



FORDHAM UNIVERSITY

2024 and 2023 Consolidated Financial Statements

(With Independent Auditors' Report Thereon)

FORDHAM UNIVERSITY

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

Independent Auditors' Report

The Board of Trustees
Fordham University:

Opinion

We have audited the consolidated financial statements of Fordham University (the University), which comprise the consolidated statements of financial positions as of June 30, 2024 and 2023, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 University's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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



In performing an audit in accordance with GAAS, we:

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

KPMG LLP

New York, New York
October 28, 2024

FORDHAM UNIVERSITY

Consolidated Statements of Financial Position

June 30, 2024 and 2023

(Amounts in thousands)

Assets	2024	2023
Cash and cash equivalents	\$ 4,316	8,472
Short-term investments (note 4)	12,139	10,175
Accounts receivable, net (note 6)	22,136	24,666
Deposits with bond trustees (note 10)	3,101	3,265
Student loans receivable, net (note 6)	4,481	5,052
Contributions receivable, net (notes 7 and 12)	94,962	89,757
Other assets (notes 2(g) and 2(n))	39,034	33,956
Long-term investments (notes 4 and 5)	1,024,789	978,178
Operating lease right-of-use assets (note 14)	79,850	79,160
Plant assets, net (note 8)	1,173,279	1,174,715
Total assets	\$ 2,458,087	2,407,396
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 70,928	71,275
Deferred revenue and deposits	50,489	43,057
Line of credit (note 10)	20,000	20,000
Fair value of swap agreement (note 10)	418	750
Other liabilities	6,058	6,350
Postretirement benefit obligation (note 9)	52,867	51,563
Long-term debt, net (note 10)	490,584	512,664
Operating lease liabilities (note 14)	89,838	89,875
Total liabilities	781,182	795,534
Commitments and contingencies (notes 4, 13 and 14)		
Net assets (notes 5 and 12):		
Without donor restrictions:		
Undesignated	402,982	392,103
Board-designated	383,756	368,648
Total net assets without donor restrictions	786,738	760,751
With donor restrictions:		
Purpose or time	387,980	369,079
Perpetuity	502,187	482,032
Total net assets with donor restrictions	890,167	851,111
Total net assets	1,676,905	1,611,862
Total liabilities and net assets	\$ 2,458,087	2,407,396

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Activities

Years ended June 30, 2024 and 2023

(Amounts in thousands)

	2024	2023
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees, net (financial aid of \$346,739 and \$320,216 in 2024 and 2023, respectively)	\$ 500,520	490,004
Government grants	30,214	24,750
Investment return, net	43,832	49,542
Contributions and private grants	27,313	25,934
Student housing	75,434	71,307
Food services	27,064	24,753
Other	28,299	23,066
Net assets released from restrictions for operations	8,196	5,848
Total operating revenues	740,872	715,204
Operating expenses:		
Program services:		
Instruction and research	311,195	308,865
Academic support	203,225	196,676
Auxiliary services	109,609	103,272
Total program services	624,029	608,813
Institutional administration	113,250	107,340
Total operating expenses	737,279	716,153
Operating results before transfers	3,593	(949)
Endowment fund transfer	(3,500)	—
Designated fund transfer	—	4,716
Operating results	93	3,767
Nonoperating activities:		
Changes in postretirement health benefits other than net periodic benefit cost	(196)	2,595
Change in value of interest rate swap	332	2,366
Construction grant	—	5,000
Designated fund transfer	—	(4,716)
Endowment fund transfer	3,500	—
Gain on refunding of debt	1,488	—
Investment return, net	13,414	3,726
Net assets released from restrictions for capital projects	5,100	1,459
Net periodic benefit cost other than service cost	2,257	2,478
Increase in net assets without donor restrictions	25,988	16,675
Changes in net assets with donor restrictions:		
Contributions	34,148	37,647
Investment return, net	17,802	5,794
Change in fair value of perpetual trust	401	(281)
Net assets released from restrictions for capital projects	(5,100)	(1,459)
Net assets released from restrictions for operations	(8,196)	(5,848)
Increase in net assets with donor restrictions	39,055	35,853
Increase in net assets	65,043	52,528
Net assets at beginning of year	1,611,862	1,559,334
Net assets at end of year	\$ 1,676,905	1,611,862

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2023

(Amounts in thousands)

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 65,043	52,528
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Appreciation on investments	(74,854)	(62,104)
Provision for doubtful student accounts	5,053	2,604
Provision for uncollectible contributions receivable	4	28
Depreciation and amortization of plant assets	56,844	56,124
Gain on refunding of long-term debt	(1,488)	—
Amortization of bond issue costs and original issue discount/premium	(2,250)	(2,312)
Amortization of right-of-use assets	9,565	8,781
Postretirement related changes other than net periodic pension cost	196	(2,595)
Change in fair value of perpetual trust	(401)	281
Permanently restricted contributions and investment return	(19,354)	(28,440)
Capital contributions and grants	(5,702)	(5,537)
Change in value of interest rate swap	(332)	(2,366)
Changes in operating assets and liabilities:		
Accounts receivable	(2,523)	(3,687)
Contributions receivable, net of permanently restricted and capital components	(175)	2,208
Other assets	(4,677)	(4,853)
Accounts payable and accrued expenses	66	(15,150)
Deferred revenue and deposits	7,432	6,413
Other liabilities	(292)	(2,475)
Operating lease liabilities	(10,292)	(9,080)
Postretirement benefit obligation	1,108	794
Net cash provided by (used in) operating activities	22,971	(8,838)
Cash flows from investing activities:		
Purchases of investments	(554,200)	(481,129)
Sales of investments	580,479	534,452
Purchases of plant assets	(55,408)	(77,855)
Decrease in accounts payable for capital projects	(413)	(6,885)
Decrease in student loans receivable, net	571	848
Net cash used in investing activities	(28,971)	(30,569)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	42,288	—
Bond issuance costs	(214)	—
Repayment of long-term debt	(18,215)	(17,096)
(Increase) decrease in deposits with bond trustees	(232)	4,572
Refunding of long-term debt	(41,805)	—
Proceeds from line of credit	—	20,000
Permanently restricted contributions and investment return	19,354	28,440
Capital contributions and grants	5,702	5,537
(Increase) decrease in contributions receivable for capital projects	(1,882)	4,753
Increase in permanently restricted contributions receivable	(3,152)	(4,126)
Net cash provided by financing activities	1,844	42,080
Net (decrease) increase in cash and cash equivalents	(4,156)	2,673
Cash and cash equivalents at beginning of year	8,472	5,799
Cash and cash equivalents at end of year	\$ 4,316	8,472
Supplemental disclosures:		
Interest paid (includes capitalized interest of \$82 and \$990 for 2024 and 2023, respectively)	\$ 20,078	20,413
Right-of-use assets acquired under operating leases	10,255	5,337

