NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors’ Report Thereon)

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

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, 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 College 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 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.

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 28, 2025

NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES

Consolidated Statements of Financial Position

June 30, 2025 and 2024
(Dollars in thousands)

Assets		**2025**	**2024**
Cash and cash equivalents	$	3,379	2,537
Receivables (note 4):			
Student tuition and fees, net		3,308	2,328
Student loans, net		7,746	7,038
Government and other grants and contracts		10,579	8,633
Other, net		10,482	9,214
Due from Affiliate, net		2,475	1,844
Investments (notes 5 and 12)		86,108	81,901
Right-of-use assets (note 9)		2,958	3,430
Deposits with bond trustee (notes 6)		1,923	2,145
Property and equipment, net (note 10)		182,680	184,648
Intangible and other assets (note 11)		11,987	11,979
Beneficial interest in perpetual trusts (note 6)		16,574	15,214
Total assets	$	340,199	330,911
Liabilities and Net Assets			
Liabilities:			
Accounts and accrued expenses payable	$	15,507	14,621
Accrued payroll and related benefits payable (note 15)		5,601	4,786
Deferred revenue		14,168	14,848
Line of credit (note 12)		9,500	10,500
Operating lease liabilities (note 9)		3,242	3,704
Other liabilities		2,542	2,723
Long-term debt, net (note 13)		76,377	77,966
Total liabilities		126,937	129,148
Contingencies and commitments (notes 10, 12, 13, 14, 15, and 18)			
Net assets (note 8):			
Without donor restrictions		125,284	123,582
With donor restrictions (note 7)		87,978	78,181
Total net assets		213,262	201,763
Total liabilities and net assets	$	340,199	330,911

See accompanying notes to consolidated financial statements.

NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES

Consolidated Statements of Activities

Years ended June 30, 2025 and 2024
(Dollars in thousands)

	2025			2024		
	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 ($8,502 and $8,166 in 2025 and 2024, respectively)	$ 64,451	—	64,451	63,664	—	63,664
Affiliation contracts and faculty practice (note 2(n))	11,126	—	11,126	11,375	—	11,375
Grants, contracts and sponsored projects	23,610	—	23,610	22,426	—	22,426
Contributions and private grants	3,052	5,900	8,952	1,633	416	2,049
Investment return	4,349	—	4,349	4,236	—	4,236
Auxiliary enterprises	5,871	—	5,871	5,691	—	5,691
Other	10,793	67	10,860	9,049	26	9,075
Net assets released from restrictions	797	(797)	—	555	(555)	—
Total operating revenue	124,049	5,170	129,219	118,629	(113)	118,516
Operating expenses (note 16):						
Instruction	34,752	—	34,752	31,744	—	31,744
Research	21,065	—	21,065	21,187	—	21,187
Academic support	14,025	—	14,025	13,438	—	13,438
Affiliation contracts and faculty practice	12,232	—	12,232	12,558	—	12,558
Student services	9,569	—	9,569	8,732	—	8,732
Auxiliary enterprises	3,051	—	3,051	3,245	—	3,245
Institutional support	29,333	—	29,333	27,512	—	27,512
Total operating expenses	124,027	—	124,027	118,416	—	118,416
Change in net assets from operating activities	22	5,170	5,192	213	(113)	100
Nonoperating activities:						
Postretirement-related changes other than net periodic benefit cost (note 15)	(555)	—	(555)	330	—	330
Net periodic benefit cost other than service cost (note 15)	403	—	403	373	—	373
Investment return in excess of amounts appropriated for operations	1,832	3,267	5,099	3,774	4,421	8,195
Change in fair value of beneficial interest in perpetual trusts (note 6)	—	1,360	1,360	—	1,517	1,517
Total nonoperating activities	1,680	4,627	6,307	4,477	5,938	10,415
Change in net assets	1,702	9,797	11,499	4,690	5,825	10,515
Net assets, beginning of year	123,582	78,181	201,763	118,892	72,356	191,248
Net assets, end of year	$ 125,284	87,978	213,262	123,582	78,181	201,763

See accompanying notes to consolidated financial statements.

