



FORDHAM

U N I V E R S I T Y

2025 and 2024 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, 2025 and 2024, 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, 2025 and 2024, 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 27, 2025

FORDHAM UNIVERSITY

Consolidated Statements of Financial Position

June 30, 2025 and 2024

(Amounts in thousands)

| Assets | 2025 | 2024 |
|--|--------------|-------------|
| Cash and cash equivalents | \$ 10,331 | 4,316 |
| Short-term investments (note 4) | 23,821 | 12,139 |
| Accounts receivable, net (note 6) | 20,954 | 22,136 |
| Deposits with bond trustees (note 10) | 3,350 | 3,101 |
| Student loans receivable, net (note 6) | 4,170 | 4,481 |
| Contributions receivable, net (notes 7 and 12) | 173,127 | 94,962 |
| Other assets (notes 2(g) and 2(n)) | 38,774 | 39,034 |
| Long-term investments (notes 4 and 5) | 1,054,037 | 1,024,789 |
| Operating lease right-of-use assets (note 14) | 94,595 | 79,850 |
| Plant assets, net (note 8) | 1,167,848 | 1,173,279 |
| Total assets | \$ 2,591,007 | 2,458,087 |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 70,879 | 70,928 |
| Deferred revenue and deposits | 67,258 | 50,489 |
| Line of credit (note 10) | 15,000 | 20,000 |
| Fair value of swap agreement (note 10) | 764 | 418 |
| Other liabilities | 5,935 | 6,058 |
| Postretirement benefit obligation (note 9) | 66,219 | 52,867 |
| Long-term debt, net (note 10) | 469,225 | 490,584 |
| Operating lease liabilities (note 14) | 103,961 | 89,838 |
| Total liabilities | 799,241 | 781,182 |
| Commitments and contingencies (notes 4, 13 and 14) | | |
| Net assets (notes 5 and 12): | | |
| Without donor restrictions: | | |
| Undesignated | 395,925 | 402,982 |
| Board-designated | 385,138 | 383,756 |
| Total net assets without donor restrictions | 781,063 | 786,738 |
| With donor restrictions: | | |
| Purpose or time | 487,082 | 387,980 |
| Perpetuity | 523,621 | 502,187 |
| Total net assets with donor restrictions | 1,010,703 | 890,167 |
| Total net assets | 1,791,766 | 1,676,905 |
| Total liabilities and net assets | \$ 2,591,007 | 2,458,087 |

See accompanying notes to consolidated financial statements.

FORDHAM UNIVERSITY
Consolidated Statements of Activities
Years ended June 30, 2025 and 2024
(Amounts in thousands)

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|------------------|
| Changes in net assets without donor restrictions: | | |
| Operating revenues: | | |
| Tuition and fees, net (financial aid of \$378,334 and \$346,739 in 2025 and 2024, respectively) | \$ 522,706 | 500,520 |
| Government grants | 32,089 | 30,214 |
| Investment return, net | 50,710 | 43,832 |
| Contributions and private grants | 29,033 | 27,313 |
| Student housing | 80,614 | 75,434 |
| Food services | 28,437 | 27,064 |
| Other | 28,924 | 28,299 |
| Net assets released from restrictions for operations | 8,660 | 8,196 |
| Total operating revenues | <u>781,172</u> | <u>740,872</u> |
| Operating expenses: | | |
| Program services: | | |
| Instruction and research | 327,678 | 311,195 |
| Academic support | 213,013 | 203,225 |
| Auxiliary services | 113,676 | 109,609 |
| Total program services | <u>654,367</u> | <u>624,029</u> |
| Institutional administration | <u>121,153</u> | <u>113,250</u> |
| Total operating expenses | <u>775,520</u> | <u>737,279</u> |
| Operating results before transfers | 5,652 | 3,593 |
| Endowment fund transfer | <u>(5,600)</u> | <u>(3,500)</u> |
| Operating results | 52 | 93 |
| Nonoperating activities: | | |
| Change in postretirement health benefits other than net periodic benefit cost | (11,947) | (196) |
| Change in value of interest rate swap | (346) | 332 |
| Other | (6,600) | — |
| Endowment fund transfer | 5,600 | 3,500 |
| Gain on refunding of debt | — | 1,488 |
| Investment return, net | 5,766 | 13,414 |
| Net assets released from restrictions for capital projects | — | 5,100 |
| Net periodic benefit cost other than service cost | 1,800 | 2,257 |
| (Decrease) increase in net assets without donor restrictions | <u>(5,675)</u> | <u>25,988</u> |
| Changes in net assets with donor restrictions: | | |
| Contributions | 117,326 | 34,148 |
| Investment return, net | 11,927 | 17,802 |
| Change in fair value of perpetual trust | (57) | 401 |
| Net assets released from restrictions for capital projects | — | (5,100) |
| Net assets released from restrictions for operations | (8,660) | (8,196) |
| Increase in net assets with donor restrictions | <u>120,536</u> | <u>39,055</u> |
| Increase in net assets | 114,861 | 65,043 |
| Net assets at beginning of year | <u>1,676,905</u> | <u>1,611,862</u> |
| Net assets at end of year | <u>\$ 1,791,766</u> | <u>1,676,905</u> |