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

(1) The University

Fordham University (the University) is an independent, not-for-profit, institution of higher learning, in the Jesuit tradition, within its principal campuses located in New York City. The University was founded in 1841 and was granted its charter in 1846 by the State of New York. It is exempt from federal income taxes under the provisions of the Internal Revenue Code, as an organization described in Section 501(c)(3).

Fordham University (USA) UK Programs Ltd (Marymount Study Abroad Ltd.) is a wholly-owned subsidiary of the University and is the sole Trustee of Fordham University UK Charitable Trust (MLC Charitable Trust). These entities were formed in August 1994 by Marymount College as part of the former Marymount Study Abroad Limited entity and were acquired by Fordham University in June 2002. The name was changed by a board action in October 2006.

The central mission of the University is the discovery of wisdom and the transmission of learning through research and through undergraduate, graduate, and professional education of the highest quality. Guided by its Catholic and Jesuit traditions, the University fosters the intellectual, moral, and religious development of its students and prepares them for leadership in a global society.

The University awards baccalaureate, graduate, and professional degrees to students from Fordham College at Rose Hill, Fordham College at Lincoln Center, the Gabelli School of Business through both undergraduate and graduate programs, the School of Professional and Continuing Studies, the Graduate Schools of Arts and Sciences, Education, Religion and Religious Education, Social Service, and the School of Law. The University's principal locations include residential campuses in the Bronx and Manhattan, a campus in West Harrison, New York, the Louis Calder Center Biological Field Station in Armonk, New York, and the London Centre in the United Kingdom. In addition to these locations, the University holds a number of affiliations with higher education institutions across the globe and offers online classes and online degree programs.

The University is accredited by the Middle States Commission on Higher Education and presently serves approximately 9,900 undergraduate students and 5,400 graduate and professional students.

The University's primary source of revenue is tuition and fees from undergraduate, graduate, and professional and continuing education. Other sources of revenue include student housing and food services, contributions, grants and contracts, return on investments, and other services.

(2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are as follows:

(a) Basis of Presentation

The University prepares its consolidated financial statements on the accrual basis in conformity with U.S. generally accepted accounting principles (GAAP) and classifies its activities into one of two classes of net assets, based on either the existence, or absence, of donor-imposed restrictions.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

The two classes of net assets used in the preparation of the consolidated financial statements are as follows:

- Without donor restrictions: Net assets not subject to donor-imposed restrictions and available to support the University's general operations. Net assets without donor restrictions may be designated for specific uses by action of the Board of Trustees of the University (the Board); and
- With donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the University and/or the passage of time, or that must be maintained in perpetuity (i.e. endowed) if so stipulated by the donor. A donor-imposed restriction arises when a donor makes a contribution and, in doing so, specifies its use for a specific activity within the University's overall mission. In the case of net assets that must be held in perpetuity, donors generally permit the use of all or part of the investment earnings for operations or specific purposes.

Expirations of restrictions on net assets with donor restrictions, including reclassifications of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions on the consolidated statements of activities. Donor-imposed restrictions met in the same reporting period the contribution is received are reported as increases in net assets without donor restrictions.

(b) Operating and Non-Operating Activities

Operating activities include student-sourced revenues, such as tuition and fees, student housing, and food services. They also include grants and contracts, donations for general operations, the allocation of endowment spending for current operations, other ordinary and routine revenues, and all operating expenses.

Non-operating activities tend to vary from year to year and include changes in market values of investments and other financial instruments beyond the amount which has been appropriated for spending in the current year, certain actuarially determined transactions relating to the University's postretirement plan, and other non-recurring transactions. Accordingly, they are excluded from operating activities to preserve the comparability of the University's operating results from year to year.

(c) Tuition and Fee Revenue

The University recognizes revenue from student tuition and fees within the fiscal year in which the respective educational services are delivered. Campus-based programs are generally delivered from August through December (the Fall Semester) and January through May (the Spring Semester), as well as during three terms that span the summer months. Online courses are delivered on a rolling basis over the course of the fiscal year, with instruction periods of various lengths. Payments for the Fall Semester are typically due in July and recorded as deferred revenue until the performance obligations are met.

Institutional aid (scholarships) reduces the published price of tuition for students and is funded by a number of sources, including the endowment, certain research funds, and gifts.

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June 30, 2024 and 2023

(Amounts in thousands)

(d) Student Housing and Food Services

The University generates revenue from student housing and food services, which are offered for the University community's benefit. Accordingly, fees for these services are set to recover the associated costs of providing them. Amounts billed for housing and food services are owed prior to the start of the academic term to which the services benefit, and are provided over the course of that academic term. Revenues associated with these services are earned and recognized over the course of each academic term as such services are provided.

(e) Fair Value Measurements

The University measures the fair value of relevant financial assets and liabilities using a three-tiered fair value hierarchy, which prioritizes the inputs to valuation techniques used to make fair value measurements. The three levels of the fair value hierarchy and associated inputs are as follows:

- Level 1 inputs, which are quoted or published prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date;
- Level 2 inputs, which are directly or indirectly attributable to the assets or liabilities being valued, but cannot be considered Level 1 inputs; and
- Level 3 inputs, which are unobservable and derived from valuation methodologies, including pricing models, discounted cash flow models, and similar techniques, and are not based on market, exchange, dealer, or broker traded transactions.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to its fair value measurement.