NEW YORK MEDICAL COLLEGE AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024
(Dollars in thousands)

		2025	2024
Cash flows from operating activities:			
Change in net assets	$	11,499	10,515
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		10,290	10,231
Amortization of deferred financing costs		82	82
Provision for credit losses		(1,145)	233
Postretirement-related changes other than net periodic benefit cost		152	(703)
Contributions for long-term use		(3,865)	(395)
Loss on disposal of property and equipment		169	65
Change in fair value of beneficial interest in perpetual trusts		(1,360)	(1,517)
Net change in fair value of investments		(9,515)	(12,458)
Reduction in carrying value of right-of-use assets		472	394
Changes in operating assets and liabilities:			
Student tuition and fees receivables, net		(980)	941
Government and other grant contracts, net		(1,946)	(1,323)
Other receivables		(188)	(1,485)
Intangible and other assets		(8)	56
Accounts and accrued expenses payable		886	1,067
Accrued payroll and related benefits payable		663	(1,587)
Deferred revenue		(680)	(429)
Operating lease liabilities		(462)	(356)
Other liabilities		(174)	(1,261)
Net cash provided by operating activities		3,890	2,070
Cash flows from investing activities:			
Purchases of property and equipment		(8,017)	(8,109)
Disbursement of student loans		(1,375)	(1,185)
Collection of student loans		732	576
Sales of investments		23,466	40,090
Purchases of investments		(16,138)	(21,921)
Net cash (used in) provided by investing activities		(1,332)	9,451
Cash flows from financing activities:			
Line of credit, net		(1,000)	(3,050)
Repayment of long-term debt		(2,145)	(2,025)
Contributions for long-term use		3,865	395
Repayment of refundable federal student loans		(7)	(55)
Deferred financing costs incurred		—	(4)
Advances to affiliates, net		(631)	(1,526)
Net cash provided by (used in) financing activities		82	(6,265)
Net increase in cash and cash equivalents		2,640	5,256
Cash, cash equivalents, and restricted cash at beginning of year		12,632	7,376
Cash, cash equivalents, and restricted cash at end of year	$	15,272	12,632
Reconciliation of amounts reported within the consolidated statements of financial position:			
Cash and cash equivalents	$	3,379	2,537
Restricted cash included in investments		9,970	7,950
Restricted cash included in deposits with bond trustee		1,923	2,145
Total cash, cash equivalents, and restricted cash	$	15,272	12,632
Supplemental disclosures:			
Interest paid	$	3,689	4,362
Furniture, equipment, and computer software acquired under finance leases		474	305

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 1500 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 200 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 29 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.

(Continued)

(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 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, 2025 or 2024.

(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, 2025 and 2024, revenue from WMC totaled $6,383 and $6,924, respectively. Revenue from other affiliations totaled $3,922 and $3,606 for the years ended June 30, 2025 and 2024, respectively.

Faculty practice revenue totaled $821 and $845 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024 were approximately $12,753 and $17,394, respectively.

(q) Fundraising

Institutional support expenses included total fundraising expenses of $1,088 and $1,329, respectively, for the years ended June 30, 2025 and 2024. 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, 2025 and 2024, 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 allowance 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 2024 consolidated financial statements have been reclassified to conform to the 2025 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, 2024.

(Continued)

(Dollars in thousands)

(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:

		2025	2024
Total assets	$	340,199	329,067
Less:			
Endowment funds		(54,489)	(47,603)
Annuities and trusts		(16,705)	(15,337)
Property and equipment, net		(182,680)	(184,648)
Right-of-use assets		(2,958)	(3,430)
Student loans receivable		(8,135)	(7,442)
Pledges receivable, intangibles, and other assets		(16,162)	(15,600)
Investments collateralized for debt		(30,323)	(32,359)
Total financial assets available within one year		28,747	22,648
Unused line of credit		17,500	16,500
Investment return approved for appropriation in the following year		3,915	3,633
Total financial assets and resources available within one year	$	50,162	42,781

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.