See accompanying notes to consolidated financial statements.

FORDHAM UNIVERSITY
Consolidated Statements of Cash Flows
Years ended June 30, 2025 and 2024
(Amounts in thousands)

| | <u>2025</u> | <u>2024</u> |
|---|------------------|-----------------|
| Cash flows from operating activities: | | |
| Increase in net assets | \$ 114,861 | 65,043 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Appreciation on investments | (66,083) | (74,854) |
| Provision for doubtful student accounts | 2,100 | 5,053 |
| Provision for uncollectible contributions receivable | 7,876 | 4 |
| Depreciation and amortization of plant assets | 58,079 | 56,844 |
| Gain on refunding of long-term debt | — | (1,488) |
| Amortization of bond issue costs and original issue discount/premium | (2,299) | (2,250) |
| Amortization of right-of-use assets | 9,564 | 9,565 |
| Postretirement related changes other than net periodic pension cost | 11,947 | 196 |
| Change in fair value of perpetual trust | 57 | (401) |
| Permanently restricted contributions and investment return | (20,868) | (19,354) |
| Capital contributions and grants | (5,853) | (5,702) |
| Change in value of interest rate swap | 346 | (332) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (918) | (2,523) |
| Contributions receivable, net of permanently restricted and capital components | (86,042) | (175) |
| Other assets | 203 | (4,677) |
| Accounts payable and accrued expenses | 1,606 | 66 |
| Deferred revenue and deposits | 16,769 | 7,432 |
| Other liabilities | (123) | (292) |
| Operating lease liabilities | (10,186) | (10,292) |
| Postretirement benefit obligation | 1,405 | 1,108 |
| Net cash provided by operating activities | <u>32,441</u> | <u>22,971</u> |
| Cash flows from investing activities: | | |
| Purchases of investments | (727,562) | (554,200) |
| Sales of investments | 752,715 | 580,479 |
| Purchases of plant assets | (52,648) | (55,408) |
| Decrease in accounts payable for capital projects | (1,655) | (413) |
| Decrease in student loans receivable, net | 311 | 571 |
| Net cash used in investing activities | <u>(28,839)</u> | <u>(28,971)</u> |
| Cash flows from financing activities: | | |
| Proceeds from issuance of long-term debt | — | 42,288 |
| Bond issuance costs | — | (214) |
| Repayment of long-term debt | (19,060) | (18,215) |
| Decrease in deposits with bond trustees | (249) | (232) |
| Refunding of long-term debt | — | (41,805) |
| Repayment of line of credit | (5,000) | — |
| Permanently restricted contributions and investment return | 20,869 | 19,354 |
| Capital contributions and grants | 5,853 | 668 |
| Net cash provided by financing activities | <u>2,413</u> | <u>1,844</u> |
| Net increase/(decrease) in cash and cash equivalents | 6,015 | (4,156) |
| Cash and cash equivalents at beginning of year | <u>4,316</u> | <u>8,472</u> |
| Cash and cash equivalents at end of year | <u>\$ 10,331</u> | <u>4,316</u> |
| Supplemental disclosures: | | |
| Interest paid (includes capitalized interest of \$0 and \$82 for 2025 and 2024, respectively) | \$ 19,476 | 20,078 |
| Right-of-use assets acquired under operating leases | 24,309 | 10,255 |

