

Rochester Institute of Technology

**Consolidated Financial Statements
June 30, 2023 and 2022**

Rochester Institute of Technology
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June 30, 2023 and 2022

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Report of Independent Auditors

To the Board of Trustees of the Rochester Institute of Technology

Opinion

We have audited the accompanying consolidated financial statements of the Rochester Institute of Technology and its subsidiaries (“the University”), which comprise the consolidated balance sheets as of June 30, 2023 and 2022, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated 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 University's ability to continue as a going concern for one year after the date the consolidated financial statements are 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 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.

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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 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Fairport, New York
November 9, 2023

Rochester Institute of Technology
Consolidated Balance Sheets
June 30, 2023 and 2022
(in thousands)

	2023	2022
Assets		
Cash and cash equivalents	\$ 40,265	\$ 116,880
Cash and cash equivalents, held with trustees	38,045	31,901
Accounts receivable, net	16,868	16,722
Inventories and other assets	24,639	23,579
Contributions receivable, net	49,960	50,789
Student loans receivable, net	7,270	10,412
Investments, at fair value	1,723,893	1,558,317
Property, plant and equipment, net	797,384	724,274
Total assets	\$ 2,698,324	\$ 2,532,874
Liabilities		
Accounts payable and accrued expenses	\$ 74,566	\$ 68,107
Deferred revenues and other liabilities	82,692	81,531
Accrued postretirement benefits	106,779	117,703
Federal Perkins Loan Program advances	8,488	11,556
Long-term debt, net	449,297	343,386
Total liabilities	721,822	622,283
Net assets		
Without donor restrictions	1,292,354	1,235,983
With donor restrictions	684,148	674,608
Total net assets	1,976,502	1,910,591
Total liabilities and net assets	\$ 2,698,324	\$ 2,532,874

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Activities
For the fiscal year ended June 30, 2023
(With summarized financial information for the year ended June 30, 2022)
(in thousands)

			2023	2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenues and other support				
Tuition and fees (includes discounts of \$349,336 and \$319,464, respectively)	\$ 341,607	\$ -	\$ 341,607	\$ 333,122
Sales and services of auxiliaries	95,816	-	95,816	86,066
Grants and contracts	171,473	583	172,056	182,636
Private contributions	1,345	8,894	10,239	10,439
Investment return	43,722	24,486	68,208	47,398
Other sources	22,947	-	22,947	21,344
Net assets released from restrictions	31,963	(31,963)	-	-
Total operating revenues and other support	708,873	2,000	710,873	681,005
Operating expenses				
Salaries and wages	\$ 343,369	\$ -	\$ 343,369	\$ 317,903
Benefits	104,321	-	104,321	100,360
Postretirement benefits	3,145	-	3,145	4,582
Purchased services	61,077	-	61,077	52,588
Materials and supplies	58,111	-	58,111	52,570
Depreciation	40,032	-	40,032	42,305
Interest	8,578	-	8,578	8,541
Utilities, taxes and insurance	14,088	-	14,088	13,704
Travel for scholarship, professional development and recruitment	10,821	-	10,821	5,451
Other	25,229	-	25,229	36,746
Total operating expenses	668,771	-	668,771	634,750
Net operating activities	40,102	2,000	42,102	46,255
Nonoperating activities				
Investment return, net	\$ (211)	\$ 5,485	\$ 5,274	\$ (83,495)
Net assets released from restrictions	4,303	(4,303)	-	-
Contributions for long-term assets	951	7,013	7,964	17,238
Grants and contracts for long-term assets	-	354	354	5,314
Net periodic postretirement benefit cost other than service cost	1,690	-	1,690	1,160
Other postretirement benefit changes	7,190	-	7,190	19,433
Beneficiary payments and change in value of deferred giving arrangements	-	(369)	(369)	249
Other	2,346	(640)	1,706	(2,458)
Net nonoperating activities	16,269	7,540	23,809	(42,559)
Increase in net assets	56,371	9,540	65,911	3,696
Net assets at beginning of year	1,235,983	674,608	1,910,591	1,906,895
Net assets at end of year	\$ 1,292,354	\$ 684,148	\$ 1,976,502	\$ 1,910,591

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statement of Activities
For the fiscal year ended June 30, 2022
(in thousands)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and other support			
Tuition and fees (includes discounts of \$319,464)	\$ 333,122	\$ -	\$ 333,122
Sales and services of auxiliaries	86,066	-	86,066
Grants and contracts	182,092	544	182,636
Private contributions	1,125	9,314	10,439
Investment return	25,190	22,208	47,398
Other sources	21,344	-	21,344
Net assets released from restrictions	29,968	(29,968)	-
Total operating revenues and other support	678,907	2,098	681,005
Operating expenses			
Salaries and wages	\$ 317,903	\$ -	\$ 317,903
Benefits	100,360	-	100,360
Postretirement benefits	4,582	-	4,582
Purchased services	52,588	-	52,588
Materials and supplies	52,570	-	52,570
Depreciation	42,305	-	42,305
Interest	8,541	-	8,541
Utilities, taxes and insurance	13,704	-	13,704
Travel for scholarship, professional development and recruitment	5,451	-	5,451
Other	36,746	-	36,746
Total operating expenses	634,750	-	634,750
Net operating activities	44,157	2,098	46,255
Nonoperating activities			
Investment return, net	\$ (46,796)	\$ (36,699)	\$ (83,495)
Net assets released from restrictions	4,293	(4,293)	-
Contributions for long-term assets	572	16,666	17,238
Grants and contracts for long-term assets	5,029	285	5,314
Net periodic postretirement benefit cost other than service cost	1,160	-	1,160
Other postretirement benefit changes	19,433	-	19,433
Beneficiary payments and change in value of deferred giving arrangements	-	249	249
Other	(2,252)	(206)	(2,458)
Net nonoperating activities	(18,561)	(23,998)	(42,559)
Increase (decrease) in net assets	25,596	(21,900)	3,696
Net assets at beginning of year	1,210,387	696,508	1,906,895
Net assets at end of year	\$ 1,235,983	\$ 674,608	\$ 1,910,591

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Consolidated Statements of Cash Flows
For the fiscal years ended June 30, 2023 and 2022
(in thousands)

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 65,911	\$ 3,696
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation, amortization and accretion expense	39,045	41,696
Loss on disposal of property, plant and equipment	769	1,604
Realized and unrealized net (gain) loss on investments	(53,075)	46,793
Contributions and government grants restricted for long-term purposes	(8,428)	(29,849)
Noncash contributions of property, plant, equipment and securities	(456)	(419)
Premium on issuance of debt	11,830	-
Asset retirement obligation liquidation and adjustment	(1,245)	1,522
Changes in assets and liabilities:		
Accounts receivable	(146)	3,313
Inventories and other assets	(2,447)	(2,860)
Contributions receivable	829	6,458
Student loans receivable	257	133
Accounts payable and accrued expenses	2,188	2,897
Deferred revenues and other liabilities	2,904	623
Accrued postretirement benefits	(10,924)	(21,101)
Net cash provided by operating activities	47,012	54,506
Cash flows from investing activities		
Purchases of investments	(713,679)	(583,260)
Proceeds from the sales and maturities of investments	601,208	608,968
Payments received on student loans	2,885	4,044
Acquisition of property, plant and equipment	(109,259)	(81,306)
Net cash used in investing activities	(218,845)	(51,554)
Cash flows from financing activities		
Contributions and contracts restricted for long-term purposes	5,647	20,084
Proceeds from sale of contributed securities	2,751	9,733
Payments of long-term debt	(12,157)	(11,585)
Proceeds from the issuance of debt	109,155	-
Debt issuance costs	(966)	-
Decrease in refundable government grants for student loans	(3,068)	(3,979)
Net cash provided by financing activities	101,362	14,253
(Decrease) increase in cash, cash equivalents and restricted cash	(70,471)	17,205
Cash, cash equivalents and restricted cash - beginning of year	148,781	131,576
Cash, cash equivalents and restricted cash - end of year	\$ 78,310	\$ 148,781
Supplemental disclosures of cash flow information		
Interest paid (capitalized interest of \$4,149 and \$2,036 recorded in 2023 and 2022, respectively)	\$ 11,969	\$ 12,526
Contributions of long-term assets	456	419
Contributions of marketable securities	3,015	10,248
Increase in construction-related payables	4,271	4,539
See Note 3 for supplemental cash flow disclosures for leases		

The accompanying notes are an integral part of these Consolidated Financial Statements.