(Continued)

(Dollars in thousands)

(4) Receivables

Receivables at June 30 consist of the following:

	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

	2024		
	Receivable	Allowance for credit losses	Net receivable
Student tuition and fees	$ 2,553	(225)	2,328
Student loans	7,617	(579)	7,038
Government and other grant contracts	$ 8,633	—	8,633
Other:			
Affiliation contracts	$ 1,629	(137)	1,492
Faculty practice plans	2,175	—	2,175
Pledges receivable, net of discount	5,209	(1,862)	3,347
Miscellaneous	3,514	(1,314)	2,200
Total other	$ 12,527	(3,313)	9,214

(Continued)

(Dollars in thousands)

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

	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

	2024					
	1–30 days past due	31–60 days past due	Greater than 60 days past due	Total past due	Current	Total
Student loans	$ 108	—	1,028	1,136	6,481	7,617
Affiliation contracts	23	22	1,562	1,607	22	1,629
Faculty practice plans	—	494	1,043	1,537	638	2,175
Pledges, net of discount	30	—	1,842	1,872	3,337	5,209
Miscellaneous	239	22	1,938	2,199	1,315	3,514

Pledges receivable at June 30 consists of the following:

	2025	2024
Amounts due in less than one year	$ 3,402	2,630
Amounts due in one to five years	1,792	1,466
Amounts due in more than five years	2,700	2,725
	7,894	6,821
Less allowance	(1,988)	(1,862)
Less discount to net present value (discount rates between 3.25% and 8.50%)	(1,731)	(1,612)
	$ 4,175	3,347

(Continued)

(Dollars in thousands)

(5) Investments

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

		2025	2024
Level 1 investments:			
Cash	$	9,970	7,950
Equity securities		13,847	13,586
Fixed-income securities:			
U.S. government obligations		417	419
Mutual funds		38,369	38,722
Level 2 investments:			
Fixed-income securities:			
Corporate bonds		12,260	12,201
International government obligations		4,000	2,073
Investments measured at net asset value as a practical expedient for fair value:			
Hedge fund strategies:			
Global hedged equity funds (a)		6,128	5,538
Other		1,117	1,412
Total investments measured at net asset value as a practical expedient for fair value		7,245	6,950
Total investments	$	86,108	81,901

(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 (notes 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:

		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	—	—

(Dollars in thousands)

	2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Beneficial interest in perpetual trusts	$ 15,214	—	—	15,214
Deposits with bond trustee:				
Cash	2,145	2,145	—	—

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

	2025	**2024**
Balance at beginning of year	$ 15,214	13,697
Investment income, net	293	200
Distributions	(499)	(599)
Net appreciation in fair value of investments	1,566	1,916
Balance at end of year	$ 16,574	15,214

(7) Net Assets with Donor Restrictions

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

	2025	**2024**
Non-Endowment:		
Gifts:		
Student support	$ 9,317	9,031
Departmental support	1,079	241
General operating support	5,705	5,576
Research	738	450
Other	76	66
Beneficial interest in perpetual trusts	16,574	15,214
Endowment:		
Student support	16,753	12,538
Departmental support	22,397	20,751
General operating support	6,233	5,857
Research	8,213	7,706
Educational programs	893	751
	$ 87,978	78,181

(8) Endowments

At June 30, 2025, the College’s endowment consists of 135 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 considers the following factors in making a determination to appropriate or accumulate endowment funds:

(a) The duration and preservation of the endowment fund

(b) The purposes of the College and the endowment fund

(c) General economic conditions

(d) The possible effect of inflation and deflation

(e) The expected total return from income and the appreciation of investments

(f) Other resources of the College

(g) Alternatives to expenditure of the endowment fund

(h) The investment policies of the College

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.

(Dollars in thousands)

Changes in endowment net assets were as follows:

	Without donor restrictions	With donor restrictions	Total
Endowment funds, June 30, 2023	$ 30,736	42,977	73,713
Investment return, net	4,556	6,431	10,987
Contributions and transfers	53	197	250
Appropriation for expenditure	(1,533)	(2,018)	(3,551)
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

Included in donor-restricted endowment net assets at June 30, 2025 and 2024 are accumulated earnings of $26,826 and $23,565, 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 two operating leases, primarily related to real estate. The College's operating leases have remaining lease terms of 7 years or less, some of which include options to extend the leases, and some of which include options to terminate the leases.

For the years ended June 30, 2025 and 2024, rent expense was $992 and $917, respectively.

