# NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES

Consolidated Financial Statements

June 30, 2026 and 2025

(With Independent Auditors' Report Thereon)

KPMG LLP
Two Manhattan West
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New York, NY 10001

# Independent Auditors' Report

The Board of Trustees
New York Medical College:

*Opinion*

We have audited the consolidated financial statements of New York Medical College and its subsidiaries (the College), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, 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 College as of June 30, 2026 and 2025, 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 College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the 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 College's ability to continue as a going concern for one year after the date that 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 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.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

New York, New York
October 26, 2026

**NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES**

Consolidated Statements of Financial Position

June 30, 2026 and 2025

(Dollars in thousands)

| Assets | | 2026 | 2025 |
|---|---|---|---|
| Cash and cash equivalents | $ | 4,461 | 3,379 |
| Receivables (note 4): | | | |
| Student tuition and fees, net | | 4,917 | 3,308 |
| Student loans, net | | 8,018 | 7,746 |
| Government and other grants and contracts | | 8,266 | 10,579 |
| Other, net | | 8,179 | 10,482 |
| Due from affiliate, net | | 3,174 | 2,475 |
| Investments (notes 5 and 12) | | 99,918 | 86,108 |
| Right-of-use assets (note 9) | | 4 | 2,958 |
| Deposits with bond trustee (note 6) | | 1,908 | 1,923 |
| Property and equipment, net (note 10) | | 177,980 | 182,680 |
| Intangible and other assets (notes 11 and 15) | | 11,971 | 11,987 |
| Beneficial interest in perpetual trusts (note 6) | | 18,393 | 16,574 |
| Total assets | $ | 347,189 | 340,199 |
| **Liabilities and Net Assets** | | | |
| Liabilities: | | | |
| Accounts and accrued expenses payable | $ | 14,524 | 15,507 |
| Accrued payroll and related benefits payable (note 15) | | 5,426 | 5,601 |
| Deferred revenue | | 20,620 | 14,168 |
| Line of credit (note 12) | | 7,000 | 9,500 |
| Operating lease liabilities (note 9) | | 4 | 3,242 |
| Other liabilities | | 2,526 | 2,542 |
| Long-term debt, net (note 13) | | 74,884 | 76,377 |
| Total liabilities | | 124,984 | 126,937 |
| Contingencies and commitments (notes 10, 12, 13, 14, 15, and 18) | | | |
| Net assets (note 8): | | | |
| Without donor restrictions | | 128,027 | 125,284 |
| With donor restrictions (note 7) | | 94,178 | 87,978 |
| Total net assets | | 222,205 | 213,262 |
| Total liabilities and net assets | $ | 347,189 | 340,199 |

See accompanying notes to consolidated financial statements.

**NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES**

Consolidated Statements of Activities

Years ended June 30, 2026 and 2025

(Dollars in thousands)

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Without donor restrictions | With donor restrictions | Total | Without donor restrictions | With donor restrictions | Total |
| Change in operating activities: | | | | | | |
| Operating revenue: | | | | | | |
| Tuition and fees, net of scholarships and grants ($7,780 and $8,502 in 2026 and 2025, respectively) | $ 68,120 | — | 68,120 | 64,451 | — | 64,451 |
| Affiliation contracts and faculty practice (note 2(n)) | 11,356 | — | 11,356 | 11,126 | — | 11,126 |
| Grants, contracts and sponsored projects | 22,059 | — | 22,059 | 23,610 | — | 23,610 |
| Contributions and private grants | 2,029 | 1,775 | 3,804 | 3,052 | 5,900 | 8,952 |
| Investment return | 4,523 | — | 4,523 | 4,349 | — | 4,349 |
| Auxiliary enterprises | 6,537 | — | 6,537 | 5,871 | — | 5,871 |
| Other | 10,744 | 74 | 10,818 | 10,793 | 67 | 10,860 |
| Net assets released from restrictions | 1,361 | (1,361) | — | 797 | (797) | — |
| Total operating revenue | 126,729 | 488 | 127,217 | 124,049 | 5,170 | 129,219 |
| Operating expenses (note 16): | | | | | | |
| Instruction | 34,591 | — | 34,591 | 34,752 | — | 34,752 |
| Research | 18,471 | — | 18,471 | 21,065 | — | 21,065 |
| Academic support | 14,459 | — | 14,459 | 14,025 | — | 14,025 |
| Affiliation contracts and faculty practice | 12,171 | — | 12,171 | 12,232 | — | 12,232 |
| Student services | 10,171 | — | 10,171 | 9,569 | — | 9,569 |
| Auxiliary enterprises | 3,063 | — | 3,063 | 3,051 | — | 3,051 |
| Institutional support | 32,612 | — | 32,612 | 29,333 | — | 29,333 |
| Total operating expenses | 125,538 | — | 125,538 | 124,027 | — | 124,027 |
| Change in net assets from operating activities | 1,191 | 488 | 1,679 | 22 | 5,170 | 5,192 |
| Nonoperating activities: | | | | | | |
| Loss on lease termination | (1,461) | — | (1,461) | — | — | — |
| Postretirement-related changes other than net periodic benefit cost (note 15) | 254 | — | 254 | (555) | — | (555) |
| Net periodic benefit cost other than service cost (note 15) | 136 | — | 136 | 403 | — | 403 |
| Investment return in excess of amounts appropriated for operations | 2,623 | 3,893 | 6,516 | 1,832 | 3,267 | 5,099 |
| Change in fair value of beneficial interest in perpetual trusts (note 6) | — | 1,819 | 1,819 | — | 1,360 | 1,360 |
| Total nonoperating activities | 1,552 | 5,712 | 7,264 | 1,680 | 4,627 | 6,307 |
| Change in net assets | 2,743 | 6,200 | 8,943 | 1,702 | 9,797 | 11,499 |
| Net assets, beginning of year | 125,284 | 87,978 | 213,262 | 123,582 | 78,181 | 201,763 |
| Net assets, end of year | $ 128,027 | 94,178 | 222,205 | 125,284 | 87,978 | 213,262 |

See accompanying notes to consolidated financial statements.

**NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES**

Consolidated Statements of Cash Flows

Years ended June 30, 2026 and 2025

(Dollars in thousands)

| | 2026 | 2025 |
|---|---|---|
| Cash flows from operating activities: | | |
| Change in net assets | $ 8,943 | 11,499 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 10,454 | 10,290 |
| Amortization of deferred financing costs | 82 | 82 |
| Provision for credit losses | 1,945 | (1,145) |
| Postretirement-related changes other than net periodic benefit cost | (390) | 152 |
| Contributions for long-term use | (583) | (3,865) |
| Loss on disposal of property and equipment | 125 | 169 |
| Change in fair value of beneficial interest in perpetual trusts | (1,819) | (1,360) |
| Net change in fair value of investments | (11,113) | (9,515) |
| Reduction in carrying value of right-of-use assets | 2,954 | 472 |
| Changes in operating assets and liabilities: | | |
| Student tuition and fees receivables | (1,659) | (980) |
| Government and other grant contracts | 1,255 | (1,946) |
| Other receivables | 1,666 | (188) |
| Intangible and other assets | (98) | (8) |
| Accounts and accrued expenses payable | (1,051) | 646 |
| Accrued payroll and related benefits payable | 215 | 663 |
| Deferred revenue | 6,452 | (680) |
| Operating lease liabilities | (3,238) | (462) |
| Other liabilities | (7) | (174) |
| Net cash provided by operating activities | 14,133 | 3,650 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (5,311) | (7,777) |
| Disbursement of student loans | (915) | (1,375) |
| Collection of student loans | 557 | 732 |
| Sales of investments | 37,171 | 23,466 |
| Purchases of investments | (49,838) | (16,138) |
| Net cash used in investing activities | (18,336) | (1,092) |
| Cash flows from financing activities: | | |
| Line of credit, net | (2,500) | (1,000) |
| Repayment of long-term debt | (2,075) | (2,145) |
| Contributions for long-term use | 583 | 3,865 |
| Repayment of refundable federal student loans | (9) | (7) |
| Advances to affiliates, net | (699) | (631) |
| Net cash (used in) provided by financing activities | (4,700) | 82 |
| Net increase in cash and cash equivalents | (8,903) | 2,640 |
| Cash, cash equivalents, and restricted cash at beginning of year | 15,272 | 12,632 |
| Cash, cash equivalents, and restricted cash at end of year | $ 6,369 | 15,272 |
| Reconciliation of amounts reported within the consolidated statements of financial position: | | |
| Cash and cash equivalents | $ 4,461 | 3,379 |
| Restricted cash included in investments | — | 9,970 |
| Restricted cash included in deposits with bond trustee | 1,908 | 1,923 |
| Total cash, cash equivalents, and restricted cash | $ 6,369 | 15,272 |
| Supplemental disclosures: | | |
| Interest paid | $ 3,267 | 3,689 |
| Furniture, equipment, and computer software acquired under finance leases | 500 | 474 |
| Increase in accounts and accrued expenses payable due to additions to property and equipment | 68 | 240 |

See accompanying notes to consolidated financial statements.

## (1) Description of Organization

New York Medical College (the College) is a wholly controlled subsidiary of NYMC, LLC, a single member LLC, whose sole member is Touro University (Touro), a New York-based institution of higher and professional education. The College is a membership, not-for-profit corporation in the State of New York.

The College is a health sciences college whose enrollment approximates 1450 students. The College is committed to educating individuals for careers in the medical, science, and health professions. The College is a not-for-profit organization exempt from federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code.

There are three schools within the College – a School of Medicine, conferring the MD degree; and two graduate schools, the Graduate School of Basic Medical Sciences and the School of Health Sciences and Practice, which offer Master of Science, Master of Public Health, and doctoral degrees.

The College is the leading academic biomedical research institution in the Hudson Valley region. Nearly 150 scientists at the College conduct research ranging from fundamental investigations in molecular biology to investigations of potential new drugs used in the treatment of patients. Support for the College's research programs, from both government and private sources, is significant.

The College is the sole corporate member of The Biotechnology Incubator at NYMC (BioInc@NYMC) and the NYMC-School of Medicine Faculty Practice Corporation (Family Health Center at NYMC). BioInc@NYMC is a transformative biotechnology incubator located on the College's campus and stimulates the establishment and growth of numerous biotechnology start-up companies. The Family Health Center at NYMC is a local outpatient clinic located on the College's campus. BioInc@NYMC and the Family Health Center at NYMC are not-for-profit organizations as described in Section 501(c)(3) of the Internal Revenue Code.

The College is also the sole corporate member of NYMC Biotechnology Commercialization, LLC (NBC). NBC fosters research and commercialization of intellectual property related to healthcare.

The College's healthcare network extends south into New York City and its metropolitan area, north into Westchester County and the mid-Hudson Valley in New York State, east into Connecticut, and west into New Jersey. Educational resources are provided to the College by 33 affiliated facilities that include large urban medical centers, small suburban hospitals, and technologically advanced, regional tertiary care facilities. This network enables the College to offer its medical students diverse patient care experiences. The College has a national reputation for a strong educational program in primary care. The College has a contractual relationship with Westchester Medical Center (WMC), an academic medical center in Valhalla, New York, responsible for advancing the quality of the nation's health through its teaching and research activities. The College has other affiliation contracts with other healthcare organizations to provide physician services under these arrangements.



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## (2) Summary of Significant Accounting Policies

### *(a) Financial Statement Presentation*

The accompanying consolidated financial statements of the College have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (U.S. GAAP) and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958, *Not-for-Profit Entities*.

Based on the existence or absence of donor-imposed restrictions, the College classifies net assets into two categories:

- Net assets without donor restrictions are free from donor-imposed restrictions. Certain net assets classified as without donor restrictions are board-designated for specific or general purposes or uses by the College.
- Net assets with donor restrictions are subject to donor-imposed restrictions that will be met either by actions of the College or the passage of time. These net assets relate to donor-restricted endowments, unconditional pledges and interests in perpetual trusts held by others. Generally, the donor-imposed restrictions of these assets permit the College to use all or part of the income earned on related investments only for certain general or specific purposes.