Investments reported using a practical expedient, known as net asset value (NAV), to estimate fair value are not classified in the fair value hierarchy, except for those with a readily determinable fair value based on a published price that serves as the basis for current transactions and, therefore, classified as Level 1 in the fair value hierarchy.

(f) Investments

Investments are reported at fair value. Long-term investments consist of endowment investments as well as other segregated investments. Short-term investments consist of investments for working capital needs. Investments in publicly traded securities are reported at fair value based upon quoted market prices. Investments in investment companies (consisting of investments in hedge funds and private capital funds) are estimated using values reported by those investment companies, which are based upon the underlying NAV of the investment. These estimated values are reviewed and evaluated by the University.

Investment income is reported as increases in net assets with donor restrictions if the terms of the underlying gift restrict the use of any income to specific activities or require it be added to the principal of the gift, or if the income is not yet available for expenditure based on the University's spending policy. Absent those conditions, investment income is recognized as increases in net assets without donor restrictions.

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June 30, 2024 and 2023

(Amounts in thousands)

(g) Contributions and Grants

Contributions (including pledges and assets other than cash) are initially reported at fair value as revenue in the period received, net of an allowance for uncollectible amounts. Contributions to be received after one year (i.e., pledges) are recorded at their discounted present value using a risk-adjusted rate. Discounts on contributions are amortized to contribution revenue over the life of the pledge.

Contributions of property and equipment are reported as increases in net assets without donor restrictions unless the donor imposes restrictions on their use. Contributions made toward long-lived assets are held as net assets with donor restrictions until the asset is placed in service, at which time the contributions are released from restriction. Contributions with donor-imposed restrictions are reported as changes in net assets without donor restrictions if the restriction is satisfied in the same fiscal year in which the contribution was received by the University.

Revenue from grants is recognized as performance obligations are satisfied which, in some cases, are as related costs are incurred. In other cases, a grant may represent a non-reciprocal transaction in which the benefits afforded to the University and sponsor are not of equal value, or the benefit of such an arrangement may accrue only to the public at large. In situations such as these, revenues may be subject to conditions, in the form of both a barrier to entitlement (e.g. a specific service level must be maintained to remain eligible for grant funding, or discretion as to the University's use of the grant is limited), or an explicit or implicit proviso that the University may not ultimately be entitled to the full amount of the grant (e.g. the sponsor may be released from its obligation to make future payments at some point during the arrangement), or both.

Revenues from conditional, non-exchange transactions are recognized when the barrier or financial limitation is overcome or satisfied. Similarly, conditional promises to give are not recognized until they become unconditional (i.e. at which time the conditions on which they depend are met).

The University holds split-interest agreements, which consist of irrevocable charitable remainder trusts and a perpetual trust and are reported in other assets on the consolidated statements of financial position. These assets total \$27,115 and \$24,892 at June 30, 2024 and 2023, respectively, are categorized as Level 3 in the fair value hierarchy.

In 2024, the University was named a 75% beneficiary of one other outstanding split-interest agreement. This charitable remainder trust with donor restrictions contains a barrier and does not meet the requirements for recognition.

(h) Cash Equivalents

Cash equivalents include investments with maturities of three months or less at the time of purchase, except for such investments purchased by the University's investment managers as part of their ongoing investment strategies and those held to finance long-term capital projects.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

(i) Plant Assets

Plant assets are recorded at cost or, in the case of donated assets, at fair value on the date of donation. Interest expense for construction financing, net of income earned on unspent proceeds is capitalized as a cost of construction. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

The useful lives used in calculating depreciation are as follows:

Land improvements	20 years
Buildings	50 years
Building improvements	20 years
Furnishings and equipment	3–10 years
Library collections	30 years

(j) Deferred Revenue and Deposits

Deferred revenue and deposits include tuition and other student deposits related to programs applicable to the next fiscal year, as well as grants and other payments received in advance of incurring related expenses. Deferred revenue is recognized ratably as revenue in the fiscal year that it is earned. Deferred revenue at year end is typically recognized as revenue in the subsequent fiscal year.

(k) Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates in the consolidated financial statements include the valuations of investments, postretirement benefit obligation, net realizable value of receivables, and allocation of expenses to programs and supporting services (operation and maintenance, depreciation, and interest). Actual results could differ from those estimates.

(l) Risks and Uncertainties

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

(m) Leases

The University classifies leases as either operating or financing depending on the terms and conditions in the contract, and amortizes a lease's cost in the consolidated statements of activities on a straight-line basis over its term. On the consolidated statements of financial position, right-of-use assets represent the University's right to use the underlying assets for the lease term and lease

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June 30, 2024 and 2023

(Amounts in thousands)

liabilities represents its obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at lease inception based on the present value of lease payments over the lease term. Right-of-use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the straight-line method.

(n) Income Taxes

The University evaluates uncertainties in income taxes and accounts for them in the consolidated financial statements if they exceed a threshold more likely than not of being sustained. The University has no material uncertain tax positions.

Income generated from activities that support the University's mission but may not directly relate to its exempt purpose (i.e. unrelated business activities), is subject to tax. In connection with the University's routine evaluation of unrelated business activities, a deferred tax asset totaling \$1,386 and \$1,152 at June 30, 2024 and 2023, respectively, was recognized, which is included in other assets on the accompanying consolidated statements of financial position, to reflect the fact that net operating loss carryforwards will likely be deductible against future taxable income.

(o) Principles of Consolidation

The accompanying consolidated financial statements of Fordham University and subsidiaries (collectively, the University) include the accounts of the University and the Marymount Study Abroad Ltd. which are related through common ownership. All material intercompany transactions and balances have been eliminated in consolidation.

(3) Operational Liquidity

To manage liquidity, the University has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The University also invests cash in excess of daily requirements in short-term investments, and has a committed line of credit, which it could draw upon to manage liquidity needs.