Rochester Institute of Technology
Notes to Consolidated Financial Statements
For the fiscal years ended June 30, 2023 and 2022
(in thousands)

1. Summary of Significant Accounting Policies

a. Organization

Rochester Institute of Technology (University, RIT) is a privately endowed, co-educational university comprised of nine colleges and two degree-granting academic units. The University, which occupies approximately 1,300 acres in Rochester, New York, has approximately 20,000 full and part-time undergraduate and graduate students and 4,000 employees.

The following organizations are consolidated into the financial statements of the University:

- 5257 West Henrietta Road, LLC (Inn), doing business as the RIT Inn & Conference Center, is a not-for-profit single member limited liability company with the University as its sole member. The Inn is a dual-use 304-room full service hotel with 223 rooms available for student housing during the academic year.
- RIT Campus Club, Inc. (Campus Club) is a not-for-profit subsidiary of the University. Campus Club was established to support certain aspects of the University's dining operations.
- RIT Global Delivery Corporation, Inc. (GDC) is a wholly owned not-for-profit subsidiary of the University established to develop and deliver global instruction. RIT Croatia, a subsidiary of GDC, delivers instructional services in Croatia. GDC also delivers instructional services in the United Arab Emirates where it operates RIT Dubai in conjunction with the Dubai Silicon Oasis Authority; in Kosovo through the American University in conjunction with the Kosovo Foundation; and in Beijing and Weihai, China through a partnership with Beijing Jiaotong University.
- RIT Venture Fund I, LLC (Fund I) is a Delaware limited liability company. It is a wholly owned subsidiary of RIT with no other owners. Fund I was formed to make investments in seed, venture and growth-stage companies that involve students, faculty, alumni and/or technologies owned or developed by the University. RIT VF Arc Holdings, LLC (VF Arc) is a New York limited liability company. It is a wholly owned subsidiary of Fund I with no other owners. VF Arc was formed to hold digital assets for Fund I.

b. Basis of Accounting

The University's Consolidated Financial Statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) in the United States of America. All significant intercompany transactions and accounts have been eliminated.

c. Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates.

d. Cash, Cash Equivalents and Restricted Cash

The total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows is comprised of cash and cash equivalents and cash and cash equivalents held with trustees on the Consolidated Balance Sheets. Cash, cash equivalents and restricted cash include cash, money market funds and U.S. government securities with maturities of three months or less when purchased. Cash equivalents within the University's investment portfolio are reported as investments. The University classifies restricted cash as cash and cash equivalents held with trustees. These funds will be used for construction of or debt service payments on certain facilities.

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e. Inventories and Other Assets

The University's campus store inventory is valued at cost using the first-in, first-out (FIFO) retail method. Other inventories are stated at the lower of cost, generally on a FIFO basis, or market value.

Capitalized implementation costs and corresponding accumulated amortization for software recorded as a hosting arrangement deemed a service contract total \$3,393 and \$2,983 at June 30, 2023 and 2022, respectively, and are included in inventories and other assets on the Consolidated Balance Sheets. These costs are amortized over the term of the associated hosting arrangement on a straight-line basis and included in purchased services on the Consolidated Statements of Activities.

Operating lease right-of-use (ROU) assets are included in inventories and other assets on the Consolidated Balance Sheets.

f. Contributions Receivable

Contributions to the University, either from donors or grantors, provide funding for academic programs, research, investment in facilities and student support. Contributions due after one year are discounted at a range from 1.3% to 4.9%, to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors or grantors, past collection experience and other relevant factors.

g. Investments

Investments are recorded at fair value based on quoted market prices when available. The estimated fair value for certain investments in private equity, real asset, hedge and other externally managed funds are based on valuations provided by external investment managers. These investments are generally less liquid than other investments, and the values reported by the general partner or investment manager may differ from the values that would have been reported, had a ready market for these securities existed. The valuations necessarily involve estimates, appraisals, assumptions and methods which are reviewed by the University and external investment management.

To minimize the risk of loss, externally managed hedge fund investments are diversified by strategy, manager and number of positions. The risk of any derivative exposure associated with such funds is limited to the amount invested with each manager.

The University's interest rate risk management strategy provides for maximum flexibility within its debt structure, seeks to lower its cost of capital, and manages risk on a portfolio basis. The University does not hold or issue derivative financial instruments for trading purposes; however, the Board of Trustees has authorized investments in derivatives to maintain asset class ranges, hedge non-U.S. dollar investments and currencies, and provide for defensive portfolio strategies. Derivative investments are recorded at fair value and valuation gains and losses are included on the Consolidated Statements of Activities.

Investment return included in operating revenues and other support consists of amounts appropriated by the Board of Trustees from the University's pooled endowments, as well as income on investments from working capital and a trust of which the University is a partial beneficial owner. Any difference between total return and amounts appropriated for expenditure from the pooled endowments and income and realized gains reinvested per donor restrictions is reported within nonoperating activities.

h. Life Income, Gift Annuities, and Interest in Perpetual Trusts Held by Others

The University's split-interest agreements with donors consist primarily of gift annuity agreements and irrevocable charitable remainder trusts for which the University serves as trustee. Assets held in the trusts are included in investments and total \$11,841 and \$11,814 at June 30, 2023 and 2022, respectively. Contribution revenues are recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Discount rates are used to calculate the net present

Rochester Institute of Technology
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For the fiscal years ended June 30, 2023 and 2022
(in thousands)

value of the obligations, and are based on market rates commensurate with the beneficiary's life expectancy. As of June 30, 2023 and 2022 liabilities associated with split interest agreements total \$7,253 and \$7,473, respectively.

The University is also the beneficiary of certain perpetual trusts held and administered by others. The present value of the estimated future cash receipts from the trusts is recognized in investments and as contribution revenue. The carrying value of the investments is adjusted annually for changes in fair value.

i. Property, Plant and Equipment

Land, buildings, capital improvements, equipment, capitalized software exclusive of implementation costs for hosting arrangements considered service contracts, special collections and construction-in-progress are stated at cost at the time of acquisition or fair value (if contributed). Asset retirement costs are initially recorded at fair value and are included in buildings and capital improvements.

Special collections include works of art, literary works, historical treasures and artifacts that are maintained in the University's libraries and public areas of the campus. These collections are protected and preserved for public exhibition, education, research and the furtherance of public service.

Contributed property, plant and equipment, including special collections, are recognized as revenue in the period in which the items are gifted. Property, plant and equipment acquired through federal appropriations, grants and contracts where the Federal Government retains a reversionary interest are also capitalized and depreciated. Interest on borrowings during construction is capitalized.

Depreciation is recognized using the straight-line method with useful lives of 30 to 50 years for buildings; 8 to 30 years for building improvements; 10 to 30 years for site improvements; 4 to 15 years for automobiles, furniture, fixtures and equipment; and 3 to 10 years for software exclusive of implementation costs for hosting arrangements considered service contracts. Land, special collections and construction-in-progress are not depreciated. The cost and accumulated depreciation of property, plant and equipment sold or retired have been eliminated. Costs incurred for maintenance, repairs and renewals of relatively minor items are expensed as incurred.