Revenue and gains and losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Contributions and investment return subject to donor-imposed restrictions that are met in the same reporting period as received are reported as net assets without donor restrictions. Expiration of restrictions on prior year net assets with donor restrictions are reported as net assets released from restrictions.

### *(b) Basis of Consolidation*

The consolidated financial statements include the accounts and activities of the College, BioInc@NYMC, Family Health Center at NYMC, and NBC. All transactions between the entities have been eliminated in the consolidated financial statements.

### *(c) Cash and Cash Equivalents*

The College considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents, except those cash equivalents held for investment as part of the College's long-term investment strategy.

### *(d) Student Tuition and Fees*

Tuition and fees and scholarships are recognized over the respective academic terms. Student tuition and fees received in advance of services to be rendered are recorded as deferred revenue. Deferred revenue is typically recognized as revenue in the subsequent fiscal year. Student accounts receivable consist of amounts billed to students for tuition fees. Accounts receivables are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The allowance



(Continued)

for credit losses is management's best estimate of the probable loss based on historical collection experience, current conditions, and reasonable and supportable forecasts. Management regularly assesses the collectability of student tuition and fees receivable. Account balances are written off against the allowance when management determines it is probable the receivable will not be recovered. Revisions in the allowance for credit losses estimate are recorded as adjustments to the provision for bad debts.

Collection of a significant portion of tuition and fees is reliant on government-sponsored student financial assistance programs.

### *(e) Student Loans Receivable*

The College makes uncollateralized loans to students based on financial need. Management regularly assesses the adequacy of the allowance for credit losses by performing ongoing evaluations of the student loan portfolio, including consideration of economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment in which the borrowers operate, the level of delinquent loans, the value of any collateral, the aging of loans, loan default rate, and, where applicable, the existence of any guarantees or indemnifications. The amount of the allowance is adjusted based on the results of management's analysis.

### *(f) Pledges Receivable*

Unconditional promises to give (pledges) are recorded as revenue at fair value in the period pledged. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan.

### *(g) Operating Measure*

The operating activities in the consolidated statement of activities of the College (change in net assets from operating activities) include all revenue and expenses related to carrying out its mission of education and research, including contributions for endowment. The operating measure includes amounts related to the spending rate policy and any additional budgeted investment returns on endowment funds as approved by the Board of Trustees of the College to protect the inflation-adjusted value of the endowment. The operating activities exclude investment return greater than the spending rate, postretirement-related changes other than net periodic benefit cost, net periodic benefit cost other than service cost, change in fair value of beneficial interest in perpetual trusts, and other nonrecurring items.

### *(h) Investments*

Investments with readily determinable fair values are reported at fair value based on quoted market prices or published net asset value for alternative investments in funds similar to mutual funds. Alternative investments, including equity and fixed-income funds, which are not deemed to have a readily determinable fair value, are reported at estimated fair value based on, as a practical expedient, net asset values provided by investment managers. These values are reviewed and evaluated by College management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed.

Purchases and sales are reflected on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected on the consolidated statements of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

Investments are exposed to various risks, such as interest rate, market, credit, and other risks. Due to such risks and the level of uncertainty related to changes in the value of investment securities, it is at least possible that changes in the values of investment securities could occur in the near term, and such changes could materially affect the amounts reported in the consolidated financial statements.

***(i) Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The College employs the three-tiered fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, defined as follows:

- Level 1 inputs are quoted prices or published net asset values (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than Level 1 that are observable, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Alternate investments, including equity and fixed-income funds, which are not deemed to have a readily determinable fair value, are reported at estimated fair value based on, as a practical expedient, net asset values provided by investment managers. These values are reviewed and evaluated by the College's management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

***(j) Beneficial Interest in Perpetual Trusts***

The College is the recipient of beneficial interests whereby donors have established and funded perpetual trusts administered and held by financial institutions. The College is entitled to the income earned on the trust assets in perpetuity; therefore, they are recorded as net assets with donor restrictions. The College has no control over investment decisions regarding these assets. The beneficial interests in perpetual trusts are categorized as Level 3 in the fair value hierarchy as the College does not have the ability to redeem its investment with the investee at net asset value per share (or its equivalent). The fair value of the assets of perpetual trusts is based upon quoted market prices at year-end.

### *(k) Property and Equipment*

Property and equipment are recorded at cost at the date of acquisition or fair value as of the date of receipt from a donor. Additions and improvements or betterments in excess of $5 with an estimated life of more than one year are capitalized. Repairs and maintenance items are expensed when incurred. Upon retirement or sale, the cost and accumulated depreciation are removed from the accounts and the resulting gains or losses, if any, are reported on the consolidated statements of activities.

Depreciation and amortization is provided on a straight-line basis over the estimated useful lives, or the terms of the lease for the applicable plant assets, if shorter, as follows: buildings and building improvements, 25–43 years; library holdings, 10–20 years; equipment, furniture, and computer software, 3–15 years; leasehold improvements, 25–30 years; and interest in leased properties, 20–30 years.

### *(l) Long-Lived Assets*

Long-lived assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The College measures the recoverability of assets to be held and used by a comparison of the carrying amount of the assets to the expected net future cash flows to be generated by the asset. If such assets are deemed to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There was no impairment loss for the years ended June 30, 2026 or 2025.

### *(m) Operating Lease Accounting*

The College determines if an arrangement is a lease or a service contract at inception. Where an arrangement is a lease, the College determines if it is an operating lease or a finance lease. Subsequently, if the arrangement is modified, the College reevaluates the classification. For operating leases, at lease commencement, the College records a right-of-use (ROU) asset and corresponding lease liability. ROU assets represent the College's right to control the use of the leased asset during the lease and are recognized in an amount equal to the lease liability. Lease liabilities represent the present value of the future lease payments over the expected lease term, which includes options to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the College's incremental borrowing rate at lease inception. Over the lease term, the College uses the effective interest rate method to account for the lease liability as lease payments are made and the ROU asset is amortized into expenses in a manner that results in a straight-line expense recognition in the consolidated statement of activities. A ROU asset and lease liability are not recognized for leases with an initial term of 12 months or less. The accounting for some of the leases may require judgment, which includes determining whether a contract contains a lease or includes a non-lease component, determining the incremental borrowing rates to utilize in the net present value calculation of lease payments for lease agreements, which do not provide an implicit rate, and assessing the likelihood of renewal or termination options.