Liquidity levels vary over the course of the year, driven principally by tuition billing cycles, with significant concentrations of cash inflows occurring in August and January for the Fall and Spring semesters, respectively.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

At June 30, the University's financial assets available within one year of the consolidated statements of financial position for expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,316	8,472
Accounts receivable, net	22,136	24,666
Investments available for general expenditure	15,639	15,112
Estimated endowment appropriations	<u>45,695</u>	<u>43,322</u>
	87,786	91,572
Transfer to Board approved quasi-endowment (note 5)	<u>(3,500)</u>	<u>(4,938)</u>
Total financial assets available within one year	84,286	86,634
Unutilized line of credit (liquidity resource) (note 10)	<u>30,000</u>	<u>30,000</u>
Total financial assets and liquidity resource available within one year	<u>\$ 114,286</u>	<u>116,634</u>

In addition to these resources, the University's liquidity strategy includes board-designated quasi-endowed funds and other investments, valued at \$378,699 and \$363,591 on June 30, 2024 and 2023, respectively. Spending from the funds, although not currently contemplated, is possible with authorization from the Board.

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Notes to Consolidated Financial Statements
June 30, 2024 and 2023
(Amounts in thousands)

(4) Investments

Investments at June 30, including asset class and liquidity information are as follows:

	<u>2024</u>	<u>2023</u>	<u>Redemption frequency</u>	<u>Days notice</u>
Short-term:				
Cash and cash equivalents	\$ 12,139	10,175	Daily	Not applicable
Total short-term	<u>12,139</u>	<u>10,175</u>	Daily	
Long-term investments:				
Cash and cash equivalents	68,479	43,403	Daily	Not applicable
U.S. public equities	36,138	56,472	Daily	Not applicable
U.S. government obligations	1,713	1,617	Daily	Not applicable
Global equities	—	12,088	Daily	Not applicable
Equity mutual funds	4,203	3,836	Daily	Not applicable
Fixed income securities	16,292	15,428	Daily	Not applicable
Non-public equity funds (i)	145,285	177,834	Daily–annual	5–45
Absolute return hedge funds (ii)	185,006	194,551	Quarterly–annual	5–90
Private capital funds:				
Private equity (iii)	325,891	270,834	Illiquid	Not applicable
Private debt (iv)	74,214	58,639	Illiquid	Not applicable
Private real assets (v)	<u>167,568</u>	<u>143,476</u>	Illiquid	Not applicable
Total endowment and other investments	<u>1,024,789</u>	<u>978,178</u>		
Total investments	<u>\$ 1,036,928</u>	<u>988,353</u>		

- i) Non-public equity funds invest in long-only equity in the United States, international developed markets, and emerging markets. Over the long term, these investments are expected to reflect a return commensurate with the overall economic and capital market climate in which the University operates.
- ii) Absolute return hedge funds generally have the flexibility to invest in a wide array of security types (e.g., equities, bonds, currencies and derivatives) as deemed appropriate by the fund manager to carry out the fund's objective. The goal of absolute return strategies is to provide, in aggregate, a return that is consistently positive and uncorrelated with other asset classes.
- iii) Private equity funds invest in securities from private or closely held companies that may either go public or be acquired by other companies, or from public companies that may go private. The market for

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

these securities is illiquid and comprises a variety of strategies such as venture capital, growth equity, and leverage buyouts. The investment horizon is typically more than ten years.

- iv) Private debt funds invest in illiquid debt obligations or debt-related financial instruments. The category is comprised of a variety of strategies such as mezzanine financing, direct lending, and distressed debt investing. The investment horizon is typically five to ten years.
- v) Private real asset funds are primarily held in private equity-type structures that invest in tangible assets that include real estate, farmland, timber, oil and gas. The investment horizon is typically 7 to 10 years.

Total unfunded commitments for private capital funds total \$229,859 and \$325,949 at June 30, 2024 and 2023, respectively.

Investments are classified in the fair value hierarchy at June 30 as follows:

	2024		
	NAV	Level 1	Total
Cash and cash equivalents	\$ —	80,618	80,618
U.S. public equities	—	36,138	36,138
U.S. government obligations	—	1,713	1,713
Equity mutual funds	—	4,203	4,203
Fixed income securities	—	16,292	16,292
Non-public equity funds	—	145,285	145,285
Hedge funds	185,006	—	185,006
Private capital funds	567,673	—	567,673
Total	<u>\$ 752,679</u>	<u>284,249</u>	<u>1,036,928</u>

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Notes to Consolidated Financial Statements

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(Amounts in thousands)

	2023		
	NAV	Level 1	Total
Cash and cash equivalents	\$ —	53,578	53,578
U.S. public equities	—	56,472	56,472
U.S. government obligations	—	1,617	1,617
Global equities	—	12,088	12,088
Equity mutual funds	—	3,836	3,836
Fixed income securities	—	15,428	15,428
Non-public equity funds	—	177,834	177,834
Hedge funds	194,551	—	194,551
Private capital funds	472,949	—	472,949
Total	\$ 667,500	320,853	988,353

The following tables summarize the University's total investment return and its classification in the consolidated financial statements for the years ended June 30:

	2024	2023
Without donor restrictions:		
Operating	\$ 43,832	49,542
Non-operating	13,414	3,726
With donor restrictions	17,802	5,794
Total investment return, net	\$ 75,048	59,062

(5) Endowment and Other Long-term Investments

At June 30, 2024, the University's endowment consists of 1,223 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the University's Board to function as endowments (i.e. quasi endowments). At June 30, 2024 and 2023, the fair value of 32 and 52 endowment funds were less than their original fair values (underwater) by \$178 and \$446, respectively.

Pursuant to the investment policy statement approved by its Board of Trustees, the University interprets the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the appropriation or accumulation of a donor-restricted endowment fund as is deemed prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the provisions of the applicable gift instrument.

Through resolution of its Board of Trustees, the University considers both unitized endowment funds and working capital to be endowment. The University's endowment totaled \$1,024,789 and \$978,178 at June 30, 2024 and 2023, respectively.

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Endowment Funds

Unitized endowment funds are collateralized by a pool of investments. The pool is managed to achieve the maximum prudent long-term total return while providing a predictable stream of funding to programs supported by the endowment. The Board has authorized spending and investment policies designed to support these goals. Under the investment policy, endowment assets are invested in a manner that is intended to earn, over the long term, a compound annual interest rate of return in excess of inflation plus the spending rate. The University seeks to achieve competitive returns when compared with its peer group and measured against the appropriate benchmark for each asset class in the pool.