(Dollars in thousands)

The following table summarizes the maturity of the College's operating lease liabilities as of June 30, 2025:

2026	$ 602
2027	597
2028	610
2029	628
2030	646
Thereafter	496
	3,579
Less interest	(337)
	$ 3,242

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

	2025	**2024**
Weighted average remaining lease term (years)	5.71	6.68
Weighted average discount rate	3.59 %	3.60 %

There were no ROU assets obtained in exchange for new operating lease liabilities in 2025 or 2024.

(10) Property and Equipment, Net

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

	2025	**2024**
Land and land improvements	$ 25,331	24,510
Buildings and improvements	190,332	184,068
Interest in leased properties	30,660	30,660
Equipment, furniture, and computer software	31,496	30,155
Library holdings	28,710	27,413
Leasehold improvements	390	390
Construction in progress	744	3,088
	307,663	300,284
Less accumulated depreciation and amortization	(124,983)	(115,636)
Property and equipment, net	$ 182,680	184,648

(Dollars in thousands)

Interest in leased properties represents the fair value of the College's long-term leases under which the rental commitment is one dollar per annum.

At June 30, 2025, construction commitments were approximately $1,450.

(11) Intangible and Other Assets

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

		2025	2024
Intangible assets	$	10,200	10,200
Prepaid expenses		957	949
Other		830	830
Total	$	11,987	11,979

(12) Line of Credit

At June 30, 2025 and 2024, NYMC has a $27,000 line of credit with a bank of which $9,500 and $10,500 is outstanding as of June 30, 2025 and 2024, 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 (5.685% and 6.710% as of June 30, 2025 and 2024, respectively). Investments with a value of $30,323 and $32,359 as of June 30, 2025 and 2024, 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 2025		2025	2024
2020 A NYMC (tax-exempt)	January 2040	3.69 %	$	16,942	17,801
2022 B NYMC (taxable)	January 2044	4.50 %		17,470	18,046
2022 C-1 NYMC (taxable)		4.65 %		—	42,421
2024 C-1 NYMC (tax-exempt)	January 2044	3.67 %		42,349	—
Total MTI debt (a)				76,761	78,268
Finance lease obligations (b)	2027–2029	5.84 - 21.75%		1,088	1,253
Total long-term debt				77,849	79,521
Less deferred financing costs				1,472	1,555
Total long-term debt, net			$	76,377	77,966

(Dollars in thousands)

(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. 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 ($207,253 and $209,328 outstanding at June 30, 2025 and 2024, 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 $126,983 and $138,752, respectively, at June 30, 2025 and 2024.

(b) Finance lease obligations – Certain equipment is leased under noncancelable finance leases payable monthly. Equipment subject to finance lease obligations were $1,019 and $1,560, net of accumulated depreciation and amortization of $900 and $1,357, as of June 30, 2025 and 2024, respectively.

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

	2025	2024
Weighted average remaining lease term (years):		
Finance leases	3.67	3.15
Weighted average discount rate:		
Finance leases	6.82 %	6.06 %

(Continued)

(Dollars in thousands)

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

		Bond principal	Finance leases principal	Interest	Total
Year:					
2026	$	1,766	301	2,987	5,054
2027		1,833	296	2,894	5,023
2028		1,900	263	2,800	4,963
2029		1,974	172	2,708	4,854
2030		3,829	56	2,587	6,472
Thereafter		65,459	—	17,991	83,450
Total	$	76,761	1,088	31,967	109,816

In connection with the MTI, the Obligated Group is required to maintain certain financial and nonfinancial covenants. As of June 30, 2025 and 2024, 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, 2025 and 2024, the College contributed $3,072 and $3,026, respectively, to its defined contribution retirement plan.

In addition, $526 and $493, respectively, were contributed during the years ended June 30, 2025 and 2024, 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.

The College's participation in the union administered plan is outlined below. Unless otherwise noted, the Pension Protection Act (PPA) zone status below is for the plan years beginning January 1, 2024, 2023, and 2022, 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. Negotiations to extend the collective bargaining agreement are ongoing.