### *(n) Affiliation Contracts and Faculty Practice*

Revenue and expenses from affiliation contracts primarily reflect the contractual relationship with WMC for the provision of salaries and fringe benefits and allowable overhead for physicians providing services under the arrangement. For the years ended June 30, 2026 and 2025, revenue from WMC totaled $5,937 and $6,383, respectively. Revenue from other affiliations totaled $4,599 and $3,922 for the years ended June 30, 2026 and 2025, respectively.

Faculty practice revenue totaled $820 and $821 for the years ended June 30, 2026 and 2025, respectively.

### *(o) Intangible Assets*

Intangible assets consist of trade name and accreditation status, which is indefinite lived and evaluated for impairment on an annual basis.

### *(p) Grants, Contracts and Contributions*

The College receives grants, contracts and contributions from a number of sources, including the federal and state government, private foundations, and individuals or from subcontracts with other contractors.

A contribution, gift, or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome.

Each contract or gift instrument is evaluated as to whether the transaction qualifies as an exchange transaction or a contribution. Government grants are generally considered conditional contributions; however, the College has adopted a policy of simultaneous release of the net assets, and related income is included in grants and contracts for research and sponsored projects in the accompanying consolidated statements of activities. Exchange transactions are generally reported in net assets without donor restrictions when expenses are incurred in accordance with contractual terms.

The College recognizes revenue on its research contracts primarily over time as the College performs the promised services. Receivables include amounts billed and currently due from customers and amounts billable where the right to consideration is unconditional and unbilled.

Amounts billed and collected on contracts but not yet recorded as revenue are deferred and included within deferred revenue on the consolidated statements of financial position.

Outstanding amounts related to conditional grants as of June 30, 2026 and 2025 were approximately $12,631 and $12,753, respectively.

### *(q) Fundraising*

Institutional support expenses included total fundraising expenses of $1,053 and $1,088, respectively, for the years ended June 30, 2026 and 2025. Fundraising activities of the College include the salaries and employee benefits of program staff that develop proposals for fundraising, solicit contributions, and conduct specific fundraising events. Fundraising costs are expensed as incurred.

### *(r) Accounting for Uncertainty in Income Taxes*

The College prescribes to a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. As of June 30, 2026 and 2025, the College does not have any uncertain tax positions or any significant unrelated business income tax liability, which would have a material impact upon its consolidated financial statements.

### *(s) Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities as of the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. The most significant estimates are the calculation of deferred revenue, the allowances for credit losses, valuation of investments, postretirement benefit obligation, and the allocation of expenses to functional categories. Actual results may differ from those estimates.

### *(t) Reclassifications*

Certain amounts in the 2025 consolidated financial statements have been reclassified to conform to the 2026 presentation. Such reclassifications did not result in a change in total net assets, total operating revenue, or total operating expenses as of and for the year ended June 30, 2025.



(Continued)

## (3) Liquidity

The College's financial assets available within one year of June 30 for general expenditures, including operating expenses, principal and interest on debt, and capital expenditures not financed with debt, are as follows:

| | 2026 | 2025 |
|---|---|---|
| Total assets | $ 347,189 | 340,199 |
| Less: | | |
| Endowment funds | (58,709) | (54,489) |
| Annuities and trusts | (18,536) | (16,705) |
| Property and equipment, net | (177,980) | (182,680) |
| Right-of-use assets | (4) | (2,958) |
| Student loans receivable | (8,540) | (8,135) |
| Pledges receivable, intangibles, and other assets | (14,858) | (16,162) |
| Investments collateralized for debt | (40,402) | (30,323) |
| Total financial assets available within one year | 28,160 | 28,747 |
| Unused line of credit | 20,000 | 17,500 |
| Investment return approved for appropriation in the following year | 4,064 | 3,915 |
| Total financial assets and resources available within one year | $ 52,224 | 50,162 |

The College manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. In addition to these available financial assets, a significant portion of the College's annual expenditures will be funded by current year operating revenues including tuition, a substantial portion of which is collected at the beginning of each semester, contributions, grants, and other income.

Additionally, the College has board-designated endowments of $33,003 and $30,968 as of June 30, 2026 and 2025, respectively. Although the College does not intend to spend from its board-designated endowment funds, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment funds could be made available, if necessary, unless otherwise collateralized for debt.


(Continued)

## (4) Receivables

Receivables at June 30 consist of the following:

| | 2026 | | |
|---|---|---|---|
| | Receivable | Allowance for credit losses | Net receivable |
| Student tuition and fees | $ 5,192 | (275) | 4,917 |
| Student loans | 8,618 | (600) | 8,018 |
| Government and other grant contracts | $ 8,266 | — | 8,266 |
| Other: | | | |
| Affiliation contracts | $ 687 | (108) | 579 |
| Faculty practice plans | 1,004 | — | 1,004 |
| Pledges receivable, net of discount | 5,149 | (2,263) | 2,886 |
| Miscellaneous | 3,728 | (18) | 3,710 |
| Total other | $ 10,568 | (2,389) | 8,179 |

| | 2025 | | |
|---|---|---|---|
| | Receivable | Allowance for credit losses | Net receivable |
| Student tuition and fees | $ 3,533 | (225) | 3,308 |
| Student loans | 8,260 | (514) | 7,746 |
| Government and other grant contracts | $ 10,579 | — | 10,579 |
| Other: | | | |
| Affiliation contracts | $ 706 | (110) | 596 |
| Faculty practice plans | 3,379 | — | 3,379 |
| Pledges receivable, net of discount | 6,163 | (1,988) | 4,175 |
| Miscellaneous | 2,467 | (135) | 2,332 |
| Total other | $ 12,715 | (2,233) | 10,482 |



(Continued)