The University considers the duration and preservation of the investment pool, the donor restrictions governing use of individual endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return, the change in fair value of investments, the University's investment policy, and certain other factors in making a determination to appropriate or accumulate endowment funds. In 2024 and 2023, the spending policy permits the use of total return at a rate of appropriation (spending rate) of 4.5% of the average quarterly fair value during the three preceding calendar years, unless otherwise specified by donor. During the prior fiscal year, the board opted for a higher spending rate of 6.5% for 18 individual quasi endowment funds. The spending was returned to 4.5% in FY24 for these 18 individual quasi endowment funds.

Unitized endowment fund activity during the years ended June 30, 2024 and 2023 was as follows:

	Board designated (without restrictions)	Donor restricted (with restrictions)	Total
Endowment fund at June 30, 2022	\$ 262,474	595,363	857,837
Investment return, net	17,723	31,026	48,749
Contributions and additions	17	18,681	18,698
Withdrawals and other deductions	—	(3,841)	(3,841)
Appropriation for expenditure	<u>(15,894)</u>	<u>(26,642)</u>	<u>(42,536)</u>
Endowment fund at June 30, 2023	264,320	614,587	878,907
Investment return, net	19,110	45,025	64,135
Contributions and additions	3,522	16,363	19,885
Withdrawals and other deductions	—	(355)	(355)
Appropriation for expenditure	<u>(11,845)</u>	<u>(29,530)</u>	<u>(41,375)</u>
Endowment fund at June 30, 2024	<u>\$ 275,107</u>	<u>646,090</u>	<u>921,197</u>

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Working Capital

In addition to the unitized endowment fund, the University also possesses other investments (i.e., net assets) that are generally considered to represent long-term working capital by management of the University and are not subject to donor restrictions. As is customary with working capital funds, balances may rise and fall based on the availability of (or the University's need for) resources in any particular year to support strategic initiatives and priorities.

In 2023, the University utilized a portion of its working capital fund for its state-of-the art renovation and expansion to its campus center. Working capital fund activity during the years ended June 30, 2024 and 2023 was as follows:

Working capital fund at June 30, 2022	\$	114,609
Investment return, net		8,182
Contributions and additions		4,938
Withdrawals and other deductions		<u>(28,458)</u>
Working capital fund at June 30, 2023		99,271
Investment return, net		6,695
Contributions and additions		4,962
Withdrawals and other deductions		<u>(7,336)</u>
Working capital fund at June 30, 2024	\$	<u><u>103,592</u></u>

(6) Accounts and Loans Receivable

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

	<u>2024</u>	<u>2023</u>
Students	\$ 37,762	34,544
Grants	7,152	9,328
Other	<u>4,954</u>	<u>3,472</u>
	49,868	47,344
Allowance for doubtful accounts	<u>(27,732)</u>	<u>(22,678)</u>
Accounts receivable, net	<u><u>\$ 22,136</u></u>	<u><u>24,666</u></u>

Student loans receivable are net of an allowance for uncollectable accounts, totaling \$1,113 and \$1,269 at June 30, 2024 and 2023, respectively.

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(7) Contributions Receivable

Contributions receivable, net consists of the following at June 30:

	2024	2023
Amounts expected to be collected in:		
Less than one year	\$ 38,146	38,141
One to five years	23,638	22,348
More than five years	56,367	49,417
	118,151	109,906
Less:		
Allowance for uncollectible amounts	(11,577)	(11,582)
Discount to net present value (ranging from 0.3% to 4.33%)	(11,612)	(8,567)
	\$ 94,962	89,757

Receivables from nine donors account for 58% of the gross contributions receivable balance at June 30, 2024 and 2023, respectively.

(8) Plant Assets

Plant assets, net of accumulated depreciation, consists of the following at June 30:

	2024	2023
Land and land improvements	\$ 36,722	41,033
Buildings and building improvements	1,578,223	1,476,358
Furnishings, equipment, and library collections	356,646	354,129
Construction in progress	47,693	103,650
Total	2,019,284	1,975,170
Less accumulated depreciation	(846,005)	(800,455)
	\$ 1,173,279	1,174,715

In fiscal 2024, the University completed the final phase in the expansion and refurbishment of the University's campus center. This was also placed in service during fiscal 2024.

The University has commitments under contracts for construction projects, which total \$23,799 and \$17,391 as of June 30, 2024 and 2023, respectively.

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(9) Pension and Other Postretirement Benefits

Certain eligible employees of the University receive retirement income benefits under defined-contribution plans. Contributions by the University range from 5% to 11% of an employee's earnings and are determined by the employee's classification, level of earnings, and length of service. The University's contributions for retirement benefits for its employees totaled \$22,926 and \$21,836 during the years ended June 30, 2024 and 2023, respectively.

The University sponsors a postretirement plan, which funds certain healthcare and life insurance benefits for certain retired employees who meet minimum age and length-of-service requirements. The following tables summarize changes in the plan's benefit obligation and components of net periodic benefit cost for the years ended June 30:

	2024	2023
Change in postretirement benefit obligation:		
Benefit obligation at beginning of year	\$ 51,563	53,364
Service cost	3,365	3,272
Interest cost	2,644	2,382
Plan participants' contributions	1,185	1,185
Actuarial net gain	(2,590)	(5,250)
Benefits paid	(3,300)	(3,390)
Postretirement benefit obligation at end of year	\$ 52,867	51,563
Components of net periodic benefit cost:		
Service cost	\$ 3,365	3,272
Interest cost	2,644	2,382
Amortization of net (gain)/loss	(4,901)	(4,860)
Net periodic benefit cost	\$ 1,108	794

The gain not yet recognized as a component of net periodic benefit cost totals \$35,538 and \$37,849 for June 30, 2024 and 2023 respectively.

