Financial Statements and Report of Independent Certified Public Accountants

Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation

June 30, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Institute for Advanced Study – Louis Bamberger and
Mrs. Felix Fuld Foundation

Opinion

We have audited the financial statements of Institute for Advanced Study – Louis Bamberger and Mrs. Felix Fuld Foundation (the "Institute"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute 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 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Institute'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute'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.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 30, 2024

Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation

STATEMENTS OF FINANCIAL POSITION

June 30,

	2024	2023
ASSETS		
Cash and cash equivalents	$ 12,281,302	$ 9,515,735
Accounts receivable and other assets	1,462,408	2,237,789
Grants receivable	2,364,786	2,164,952
Contributions receivable, net	33,357,175	22,083,420
Mortgages receivable	5,288,146	3,361,047
Funds held by bond trustee	103	99
Operating lease right-of-use asset	46,844	85,134
Land, buildings and improvements, equipment, and rare book collection, net	140,999,937	140,912,982
Investments	1,190,715,892	1,143,112,770
Total assets	$ 1,386,516,593	$ 1,323,473,928
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 11,429,558	$ 10,573,078
Deferred revenue	7,165,967	6,669,231
Finance lease liability	187,532	777,104
Operating lease liability	40,720	69,626
Liabilities under split-interest agreements	590,629	589,492
Postretirement benefit obligation	14,806,727	13,808,065
Asset retirement obligation	1,277,155	1,245,693
Bond swap liability	268,934	405,471
Long-term debt, net	104,841,718	108,188,399
Total liabilities	140,608,940	142,326,159
Net assets		
Net assets without donor restrictions		
Undesignated	282,998,859	282,454,302
Designated for specific purposes	199,762,176	188,079,699
Total net assets without donor restrictions	482,761,035	470,534,001
Net assets with donor restrictions		
Purpose restricted	399,669,612	378,171,620
Endowment fund corpus	363,477,006	332,442,148
Total net assets with donor restrictions	763,146,618	710,613,768
Total net assets	1,245,907,653	1,181,147,769
Total liabilities and net assets	$ 1,386,516,593	$ 1,323,473,928

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

Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Private contributions and grants	$ 10,079,060	$ 38,607,894	$ 48,686,954
Government grants	-	5,611,086	5,611,086
Investment income, net	28,936,284	51,278,287	80,214,571
Auxiliary activity	5,644,673	-	5,644,673
Net assets released from restrictions - satisfaction of program restrictions	42,964,417	(42,964,417)	-
Total operating revenues, gains, and other support	87,624,434	52,532,850	140,157,284
Operating expenses			
School of Mathematics	12,027,361	-	12,027,361
School of Natural Sciences	13,141,423	-	13,141,423
School of Historical Studies	10,502,176	-	10,502,176
School of Social Science	5,736,835	-	5,736,835
Libraries and other academic	4,834,577	-	4,834,577
Administration and general	18,675,943	-	18,675,943
Auxiliary activity	11,062,747	-	11,062,747
Total operating expenses	75,981,062	-	75,981,062
Change in net assets from operating activities	11,643,372	52,532,850	64,176,222
Nonoperating activities			
Change in fair value of bond swap liability	136,537	-	136,537
Loss on sale of plant assets	(347,996)	-	(347,996)
Net periodic benefit costs other than service costs	795,121	-	795,121
Total nonoperating activities	583,662	-	583,662
CHANGE IN NET ASSETS	12,227,034	52,532,850	64,759,884
Net assets - beginning of year	470,534,001	710,613,768	1,181,147,769
Net assets - end of year	$ 482,761,035	$ 763,146,618	$ 1,245,907,653

The accompanying notes are an integral part of this financial statement.

Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation

STATEMENT OF ACTIVITIES

Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues, gains, and other support			
Private contributions and grants	$ 5,983,361	$ 47,635,017	$ 53,618,378
Government grants	-	5,856,979	5,856,979
Investment income, net	8,535,829	12,895,521	21,431,350
Auxiliary activity	5,067,644	-	5,067,644
Net assets released from restrictions - satisfaction of program restrictions	55,594,420	(55,594,420)	-
Total operating revenues, gains, and other support	75,181,254	10,793,097	85,974,351
Operating expenses			
School of Mathematics	12,111,440	-	12,111,440
School of Natural Sciences	13,458,921	-	13,458,921
School of Historical Studies	9,124,190	-	9,124,190
School of Social Science	4,892,472	-	4,892,472
Libraries and other academic	6,041,076	-	6,041,076
Administration and general	16,842,778	-	16,842,778
Auxiliary activity	10,844,666	-	10,844,666
Total operating expenses	73,315,543	-	73,315,543
Change in net assets from operating activities	1,865,711	10,793,097	12,658,808
Nonoperating activities			
Change in fair value of bond swap liability	614,705	-	614,705
Gain on sale of plant assets	2,804	-	2,804
Net periodic benefit costs other than service costs	254,336	-	254,336
Total nonoperating activities	871,845	-	871,845
CHANGE IN NET ASSETS	2,737,556	10,793,097	13,530,653
Net assets - beginning of year	467,796,445	699,820,671	1,167,617,116
Net assets - end of year	$ 470,534,001	$ 710,613,768	$ 1,181,147,769

The accompanying notes are an integral part of this financial statement.

Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 64,759,884	$ 13,530,653
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation of plant assets	8,156,885	8,022,546
Contributions restricted for endowment and plant	(22,191,847)	(24,528,171)
Net appreciation on investments	(75,395,144)	(16,014,945)
Change in fair value of bond swap liability	(136,537)	(614,705)
Loss (gain) on sale of plant assets	347,996	(2,804)
Amortization of debt issuance costs	43,358	(27,207)
Amortization of bond discount	14,961	31,877
Amortization of finance right-of-use assets	585,002	674,684
Operating lease cost	38,290	8,723
Changes in assets/liabilities:		
Accounts receivable and other assets	(1,351,552)	(2,255,587)
Contributions receivable, net	(11,273,755)	(16,974,431)
Accounts payable and accrued expenses	(302,077)	(715,123)
Deferred revenue	496,736	(5,076,933)
Operating lease liability	(28,906)	898
Postretirement benefit obligation	998,662	(38,991)
Asset retirement obligation	31,462	11,587
Net cash used in operating activities	(35,206,582)	(43,967,929)
Cash flows from investing activities:		
Purchase of plant assets	(8,018,281)	(16,905,590)
Proceeds from sale of investments	261,764,073	308,581,449
Purchase of investments	(233,972,051)	(308,749,992)
Net cash provided by (used in) investing activities	19,773,741	(17,074,133)
Cash flows from financing activities:		
Contributions restricted for endowment and plant	22,191,847	24,528,171
Increase (decrease) in liabilities under split-interest agreements	1,137	(628,832)
Principal payments on finance leases	(589,572)	(669,698)
Increase in long-term debt	-	48,000,000
Principal payments on long-term debt	(3,405,000)	(15,765,000)
Net cash provided by financing activities	18,198,412	55,464,641
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	2,765,571	(5,577,421)
Cash, cash equivalents and restricted cash - beginning of year	9,515,834	15,093,255
Cash, cash equivalents and restricted cash - end of year	$ 12,281,405	$ 9,515,834
Reconciliation of total cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown above:		
Cash and cash equivalents	$ 12,281,302	$ 9,515,735
Funds held by bond trustee	103	99
Total cash, cash equivalents and restricted cash shown above	$ 12,281,405	$ 9,515,834
Supplemental data:		
Interest paid	$ 4,435,212	$ 4,315,912
Right-of-use assets acquired under operating leases	-	37,287
Increase (decrease) in accounts payable and accrued expenses related to plant assets	1,158,557	(6,379,996)

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Institute for Advanced Study - Louis Bamberger and Mrs. Felix Fuld Foundation (the "Institute"), is an independent, academic institution founded in 1930 by Philanthropists Louis Bamberger and his sister Caroline Bamberger Fuld, and established through the vision of the Founding Director Abraham Flexner. The Institute is a leading center for theoretical research and discovery dedicated to advancing the frontiers of knowledge across the sciences and humanities.

"The Institute is pledged to assemble a group of scientists and scholars who with their pupils and assistants may devote themselves to the task of pushing beyond the limits of human knowledge and to training those who may "carry on" in the sense." -- mission statement of the Institute for Advanced Study by Founding Director Abraham Flexner, organization meeting, October 10, 1930.

Focused on mathematics and classical studies at the outset, the Institute today consists of the School of Historical Studies, the School of Mathematics, the School of Natural Sciences, and the School of Social Science. Each school has a small permanent faculty, and some 200 fellowships are awarded annually to members visiting the Institute from other research institutions and universities throughout the world.