Finance lease ROU assets are included in equipment and software in property, plant and equipment on the Consolidated Balance Sheets.

j. Premium on Long-Term Debt

Premiums arising from the original issuance of long-term debt are amortized on the effective interest method over the life of the debt. The unamortized portion of these premiums is included in long-term debt on the Consolidated Balance Sheets.

k. Classifications of Net Assets

The University reports its net assets and changes therein according to two classifications: without donor restrictions and with donor restrictions based upon the existence or absence of donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions with the exception of investment expenses which are reported in both net asset classes.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are derived from tuition, sales and services of auxiliaries, contributions, and other support that are not subject to explicit donor-imposed restrictions. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under various internal operating and administrative arrangements of the University.

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For the fiscal years ended June 30, 2023 and 2022
(in thousands)

Net Assets With Donor Restrictions

Net assets with donor restrictions are derived from contributions (from donors and grantors) or income and gains on contributed assets, including the original amount of gifts which donors have given to be maintained in perpetuity, as well as net assets from endowments not yet appropriated for spending by the University that are subject to explicit donor-imposed restrictions on expenditure. Restrictions include support for specific colleges or academic programs, professorships, research, scholarships and fellowships, building construction and other purposes.

When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. The University uses the simultaneous release option to report conditional contributions with donor restrictions that are recognized and expensed in the same reporting period as revenue without donor restrictions. This allows the University to bypass the need to initially record these resources in net assets with donor restrictions and subsequently release them.

Classification of net assets by restriction and purpose as of June 30 are summarized as follows:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 437,364	\$ -	\$ 437,364
Postretirement	106,779	-	106,779
Program support	63,676	-	63,676
Scholarships	30,073	-	30,073
Professorships	34,270	-	34,270
Facilities	16,356	-	16,356
Total board designated net assets	688,518	-	688,518
Other net assets:			
Endowment funds ^{1,2}	-	593,998	593,998
Pledges for long-lived assets	-	44,291	44,291
Designated for program services	-	41,320	41,320
Annuities ¹	-	3,800	3,800
Grants and contracts	-	552	552
Loan funds ¹	-	143	143
Net investment in plant	506,680	44	506,724
Net expendable resources	97,156	-	97,156
Total other	603,836	684,148	1,287,984
Total	\$ 1,292,354	\$ 684,148	\$ 1,976,502

¹ Endowment funds, annuities and loan funds include \$222,807, \$3,027 and \$139 of net assets restricted in perpetuity, respectively, totaling \$225,973

² Includes term endowment funds totaling \$3,052

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(in thousands)

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 422,478	\$ -	\$ 422,478
Postretirement	117,703	-	117,703
Program support	52,155	-	52,155
Scholarships	29,959	-	29,959
Professorships	33,655	-	33,655
Facilities	15,740	744	16,484
Total board designated net assets	671,690	744	672,434
Other net assets:			
Endowment funds ^{1,2}	-	584,347	584,347
Pledges for long-lived assets	-	46,476	46,476
Designated for program services	-	38,527	38,527
Annuities ¹	-	3,602	3,602
Grants and contracts	-	728	728
Loan funds ¹	-	140	140
Net investment in plant	471,645	44	471,689
Net expendable resources	92,648	-	92,648
Total other	564,293	673,864	1,238,157
Total	\$ 1,235,983	\$ 674,608	\$ 1,910,591

¹ Endowment funds, annuities and loan funds include \$217,669, \$2,921 and \$136 of net assets restricted in perpetuity, respectively, totaling \$220,726

² Includes term endowment funds totaling \$3,082

I. Operations

Revenues earned and expenses incurred during the fiscal year are classified on the University's Consolidated Statements of Activities as either operating or nonoperating activity. Operating revenues and other support and expenses consist primarily of items attributable to the University's education and training programs, sales and services of auxiliaries and research activities.

Nonoperating activities within the Consolidated Statements of Activities consist primarily of contributions from donors and grantors for building construction and renovation, realized and unrealized gains and losses on investments, long-term benefit plan obligation funding changes and other activities not attributable to the current year.

m. Revenue Recognition

Exchange Transactions

The University recognizes revenue from exchange transactions when there is a transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The primary sources of revenue from contracts with customers consist of tuition and fees, sales and services of auxiliaries and exchange transactions with grantors.

Tuition and Fees

Tuition and fees revenue, comprised of tuition for undergraduate and graduate students enrolled in classes and required fees, is recognized in the fiscal year in which the academic programs are delivered. The acceptance letter conveys enrollment expectations, provides information regarding tuition price, anticipated

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For the fiscal years ended June 30, 2023 and 2022
(in thousands)

financial aid and required payment schedules, and outlines each party's rights and obligations. Since the student provides consideration in exchange for instruction, the contract has commercial substance and based on experience, the University expects to receive the payments due under the contract. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation corresponding to tuition and fees is the delivery of instruction and it is satisfied over the stated period of the contract, which is the academic term. The time period between when revenue is recognized and when payment is due is not significant. Tuition revenue reflects reductions attributable to discounts in the form of scholarship awards and credits and refunds which are considered a reduction of the transaction price at the time revenue for the corresponding contract is recognized.

Sales and Services of Auxiliaries

Revenue from sales and services of auxiliaries consists primarily of revenue received from student housing and dining contracts. Contracts are created when students make their housing and dining elections for the academic semester, which contain the terms of the contracts and each party's rights and obligations regarding the goods or services to be transferred. Housing revenue includes rental income for undergraduate and graduate students that reside in University-owned dormitories and apartments and Inn revenue for events, student housing, and hotel guests. Dining revenue primarily includes Dining Dollars meal plans and food and beverage purchases in University-operated facilities by students, employees, and visitors. Revenue from meal plans is included in deferred revenue until spent or the student is no longer enrolled at the University. Since the student provides consideration in exchange for housing and dining during the academic term, the contracts have commercial substance and based on experience, the University expects to receive the payments due under the contracts. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation associated with housing and dining contracts is satisfied over a period of time as the student simultaneously receives and consumes the benefits performed by the University. The time period between when revenue is recognized on these fixed price contracts and when payment is due is not significant. Revenue from the Inn is earned over the time period of the guests' stay and event revenue is recognized at a point in time when the event takes place. Payment is due at the time of service. The performance for individual food and beverage transactions at University-operated establishments is satisfied at a point in time and revenue is recognized based on the amount of consideration received at the time of purchase, including applicable discounts.

Contracts with Grantors

Revenue from contracts with grantors consists primarily of goods or services which provide direct benefit and have commercial value to the resource provider, including proprietary rights, patents, copyrights, or advance and exclusive knowledge of research outcomes. Payment terms vary by grantor; however, the time period between when revenue is recognized and when payment is due is not significant. Contracts entered into with grantors typically contain a single performance obligation (i.e. proprietary rights to research outcomes) and revenue is recognized over the life of the contract based on when expenses are incurred. When contracts contain milestone requirements, revenue is recognized upon the completion of those milestones and acceptance by the grantor. Revenue is measured as the amount of consideration the University expects to receive in exchange for goods, services, or proprietary rights. Contracts are evaluated for uncollectable consideration based upon management's judgment, analysis of the creditworthiness of the grantors, past collection experience and other relevant factors.

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Contributions

The University recognizes revenue from donors' and grantors' contributions, including unconditional promises to give, in the period received. Unconditional promises to give are recorded as revenue with donor restrictions and released to net assets without donor restrictions as restrictions are met or qualifying expenses are incurred.

The University receives contributions for which promises to give are conditional upon incurring certain qualifying allowable expenses, matching requirements under the grant program and other conditions that depend on future events. The University recognizes such revenue in the period the conditions are met.

n. Income Taxes

The University and its consolidated U.S. subsidiaries, except for Fund I and its subsidiary, are not-for-profit organizations, and generally exempt from income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (IRC) but are subject to unrelated business income tax on activities not related to their exempt purposes. Fund I, a limited liability company of which RIT is the investor member, is classified as a disregarded entity for federal income tax purposes. The accounting for income taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification addresses the determination of whether certain tax positions result in benefits claimed or expected to be claimed on a tax return and whether they should be recorded in the Consolidated Financial Statements. For tax-exempt entities, tax positions include the entity's tax-exempt status and assumptions used to determine unrelated business taxable income. The University believes its tax positions meet the more-likely-than-not recognition threshold referenced in the Topic.

o. Accounting Pronouncements

FASB issues Accounting Standards Updates (ASUs) that are applicable to and have an impact on the Consolidated Financial Statements. The University evaluates and implements pronouncements by the effective fiscal year end date or prior, if early adoption is permitted and deemed appropriate. The adoption of certain ASU's is pending further evaluation as noted.