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Information with respect to plan assumptions and estimated future benefit payments is as follows:

	<u>2024</u>	<u>2023</u>
Benefit obligation weighted average assumptions as of June 30:		
Discount rate	5.49 %	5.24 %
Rate of compensation increase	3.50	3.50
Benefit cost weighted average discount rate assumption as of June 30	5.24 %	4.88 %
Healthcare cost trend:		
Ultimate rate	4.50 %	4.50 %
Year that the ultimate rate is reached	2038	2035

Estimated future annual benefit payments consist of the following:

2025	\$	2,343
2026		2,631
2027		2,879
2028		2,959
2029		3,089
2030–2034		19,385

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(10) Long-Term and Other Debt Obligations

The University's long-term and other debt obligations consist of the following outstanding amounts at June 30:

Description	Maturity year	Interest rate	2024	2023
Bonds payable:				
Revenue bonds:				
Series 2024 Forward Bonds (i)	2036	4.00 %	\$ 39,340	—
Series 2021A (ii)	2044	3.00% – 4.00%	26,975	27,575
Series 2021B (ii)	2038	3.00 %	39,475	39,475
Series 2020 (iii)	2050	4.00 %	145,190	145,190
Series 2017 (iv)	2036	4.00% – 5.00%	66,550	70,960
Series 2016 (v)	2041	4.00% – 5.00%	89,715	93,200
Series 2014 (vi)	2044	4.00% – 5.00%	—	43,065
Series 2008A (vii)	2032	Variable	43,345	51,805
Total principal debt			450,590	471,270
Net unamortized premium			43,806	45,766
			494,396	517,036
Unamortized bond issuance costs			(3,812)	(4,372)
Total long-term and other debt obligations			\$ 490,584	512,664
Line of credit outstanding (viii)			\$ 20,000	20,000

- i) In November 2021, the University executed a forward delivery bond purchase agreement with Morgan Stanley and the Dormitory Authority of the State of New York (DASNY). Under this agreement, Morgan Stanley committed to purchasing DASNY issued Fordham University Revenue Bonds, Series 2024 (the Series 2024 Forward Bonds) for \$42,288. The University planned to use the proceeds to refund the Series 2014 Bonds with anticipated interest savings of approximately \$10,734, which is reflected in the combined aggregate payments on the outstanding debt obligations table.

The agreement was settled on April 3, 2024, when DASNY issued the Series 2024 Forward Bonds for \$42,288, which were then purchased by Morgan Stanley. The proceeds were applied to refund the Series 2014 Bonds and cover issuance costs. Proceeds totaling \$41,711, along with an additional \$489 of University funds, were deposited into an irrevocable trust with an escrow agent to secure future debt service payments on the refunded bonds. With the establishment of these trusts and satisfaction of other conditions, the refunded bonds are considered paid and are no longer outstanding. The transactions resulted in a non-operating gain of \$1,488, reflecting the write-off of unamortized premiums and bond issuance costs. This gain is recorded in the 2024 consolidated statement of activities. Premiums paid at the issuance of the Series 2024 Forward Bonds totaled \$2,947 (\$2,888 unamortized at June 30, 2024).

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- ii) In November 2021, DASNY issued Fordham University Revenue Bonds, Series 2021A (Series 2021A Bonds) and Federally Taxable Series 2021B (Series 2021B Bonds) totaling \$67,870 (\$28,395 for Series 2021A Bonds and \$39,475 for Series 2021B Bonds). The proceeds were used to refund portions of the Series 2016 Bonds and a prior bond issue, as well as to cover related issuance costs. Proceeds totaling \$51,205 (\$32,000 from Series 2021A Bonds and \$19,205 from Series 2021B Bonds) were deposited into separate irrevocable trusts with an escrow agent to ensure future debt service payments on the refunded bonds. With the creation of these trusts and fulfillment of other conditions, the refunded bonds are deemed paid and are no longer outstanding. Proceeds from the Series 2021B Bonds were also used for renovation and expansion of the University's campus center on the Bronx campus. Premiums paid at issuance of the Series 2021A Bonds totaled \$4,042 (\$3,413 and \$3,656 unamortized at June 30, 2024 and 2023, respectively).
- iii) In January 2020, DASNY issued Fordham University Revenue Bonds, Series 2020 (Series 2020 Bonds) for \$145,190. The proceeds were used for the expansion and refurbishment of the University's campus center, payments of capitalized interest, and issuance costs. Premiums paid at issuance totaled \$19,980 (\$17,076 and \$17,732 remain unamortized at June 30, 2024 and 2023, respectively).
- iv) In December 2017, DASNY issued Fordham University Revenue Bonds, Series 2017 (Series 2017 Bonds) for \$78,050. The proceeds were used to refund portions of the Series 2011 Bonds and cover issuance costs. Proceeds totaling \$90,385, plus \$3,730 of other University funds, were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the advance refunded bonds. With the establishment of this trust and the satisfaction of other conditions, the refunded bonds are considered paid and are no longer outstanding. Premiums paid at issuance of the Series 2017 Bonds totaled \$13,161 (\$8,537 and \$9,248 unamortized at June 30, 2024 and 2023, respectively).
- v) In May 2016, DASNY issued Fordham University Revenue Bonds, Series 2016 (Series 2016 Bonds) for \$146,465. The proceeds were used to refund portions of the Series 2011 Bonds, defease and advance refund the Series 2008B Bonds, refurbish an academic building, and cover issuance costs. In connection with the issuance of the Series 2021A Bonds, \$32,000 of the Series 2016 Bonds were advance refunded. At the time of the refunding, the unamortized bond issuance costs and original issue premium associated with this portion of the Series 2016 Bonds were fully amortized. The unamortized premium on the outstanding portion of the Series 2016 bonds totaled \$11,892 and \$12,591 at June 30, 2024 and 2023, respectively.
- vi) In April 2014, DASNY issued Fordham University Revenue Bonds, Series 2014 (Series 2014 Bonds) for \$61,815. The proceeds were used to acquire a facility, refund a prior bond issue, and cover issuance costs. Premiums paid at issuance totaled \$4,367. In connection with the issuance of the Series 2024 Forward Bonds, the Series 2014 bonds were refunded. At the time of refunding, the unamortized bond issue costs and original issue premium associated with the Series 2014 Bonds were fully amortized.
- vii) In May 2008, DASNY issued Fordham University Revenue Bonds, Series 2008A (Series 2008A Bonds) for \$96,895. The proceeds were used to refund a previous bond issue and cover issuance costs. The Series 2008A Bonds are secured by an irrevocable letter of credit expiring in July 2027. In connection with a prior bond issue in 2005, and as amended with the issuance of the Series 2008A Bonds, the

