

Yeshiva University
Consolidated Financial Statements
June 30, 2023 and 2022

Yeshiva University
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Yeshiva University
Consolidated Statements of Financial Position
June 30, 2023 and 2022

2023

2022

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

Yeshiva University
Consolidated Statements of Activities
Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues						
Tuition and fees, net of scholarships						
of \$102,536 in 2023 and \$91,444 in 2022 (Note 13)	\$ 151,679	-				

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

Yeshiva University
Consolidated Statements of Cash Flows
June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (18,656)	\$ (84,879)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized and unrealized (gain) loss on investments	(23,778)	47,061
Unrealized (gain) loss in irrevocable charitable remainder trusts	(30)	57
Realized and unrealized (gain) loss on investments held for unconsolidated organizations	(7,306)	12,539
Unrealized loss in irrevocable charitable remainder trusts held for unconsolidated organizations	-	10
Non-cash contributions received	(639)	(7,373)
Proceeds from sale of donated securities	643	923
Depreciation, accretion, and amortization expense	14,129	14,279

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of time, or both. These net assets include gifts for which donor imposed restrictions have not been met (including gifts for capital projects not yet placed in service), pledges, split interest agreements, and net assets from donor restricted endowments not yet appropriated for spending. Once the restrictions are satisfied, or have been deemed to have been satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Also included in this category are net assets with donor restrictions that require such assets to be maintained permanently by the University and invested to provide a perpetual source of income. The University considers cash assets and pledges that are maintained and invested in perpetuity

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credit risk, if any. In addition, provisions for uncollectible contribution receivables that are related to pledges with donor restrictions are presented under nonrecurring activities.

Other Revenue

Other revenue consists of government awarded grants and contracts, income from the Jack D. Weiler Hospital of Albert Einstein College of Medicine ("WHAECOM") lease (Note 6) and other program income support revenue.

The University receives sponsored program grant and contract income from governmental sources. The funding may represent a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large or it may be a reciprocal transaction in exchange for an equivalent benefit in return. Revenues from exchange transactions are recognized as performance obligations are satisfied which in most cases mirrors the timing of when related costs are incurred. Revenues from nonexchange transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). The University recognizes revenue earned from conditional nonexchange transactions when the barrier is satisfied, typically as related costs are incurred. In addition, the University has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets without

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Cash and Cash Equivalents

The Cash and cash equivalents line on the Consolidated Statements of Financial Position represents the University's restricted cash and working capital, which includes cash on hand and

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Land, Buildings and Equipment

Land, buildings and equipment (Note 7) are stated substantially at cost, except for those received by contribution, which are stated at appraised value at date of contribution. Equipment, furniture and fixtures having a useful life of one year or more and an acquisition cost of five thousand dollars or more per unit are capitalized. The University reviews all long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Depreciation is computed on a straight-line basis over the assets' estimated useful lives. Depreciable lives of buildings and improvements are 50 years for building shell and up to 28 years for all other building components. The depreciable lives of equipment, furniture, and fixtures range from 5 to 15 years and range from 5 to 10 years for software applications.

Refundable Advances From the U.S. Government

Funds provided by the U.S. Government under the Federal Perkins Loan program are loaned to

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Assets and liabilities are disclosed in the Notes to Consolidated Financial Statements within the hierarchy based on the lowest (or least observable) input that is significant to the measurement. The University's assessment of the significance of an input requires judgment, which may affect the valuation and categorization within the fair value hierarchy. The fair value of assets and liabilities using Level 3 inputs are generally determined by using pricing models, discounted cash flow methods or calculated Net Asset Value ("NAV"), which all require significant

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quoted market prices in active markets and are categorized as Level 1. Corporate debt is valued based on quoted market prices or dealer or broker quotations and is categorized as Level 2. State of Israel bonds are recorded at face value, which approximates fair value, and are categorized as Level 2.