Implemented

ASU No. 2021-09, "Leases (Topic 842): Discount Rates for Lessees That Are Not Public Entities"

The pronouncement allows lessees that are not public business entities, including all not-for-profit entities whether or not they are conduit bond obligors, to make an accounting policy election by class of underlying asset rather than an entity-wide basis. Under the pronouncement, a risk-free rate can be used as the discount rate when the rate associated with a lease is not readily determinable. The University has adopted the standard on a modified retrospective basis to include leases that existed at the beginning of the fiscal year of adoption and as a result, the Consolidated Balance Sheets contain an immaterial adjustment to the finance ROU asset and obligation as of July 1, 2022.

Under Evaluation

ASU No. 2016-13 "Measurement of Credit Losses on Financial Instruments (Topic 326)" replaces the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU was issued in June 2016 and the effective date, as prescribed by ASU No. 2019-10, is the fiscal year ended June 30, 2024. The University is currently evaluating the impact its adoption will have on the Consolidated Financial Statements.

p. Risks and Uncertainties

The University's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least possible that changes in risks in the near term would materially affect the amounts reported in the consolidated financial statements.

Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. The values of certain investments have and will fluctuate in response to changing market conditions and therefore, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

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2. Accounts Receivable

Accounts receivable as of June 30 are summarized as follows:

	2023	2022
Grants and contracts:		
Federal and state sources	\$ 3,866	\$ 1,928
Private sources	733	999
Total grants and contracts	4,599	2,927
Student accounts	12,122	11,575
Other	4,286	5,478
Total student accounts and other	16,408	17,053
Total accounts receivable	21,007	19,980
Less: allowance for doubtful accounts	(4,139)	(3,258)
Accounts receivable, net	\$ 16,868	\$ 16,722

Receivables as of June 30, 2023 are expected to be collected by June 30, 2024.

3. Leases

The University's lease portfolio primarily consists of real estate and equipment leases with varying lengths and payments. The University determines if an arrangement is a lease at inception and the terms are evaluated to determine if there is an identified asset and the contract conveys the right to control the use of the asset in exchange for consideration. Finance and operating lease ROU assets and lease obligations are recognized based on the present value of the future minimum lease payments over the lease term at commencement date.

The lease ROU assets and obligations are calculated including options to extend or terminate the lease when it is reasonably certain that the University will exercise those options. The University uses the implicit rate noted within the contract. If the implicit rate is not readily available, the University has made an accounting policy election to use either the incremental borrowing rate or the risk-free discount rate for the calculation of the ROU asset, subject to adjustments, and the lease liability based on the class of underlying assets identified in a lease rather than at the entity level. The University elected to use the incremental borrowing rate on the real estate class of assets and the risk-free rate on the equipment class of assets. The University uses the federal treasury rate similar to the term of the lease contract as the risk-free rate and the federal treasury rate plus one hundred basis points to serve as the incremental borrowing rate. Rates are identified at commencement date to determine the present value of future payments. ROU assets include any lease payment made and exclude incentives and any initial direct costs incurred. Operating lease expense for minimum payments is recognized on a straight-line basis over the lease term.

The University has elected the short-term lease exception under Topic 842, and as such, all leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets and lease expense is recognized on a straight-line basis over the term within purchased services on the Consolidated Statements of Activities.

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The finance leases as of June 30 are summarized as follows:

	Consolidated Balance Sheets	2023	2022
Right-of-use assets, net of accumulated amortization of \$416 and \$269, respectively	Property, plant and equipment, net	\$ 582	\$ 714
Finance lease obligation	Long-term debt	(596)	(722)

Operating leases as of June 30 are summarized as follows:

	Consolidated Balance Sheets	2023	2022
Right-of-use assets	Inventories and other assets	\$ 9,209	\$ 10,595
Operating lease obligation	Deferred revenues and other liabilities	(9,209)	(10,595)

The following table reflects lease costs for the year ended June 30:

	Consolidated Statements of Activities	2023	2022
Operating lease costs	Purchased services	\$ 1,564	\$ 1,579
Finance lease costs:			
Amortization of leased assets	Depreciation	146	140
Interest on lease liabilities	Interest	16	25
Total finance lease costs		162	165
Total lease costs		\$ 1,726	\$ 1,744

Supplemental cash flow information related to leases for the year ended June 30 are as follows:

	2023	2022
Operating cash outflows from finance leases	\$ 16	\$ 25
Operating cash outflows from operating leases	1,564	1,579
Financing cash outflows from finance leases	140	131
Total cash paid for amounts included in measurement of lease liabilities	\$ 1,720	\$ 1,735
ROU assets obtained in exchange for lease liabilities		
Finance leases	\$ 16	-
Operating leases	-	835

The following presents the weighted-average lease terms and discount rates for operating and finance leases as of June 30, 2023:

	2023	2022
Weighted average remaining lease term (yrs) - Finance Leases	4	5
Weighted average remaining lease term (yrs) - Operating Leases	4	10
Weighted average discount rate - Finance Leases	0.44%	3.18%
Weighted average discount rate - Operating Leases	1.79%	1.76%

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The following table includes the future maturities of lease payments for periods subsequent to June 30, 2023.

	2023		
	Operating	Financing	Total
2024	\$ 1,512	\$ 156	\$ 1,668
2025	1,469	156	1,625
2026	1,361	156	1,517
2027	1,281	157	1,438
2028	1,253	-	1,253
Thereafter	3,188	-	3,188
Undiscounted cash flows	10,064	625	10,689
Less: discount	(855)	(29)	(884)
Lease obligations, net	\$ 9,209	\$ 596	\$ 9,805

4. Contributions Receivable

Contributions receivable consists of the following unconditional promises to give, less related allowances for uncollectible receivables and discounts for present value on long-term pledges at June 30:

	2023		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 24,388	\$ 9,634	\$ 34,022
One year to five years	-	16,754	16,754
Over five years	-	1,395	1,395
Contributions receivable	24,388	27,783	52,171
Less: allowance and discount	-	(2,211)	(2,211)
Contributions receivable, net	\$ 24,388	\$ 25,572	\$ 49,960

	2022		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 24,946	\$ 9,779	\$ 34,725
One year to five years	-	15,765	15,765
Over five years	-	2,147	2,147
Contributions receivable	24,946	27,691	52,637
Less: allowance and discount	-	(1,848)	(1,848)
Contributions receivable, net	\$ 24,946	\$ 25,843	\$ 50,789

Due to the uncertainties with regard to realizability and valuation, bequest intentions and other conditional promises are only recognized as assets if and when the specified conditions are met. The University has received conditional promises to give from grantors that depend upon the occurrence of the following future events at June 30:

	2023	2022
Cost share and qualifying allowable expenses	\$ 5,529	\$ 2,838
Cost share only	3,419	4,844
Qualifying allowable expenses or specified outcomes	105,294	100,062
Conditional contributions	\$ 114,242	\$ 107,744

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As of June 30, 2023 and 2022, the University has no conditional promises to give from donors, aside from bequest intentions.

Contributions to acquire property, plant and equipment are recorded as net assets with donor restrictions and are released from restrictions at the time the asset is placed in service. As a result, \$44,291 and \$46,476 of assets contributed to acquire property, plant and equipment are recorded as net assets with donor restrictions as of June 30, 2023 and 2022, respectively.

5. Student Loans Receivable and Credit Disclosures

On September 30, 2017, the Federal Perkins Loan Program (Program) expired when it was not extended by the U.S. Congress. Students did not receive new loans after that date unless the student had received a disbursement before October 1, 2017 for the 2017-2018 award year.