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University entered into an interest rate swap agreement with a notional amount of \$95,750. Under the agreement, the University pays a fixed rate of 3.24%, and receives 67% (1-day SOFR plus 11.448bps) minus the Weekly SIFMA index bond rate on the notional principal amount (\$43,345 and \$51,805 at June 30, 2024 and 2023, respectively). The liability related to the swap agreement, reported at fair value and categorized as Level 2 in the fair value hierarchy, was \$418 and \$750 at June 30, 2024 and 2023, respectively. The University was not required to post any collateral under the swap agreement at June 30, 2024 or 2023.

viii) The University maintains an unsecured line of credit that provides up to \$50,000 in short-term financing. As of June 30, 2024, \$20,000 was utilized and remains outstanding. The current line of credit expires in May 2025.

Bonds payable are secured by mortgages on certain University properties and, in some cases, by pledges of dormitory and tuition revenue sufficient to meet the annual debt service requirements on the bonds.

The combined aggregate payments on outstanding debt obligations, taking into account the impact of the Series 2024 Forward Bonds, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2025	\$ 19,060	18,661	37,721
2026	19,680	17,862	37,542
2027	20,525	17,031	37,556
2028	21,390	16,167	37,557
2029	13,995	15,241	29,236
Thereafter	<u>355,940</u>	<u>159,903</u>	<u>515,843</u>
Subtotal	450,590	244,865	695,455
Net unamortized premium	43,806	—	43,806
Unamortized bond issuance costs	<u>(3,812)</u>	<u>—</u>	<u>(3,812)</u>
	<u>\$ 490,584</u>	<u>244,865</u>	<u>735,449</u>

Total interest expense on long-term debt totals \$19,995 and \$19,241 for the years ended June 30, 2024 and 2023, respectively.

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The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill construction commitments. The funds are invested in U.S. government obligations at June 30, 2024. Deposits held by bond trustees, which are reported at fair value and categorized as Level 1 in the fair value hierarchy, consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Debt service funds	\$ 3,101	3,265
	<u>\$ 3,101</u>	<u>3,265</u>

(11) Functional Classification of Expenses

The University's primary program activities are instruction and research, academic support and auxiliary services. Institutional support includes \$17,027 and \$15,252 of fund-raising expenses in 2024 and 2023, respectively. For purposes of reporting fund-raising expenses, the University includes only those fund-raising costs incurred by its development office.

Natural expenses attributable to the operation and maintenance of the physical plant, or more than one functional expense category, are allocated using a variety of cost allocation methods including usable square footage, and time and effort. Interest expense is allocated to program and supporting activities based on the use of loan or bond proceeds.

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Operating expenses are allocated to program and supporting activities:

	2024							
	Program activities				Supporting activities			
	Instruction and research	Academic support	Auxiliary services	Total	Institutional administration	Operations and maintenance	Total	Total operating expenses
Salaries and wages	\$ 169,856	85,623	5,009	260,488	42,731	24,042	66,773	327,261
Fringe benefits	55,188	30,983	2,052	88,223	20,149	10,520	30,669	118,892
Professional fees	5,242	9,706	195	15,143	8,792	2,020	10,812	25,955
Office expenses and supplies	3,969	10,350	661	14,980	1,185	3,056	4,241	19,221
Travel	2,978	7,296	10	10,284	886	12	898	11,182
Security	95	685	3,555	4,335	4,009	151	4,160	8,495
Marketing	2,033	310	96	2,439	3,237	—	3,237	5,676
Software applications and maintenance	419	8,868	19	9,306	1,658	169	1,827	11,133
Insurance	363	862	—	1,225	4,979	270	5,249	6,474
Meal plan costs	—	—	21,599	21,599	—	—	—	21,599
Repairs and maintenance	370	458	1,153	1,981	1,225	8,982	10,207	12,188
Catering	1,428	3,439	45	4,912	3,182	69	3,251	8,163
Academic partnerships	28,669	86	—	28,755	—	—	—	28,755
Utilities	301	205	428	934	1,149	14,626	15,775	16,709
Interest and other financing costs	1,979	5,409	10,052	17,440	1,214	—	1,214	18,654
Depreciation	15,421	14,856	22,471	52,748	4,096	—	4,096	56,844
Other	8,959	8,520	9,371	26,850	10,085	3,143	13,228	40,078
Total before allocation	297,270	187,656	76,716	561,642	108,577	67,060	175,637	737,279
Allocation of operations and maintenance of plant	13,925	15,569	32,893	62,387	4,673	(67,060)	(62,387)	—
Total operating expenses	\$ 311,195	203,225	109,609	624,029	113,250	—	113,250	737,279

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	2023							
	Program activities				Supporting activities			
	Instruction and research	Academic support	Auxiliary services	Total	Institutional administration	Operations and maintenance	Total	Total operating expenses
Salaries and wages	\$ 166,895	81,195	4,881	252,971	37,119	22,981	60,100	313,071
Fringe benefits	53,458	30,418	2,136	86,012	18,991	9,418	28,409	114,421
Professional fees	6,946	9,596	50	16,592	12,366	—	12,366	28,958
Office expenses and supplies	3,439	9,017	377	12,833	1,345	2,931	4,276	17,109
Travel	2,138	7,146	13	9,297	845	—	845	10,142
Security	69	920	3,468	4,457	3,987	54	4,041	8,498
Marketing	1,247	558	76	1,881	2,908	—	2,908	4,789
Software applications and maintenance	388	8,751	50	9,189	2,116	151	2,267	11,456
Insurance	304	726	—	1,030	4,342	197	4,539	5,569
Meal plan costs	—	—	20,396	20,396	—	—	—	20,396
Repairs and maintenance	289	755	1,138	2,182	1,201	8,924	10,125	12,307
Catering	1,712	3,470	83	5,265	2,519	27	2,546	7,811
Academic partnerships	31,525	166	—	31,691	—	—	—	31,691
Utilities	1,040	539	379	1,958	1,413	14,040	15,453	17,411
Interest and other financing costs	1,822	5,260	10,073	17,155	967	—	967	18,122
Depreciation	16,116	14,592	21,357	52,065	4,059	—	4,059	56,124
HEERF	—	486	—	486	—	—	—	486
Other	8,062	8,842	8,826	25,730	8,310	3,752	12,062	37,792
Total before allocation	295,450	182,437	73,303	551,190	102,488	62,475	164,963	716,153
Allocation of operations and maintenance of plant	13,415	14,239	29,969	57,623	4,852	(62,475)	(57,623)	—
Total operating expenses	\$ <u>308,865</u>	<u>196,676</u>	<u>103,272</u>	<u>608,813</u>	<u>107,340</u>	<u>—</u>	<u>107,340</u>	<u>716,153</u>