(b) Summary of Significant Accounting Policies

<u>Basis of Presentation</u>

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Institute as a whole and to present net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Without Donor Restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

- With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Institute or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Institute, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income be made available for specific purposes. Other restricted items in this net asset category include annuity and life income gifts for which the ultimate purpose of the proceeds is subject to donor-imposed restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expiration of donor-imposed restrictions that simultaneously increase net assets without donor restrictions and decrease net assets with donor restrictions are reported as net assets released from restrictions.

In the statements of activities, the Institute includes in operations all revenue and expenses that are an integral part of its program and supporting activities. Change in the fair value of bond swap liability, loss/gain on sale of plant assets and other components of net periodic pension cost are recognized as nonoperating activities.

(i) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments with an original maturity of three months or less, except for those managed as a component of the Institute's investment portfolio.

(ii) Mortgages Receivable

The Institute regularly offers first mortgages on primary residences to full-time faculty and senior administrative employees who have met certain requirements stipulated by the Board of Trustees. The mortgages have final maturity dates between May 2039 to June 2054 and interest rates ranging from 1.45% to 5.25%.

(iii) Investments

Investments in marketable securities are reported in the financial statements at fair value based on published market quotations. Investments in limited partnerships and hedge funds are reported in the financial statements at estimated fair value using net asset value ("NAV") or its equivalent as a practical expedient, based upon values provided by external investment managers or general partners, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The Institute reviews and evaluates the values provided by external investment managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of funds. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. As of June 30, 2024 and 2023, the Institute had no plans or intentions to sell investments at amounts different from NAV.

The statements of activities recognize unrealized gains and losses on investments as increases and decreases, respectively, in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Gains and losses on the sale of investment securities are calculated using the specific-identification method.

(iv) 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 fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

Fair value estimates are made at a specific point in time based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset and does not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

NAV is used as a practical expedient for certain commingled funds, privately held investments, and securities held in partnership format for which a readily determinable fair value is not available, unless the Institute believes such NAV calculation is not measured in accordance with fair value.

These values may differ significantly from values that would have been used had a readily available market existed for such investments, and that difference could be material to the change in net assets of the Institute.

(v) Plant Assets and Depreciation

Proceeds from the sale of plant assets, if there are no donor-imposed restrictions, are transferred to operating funds or, if subject to donor-imposed restrictions, to amounts with donor restrictions for plant acquisitions. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis (buildings and capital improvements twenty to forty years, equipment three to six years).

(vi) Leases

The Institute determines if an arrangement is or contains a lease at inception of the contract. The right-of-use (“ROU”) assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and ROU liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. A ROU asset and liability are not recognized for short-term leases with an initial term of twelve months or less. Operating leases are included in ROU assets and liabilities in the statements of financial position. Finance leases where the Institute is a lessee, are included in land, buildings and improvements, equipment and rare book collections, net and in finance lease liability in the statements of financial position.

(vii) Split-Interest Agreements

The Institute is the beneficiary of various unitrusts, a pooled income fund, and a gift annuity fund. The Institute’s interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the Institute and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually to reflect changes in the life expectancy of the donor or annuitant, amortization of the discount, and other changes in the estimates of future payments. The assets held by the Institute under these arrangements are recorded at fair value as determined by quoted market prices and are included as a component of investments. The split-interest agreement assets that are held by the Institute are recorded at the fair value of the assets contributed to the trust and are classified in the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement as discussed in Note 1(b)(iv). The split-interest agreement assets that are held by third party trustees are recorded at the fair value of the assets contributed to the trust.

(viii) Unamortized Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with debt financing. Amortization of these costs is provided on the effective interest method extending over the remaining term of the applicable indebtedness.

(ix) Asset Retirement Obligation

The Institute recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the Institute capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statements of activities.

(x) Contributions

Contributions, including unconditional promises to give, are recognized initially at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value. Pledges of contributions to be received after one year are discounted at a risk-adjusted discount rate. The discount rates range from 4.04% to 5.35%. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions of long-lived assets are reported as unconditional contribution revenue. Contributions restricted for the acquisition of grounds, buildings, and equipment are reported as revenue with donor restrictions. These contributions are reclassified to net assets without donor restrictions when the associated long-lived asset is placed in service.