The University's student loans receivable represents the amounts due from current and former students under the Program. Loans disbursed under the Program are assigned to the Federal Government in certain non-repayment situations. Allowances for doubtful accounts are established when a non-deferred loan is delinquent for 240 days. Outstanding loans cancelled under the Program result in a decrease in the liability to the government. Under current federal guidelines, the University has chosen to service existing Perkins Loans through a third-party administrator.

At June 30, student loans included on the Consolidated Balance Sheets consists of the following:

	2023	2022
Federal Perkins Loan Program	\$ 8,054	\$ 12,667
Less: allowance for doubtful accounts	(784)	(2,255)
Student loans receivable, net	\$ 7,270	\$ 10,412

The student loans receivable aging analysis at June 30 is as follows:

	2023	2022
Current	\$ 6,367	\$ 9,134
1-60 days past due	347	583
61-90 days past due	63	98
>91 days past due	1,277	2,852
Total student loan receivables	\$ 8,054	\$ 12,667

Program advances of \$8,488 and \$11,556 at June 30, 2023 and 2022, respectively, are classified as liabilities on the Consolidated Balance Sheets. The U.S. Department of Education (ED) provided direction and the University remitted the federal portion of cash on hand from June 30, 2022 and 2021 of \$3,231 and \$4,257, in fiscal year 2023 and 2022, respectively. The June 30, 2023 federal share of Perkins Loans collected during 2023 will be remitted to the Federal Government when ED provides their calculated amount and instructions. Cash on hand representing funds collected amounted to \$3,340 and \$4,548 at June 30, 2023 and 2022, respectively, which includes the federal share, and is included in cash and cash equivalents on the Consolidated Balance Sheets.

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6. Investments

Total investments for the fiscal years ended June 30 are as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Cash and short-term investments	\$ 243	\$ 243	\$ 12,008	\$ 12,008
Domestic fixed income	450,467	437,406	317,052	300,269
Global fixed income	41,942	38,750	55,636	51,209
Domestic equity securities	107,238	214,738	98,763	177,873
Global equity securities	138,454	189,800	139,206	167,250
Hedge funds	162,317	276,108	155,446	261,869
Private equity	300,566	457,418	273,923	468,247
Real assets	89,610	109,430	97,368	119,592
Total investments	\$ 1,290,837	\$ 1,723,893	\$ 1,149,402	\$ 1,558,317

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

Level 1

Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets. Investments within Level 1 may include active listed equities and exchange traded funds, option contracts traded in active markets, and certain U.S. government investments and money market securities.

Level 2

Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Investments within Level 2 may include investment-grade corporate bonds, less liquid listed equities, option contracts, certain mortgage products, bank loans, and U.S. government investments.

Level 3

Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Investments within Level 3 primarily consist of the University's ownership in closely held private companies and the cash surrender value of insurance contracts.

Net Asset Value

The University is permitted as a practical expedient under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. The University's investment in commingled funds, hedge funds, private equity limited partnerships and real asset limited partnerships are recorded at fair value based on the most recent NAV reported by the investment manager. The NAV of these investments is determined by the investment manager, and is based on appraisal or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the investment manager, taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning

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the companies to which the securities relate. The University has performed due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30 and has concluded that these valuations are a reasonable estimate of fair value as of June 30, 2023 and 2022, but are subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for all of the investments existed.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Furthermore, the fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk.

Following is a summary of the University's investments carried at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 243	\$ -	\$ -	\$ -	\$ 243
Domestic fixed income	278,805	158,390	211	-	437,406
Global fixed income	36,250	-	-	2,500	38,750
Domestic equity securities	55,779	-	-	158,959	214,738
Global equity securities	11,841	-	-	177,959	189,800
Hedge funds	-	-	-	276,108	276,108
Private equity	-	-	-	457,418	457,418
Real assets	12,826	-	-	96,604	109,430
Total investments at fair value	\$ 395,744	\$ 158,390	\$ 211	\$ 1,169,548	\$ 1,723,893

Following is a summary of the University's investments carried at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 429	\$ 11,579	\$ -	\$ -	\$ 12,008
Domestic fixed income	197,922	102,129	218	-	300,269
Global fixed income	48,356	-	-	2,853	51,209
Domestic equity securities	44,024	-	-	133,849	177,873
Global equity securities	11,814	-	-	155,436	167,250
Hedge funds	-	-	-	261,869	261,869
Private equity	-	-	-	468,247	468,247
Real assets	26,654	-	-	92,938	119,592
Total investments at fair value	\$ 329,199	\$ 113,708	\$ 218	\$ 1,115,192	\$ 1,558,317

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The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2023:

Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Redemption Restrictions ¹
Global fixed income	\$ 2,500	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	158,959	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	177,959	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	276,108	2,500	30 to more than 365 days	35 to 90 days	Lock up provisions expired
Private equity	457,418	115,634	NA ²	NA ²	NA
Real assets	96,604	27,444	NA ²	NA ²	NA
Total	\$ 1,169,548	\$ 145,578			

¹ Represents initial investment lock up restriction. 13% of the Hedge funds allocation is subject to between a 25% and 33.3% redemption gate.

² The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2022:

Asset Class	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Redemption Restrictions ¹
Global fixed income	\$ 2,853	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	133,849	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	155,436	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	261,869	5,000	30 to more than 365 days	35 to 90 days	2 year lock up on 3% of allocation; all other lock up provisions expired
Private equity	468,247	142,056	NA ²	NA ²	NA
Real assets	92,938	34,633	NA ²	NA ²	NA
Total	\$ 1,115,192	\$ 181,689			

¹ Represents initial investment lock up restriction. 12% of the Hedge funds allocation is subject to a 25% and 33.3% annual redemption gate.

² The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

Total Investment Return

Following is a summary of the total investment return and its classification on the Consolidated Statements of Activities for the years ended June 30:

	2023	2022
Total investment return		
Interest and dividends	\$ 31,264	\$ 21,227
Realized and unrealized gain (loss) on investments, net of investment management fees and other expenses	42,218	(57,324)
Total investment return	\$ 73,482	\$ (36,097)
Consolidated Statements of Activities classification		
Allocated for operating activities per spending policy	\$ 51,180	\$ 42,567
Interest and dividends	17,028	4,831
Total operating investment return	68,208	47,398
Nonoperating investment return	5,274	(83,495)
Total investment return	\$ 73,482	\$ (36,097)

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7. Endowment

The University's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (board-designated). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees' interpretation of its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, is to preserve intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds. This principle holds that future endowment beneficiaries should receive at least the same level of economic support that the current generation receives. As a result of this interpretation, the University classifies as net assets with donor restrictions the unappropriated portion of: a) the original value of gifts donated to a true endowment fund; b) the original value of subsequent gifts to a true endowment fund; and, c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds which are available for expenditure in a manner consistent with the donor's intent and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Board of Trustees determines the appropriate amount to withdraw from endowment and similar funds on an annual basis to provide support for operations with prudent concern for the long-term growth in the underlying assets as well as the specific factors detailed in NYPMIFA.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objectives within prudent risk constraints.

The University currently accounts for endowment activity in two investment pools: Pool I and Pool II. Pool I is comprised of contributions, both donor-restricted and board-designated, made to the University for a variety of purposes, as well as contributions transferred from Pool II; Pool II is comprised of contributions, both donor-restricted and board-designated, made to the National Technical Institute for the Deaf (NTID). Each pool has a separate investment and spending policy.