Equities categorized as "quote"

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As of June 30, 2023 and 2022, there are no investments subject to lockup restrictions.

The University has placed redemptions with certain investments that are in the process of fully redeeming, are in liquidation or are side-pocketed. Payout from these investments is subject to when the investment manager determines and has the ability to sell the underlying assets to generate cash for payment. As such, payout of such investments may take a significant and indeterminable amount of time.

Details on unfunded commitments by investment strategy are provided below as of June 30, 2023 and 2022.

Investment Strategy	0-3 Years	4-5 Years	Greater Than 5	Total
Equities				
Private equity	\$ 11,825	\$ 6,417	\$ 14,167	32,439

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The tables above do not include endowed related pledge receivables, loan funds and other funds of \$47,606 and \$44,175 for the years ended June 30, 2023 and 2022, respectively.

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

	Without Donor	With Donor
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endowment that differs from the University's policies, the donor's intent prevails. In December 2022 and again in May 2023, the University had approved an additional appropriation of up to 3% of certain endowment gains of approximately \$13,000 for fiscal years 2023, 2024 and 2025. For fiscal year 2022, the University approved an additional appropriation of approximately \$1,895 from certain accessible endowment gains in accordance with NYPMFA guidelines. In June 2023, in accordance with NYPMFA guidelines, the University appropriated the release of 'small endowment' funds with a balance of less than \$80 and in existence for more than 20 years of approximately \$6,359 whose donors are not available, with no objection from the State Attorney General after notice.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the original gift value, which represents the total of the initial and subsequent donor contribution amounts. When this occurs, the deficit is classified as a reduction of donor restricted net assets. Deficits existed in various donor restricted endowment funds as of June 30, 2023 and 2022, which combined had an original gift value \$53,819 and \$48,889 at June 30, 2023 and 2022, respectively, and a current market value of \$44,606 and \$40,294, at June 30, 2023 and

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Contribution Receivables, Net

Contribution receivables, net consisted of the following at June 30, 2023 and 2022

	2023	2022
Amount expected to be collected in		
Less than one year	\$ 61,437	\$ 26,909
One to five years	62,261	55,086
Greater than five years	<u>9,064</u>	<u>14,864</u>
	132,762	96,869
Less:		
Discount to present value (0.66%-6.00%)	(5,010)	(4,754)
Allowance for uncollectible amounts	<u>(4,015)</u>	<u>(3,991)</u>
Total contribution receivables, net	<u>\$ 123,737</u>	<u>\$ 88,124</u>

As of June 30, 2023 and 2022, 66% and 56%, respectively, of gross contribution

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The lessee is expected to make the assigned lease payments to the third party in the following amounts over the next 5 years and thereafter:

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The University contributed \$1,278 and \$1,355 in cash and recorded expenses for the 1199 Pension Fund for fiscal 2023 and 2022, respectively. The University's contributions to the 1199 Pension Fund represent less than 5% of its total contributions to all retirement plans.

The following table includes additional disclosure information related to the 1199 Pension Fund

EN Plan Number	FIP/RP Status Pending/	Surcharge	Expiration Date of Collective Bargaining
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Projected debt service payments on the bonds, mortgages payable and notes are as follows:

	Principal	Interest	Total
Year Ending June 30			
2024	\$ 2,541	\$ 13,628	\$ 16,169
2025	2,669	13,499	16,168
2026	4,039	13,346	17,385
2027	127,585	13,217	140,802
2028	56	7,680	7,736
Thereafter	<u>154,126</u>	<u>110,643</u>	<u>264,769</u>
	291,016	<u>\$ 172,013</u>	<u>\$ 463,029</u>
Unamortized premium	255		
Unamortized issuance costs	<u>(3,435)</u>		
Total projected debt service payments	<u>\$ 287,836</u>		

Funds Held by Bond Trustees

Deposits with trustees are primarily invested in government securities. At June 30, 2023, the fair value of amounts held by bond trustees under these loan agreements was as follows:

	2023
Debt service fund	\$ 1
Unexpended construction fund	<u>18,127</u>
	<u>\$ 18,128</u>

Interest expense on the bonds and other debt for the years ended June 30, 2023 and 2022 was \$14,282 and \$12,436, respectively. The University was in compliance with its bond and bank loan covenants at June 30, 2023 and 2022.