See accompanying notes to consolidated financial statements.

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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 Graduate School of Religion and Religious Education (GRE) is merging with the Graduate School of Education (GSE), a process that began in Spring 2025 to strengthen academic programs through faculty and resource consolidation and to ensure their long-term sustainability within Fordham's broader educational framework. 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 10,200 undergraduate students and 5,200 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.

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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 \$28,819 and \$27,115 at June 30, 2025 and 2024, 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 in either fiscal years 2025 and 2024.

(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, 2025 and 2024

(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 statements 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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Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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 of 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 \$1,294 and \$1,386 at June 30, 2025 and 2024, 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.

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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:

| | 2025 | 2024 |
|--|--------------------------|-----------------------|
| Cash and cash equivalents | \$ 10,331 | 4,316 |
| Accounts receivable, net | 20,954 | 22,136 |
| Investments available for general expenditure | 29,456 | 15,639 |
| Estimated endowment appropriations | <u>47,963</u> | <u>45,695</u> |
| | 108,704 | 87,786 |
| Transfer to Board approved quasi-endowment (note 5) | <u>(5,600)</u> | <u>(3,500)</u> |
| Total financial assets available within one year | 103,104 | 84,286 |
| Unutilized line of credit (liquidity resource) (Note 10) | <u>35,000</u> | <u>30,000</u> |
| Total financial assets and liquidity resource available within one year | \$ <u><u>138,104</u></u> | <u><u>114,286</u></u> |

In addition to these resources, the University's liquidity strategy includes board-designated quasi-endowed funds and other investments, valued at \$380,081 and \$378,699 on June 30, 2025 and 2024, 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, 2025 and 2024

(Amounts in thousands)

(4) Investments

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

| | <u>2025</u> | <u>2024</u> | <u>Redemption frequency</u> | <u>Days notice</u> |
|---------------------------------------|----------------------------|-------------------------|---------------------------------|------------------------|
| Short-term: | | | | |
| Cash and cash equivalents | \$ 23,821 | 12,139 | Daily | Not applicable |
| Total short-term | <u>23,821</u> | <u>12,139</u> | Daily | |
| Long-term investments: | | | | |
| Cash and cash equivalents | 51,937 | 68,479 | Daily | Not applicable |
| U.S. public equities | 31,028 | 36,138 | Daily | Not applicable |
| U.S. government obligations | 17,309 | 1,713 | Daily | Not applicable |
| Global equities | 9,835 | — | Daily | Not applicable |
| Equity mutual funds | 4,986 | 4,203 | Daily | Not applicable |
| Fixed income securities | 17,809 | 16,292 | Daily | Not applicable |
| Non-public equity funds (i) | 134,298 | 145,285 | Daily—annual | 5–45 |
| Absolute return hedge funds (ii) | 173,570 | 185,006 | Quarterly—annual | 5–90 |
| Private capital funds: | | | | |
| Private equity (iii) | 381,148 | 325,891 | Illiquid | Not applicable |
| Private debt (iv) | 75,520 | 74,214 | Illiquid | Not applicable |
| Private real assets (v) | <u>156,597</u> | <u>167,568</u> | Illiquid | Not applicable |
| Total endowment and other investments | <u>1,054,037</u> | <u>1,024,789</u> | | |
| Total investments | \$ <u><u>1,077,858</u></u> | <u><u>1,036,928</u></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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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 \$243,893 and \$229,859 at June 30, 2025 and 2024, respectively.