Pool I – The University has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters through March of the preceding fiscal year in which the distribution is planned. The total spending distribution should be at least equal to 3.50% but not greater than 5.25% of the beginning of year portfolio market value. The distribution excludes those funds with deficiencies due to unfavorable market fluctuations. During periods when investment return exceeds the distribution, such excess return is added to these investments. Likewise, when investment return is less than the distribution, such deficit is funded by accumulated return. In establishing the distribution policy, the University considered the long-term expected return on its endowment. New gifts to existing funds participate in the spending policy in the quarter that begins subsequent to the date of the gift. New funds participate in the spending policy in the quarter that begins one year subsequent to the date of the gift. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at a rate exceeding expected inflation, consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as, to provide additional real growth through new gifts and investment return. In 1994, the University's Board of Trustees established a board-designated fund within Pool I to finance a portion of the University's

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postretirement medical obligations. Distributions had been reinvested in the fund each year since inception, and, accordingly, were not available to support the general operations of the University. In 2013, the University's Board of Trustees approved a resolution allowing, with the approval of the chair of the Finance and Infrastructure Committee, a portion or all of a year's distributions related to the board-designated postretirement fund to be allocated to support the general operations of the University. During the year ended June 30, 2023 and 2022, \$3,000 and \$0, respectively, was distributed in accordance with this resolution. The market value for this board-designated fund was \$106,779 and \$117,703 at June 30, 2023 and 2022, respectively.

Pool II – The University established Pool II for NTID during 1989 in accordance with the federal program established by Public Law 99-371 (August 4, 1986) to support NTID. Pool II assets are invested in a manner intended to produce price and yield results that are at least equal to a blended benchmark of 70% of the S&P 500 Index and 30% of the Barclays Capital Aggregate Bond Index, assuming a moderate level of investment risk. The program stipulates that the investment of annual additions to Pool II is restricted to IRC 501(f) investment organizations. The federal guidelines authorize a spending distribution from Pool II of not more than 50% of current year's investment income (interest and dividends only). After a period of 10 years, the University can elect to invest the funds consistent with the University's overall long-term investment strategy (Pool I).

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

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 593,998	\$ 593,998
Board-designated funds	688,518	-	688,518
Total funds	\$ 688,518	\$ 593,998	\$ 1,282,516

Following are changes in endowment net assets for the year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2022	\$ 671,690	\$ 585,091	\$ 1,256,781
Investment return	32,021	29,158	61,179
Contributions	-	4,925	4,925
Amounts appropriated for expenditure	(26,696)	(24,422)	(51,118)
Other changes:			
Transfers to create (remove) board-designated endowment funds	11,503	(754)	10,749
Endowment net assets, June 30, 2023	\$ 688,518	\$ 593,998	\$ 1,282,516

At June 30, 2022, the endowment net asset composition by type of fund consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 584,347	\$ 584,347
Board-designated funds	671,690	744	672,434
Total funds	\$ 671,690	\$ 585,091	\$ 1,256,781

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Following are changes in endowment net assets for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	\$ 690,194	\$ 612,679	\$ 1,302,873
Investment return	(8,514)	(12,696)	(21,210)
Contributions	-	7,328	7,328
Amounts appropriated for expenditure	(20,360)	(22,220)	(42,580)
Other changes:			
Transfers to create board-designated endowment funds	10,370	-	10,370
Endowment net assets, June 30, 2022	\$ 671,690	\$ 585,091	\$ 1,256,781

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the NYPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. It is the University's policy to exclude these funds from the spending distribution until the fund's fair value is equal to or greater than the perpetual value. Subsequent gains that restore the fair value of the assets of such endowment funds to the required level are classified as an increase in net assets with donor restrictions. As of June 30, 2023, funds with an original gift value of \$1,638 had deficiencies of \$53. As of June 30, 2022, funds with an original gift value of \$1,754 had deficiencies of \$100.

8. Liquidity and Available Resources

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Balance Sheets are as follows:

	2023	2022
Cash and cash equivalents	\$ 40,265	\$ 116,880
Accounts receivable, net	16,868	16,722
Non-endowment contributions receivable, net	31,418	30,965
Student loans receivable, net	801	901
Investments:		
Working capital investments	310,978	253,361
Appropriated for spending in the following year	57,049	47,651
Financial assets available within one year	\$ 457,379	\$ 466,480

As part of the University's liquidity management strategy, its financial assets are structured to be available as expenditures, liabilities and other obligations come due. The University allocates cash in excess of daily requirements to short-term investments. When determining the availability of resources to meet cash requirements within one year, the University considers general expenditures to be those related to its mission-related activities as well as the delivery of services undertaken to support its day-to-day operations. In addition to these available financial assets, a significant portion of the University's annual expenditures are funded by current year operating revenues and other support including tuition and fees, sales and services of auxiliaries and grants and contracts. Endowment funds appropriated for spending and contributions receivable, subject to donor-restrictions where applicable, are considered available for general liquidity purposes.

Additionally, the University maintains board-designated funds of \$688,518 and \$672,434 as of June 30, 2023 and 2022, respectively. Although the University does not intend to spend from this endowment, other than amounts appropriated for

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expenditure as part of its annual appropriation process, amounts from its board-designated funds could be made available for liquidity needs, if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available. (Refer to Note 6 for disclosures about investments).

9. Property, Plant and Equipment

Property, plant and equipment, less related depreciation on certain asset categories at June 30, is as follows:

	2023	2022
Buildings and capital improvements	\$ 1,173,595	\$ 1,126,860
Equipment and software	163,917	156,881
Less: accumulated depreciation	(714,002)	(680,589)
Depreciable property, plant and equipment, net	623,510	603,152
Land	11,924	11,924
Special collections	13,232	13,020
Construction-in-progress	148,718	96,178
Property, plant and equipment, net	\$ 797,384	\$ 724,274

Total depreciation expense for 2023 and 2022 was \$40,032 and \$42,305, respectively.

10. Asset Retirement Obligations

The University accounts for asset retirement obligations, primarily asbestos-related removal costs, in accordance with asset retirement and environmental obligations guidance. The University accrues for asset retirement obligations in the period incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded.

The University reassesses its asset retirement obligations annually, adjusting both the liability, included in deferred revenues and other liabilities, and the associated asset retirement costs, included in property, plant and equipment, on the Consolidated Balance Sheets.

The following schedule reflects changes in asset retirement obligations for the year ended June 30:

	2023	2022
Beginning balance	\$ 29,820	\$ 26,993
Change in estimate	(241)	2,591
Abatement liability settled	(1,095)	(760)
Accretion expenses	980	996
Ending balance	\$ 29,464	\$ 29,820

11. Deferred Revenue

Deferred revenue from customer contracts represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The deferred revenue balance will increase or decrease based on the timing of invoices and recognition of revenue. The University has elected the practical expedient under Topic 606 to forego disclosing information about remaining performance obligations that have original expected durations of one year or less. Significant changes in deferred revenue liability balances during the years ended June 30 are as follows:

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2023					
	Balance at	Revenue	Consideration	Refunds and	Balance at
	June 30, 2022	Recognized	Received in	Other	June 30, 2023
			Advance of	Adjustments	
			Performance		
Student related revenues	\$ 21,948	\$ (21,645)	\$ 25,610	\$ 39	\$ 25,952
Tuition prepayment program	3,876	(2,923)	2,998	(163)	3,788
Contracts with grantors	2,046	(1,743)	911	-	1,214
Other	1,411	(1,393)	1,437	6	1,461

2022					
	Balance at	Revenue	Consideration	Refunds and	Balance at
	June 30, 2021	Recognized	Received in	Other	June 30, 2022
			Advance of	Adjustments	
			Performance		
Student related revenues	\$ 20,478	\$ (20,250)	\$ 21,951	\$ (231)	\$ 21,948
Tuition prepayment program	3,923	(3,038)	3,111	(120)	3,876
Contracts with grantors	2,170	(1,658)	1,534	-	2,046
Other	1,062	(863)	1,211	1	1,411

Student related revenues consist of tuition, sales and services of auxiliaries, advance deposits, and student credit balances and represent payments received in advance of the period when services will be rendered and performance obligations met. These deferred revenue balances will be recognized as revenue over the academic terms beginning and ending in the following fiscal year as services are rendered.