10 Asset Retirement Obligations

The University has asset retirement obligations for asbestos-related removal costs. The University accrues for asset retirement obligations in the period in which they are 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 amount recorded.

A reconciliation of the beginning and ending carrying amounts of such obligations is as follows:

	2023	2022
Asset retirement obligations at June 30, 2022 and 2021	\$ 9,304	\$ 9,171
Accretion expense	190	182
Asset retirement obligations settled or eliminated	<u>(522)</u>	<u>(49)</u>
Asset retirement obligations at June 30, 2023 and 2022	\$ 8,972	\$ 9,304

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11. Due to AECOM

Included in the Consolidated Statements of Financial Position are certain assets that are being held for AECOM due to the Joint Collaboration Agreement (Note 1).

The following are liabilities payable to AECOM that the University has recognized as of June 30, 2023 and 2022:

	2023	2022
Investments held pending transfer	\$ 27,468	\$ 29,451
Cash and cash equivalents	149	101
Other assets and receivables		
457B Plan	1,615	1,562
Workers compensation	2,604	2,925
Faculty mortgages	-	244
Total due to AECOM	<u>\$ 31,836</u>	<u>\$ 34,273</u>

12. Allocation of Operating Expenses

The accompanying Consolidated Statements of Activities report expenses by functional classification in accordance with the educational mission of the University in categories recommended by the National Association of College and University Business Officers. The University's primary program service is instruction. Expenses reported as Academic support, Student services and Auxiliary enterprises are incurred in support of this primary program service. Institutional support includes general and administrative expenses of the University.

Natural expenses attributable to more than one functional expense category are allocated using reasonable cost allocation techniques. Depreciation, operations and maintenance expense are allocated on a square footage basis. Interest expense on indebtedness is allocated to the functional categories that have benefited from the associated debt.

Expenses by functional and natural classification, after allocating operations and maintenance, depreciation, and interest, are as follows for the years ended June 30, 2023 and 2022:

	Instruction	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Total
Direct expenses						
Compensation and benefits	\$ 72,669	\$ 29,213	\$ 65,810			

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Academic Student Institutional Auxiliary

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14 Net Assets Released from Restrictions

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15 Net Assets

The composition of the University's net assets with donor restrictions as of June 30, 2023 and 2022 are as follows:

Nature of Specific Net Assets	2023		Total
	Funds held in Perpetuity	All other Funds	
Academic chairs and support	\$ 56,189	\$ 28,725	\$ 84,914
Facility maintenance	7,941	13,390	21,331
Faculty scholars and fellowships	15,093	8,383	23,476
General institutional support	21,154	15,104	36,258
Instruction, training and lectureships	71,002	46,291	117,293
Library	2,562	2,218	4,770
Other	22,327	9,946	32,273
Prizes	1,521	4,691	6,212
Public service	-	171	171
Research	5,004	395	5,399
Revolving fund for special projects	22,328	(7,200)	15,128
Student loans	16,697	-	16,697
Student scholarships	182,711	87,190	269,901
Trusts held by others in perpetuity	4,232	-	4,232
Time restricted pledges	-	4,925	4,925
	\$ 428,751	\$ 214,229	\$ 642,980

Nature of Specific Net Assets	2022		Total
	Funds held in Perpetuity	All other Funds	
Academic chairs and support	\$ 55,989	\$ 30,839	\$ 86,778
Facility maintenance	7,886	15,282	23,168
Faculty scholars and fellowships	15,120	9,012	24,132
General institutional support	21,624	18,892	40,516
Instruction, training and lectureships	65,900	-	65,900