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

| | | 2025 | | | |
|-----------------------------|----|---------|---------|---------|-----------|
| | | NAV | Level 1 | Level 2 | Total |
| Cash and cash equivalents | \$ | — | 75,758 | — | 75,758 |
| U.S. public equities | | — | 31,028 | — | 31,028 |
| U.S. government obligations | | — | 17,309 | — | 17,309 |
| Global equities | | — | 9,835 | — | 9,835 |
| Equity mutual funds | | — | 4,986 | — | 4,986 |
| Fixed income securities | | — | 17,809 | — | 17,809 |
| Non-public equity funds | | — | 134,298 | — | 134,298 |
| Hedge funds | | 173,570 | — | — | 173,570 |
| Private capital funds | | 613,265 | — | — | 613,265 |
| Total | \$ | 786,835 | 291,023 | — | 1,077,858 |

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| 2024 | | | | |
|-----------------------------|------------|---------|---------|-----------|
| | NAV | Level 1 | Level 2 | 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 | \$ 752,679 | 284,249 | — | 1,036,928 |

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

| | 2025 | 2024 |
|------------------------------|-----------|--------|
| Without donor restrictions: | | |
| Operating | \$ 50,710 | 43,832 |
| Non-operating | 5,766 | 13,414 |
| With donor restrictions | 11,927 | 17,802 |
| Total investment return, net | \$ 68,403 | 75,048 |

(5) Endowment and Other Long-term Investments

At June 30, 2025, the University's endowment consists of 1,249 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, 2025 and 2024, the fair value of 44 and 32 endowment funds were less than their original fair values by \$141 and \$178, 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 \$1,054,037 and \$1,024,789 at June 30, 2025 and 2024, 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 2025 and 2024, 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. In fiscal years 2025 and 2024, the Board of Trustees designated \$5,600 and \$3,500, respectively, from the University's operating surplus and in working capital funds to establish additions to a Board-approved quasi-endowment.

Unitized endowment fund activity during the years ended June 30, 2025 and 2024 was as follows:

| | Board designated (without restrictions) | Donor restricted (with restrictions) | Total |
|----------------------------------|--|---|--------------|
| 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 | (11,845) | (29,530) | (41,375) |
| Endowment fund at June 30, 2024 | 275,107 | 646,090 | 921,197 |
| Investment return, net | 17,181 | 40,388 | 57,569 |
| Contributions and additions | 5,623 | 16,515 | 22,138 |
| Appropriation for expenditure | (12,315) | (29,038) | (41,353) |
| Endowment fund at June 30, 2025 | \$ 285,596 | 673,955 | 959,551 |

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

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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.

Working capital fund activity during the years ended June 30, 2025 and 2024 was as follows:

| | | |
|---------------------------------------|----|----------------------|
| Working capital fund at June 30, 2023 | \$ | 99,271 |
| Investment return, net | | 6,695 |
| Net transfers and other activities | | 4,962 |
| Withdrawals and other deductions | | <u>(7,336)</u> |
| Working capital fund at June 30, 2024 | | 103,592 |
| Investment return, net | | 7,312 |
| Net transfers and other activities | | (9,465) |
| Appropriation for expenditure | | <u>(6,953)</u> |
| Working capital fund at June 30, 2025 | \$ | <u><u>94,486</u></u> |

(6) Accounts and Loans Receivable

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

| | <u>2025</u> | <u>2024</u> |
|---------------------------------|-------------------------|----------------------|
| Students | \$ 39,429 | 37,762 |
| Grants | 6,125 | 7,152 |
| Other | <u>5,232</u> | <u>4,954</u> |
| | 50,786 | 49,868 |
| Allowance for doubtful accounts | <u>(29,832)</u> | <u>(27,732)</u> |
| Accounts receivable, net | \$ <u><u>20,954</u></u> | <u><u>22,136</u></u> |

Student loans receivable are net of an allowance for uncollectable accounts, totaling \$954 and \$1,113 at June 30, 2025 and 2024, respectively.