The following tables provide an analysis of the aging of certain receivables at June 30:

| | 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 1–30 days past due | 31–60 days past due | Greater than 60 days past due | Total past due | Current | Total |
| Student loans | $ 74 | 13 | 1,021 | 1,108 | 7,510 | 8,618 |
| Affiliation contracts | 28 | 28 | 596 | 652 | 35 | 687 |
| Faculty practice plans | — | 346 | 49 | 395 | 609 | 1,004 |
| Pledges, net of discount | 696 | — | 1,707 | 2,403 | 2,746 | 5,149 |
| Miscellaneous | 152 | 146 | 784 | 1,082 | 2,646 | 3,728 |

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | 1–30 days past due | 31–60 days past due | Greater than 60 days past due | Total past due | Current | Total |
| Student loans | $ 23 | — | 987 | 1,010 | 7,250 | 8,260 |
| Affiliation contracts | 23 | 32 | 628 | 683 | 23 | 706 |
| Faculty practice plans | — | 620 | 2,139 | 2,759 | 620 | 3,379 |
| Pledges, net of discount | 516 | — | 1,617 | 2,133 | 4,030 | 6,163 |
| Miscellaneous | 216 | 195 | 404 | 815 | 1,652 | 2,467 |

Pledges receivable at June 30 consists of the following:

| | 2026 | 2025 |
|---|---|---|
| Amounts due in less than one year | $ 2,914 | 3,402 |
| Amounts due in one to five years | 1,143 | 1,792 |
| Amounts due in more than five years | 2,700 | 2,700 |
| | 6,757 | 7,894 |
| Less allowance | (2,263) | (1,988) |
| Less discount to net present value (discount rates between 3.25% and 8.50%) | (1,608) | (1,731) |
| | $ 2,886 | 4,175 |



(Continued)

## (5) Investments

Investments at fair value consist of the following at June 30:

| | 2026 | 2025 |
|---|---|---|
| Level 1 investments: | | |
| Cash and cash equivalents | $ 22,626 | 9,970 |
| Equity securities | 9,131 | 13,847 |
| Fixed-income securities: | | |
| U.S. government obligations | — | 417 |
| Mutual funds | 39,879 | 38,369 |
| Level 2 investments: | | |
| Fixed-income securities: | | |
| Corporate bonds | 19,410 | 12,260 |
| International government obligations | 4,000 | 4,000 |
| Investments measured at net asset value as a practical expedient for fair value: | | |
| Hedge fund strategies: | | |
| Global hedged equity funds (a) | 3,892 | 6,128 |
| Other | 980 | 1,117 |
| Total investments measured at net asset value as a practical expedient for fair value | 4,872 | 7,245 |
| Total investments | $ 99,918 | 86,108 |

(a) Funds that invest in long and short positions on equity securities primarily issued by international companies. Hedge fund strategies may be redeemed once a month with approximately two weeks' notice required.

Certain investments have been pledged as security for outstanding debt obligations (note 12).

## (6) Fair Value Measurements

The fair value of financial assets, other than investments, that are measured at fair value at June 30 is as follows:

| | 2026 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Beneficial interest in perpetual trusts | $ 18,393 | — | — | 18,393 |
| Deposits with bond trustee: | | | | |
| Cash | 1,908 | 1,908 | — | — |



(Continued)

| | 2025 | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| Beneficial interest in perpetual trusts | $ 16,574 | — | — | 16,574 |
| Deposits with bond trustee: | | | | |
| Cash | 1,923 | 1,923 | — | — |

The activity with respect to the College's beneficial interest in perpetual trusts, which are Level 3, is as follows:

| | 2026 | 2025 |
|---|---|---|
| Balance at beginning of year | $ 16,574 | 15,214 |
| Investment income, net | 284 | 293 |
| Distributions | (876) | (499) |
| Net appreciation in fair value of investments | 2,411 | 1,566 |
| Balance at end of year | $ 18,393 | 16,574 |

**(7) Net Assets with Donor Restrictions**

Net assets with donor restrictions consisted of the following at June 30:

| | 2026 | 2025 |
|---|---|---|
| Non-Endowment: | | |
| Gifts: | | |
| Student support | $ 9,714 | 9,317 |
| Departmental support | 940 | 1,079 |
| General operating support | 4,583 | 5,705 |
| Research | 40 | 738 |
| Educational programs | 11 | — |
| Other | 1,788 | 76 |
| Beneficial interest in perpetual trusts | 18,393 | 16,574 |
| Endowment: | | |
| Student support | 18,224 | 16,753 |
| Departmental support | 24,015 | 22,397 |
| General operating support | 6,683 | 6,233 |
| Research | 8,806 | 8,213 |
| Educational programs | 981 | 893 |
| | $ 94,178 | 87,978 |


(Continued)

## (8) Endowments

At June 30, 2026, the College's endowment consists of 138 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments.

Based on various laws, the College appropriates for expenditure as the College determines is prudent for the uses, benefits, purposes, and duration for which the endowment funds were established, subject to the intent of the donor as expressed in the gift instrument. The College classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of income to the permanent endowment made in accordance with the direction of the applicable donor gift instruments less amounts appropriated for spending.

The Board of Trustees determines amounts to be appropriated for expenditure from endowment funds in accordance with applicable law, donor restrictions, and the College's policies. In making appropriation decisions, the Board considers factors it deems relevant, including the duration and preservation of the endowment fund, the purposes of the College and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, expected total return from income and appreciation of investments, the College's other resources, alternatives to expenditure of endowment funds, and the College's investment policies.

Expenditures from a donor-restricted fund are limited to the uses and purposes for which the endowment fund was established. The College has generally limited the use of net appreciation unless the fair value of a donor-restricted fund exceeds 105% of its original dollar value.