(Dollars in thousands)

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	*RP Implemented	No	September 30, 2024

* The 1199 Health Care Employee Pension Fund has implemented a rehabilitation plan for the period January 1, 2012 through December 31, 2024.

(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. Since assets are less than PVFB, the College may elect to make a contribution in fiscal year 2026.

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.

(Dollars in thousands)

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:

		2025	2024
Change in benefit obligation:			
Benefit obligation at beginning of year	$	4,410	4,769
Service cost		23	28
Interest cost		257	244
Plan participants' contributions		511	504
Actuarial (gain) loss		349	(491)
Benefits paid		(709)	(644)
Benefit obligation at end of year		4,841	4,410
Change in plan assets:			
Fair value of plan assets at beginning of year		4,050	3,605
Actual return on plan assets		454	456
Employer contributions		149	129
Plan participants' contributions		511	504
Benefits paid		(709)	(644)
Fair value of plan assets at end of year		4,455	4,050
Unfunded status at end of year, included in accrued payroll and related benefits payable	$	386	360

Components of the net periodic benefit credit are as follows:

		2025	2024
Service cost	$	23	28
Interest cost		257	244
Expected return on plan assets		(295)	(263)
Amortization of prior service credit		(440)	(455)
Amortization of net actuarial loss		75	101
Net periodic benefit credit	$	(380)	(345)

(Dollars in thousands)

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

		2025	2024
Postretirement-related changes other than net periodic benefit credit:			
Amortization of prior service credit	$	440	455
Amortization of net actuarial loss		(75)	(101)
Net gain (loss)		190	(684)
	$	555	(330)
Amounts not yet recognized in net periodic benefit credit:			
Net actuarial loss	$	271	156
Prior service credit		(95)	(535)
	$	176	(379)

	2025	2024
Weighted average assumptions used to determine benefit obligations as of June 30, 2025 and 2024:		
Discount rate – funded portion	5.75 %	5.75 %
Discount rate – unfunded portion	4.75	5.50
Rate of compensation increase	4.00	4.00
Weighted average assumptions used to determine net periodic benefit cost for the years ended June 30, 2025 and 2024:		
Discount rate:		
Discount rate – funded portion	5.75 %	5.50 %
Discount rate – unfunded portion	5.50	5.50
Healthcare cost trend:		
Increase from current to next fiscal year	7.25 %	7.50 %
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 2026 is $57.

(Dollars in thousands)

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):		
2026	$	421
2027		408
2028		394
2029		380
2030		369
2031–2035		1,718

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 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 2025	Percentage of plan assets 2024
Asset category:			
Equity securities	61.0 %	66.8 %	63.9 %
Debt securities	31.0	25.9	27.2
Other	8.0	7.4	8.9

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 2025	Total 2024
Cash and cash equivalents	$	330	365
Alternative investments:			
Equity and fixed-income funds:			
Global equity		2,976	2,587
Global fixed income		1,152	1,104
Assets at fair value at measurement date		4,458	4,056
Other		(3)	(6)
Total assets	$	4,455	4,050

(Continued)

(Dollars in thousands)

(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:

	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

	2024							
	Instruction	Research	Academic support	Affiliation contracts and faculty practice	Student services	Auxiliary enterprises	Institutional support	Total
Salaries and benefits	$ 24,900	9,646	9,132	8,883	6,136	562	14,995	74,254
Occupancy and related expenses	1,677	1,976	780	729	496	276	1,806	7,740
Professional services	234	161	66	284	429	71	2,527	3,772
Depreciation	2,629	2,177	1,108	1,052	720	268	2,277	10,231
Interest	1,142	945	481	457	313	116	989	4,443
Other expense	1,162	6,282	1,871	1,153	638	1,952	4,918	17,976
Total	$ 31,744	21,187	13,438	12,558	8,732	3,245	27,512	118,416

(Continued)

(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, 2025 and 2024, other revenue includes rent of $4,524 and $4,386 from Touro College of Dental Medicine, a related party. In addition, amounts due from affiliates (net) were $2,475 and $1,844 as of June 30, 2025 and 2024, respectively.

(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, 2025 through October 28, 2025, the date the consolidated financial statements were issued. The notes to the consolidated financial statements include all required disclosures regarding subsequent events.