In September 2024, Fordham University was designated by the U.S. Environmental Protection Agency (EPA) as a Regional Grantmaker under the Environmental Justice Thriving Communities Grantmaking Program with a \$60 million grant award; however, in late April 2025, the EPA terminated the agreement effective immediately. Grant revenue and related program expenses were recognized for activities performed prior to termination, and because the University was only reimbursed for incurred costs, no unspent funds were required to be returned to the EPA.

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(7) Contributions Receivable

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

| | <u>2025</u> | <u>2024</u> |
|--|-------------------|-----------------|
| Amounts expected to be collected in: | | |
| Less than one year | \$ 41,593 | 38,146 |
| One to five years | 85,058 | 23,638 |
| More than five years | <u>98,013</u> | <u>56,367</u> |
| | 224,664 | 118,151 |
| Less: | | |
| Allowance for uncollectible amounts | (19,453) | (11,577) |
| Discount to net present value (ranging from 0.3% to 4.33%) | <u>(32,084)</u> | <u>(11,612)</u> |
| | <u>\$ 173,127</u> | <u>94,962</u> |

In fiscal year 2025, the University received its largest-ever pledge of \$100 million from a donor to support the construction of a new integrated science facility and the expansion of STEM degree programs at the Rose Hill campus, as part of Fordham's initiative to enhance its STEM offerings and strengthen its competitiveness in science, technology, engineering, and mathematics.

Receivables from nine donors account for 75% and 58% of the gross contributions receivable balance at June 30, 2025 and 2024, respectively.

(8) Plant Assets

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

| | <u>2025</u> | <u>2024</u> |
|---|---------------------|------------------|
| Land and land improvements | \$ 36,554 | 36,722 |
| Buildings and building improvements | 1,640,354 | 1,578,223 |
| Furnishings, equipment, and library collections | 359,898 | 356,646 |
| Construction in progress | <u>29,842</u> | <u>47,693</u> |
| Total | 2,066,648 | 2,019,284 |
| Less accumulated depreciation | <u>(898,800)</u> | <u>(846,005)</u> |
| | <u>\$ 1,167,848</u> | <u>1,173,279</u> |

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.

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The University had commitments under contracts for construction projects of \$23,799 as of June 30, 2024. As of June 30, 2025, the University has no construction commitments under contract.

(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. Pursuant to the Board resolution of September 28, 2023 to amend the Plan for eligible faculty and administrators hired on or after January 1, 2024, the Plan Sponsor will contribute 5% of the base compensation for employees with less than five years of service, 8% of base compensation for employees with five years or more but less than 10 years of service, and 10% for employees with 10 or more years of service. The University's contributions for retirement benefits for its employees totaled \$25,099 and \$22,926 during the years ended June 30, 2025 and 2024, 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:

| | <u>2025</u> | <u>2024</u> |
|--|------------------|----------------|
| Change in postretirement benefit obligation: | | |
| Benefit obligation at beginning of year | \$ 52,867 | 51,563 |
| Service cost | 3,205 | 3,365 |
| Interest cost | 2,777 | 2,644 |
| Plan participants' contributions | 1,307 | 1,185 |
| Actuarial net loss/(gain) | 9,713 | (2,590) |
| Benefits paid | <u>(3,650)</u> | <u>(3,300)</u> |
| Postretirement benefit obligation at end of year | \$ <u>66,219</u> | <u>52,867</u> |
| Components of net periodic benefit cost: | | |
| Service cost | \$ 3,205 | 3,365 |
| Interest cost | 2,777 | 2,644 |
| Amortization of net loss | <u>(4,577)</u> | <u>(4,901)</u> |
| Net periodic benefit cost | \$ <u>1,405</u> | <u>1,108</u> |

For the year ended June 30, 2025, the loss in the benefit obligation is attributable to the per capita claim costs assumption of \$11.5M. For the year ended June 30, 2024, there were no significant gains or losses.