Tuition prepayments will be recognized as revenue over the respective academic terms when performance obligations are met beginning July 1, 2023 through June 30, 2027. Anticipated recognition of revenue for the fiscal years ended June 30 are as follows:

2024	\$ 1,752
2025	1,159
2026	663
2027	214
	\$ 3,788

Other deferred revenue consists of general customer contracts with performance obligations that will be met and revenue recognized during the fiscal year ended June 30, 2024.

12. Benefit Plans

a. Retirement Benefit Plan

The Rochester Institute of Technology Retirement Savings Plan (Plan) is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and IRC Section 403(b). The Plan is available to all employees who meet certain eligibility requirements. Plan contributions are invested in one or more of the funding vehicles made available to participants under the Plan. Contributions may be allocated to annuity contracts offered by Teachers Insurance Annuity Association (TIAA) and/or custodial accounts which are invested in regulated investment companies (mutual funds) offered by Fidelity Investments (Fidelity). In addition, employees may choose to invest in a self-directed brokerage account through which they can access additional mutual fund options. TIAA and Fidelity are

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recordkeepers of the Plan. It is the University's policy to currently fund defined contribution pension costs as they are incurred. Total retirement contribution expense for 2023 and 2022 is \$22,933 and \$22,372, respectively.

b. Postemployment Benefits

The accrued postemployment benefits of the University are \$365 and \$470 at June 30, 2023 and 2022, respectively.

c. Postretirement Benefits

The University sponsors a defined benefit medical plan that covers substantially all employees.

Eligibility

Employees hired prior to January 1, 1995 are eligible for retiree medical benefits if they are at least 50 years old, with at least 10 years of service (5 years if hired prior to July 1, 1990) and age plus service total at least 70 at retirement. Employees hired on or after January 1, 1995 are eligible for retiree medical benefits if they are at least 55 years old, with at least 10 years of service, and age plus service totals at least 70 at retirement.

Employees hired prior to January 1, 2019 who are at least 45 years of age or have at least 10 years of full-time service or 15 years of eligible part-time service as of January 1, 2019 are grandfathered into the pre-January 1, 2019 retirement eligibility conditions. For employees who are not grandfathered or are hired on or after January 1, 2019, retirement eligibility is at least age 62 with 15 years of full-time service (20 years of eligible part-time service).

Delivery of Medical Benefits

Pre-Medicare retirees:

Retirees contribute towards the cost of coverage based on the plan option selected and salary at retirement, but are required to pay a larger contribution than active employees.

Medicare-eligible retirees:

Retirees and spouses receive an annual health reimbursement account (HRA) allocation from the University to obtain healthcare coverage via a private healthcare exchange.

HRA allocations vary based on the retiree classifications described above, with earlier hire dates receiving a greater HRA allocation. Coverage from the healthcare exchange includes reimbursement for drug claims in the catastrophic tier under Medicare Part D.

The postretirement medical plan's obligations and applicable discount rates as of June 30 are as follows:

	2023	2022
Change in projected benefit obligation		
Postretirement benefit obligation at beginning of year	\$ 117,703	\$ 138,804
Service cost	3,145	4,582
Interest cost	5,755	4,142
Participants' contributions	724	732
Actuarial gain	(14,635)	(24,735)
Benefits paid	(5,913)	(5,822)
Postretirement benefit obligation at end of year	\$ 106,779	\$ 117,703
Amounts recognized in net assets without donor restrictions consist of:		
Net prior service credit	\$ (44,628)	\$ (51,608)
Net gain	(19,437)	(5,267)
Accumulated income in net assets without donor restrictions	\$ (64,065)	\$ (56,875)

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	2023	2022
Net periodic benefit cost	5.01%	3.04%
Year-end benefit obligation	5.71%	5.01%

The net actuarial gain for the fiscal year ending June 30, 2023 is primarily the result of updates to the discount rate, updated census data and benefit changes. The net actuarial gain for the fiscal year ending June 30, 2022 is primarily the result of updates to the discount rate and assumptions for retiree election and termination rates. These gains are partially offset by changes to retirement rates and updated health care cost trend assumptions.

The components of net periodic postretirement benefit costs are as follows at June 30:

	2023	2022
Operating activities:		
Service cost	\$ 3,145	\$ 4,582
Nonoperating activities:		
Interest cost	5,755	4,142
Amortization of unrecognized prior service benefit	(6,980)	(6,980)
Amortization of net (gains) losses	(465)	1,678
Total nonoperating activities	(1,690)	(1,160)
Net periodic postretirement benefit cost	\$ 1,455	\$ 3,422

Postretirement benefit changes of \$7,190 and \$19,433 for the fiscal years ending June 30, 2023 and 2022, respectively, consisting of prior service credit amortization, net actuarial gain or loss amortization and experience gains are included in nonoperating activities on the Consolidated Statements of Activities.

Amortization of prior service costs or credits which result from changes to plan provisions and amortization of actuarial net gains or losses which result from experience different from assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) are included as components of Net Periodic Postretirement Benefit Cost/(Income) for a year. The amortization of actuarial net gain or loss is the net gain or loss divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the postretirement medical plan.

The postretirement medical plan's health care cost trend rate assumptions are as follows at June 30:

	2023	2022
Initial rate	7.25%	7.5%
Ultimate rate	5.0%	5.0%
Fiscal year of ultimate rate	2032	2032

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Benefit Payments

At June 30, the University's aggregated future estimated postretirement benefit payments, which reflect future services, are as follows:

2024	\$	5,837
2025		6,343
2026		6,917
2027		7,467
2028		7,930
2029-2033		44,271

d. Self-insurance Plans

The University is self-insured for medical, prescription drug and dental benefits. Based on estimates provided by its actuaries, the University's obligation for health care claims incurred but not reported is \$2,820 and \$2,337 as of June 30, 2023 and 2022, respectively. The University is also self-insured for workers compensation and has established a liability for asserted and unasserted claims totaling \$4,274 and \$4,730 as of June 30, 2023 and 2022, respectively. These amounts are included in accounts payable and accrued expenses on the Consolidated Balance Sheets.

13. Long-Term Debt

The University has entered into various agreements for the purpose of financing construction, renovation and improvement of its facilities and equipment. Long-term debt outstanding for these purposes, net of applicable unamortized premium/discount and debt issuance costs as of June 30, is as follows:

Issue	Interest Rate(s) ¹	Type of Rate	Maturity	2023	2022
Tax-exempt revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2006A	N/A	Fixed	7/1/22	\$ -	\$ 5,350
Series 2012	N/A	Fixed	7/1/22	-	1,780
Series 2019A	4.00% - 5.00%	Fixed	7/1/49	119,635	119,635
Series 2020A	5.00%	Fixed	7/1/40	41,010	44,490
Series 2022A	5.00%	Fixed	7/1/42	109,155	-
Taxable revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2019B	2.21% - 3.44%	Fixed	7/1/42	143,225	144,475
Other debt	3.18%-3.56%	Variable	Various	702	983
Total long-term debt, principal				413,727	316,713
Bond premium/(discount), net				38,033	28,343
Unamortized debt issuance costs, net				(2,463)	(1,670)
Total long-term debt, net				\$ 449,297	\$ 343,386

¹ Represents interest rates on debt outstanding as of June 30, 2023

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The required principal payments for long-term debt for each of the years in the five-year period ending June 30, 2028 and thereafter are presented below. The schedule has been prepared based on the contractual maturities of the debt outstanding at June 30:

2024	\$	11,590
2025		12,132
2026		12,466
2027		12,984
2028		13,220
Thereafter		351,335
	\$	413,727

Deposits with bond trustees consist of debt service funds and the unexpended proceeds of certain debt totaling \$158,593 and \$90,757, and are included in cash and cash equivalents held with trustees and investments on the Consolidated Balance Sheets as of June 30, 2023 and 2022, respectively.

Tax-Exempt Revenue Bonds

The University's tax-exempt bonds are issued through DASNY, a New York State agency serving as a conduit issuer of tax-exempt debt. Proceeds from tax-exempt revenue bonds outstanding as of June 30, 2023 were used as follows:

DASNY 2019A Series

Unsecured revenue bonds were issued to refinance the University's taxable bank loan and for the construction of the Student Hall for Exploration and Development, a music performance theater and expansion of athletic facilities.