Changes in endowment net assets were as follows:

| | Without donor restrictions | With donor restrictions | Total |
|---|---|---|---|
| Endowment funds, June 30, 2024 | $ 33,812 | 47,587 | 81,399 |
| Investment return, net | 3,637 | 5,355 | 8,992 |
| Contributions and transfers | (4,946) | 3,645 | (1,301) |
| Appropriation for expenditure | (1,535) | (2,098) | (3,633) |
| Endowment funds, June 30, 2025 | 30,968 | 54,489 | 85,457 |
| Investment return, net | 3,508 | 6,225 | 9,733 |
| Contributions and transfers | 97 | 339 | 436 |
| Appropriation for expenditure | (1,570) | (2,344) | (3,914) |
| Endowment funds, June 30, 2026 | $ 33,003 | 58,709 | 91,712 |

Included in donor-restricted endowment net assets at June 30, 2026 and 2025 are accumulated earnings of $30,740 and $26,826, respectively.

The College's spending policy rate is designed to stabilize annual spending levels and to preserve the real value of endowment investments over time. To meet these objectives, the Board of Trustees has authorized a spending rate of 5% of the moving average of the fair value of endowment investments for the previous 20 quarters.

The College maintains investment pools for substantially all of its investments. The pools are managed to achieve the maximum prudent long-term total return while providing a predictable stream of funding to programs supported by the endowment.

## (9) Operating Leases

The College is a lessee for one operating lease, primarily related to real estate. The College's operating lease has a remaining lease term of less than 1 year, which includes an option to extend the lease. During the year ended June 30, 2026, the College terminated one operating lease.

For the years ended June 30, 2026 and 2025, rent expense was $725 and $992, respectively. The College's operating lease liability is expected to mature during Fiscal Year 2027.

The weighted average lease terms and discount rates for operating leases at June 30 are:

| | 2026 | 2025 |
|---|---|---|
| Weighted average remaining lease term (years) | 0.17 | 5.71 |
| Weighted average discount rate | 5.38 % | 3.59 % |

There were no ROU assets obtained in exchange for new operating lease liabilities in 2026 or 2025.

## (10) Property and Equipment, Net

At June 30, the College's property and equipment consists of the following:

| | | 2026 | 2025 |
|---|---|---|---|
| Land and land improvements | $ | 25,511 | 25,331 |
| Buildings and improvements | | 192,157 | 190,332 |
| Interest in leased properties | | 30,660 | 30,660 |
| Equipment, furniture, and computer software | | 33,154 | 31,496 |
| Library holdings | | 29,964 | 28,710 |
| Leasehold improvements | | 390 | 390 |
| Construction in progress | | 1,397 | 744 |
| | | 313,233 | 307,663 |
| Less accumulated depreciation and amortization | | (135,253) | (124,983) |
| Property and equipment, net | $ | 177,980 | 182,680 |



(Continued)

Interest in leased properties represents the fair value of the College's long-term leases under which the rental commitment is $31 per annum over a remaining period of 96 years.

At June 30, 2026, construction commitments were approximately $1,012.

## (11) Intangible and Other Assets

Intangible and other assets as of June 30 consist of the following:

| | | 2026 | 2025 |
|---|---|---|---|
| Intangible assets | $ | 10,200 | 10,200 |
| Prepaid expenses | | 997 | 957 |
| Other | | 774 | 830 |
| Total | $ | 11,971 | 11,987 |

## (12) Line of Credit

At June 30, 2026 and 2025, NYMC has a $27,000 line of credit with a bank of which $7,000 and $9,500 is outstanding as of June 30, 2026 and 2025, respectively. Interest payments are due on a monthly basis and are calculated at the adjusted Secured Overnight Financing Rate Data (SOFR) plus 1.250% with a daily reset (4.871% and 5.685% as of June 30, 2026 and 2025, respectively). Investments with a value of $40,402 and $30,323 as of June 30, 2026 and 2025, respectively, serve as collateral for the line of credit.

## (13) Long-Term Debt

The College's obligations under long-term bonds and finance lease obligations at June 30 consist of the following:

| Description | Maturity date | Interest rate at June 2026 | | 2026 | 2025 |
|---|---|---|---|---|---|
| 2020 A NYMC (tax-exempt) | January 2040 | 3.69 % | $ | 16,052 | 16,942 |
| 2022 B NYMC (taxable) | January 2044 | 4.50 % | | 16,869 | 17,470 |
| 2024 C-1 NYMC (tax-exempt) | January 2044 | 3.67 % | | 42,073 | 42,349 |
| Total MTI debt (a) | | | | 74,994 | 76,761 |
| Finance lease obligations (b) | 2027–2029 | 5.84 - 21.45% | | 1,280 | 1,088 |
| Total long-term debt | | | | 76,274 | 77,849 |
| Less deferred financing costs | | | | 1,390 | 1,472 |
| Total long-term debt, net | | | $ | 74,884 | 76,377 |


(Continued)

(a) Master Trust Indenture (MTI) debt – During July and August 2022, tax-exempt and taxable serial and term bonds with an aggregate principal amount of $61,517, maturing serially over 21-26 years were issued to refinance and restructure existing bond debt. The Series 2022 MTI Bonds were issued by the Wisconsin Public Finance Authority (PFA) and the 2020 MTI Bonds were issued by the Dormitory Authority of the State of New York (DASNY) for the College. The Series 2022 C-1 bonds were refinanced on July 1, 2024, on a tax-exempt basis, with interest rates reflected in the table above, pursuant to the Series 2024 C-1 Forward Bond Purchase Agreement dated August 23, 2022. The interest rates listed above for the MTI Bonds are fixed until 2030 for the Series 2020A Bonds and until 2037 for all other MTI Bonds at which dates the rates will be reset or the Bonds will be redeemed. In addition, Pursuant to the MTI by and among the College, Touro, Touro University (California), Touro University Nevada, and Touro University Montana, LLC (collectively, the Obligated Group) and the Bank of New York Mellon as Master Trustee, a security interest is pledged for substantially all revenues of the Obligated Group, excluding donations restricted by the donors for uses other than debt service, (provided that this revenue pledge for Touro is limited to certain designated enterprises, primarily its healthcare-related programs). The members of the Obligated Group are jointly and severally liable for the bond obligations described herein.

In addition to the Bonds, bonds with an aggregate principal amount of $229,864 ($204,886 and $207,253 outstanding at June 30, 2026 and 2025, respectively), were issued on behalf of other members of the Obligated Group all of whose members are jointly and severally liable for the bond obligations described herein.