The gain not yet recognized as a component of net periodic benefit cost totals \$21,248 and \$35,538 for June 30, 2025 and 2024, respectively.

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

| | 2025 | 2024 |
|---|-------------|-------------|
| Benefit obligation weighted average assumptions as of June 30: | | |
| Discount rate | 5.69 % | 5.49 % |
| Rate of compensation increase | 3.50 % | 3.50 % |
| Healthcare cost trend - Initial rate (pre-65/post-65) | 7.00%/6.00% | 6.60%/5.00% |
| Healthcare cost trend - Ultimate rate | 4.50 % | 4.50 % |
| Year ultimate rate reached | 2040 | 2038 |
| Benefit cost weighted-average assumptions for the year ended June 30: | | |
| Discount rate - Benefit obligation | 5.49 % | 5.24 % |
| Discount rate - Service cost | 5.60 % | 5.31 % |
| Discount rate - Interest cost | 5.14 % | 5.22 % |
| Rate of compensation increase | 3.50 % | 3.50 % |
| Healthcare cost trend - Initial rate (pre-65/post-65) | 6.60%/5.00% | 6.20%/5.00% |
| Healthcare cost trend - Ultimate rate | 4.50 % | 4.50 % |
| Year ultimate rate reached | 2038 | 2035 |

Estimated future annual benefit payments consist of the following:

| | |
|-----------|--------|
| 2026 | 3,027 |
| 2027 | 3,339 |
| 2028 | 3,486 |
| 2029 | 3,700 |
| 2030 | 3,881 |
| 2031-2035 | 24,622 |

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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 | 2025 | 2024 |
|--|---------------|---------------|------------|---------|
| Bonds payable: | | | | |
| Revenue bonds: | | | | |
| Series 2024 Forward Bonds (i) | 2036 | 4.00% | \$ 37,135 | 39,340 |
| Series 2021A (ii) | 2044 | 3.00% – 4.00% | 26,975 | 26,975 |
| 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% | 61,925 | 66,550 |
| Series 2016 (v) | 2041 | 4.00% – 5.00% | 86,060 | 89,715 |
| Series 2008A (vi) | 2032 | Variable | 34,770 | 43,345 |
| Total principal debt | | | 431,530 | 450,590 |
| Net unamortized premium | | | 41,253 | 43,806 |
| | | | 472,783 | 494,396 |
| Unamortized bond issuance costs | | | (3,558) | (3,812) |
| Total long-term and other debt obligations | | | \$ 469,225 | 490,584 |
| Line of credit outstanding (vii) | | | \$ 15,000 | 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 statement of activities. Premiums paid at the issuance of the Series 2024 Forward Bonds totaled \$2,947 (\$2,648 and \$2,888 unamortized at June 30, 2025 and 2024, respectively).

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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 (\$3,169 and \$3,413 unamortized at June 30, 2025 and 2024, 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 (\$16,419 and \$17,076 remain unamortized at June 30, 2025 and 2024, 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 (\$7,825 and \$8,537 unamortized at June 30, 2025 and 2024, 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 \$11,192 and \$11,892 at June 30, 2025 and 2024, respectively.
- vi) 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 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 (\$34,770 and \$43,345 at June 30, 2025 and 2024, respectively). The liability related to the swap agreement, reported at fair value and categorized as Level 2 in the fair value hierarchy, was \$764 and \$418 at June 30, 2025 and

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2024, respectively. The University was not required to post any collateral under the swap agreement at June 30, 2025 or 2024.

- vii) The University maintains an unsecured line of credit that provides up to \$50,000 in short-term financing as of June 30, 2025 and 2024. As of June 30, 2025 and 2024, \$15,000 and \$20,000 was utilized, respectively.

