance lease	445,418	681,752
Operating cash flows from operating leases	1,294,591	1,729,795
ROU assets obtained in exchange for new operating lease obligations	1,660,484	521,775
ROU assets obtained in exchange for new finance lease obligation	-	509,495

The components of lease cost for the year ended June 30, are as follows:

	2023	2022
Operating lease cost	$ 1,370,816	$ 1,729,795
Finance lease cost:		
Interest on lease liabilities	10,503	37,439
Amortization of ROU asset	(76,225)	-
Total lease cost	$ 1,305,094	$ 1,767,234

The maturity of the lease liability as of June 30, 2023 is as follows:

Fiscal Year Ending:	Finance Leases	Operating Leases
2024	$ 178,118	$ 865,323
2025	101,899	479,462
2026	101,899	168,027
2027	-	130,040
2028	-	108,210
2029 and thereafter	-	337,788
Total lease liability, gross	381,916	2,088,850
Less: amounts representing interest rates from 0.14% to 4.48%	(739)	(195,200)
Total lease liability	$ 381,177	$ 1,893,650
Weighted average remaining lease term (expressed in years)	2.5	4.2
Weighted average discount rate	4.33%	3.23%

The maturity of the lease liability as of June 30, 2022 is as follows:

Fiscal Year Ending:	Finance Leases	Operating Leases
2023	$ 438,321	$ 975,130
2024	178,118	512,313
2025	101,899	219,400
2026	101,899	27,093
Total lease liability, gross	820,237	1,733,936
Less: amounts representing interest rates from 0.17% to 9.16%	(11,242)	(293,099)
Total lease liability	$ 808,995	$ 1,440,837
Weighted average remaining lease term (expressed in years)	2.5	1.7
Weighted average discount rate	4.78%	0.39%

NOTE 25 - OPERATIONS OF SPROUT CREEK FARM INC.

As previously referred to in Note 1, the College determined the Farm could not sustain its operations. The Board of Directors of the Farm authorized operations to cease and implemented protocols for its shutdown. In October 2021, the Board of Directors of the Farm entered into a lease agreement with Gopal Farm, LLC to use the premises for farming and agricultural purposes on a month-to-month basis. In May 2023, the Board of Directors of the Farm completed the transfer and conveyed title to the Farm Property to Gopal Farm, LLC as part of a change of control of the Farm in exchange for a $784,000 note receivable which is collateralized by the assets of Gopal Farm LLC and is included in other assets on the statement of financial position. The note is payable in monthly installments of principal and interest (at 3%) with a balloon payment payable at the end of the term on June 1, 2028.

The College recorded a net nonoperating loss relating to the Farm of $1,982,291 and $81,632 on the accompanying consolidated statements of activities for the years ended June 30, 2023 and 2022, respectively.

NOTE 26 - LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2023 and 2022, the following financial assets could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

	2023	2022
Cash and cash equivalents	$ 43,895,620	$ 87,670,533
Less: cash with donor restrictions	(8,564,795)	(7,328,126)
Perkins loan cash	(574,749)	(826,104)
Short-term investments	39,288,416	18,745,966
Accounts receivable due within one year	2,510,115	3,728,995
Contributions (without donor restrictions) due in one year or less	1,258,633	575,625
Investments not subject to donor or board restrictions	52,315,101	-
Payout on donor-restricted endowments	4,060,714	3,773,638
Payout on board-designated endowments	14,513,315	13,477,563
	$ 148,702,370	$ 119,818,090

The College regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the College considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Student loans receivable are not considered to be available to meet general expenditures because principal and interest on these loans are not available for operating activities of the College.

In addition to financial assets available to meet general expenditures over the next 12 months, the College operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows, which identifies the sources and uses of the College's cash and shows positive cash generated by operations for fiscal years 2023 and 2022.

The College's governing board has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. At June 30, 2023, board-designated funds totaled $322,283,734. This may contain investments with lock-up provisions that reduce the total investments that could be made available.

NOTE 27 - IMPACT OF COVID-19

During the fiscal years ended June 30, 2023 and 2022, the federal government provided higher education institutions with Higher Education Emergency Relief Funding ("HEERF"), which was allocated under various acts of Congress. The Coronavirus Aid, Relief, and Economic Securities Act ("CARES") was signed into law on March 27, 2020 and provided the College with total funding of $3,344,611 under HEERF I. The Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020 and provided the College with total funding of $5,195,563 under HEERF II. The American Rescue Plan was signed into law on March 11, 2021 and provided the School with total funding of $9,312,724 under HEERF III. Each of these awards has a student aid portion and an institutional portion. The Department of Education provided required uses of the funds for both the student portion and institutional portion and until the conditions associated with those requirements are satisfied, revenue cannot be recognized, in accordance with ASU 2018-08.

For the year ending June 30, 2022, the College had recognized revenue for HEERF II totaling $9,312,724. As all HEERF-related funding was earned by June 30, 2022, no such revenues were recorded during the year ended June 30, 2023.