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Notes to Consolidated Financial Statements

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(12) Net Assets

	2024		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Limited use as to purpose or time:			
Board-designated endowment and other investments	\$ 378,699	41,602	420,301
Board-designated non-endowed funds	5,057	—	5,057
Accumulated endowment earnings pending appropriation for:			
Scholarships and fellowships	—	105,612	105,612
Academic support	—	62,096	62,096
General	—	39,070	39,070
Donations and endowment appropriations pending expenditure	—	88,450	88,450
Contributions receivable	—	30,352	30,352
Annuity and life income funds	—	5,316	5,316
Other	—	15,482	15,482
	<u>383,756</u>	<u>387,980</u>	<u>771,736</u>
Restricted in perpetuity:			
Historical gift values restricted for:			
Scholarships and fellowships	—	250,138	250,138
Academic support	—	90,310	90,310
General	—	57,262	57,262
Contributions receivable	—	64,611	64,611
Annuity and life income funds	—	21,799	21,799
Other	—	18,067	18,067
	—	502,187	502,187
Undesignated	<u>402,982</u>	<u>—</u>	<u>402,982</u>
	<u>\$ 786,738</u>	<u>890,167</u>	<u>1,676,905</u>

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	2023		
	Without donor restrictions	With donor restrictions	Total
Limited use as to purpose or time:			
Board-designated endowment and other investments	\$ 363,591	40,638	404,229
Board-designated non-endowed funds	5,057	—	5,057
Accumulated endowment earnings pending appropriation for:			
Scholarships and fellowships	—	97,767	97,767
Academic support	—	58,115	58,115
General	—	36,522	36,522
Donations and endowment appropriations pending expenditure	—	88,519	88,519
Contributions receivable	—	28,440	28,440
Annuity and life income funds	—	4,576	4,576
Other	—	14,502	14,502
	<u>368,648</u>	<u>369,079</u>	<u>737,727</u>
Restricted in perpetuity:			
Historical gift values restricted for:			
Scholarships and fellowships	—	239,664	239,664
Academic support	—	88,708	88,708
General	—	53,090	53,090
Contributions receivable	—	61,317	61,317
Annuity and life income funds	—	20,316	20,316
Other	—	18,937	18,937
	<u>—</u>	<u>482,032</u>	<u>482,032</u>
Undesignated	<u>392,103</u>	<u>—</u>	<u>392,103</u>
	<u>\$ 760,751</u>	<u>851,111</u>	<u>1,611,862</u>

(13) Commitments and Contingencies

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

(14) Leases

The University has entered into operating leases of certain facilities, which expire at various dates through 2043. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets and operating lease liabilities in the consolidated financial statements.

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(Amounts in thousands)

The University has also entered into finance leases for certain office equipment. Finance lease right-of-use assets and finance lease liabilities are included in plant assets, net and long-term debt, net, respectively.

Operating lease installments are due in future years as follows:

Year ending June 30:		
2025	\$	11,764
2026		11,588
2027		7,530
2028		7,641
2029		6,110
2030 and thereafter		<u>50,277</u>
		94,910
Less discount to net present value		<u>(5,072)</u>
Total operating lease liabilities	\$	<u><u>89,838</u></u>

Lease costs and other related information for during the year ended June 30 as follows:

	<u>2024</u>	<u>2023</u>
Lease cost:		
Operating lease cost	\$ 9,565	8,781
Short-term lease cost	<u>133</u>	<u>122</u>
Total lease cost	\$ <u><u>9,698</u></u>	<u><u>8,903</u></u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 10,292	9,080
Weighted-average remaining lease term	12.92 years	13.78 years
Weighted-average discount rate	1.50 %	1.18 %

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(Amounts in thousands)

(15) Related-Party Transactions

The University 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 University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the University, and in accordance with relevant conflict of interest laws.

A former member of the Board is also an owner of a corporation from which the University leases facilities. Rent expense associated with these facilities totaled \$2,188 for both the years ended June 30, 2024 and 2023. There are rental commitments to the corporation through December 2038 totaling \$34,890 at June 30, 2024.

(16) Subsequent Events

In connection with the preparation of the consolidated financial statements, the University evaluated subsequent events through October 28, 2024, which was the date the consolidated financial statements were issued.

Subsequent to year-end, in a notice of an award dated September 4, 2024, Fordham University has been designated as a Regional Grantmaker under the U.S. Environmental Protection Agency's (EPA) Environmental Justice Thriving Communities Grantmaking Program (EJTGM). This designation, provided under the Inflation Reduction Act, authorizes Fordham University to administer funding through its Thriving Communities Grantmaker Initiative, titled Flourishing In Communities (FIC). The initiative includes a \$50 million grant to support nonprofit organizations and entities representing disadvantaged communities by facilitating federal environmental justice funding.

The grant aims to reduce barriers to federal funding and streamline the award process, thereby enhancing access to significant climate investment benefits for historically underinvested communities. Fordham University will distribute subgrants to communities within EPA Region 2, which includes New Jersey, New York, Puerto Rico, the U.S. Virgin Islands, and eight federally recognized Indian Nations. These subgrants will support a range of environmental projects, such as local cleanups, emergency preparedness and disaster resiliency programs, environmental workforce development to reduce greenhouse gas emissions, air quality and asthma-related initiatives, healthy home programs, and efforts to address illegal dumping.