DASNY 2020A Series

Unsecured revenue bonds were issued to forward refund a portion of the DASNY 2010 Series bonds which had been issued for the construction of a new academic building, the construction of a green data center, the expansion of athletic facilities, various other campus-wide improvements and the advance refunding of DASNY 2002A Series bonds.

DASNY 2022A Series

During fiscal year 2023, the University entered into an agreement with DASNY to issue \$109,155 in revenue bonds. The agreement is a general unsecured obligation of the University. The bonds were issued at a premium of \$11,830. Proceeds will be used for construction of an academic research building and an athletic stadium, renovations to residence halls and improvements to other campus buildings.

Taxable Revenue Bonds

The University's taxable bonds are issued through DASNY. Proceeds from taxable revenue bonds outstanding as of June 30, 2023 were used as follows:

DASNY 2019B Series

Unsecured taxable revenue bonds were issued to advance refund a portion of the DASNY 2012 Series bonds which had been issued to advance refund a portion of DASNY 2002B Series bonds and a portion of DASNY 2008A Series bonds and for the construction of a new athletic and multi-purpose facility, renovations and improvements to academic facilities, replacement of electrical infrastructure and the acquisition of University Commons Project II on-campus residential housing.

Other Debt

Other debt consists of amounts associated with agreements the University has entered into for finance leases of equipment and furniture.

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14. Student Aid

For the fiscal year ending June 30, aid provided to students is summarized as follows:

2023			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 326,308	\$ 23,028	\$ 349,336
Student salaries and wages	22,191	12,295	34,486
Total student aid	\$ 348,499	\$ 35,323	\$ 383,822
2022			
	Institutional Support¹	Sponsored Support²	Total
Financial aid and merit-based scholarships	\$ 299,450	\$ 20,014	\$ 319,464
Student salaries and wages	18,909	11,093	30,002
Total student aid	\$ 318,359	\$ 31,107	\$ 349,466

¹ Institutional support includes student aid from operating resources without donor restrictions.

² Sponsored support includes student aid funded from donor restricted and University designated resources and external sources, including federal, state or private grants and/or contributions.

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15. Grants and Contracts Revenue

For the fiscal year ending June 30, revenue sources from grants and contracts are as follows:

2023			
	Contributions	Exchange Transactions	Total
Operating activities:			
Federal ^{1,2}	\$ 137,523	\$ 11,618	\$ 149,141
State	13,910	1,620	15,530
Private	3,541	3,844	7,385
Total operating grants and contracts revenue	\$ 154,974	\$ 17,082	\$ 172,056
Nonoperating activities:			
Federal	\$ 354	\$ -	\$ 354
Total nonoperating grants and contracts revenue	\$ 354	\$ -	\$ 354
2022			
	Contributions	Exchange Transactions	Total
Operating activities:			
Federal ^{1,3}	\$ 153,349	\$ 9,487	\$ 162,836
State	11,616	1,834	13,450
Private	2,026	4,324	6,350
Total operating grants and contracts revenue	\$ 166,991	\$ 15,645	\$ 182,636
Nonoperating activities:			
Federal	\$ 285	\$ -	\$ 285
State	5,029	-	5,029
Total nonoperating grants and contracts revenue	\$ 5,314	\$ -	\$ 5,314

¹ Contributions include appropriation for NTID.

² Contributions include Higher Education Emergency Relief Funds (HEERF II & III) established by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) awarded to RIT totaling \$197, Consolidated Appropriations Act 2021, Division M, American Rescue Plan Act (ARPA) awarded to NTID totaling \$7,877

³ Contributions include Higher Education Emergency Relief Funds (HEERF II & III) established by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) awarded to RIT totaling \$29,980, Consolidated Appropriations Act 2021, Division M, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) awarded to NTID totaling \$8,140

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16. National Technical Institute for the Deaf

Under an agreement with the U.S. Department of Education (ED), the University established NTID in 1968 to provide post-secondary education and technical training for deaf and hard of hearing persons. NTID is the world's first and largest technical college of its kind with approximately 1,135 students from the United States and other countries. The Federal Government provides funding through an appropriation, currently covering approximately 81% of NTID's total operating costs, as well as matching funds for NTID's Federal Endowment Fund. Funding is applied for annually and is subject to the Federal Government's continued support of the program.

Operating Revenues

The federal appropriation partially covers direct operating expenses and reimbursement to the University for tuition, fees, room and board and indirect costs for NTID students using RIT facilities. Appropriation revenues are included in grants and contracts on the Consolidated Statements of Activities and total \$92,961 and \$84,470 at June 30, 2023 and 2022, respectively. The remaining operating expenses are funded by tuition and fees collected from NTID students and other revenues.

NTID receives funds in its annual appropriation from ED to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. The grants and contracts amounts on the Consolidated Statements of Activities include \$10,059 and \$6,466 at June 30, 2023 and 2022, respectively, appropriated for the AIDB regional partnership.

Nonoperating Activities

The federal appropriation may also be used to match qualifying contributions received from donors for NTID's Federal Endowment Fund. The amounts included in with donor restricted nonoperating government grants and contracts for long-term assets on the Consolidated Statements of Activities are federal matching funds totaling \$355 and \$285 at June 30, 2023 and 2022, respectively.

17. Expenses by Functional and Natural Classification

Certain natural expenses attributable to more than one functional expense category are distributed using reasonable cost allocation methods. Depreciation, interest and plant operation and maintenance expenses are allocated to the functional categories on a square footage basis.

Expenses by functional and natural classification for the fiscal year ending June 30 are as follows:

	2023					
	Instruction & Academic Support	Student & Auxiliary Services	Research & Public Support	General Admin & Operations¹		Total
Compensation and benefits	\$ 287,154	\$ 77,135	\$ 50,865	\$ 35,681		\$ 450,835
Purchased services and other	54,901	68,521	37,140	8,764		169,326
Depreciation, amortization and interest	19,054	19,242	6,894	3,420		48,610
Total operating expense	\$ 361,109	\$ 164,898	\$ 94,899	\$ 47,865		\$ 668,771
Net periodic benefit cost other than service	(1,157)	(296)	(38)	(199)		(1,690)
Total expense	\$ 359,952	\$ 164,602	\$ 94,861	\$ 47,666		\$ 667,081

¹ Includes fundraising expenses of \$12,810

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	2022				Total
	Instruction & Academic Support	Student & Auxiliary Services	Research & Public Support	General Admin & Operations ¹	
Compensation and benefits	\$ 275,000	\$ 70,134	\$ 44,473	\$ 33,238	\$ 422,845
Purchased services and other	49,612	78,452	27,089	5,906	161,059
Depreciation, amortization and interest	19,274	20,707	6,828	4,037	50,846
Total operating expense	\$ 343,886	\$ 169,293	\$ 78,390	\$ 43,181	\$ 634,750
Net periodic benefit cost other than service	(805)	(197)	(24)	(134)	(1,160)
Total expense	\$ 343,081	\$ 169,096	\$ 78,366	\$ 43,047	\$ 633,590

¹ Includes fundraising expenses of \$10,701

18. Commitments and Contingencies

The University is involved in legal actions arising in the normal course of activities and is subject to periodic audits and inquiries by various regulatory agencies. Although the ultimate outcome of such matters is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of pending matters will not have a materially adverse effect, individually or in the aggregate, upon the Consolidated Financial Statements.

The University is committed under several construction contracts amounting to approximately \$81,096 and \$92,283 at June 30, 2023 and 2022, respectively. These contracts relate to the renovation and construction of various on-campus facilities including projects totaling \$3,449 funded by federal and state grants, \$30,750 funded by private donors, \$1,610 funded by the University's Series 2019A debt issue and \$33,204 funded by the University's Series 2022A debt issue.

19. Subsequent Events

Subsequent events have been evaluated through November 9, 2023, the date the Consolidated Financial Statements were issued.