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:

| | Principal | Interest | Total |
|---------------------------------|-------------------|----------------|----------------|
| Year: | | | |
| 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 |
| 2030 | 14,665 | 14,594 | 29,259 |
| Thereafter | 341,275 | 145,309 | 486,584 |
| Subtotal | 431,530 | 226,204 | 657,734 |
| Net unamortized premium | 41,253 | — | 41,253 |
| Unamortized bond issuance costs | (3,558) | — | (3,558) |
| | <u>\$ 469,225</u> | <u>226,204</u> | <u>695,429</u> |

Total interest expense on long-term debt totals \$19,476 and \$19,995 for the years ended June 30, 2025 and 2024, respectively.

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, 2025. Deposits held by bond trustees, which are reported at fair value and categorized as Level 1 in the fair value hierarchy, was \$3,350 and \$3,101 at June 30, 2025 and 2024, respectively, and consist of debt service funds.

(11) Functional Classification of Expenses

The University's primary program activities are instruction and research, academic support and auxiliary services. Institutional support includes \$18,948 and \$17,027 of fund-raising expenses in 2025 and 2024, respectively. For purposes of reporting fund-raising expenses, the University includes only those fund-raising costs incurred by its development office.

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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.

Operating expenses are allocated to program and supporting activities:

| | 2025 | | | | | | | |
|---|--------------------------|------------------|--------------------|---------|------------------------------|----------------------------|----------|--------------------------|
| | Program activities | | | | Supporting activities | | | |
| | Instruction and research | Academic support | Auxiliary services | Total | Institutional administration | Operations and maintenance | Total | Total operating expenses |
| Salaries and wages | \$ 187,887 | 85,935 | 5,471 | 279,293 | 47,497 | 25,301 | 72,798 | 352,091 |
| Fringe benefits | 55,919 | 32,060 | 2,364 | 90,343 | 21,567 | 10,833 | 32,400 | 122,743 |
| Professional fees | 6,161 | 11,561 | — | 17,722 | 8,765 | 2,258 | 11,023 | 28,745 |
| Office expenses and supplies | 3,616 | 9,436 | 404 | 13,456 | 1,158 | 2,925 | 4,083 | 17,539 |
| Travel | 2,951 | 7,435 | 25 | 10,411 | 998 | 13 | 1,011 | 11,422 |
| Security | 116 | 617 | 3,778 | 4,511 | 4,168 | 82 | 4,250 | 8,761 |
| Marketing | 1,821 | 687 | 90 | 2,598 | 5,076 | — | 5,076 | 7,674 |
| Software applications and maintenance | 342 | 12,922 | 74 | 13,338 | 1,545 | 203 | 1,748 | 15,086 |
| Insurance | 345 | 790 | 14 | 1,149 | 5,072 | 296 | 5,368 | 6,517 |
| Meal plan costs | — | — | 23,482 | 23,482 | — | — | — | 23,482 |
| Repairs and maintenance | 305 | 376 | 1,254 | 1,935 | 1,475 | 8,743 | 10,218 | 12,153 |
| Catering | 1,464 | 3,385 | 121 | 4,970 | 2,272 | 30 | 2,302 | 7,272 |
| Academic partnerships | 21,177 | 369 | — | 21,546 | — | — | — | 21,546 |
| Utilities | 1,963 | 225 | 1,056 | 3,244 | 1,210 | 14,426 | 15,636 | 18,880 |
| Interest and other financing costs | 1,883 | 5,043 | 9,367 | 16,293 | 967 | — | 967 | 17,260 |
| Depreciation | 15,592 | 15,040 | 23,260 | 53,892 | 4,186 | — | 4,186 | 58,078 |
| Other | 11,525 | 11,273 | 9,173 | 31,971 | 10,414 | 3,886 | 14,300 | 46,271 |
| Total before allocation | 313,067 | 197,154 | 79,933 | 590,154 | 116,370 | 68,996 | 185,366 | 775,520 |
| Allocation of operations and maintenance of plant | 14,611 | 15,859 | 33,743 | 64,213 | 4,783 | (68,996) | (64,213) | — |
| Total operating expenses | \$ 327,678 | 213,013 | 113,676 | 654,367 | 121,153 | — | 121,153 | 775,520 |