The College has granted a mortgage on its properties located at 19 Skyline Drive, 7 Dana Road, and 30 Sunshine Cottage Road. The net book value of the properties was approximately $122,886 and $126,983, respectively, at June 30, 2026 and 2025.

(b) Finance lease obligations – Certain equipment is leased under noncancelable finance leases payable monthly. Equipment subject to finance lease obligations were $1,213 and $1,019, net of accumulated depreciation and amortization of $831 and $900, as of June 30, 2026 and 2025, respectively.

The weighted average lease terms and discount rates for finance leases at June 30 are:

| | 2026 | 2025 |
|---|---|---|
| Weighted average remaining lease term (years): | | |
| Finance leases | 3.63 | 3.67 |
| Weighted average discount rate: | | |
| Finance leases | 6.60 % | 6.82 % |



(Continued)

Future scheduled payments of long-term debt are as follows:

| | Bond principal | Finance leases principal | Interest | Total |
|---|---|---|---|---|
| Year: | | | | |
| 2027 | $ 1,833 | 385 | 2,923 | 5,141 |
| 2028 | 1,900 | 356 | 2,823 | 5,079 |
| 2029 | 1,974 | 272 | 2,725 | 4,971 |
| 2030 | 3,829 | 163 | 2,597 | 6,589 |
| 2031 | 3,993 | 104 | 2,440 | 6,537 |
| Thereafter | 61,465 | — | 15,555 | 77,020 |
| Total | $ 74,994 | 1,280 | 29,063 | 105,337 |

In connection with the MTI, the Obligated Group is required to maintain certain financial and nonfinancial covenants. As of June 30, 2026 and 2025, these covenants have been met.

## (14) Retirement Plans

The College has a defined contribution retirement plan which covers substantially all of its nonunion employees, and which is funded through direct payments to qualified carriers. For each eligible employee, the College contributes an average of 7% of the employee's salary. The employee's contribution is discretionary, up to 15% of their salary in accordance with all legal regulations. During the years ended June 30, 2026 and 2025, the College contributed $3,023 and $3,072, respectively, to its defined contribution retirement plan.

In addition, $511 and $526, respectively, were contributed during the years ended June 30, 2026 and 2025, to a union administered plan for employees belonging to a collective bargaining unit. The College would be responsible for any withdrawal liability under the agreement with the union.

Unless otherwise noted, the Pension Protection Act (PPA) zone status below is for the plan years beginning January 1, 2025, 2024, and 2023, respectively. The zone status is certified by the plan's actuaries. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

| Pension fund | EIN/pension plan number | PPA zone status | FIP/RP status pending/implemented | Surcharge imposed | Expiration date of collective-bargaining agreement |
|---|---|---|---|---|---|
| 1199 SEIU Health Care Employee Pension Fund | 13-3604862/001 | Green | NA | No | September 30, 2028 |



(Continued)

## (15) Postretirement Benefits Other than Pensions

The College provides medical and life insurance benefits under its Postretirement Life and Health Insurance Plan for Eligible Employees (the Plan). The College's obligation is limited and requires participants to contribute to premiums as determined by the Plan's administrator. The College reserves the right to amend or terminate the Plan at its discretion. These benefits are partially funded through a voluntary employees' beneficiary association (VEBA) trust.

For those employees who had already retired at the time the VEBA was established, the College pays actual benefits from its general assets. For subsequent retirees, the College's funding policy is to contribute an amount up to the annual expense in years when the Present Value of Future Benefits (PVFB) exceeds assets.

The College recognizes on the consolidated statements of financial position the difference between the benefit obligations and any related plan assets. In addition, the accounting guidance requires the unrecognized amount (e.g., net actuarial gains or losses and prior service costs or credits) to be recognized as changes in net assets without donor restrictions and that these amounts be adjusted as they are subsequently recognized as components of the net periodic benefit cost.

The following tables provide a reconciliation of the changes in the Plan's benefit obligations and fair value of assets for the years ended June 30:

| | | 2026 | 2025 |
|---|---|---|---|
| Change in benefit obligation: | | | |
| Benefit obligation at beginning of year | $ | 4,841 | 4,410 |
| Service cost | | 24 | 23 |
| Interest cost | | 246 | 257 |
| Plan participants' contributions | | 526 | 511 |
| Actuarial (gain) loss | | (19) | 349 |
| Benefits paid | | (823) | (709) |
| Benefit obligation at end of year | | 4,795 | 4,841 |
| Change in plan assets: | | | |
| Fair value of plan assets at beginning of year | | 4,455 | 4,050 |
| Actual return on plan assets | | 617 | 454 |
| Employer contributions | | 146 | 149 |
| Plan participants' contributions | | 526 | 511 |
| Benefits paid | | (823) | (709) |
| Fair value of plan assets at end of year | | 4,921 | 4,455 |
| (Funded) Unfunded status at end of year | $ | (126) | 386 |



(Continued)

As of June 30, 2026, the Plan is in a net asset position, which is included in other assets, and at June 30, 2025, the plan is in a net liability position, which is included in accrued payroll and related benefits payable.

Components of the net periodic benefit credit are as follows:

| | | 2026 | 2025 |
|---|---|---|---|
| Service cost | $ | 24 | 23 |
| Interest cost | | 246 | 257 |
| Expected return on plan assets | | (325) | (295) |
| Amortization of prior service credit | | (87) | (440) |
| Amortization of net actuarial loss | | 30 | 75 |
| Net periodic benefit credit | $ | (112) | (380) |

Components of the postretirement-related changes other than the net period benefit credit are as follows:

| | | 2026 | 2025 |
|---|---|---|---|
| Postretirement-related changes other than net periodic benefit credit: | | | |
| Amortization of prior service credit | $ | 87 | 440 |
| Amortization of net actuarial loss | | (30) | (75) |
| Net gain (loss) | | (311) | 190 |
| | $ | (254) | 555 |
| Amounts not yet recognized in net periodic benefit credit: | | | |
| Net actuarial loss | $ | (70) | 271 |
| Prior service credit | | (8) | (95) |
| | $ | (78) | 176 |