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| 2024 | | | | | | | | |
|---|--------------------------|------------------|--------------------|---------|------------------------------|----------------------------|----------|--------------------------|
| | Program activities | | | | Supporting activities | | | Total operating expenses |
| | Instruction and research | Academic support | Auxiliary services | Total | Institutional administration | Operations and maintenance | Total | |
| 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 |

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Amounts in thousands)

(12) Net Assets

| | 2025 | | |
|--|---------------------------------------|------------------------------------|------------------|
| | Without donor restrictions | With donor restrictions | Total |
| Limited use as to purpose or time: | | | |
| Board-designated endowment and other investments | \$ 380,081 | 42,520 | 422,601 |
| Board-designated non-endowed funds | 5,057 | — | 5,057 |
| Accumulated endowment earnings pending appropriation for: | | | |
| Scholarships and fellowships | — | 111,870 | 111,870 |
| Academic support | — | 64,844 | 64,844 |
| General | — | 41,052 | 41,052 |
| Donations and endowment appropriations pending expenditure | — | 101,750 | 101,750 |
| Contributions receivable | — | 105,083 | 105,083 |
| Annuity and life income funds | — | 8,525 | 8,525 |
| Other | — | 11,438 | 11,438 |
| | <u>385,138</u> | <u>487,082</u> | <u>872,220</u> |
| Restricted in perpetuity: | | | |
| Historical gift values restricted for: | | | |
| Scholarships and fellowships | — | 260,731 | 260,731 |
| Academic support | — | 91,696 | 91,696 |
| General | — | 61,243 | 61,243 |
| Contributions receivable | — | 68,044 | 68,044 |
| Annuity and life income funds | — | 23,069 | 23,069 |
| Other | — | 18,838 | 18,838 |
| | <u>—</u> | <u>523,621</u> | <u>523,621</u> |
| Undesignated | <u>395,925</u> | <u>—</u> | <u>395,925</u> |
| | <u>\$ 781,063</u> | <u>1,010,703</u> | <u>1,791,766</u> |

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Amounts in thousands)

| | 2024 | | |
|---|-------------------------------|----------------------------|------------------|
| | Without donor restrictions | With donor restrictions | Total |
| 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 |
| | <u>—</u> | <u>502,187</u> | <u>502,187</u> |
| Undesignated | <u>402,982</u> | <u>—</u> | <u>402,982</u> |
| | <u>\$ 786,738</u> | <u>890,167</u> | <u>1,676,905</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 financial statements.

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(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:

| | | |
|------------------------------------|----|-----------------------|
| 2026 | \$ | 13,264 |
| 2027 | | 12,293 |
| 2028 | | 12,545 |
| 2029 | | 12,039 |
| 2030 | | 9,394 |
| 2031 and thereafter | | <u>51,095</u> |
| | | 110,630 |
| Less discount to net present value | | <u>(6,669)</u> |
| Total operating lease liabilities | \$ | <u><u>103,961</u></u> |

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

| | <u>2025</u> | <u>2024</u> |
|---|------------------------|---------------------|
| Lease cost: | | |
| Operating lease cost | \$ 9,564 | 9,565 |
| Short-term lease cost | <u>82</u> | <u>133</u> |
| Total lease cost | \$ <u><u>9,646</u></u> | <u><u>9,698</u></u> |
| Other information: | | |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | \$ 10,186 | 10,292 |
| Weighted-average remaining lease term | 11.05 years | 12.92 years |
| Weighted-average discount rate | 2.20 % | 1.50 % |

FORDHAM UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(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.

(16) Subsequent Events

In connection with the preparation of the consolidated financial statements, the University evaluated subsequent events through October 27, 2025, which was the date the consolidated financial statements were issued.