(Continued)

| | 2026 | 2025 |
|---|---|---|
| Weighted average assumptions used to determine benefit obligations as of June 30, 2026 and 2025: | | |
| Discount rate – funded portion | 5.75 % | 5.75 % |
| Discount rate – unfunded portion | 5.00 | 4.75 |
| Rate of compensation increase | 4.00 | 4.00 |
| Weighted average assumptions used to determine net periodic benefit cost for the years ended June 30, 2026 and 2025: | | |
| Discount rate: | | |
| Discount rate – funded portion | 5.75 % | 5.75 % |
| Discount rate – unfunded portion | 4.75 | 5.50 |
| Healthcare cost trend: | | |
| Increase from current to next fiscal year | 8.50 % | 7.25 % |
| Ultimate rate of increase | 4.50 | 4.50 |
| Year that the ultimate rate is attained | 2035 | 2035 |

The estimated actuarial net loss that will be amortized from net assets without donor restrictions into net periodic benefit cost in fiscal year 2027 is $23.

Expected benefit payments are the total amount expected to be paid from the Plan's or the College's assets. The expected benefit payments, net of plan participant contributions, are as follows:

| | Estimated benefits payments |
|---|---|
| Fiscal year(s): | |
| 2027 | $ 435 |
| 2028 | 417 |
| 2029 | 399 |
| 2030 | 384 |
| 2031 | 370 |
| 2032–2036 | 1,707 |

The investment policy statement of the College, established by the Board of Trustees, has as its investment objective, the long-term appreciation of assets, and the consistency of total portfolio returns with



(Continued)

reasonable efforts to control risk and preserve capital. The policy establishes a goal of an annual return of 8%. The Plan's target and actual asset allocations as of June 30 are as follows:

| Plan assets | Target allocation | Percentage of plan assets 2026 | 2025 |
|---|---|---|---|
| Asset category: | | | |
| Equity securities | 61.0 % | 67.3 % | 66.8 % |
| Debt securities | 31.0 | 28.9 | 25.9 |
| Other | 8.0 | 3.8 | 7.4 |

The Plan's investments at fair value, all of which are Level 1 in the fair value hierarchy at June 30 are as follows:

| | Total 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents | $ 183 | 330 |
| Alternative investments: | | |
| Equity and fixed-income funds: | | |
| Global equity | 3,311 | 2,976 |
| Global fixed income | 1,422 | 1,152 |
| Assets at fair value at measurement date | 4,916 | 4,458 |
| Other | 5 | (3) |
| Total assets | $ 4,921 | 4,455 |

## (16) Functional Reporting of Expenses

The costs of the College's activities have been presented on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the activities benefited. The College allocates occupancy and related costs, depreciation, and interest expense based on direct

expenditures in the other functional categories. Expenses presented by natural classification and function are as follows:

| | 2026 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Instruction | Research | Academic support | Affiliation contracts and faculty practice | Student services | Auxiliary enterprises | Institutional support | Total |
| Salaries and benefits | $ 26,273 | 8,399 | 10,009 | 8,099 | 6,802 | 595 | 18,425 | 78,602 |
| Occupancy and related expenses | 2,185 | 1,906 | 959 | 841 | 687 | 284 | 2,409 | 9,271 |
| Professional services | 231 | 50 | 20 | 303 | 396 | 641 | 2,091 | 3,732 |
| Depreciation | 2,784 | 1,828 | 1,159 | 989 | 815 | 245 | 2,633 | 10,453 |
| Interest | 892 | 586 | 371 | 317 | 261 | 79 | 844 | 3,350 |
| Other expense | 2,226 | 5,702 | 1,941 | 1,622 | 1,210 | 1,219 | 6,210 | 20,130 |
| Total | $ 34,591 | 18,471 | 14,459 | 12,171 | 10,171 | 3,063 | 32,612 | 125,538 |

| | 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Instruction | Research | Academic support | Affiliation contracts and faculty practice | Student services | Auxiliary enterprises | Institutional support | Total |
| Salaries and benefits | $ 26,766 | 8,767 | 9,709 | 8,465 | 6,443 | 579 | 16,948 | 77,677 |
| Occupancy and related expenses | 2,089 | 2,169 | 895 | 798 | 620 | 275 | 2,057 | 8,903 |
| Professional services | 178 | 105 | 38 | 297 | 459 | 146 | 2,534 | 3,757 |
| Depreciation | 2,769 | 2,086 | 1,113 | 985 | 759 | 242 | 2,336 | 10,290 |
| Interest | 1,015 | 765 | 408 | 361 | 278 | 89 | 856 | 3,772 |
| Other expense | 1,935 | 7,173 | 1,862 | 1,326 | 1,010 | 1,720 | 4,602 | 19,628 |
| Total | $ 34,752 | 21,065 | 14,025 | 12,232 | 9,569 | 3,051 | 29,333 | 124,027 |

## (17) Related Parties

Members of the Board of Trustees, officers, and employees are subject to the College's conflict of interest policies, under which business and financial relationships must be disclosed and are subject to review and approval. For both the years ended June 30, 2026 and 2025, other revenue includes rent of $4,455 and $4,524 from Touro College of Dental Medicine, a related party. In addition, amounts due from affiliates (net) were $3,174 and $2,475 as of June 30, 2026 and 2025, respectively.



(Continued)

## (18) Other Contingencies and Commitments

The College is involved in various legal actions arising in the normal course of operations. While it is not feasible to predict the ultimate outcome of such matters, the College is of the opinion that the resolution of these matters will not have a significant effect upon the financial condition of the College or changes in its net assets.

Amounts received and expended under federal and state programs are subject to audit by governmental agencies. While there are currently no open audits, in the opinion of management, audit adjustments, if any, will not have a material adverse effect on the consolidated financial position or changes in net assets of the College.

## (19) Subsequent Events

The College performed an evaluation of subsequent events that occurred after June 30, 2026 through October 26, 2026, the date the consolidated financial statements were issued. The notes to the consolidated financial statements include all required disclosures regarding subsequent events.