Included in contributions are gifts from members of the Board of Trustees which are received in the normal and ordinary course of the Institute's activities and purpose.

(xi) Grants

The Institute receives grants from a number of sources including corporations, foundations and governmental agencies. Grants are evaluated as to whether they qualify as contributions or exchange transactions as defined by accounting principles generally accepted in the United States ("U.S. GAAP") and to determine if there are any donor restrictions.

Based on the Institute's review of grants received, the granting agency does not receive commensurate value for the grant and therefore grant income is considered a voluntary, nonreciprocal transaction that meets the definition of a contribution. Each grant also has one or more barriers that must be overcome which therefore categorize them as conditional contributions for the Institute. Grant revenue with donor imposed conditions is recorded initially as deferred revenue (if the funds are received in advance) and is reported as revenue as the conditions are satisfied. Simultaneously, the Institute records net assets released from restrictions to match the expenses incurred in satisfying the donor restrictions.

(xii) Auxiliary Activity

The Institute receives income and incurs expenses relating to the operations of a dining services facility and a housing complex on campus for use by its community of scholars. The income and expenses are displayed on the statements of activities as Auxiliary Activity.

The revenue streams include income from the sale of food and beverages, rental income, laundry income and pet registration fees. These revenue streams, except for rental income, are recognized at the point in time in which the service is provided. Rental income is recognized over a period of time since the tenants are simultaneously receiving and consuming the benefit of the service provided.

(xiii) Functional Allocation of Expenses

The costs of providing program services and support services of the Institute have been summarized on a functional basis in the statements of activities. These costs include direct and indirect costs that have been allocated, on a consistent basis, among the programs and administrative expenses. Natural expenses are accounted for on a direct cost basis to the school or department upon which the expenses are incurred.

There are certain indirect costs that cannot be charged on a direct basis. The Institute allocates these costs (academic building expenses including costs to maintain the academic buildings, interest and depreciation) to the schools and supporting departments reported in the accompanying statements of activities on a square footage basis. Note 10 shows the relationship between the functional and natural classifications of expenses.

Fundraising expenses incurred by the Institute amounted to $2,009,046 and $1,663,200 for the years ended June 30, 2024 and 2023, respectively. This amount is included in administration and general expenses in the accompanying statements of activities.

(xiv) Tax Status

The Institute is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is listed in the Internal Revenue Service Publication 78. The Institute has been classified as a public charity under Section 509(a) of the Code.

There are certain transactions that could be deemed to generate unrelated business income and would result in a tax liability. Management reviews transactions to estimate potential tax liabilities using a threshold of more likely than not. It is management’s estimation that there are no material tax liabilities that need to be recorded.

(xv) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(xvi) Recently Adopted Accounting Pronouncement

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses*, was effective for the Institute on July 1, 2023. This ASU addresses measurement of credit losses on financial instruments and replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of information to inform credit loss estimates. The Institute evaluated the ASU and determined it does not have a significant impact on the financial statements.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable at June 30, 2024 and 2023 were as follows:

	2024	2023
Amounts expected to be collected:		
Less than one year	$ 12,600,000	$ 9,050,000
One to five years	25,800,000	16,050,000
	38,400,000	25,100,000
Discount for present value (4.04% - 5.35%)	(5,042,825)	(3,016,580)
Total	$ 33,357,175	$ 22,083,420

At June 30, 2024, 30% of gross contributions receivable and 44% of contributions revenue are from four donors. At June 30, 2023, 88% of gross contributions receivable and 64% of contributions revenue are from four donors.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

Resources available to the Institute to fund general expenditures have seasonal variations during the year attributable to a concentration of contributions received at calendar and fiscal year-end and transfers from the endowment. The Institute actively manages its resources to align its cash inflows with anticipated outflows, including approving the endowment draw rate in accordance with policies approved by its Board of Trustees. As further described in Note 8, the Institute has lines of credit which may be drawn on, if needed, to manage cash flows.

Financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal and interest payments on debt, and capital construction costs not financed with debt, at June 30, 2024 and 2023 were as follows:

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 12,281,302	$ 9,515,735
Accounts receivable due less than one year	188,790	665,777
Grants receivable due less than one year	2,364,786	2,164,952
Mortgages receivable due less than one year	320,878	120,045
Contributions receivable due less than one year, net	12,600,000	9,050,000
Endowment appropriated for expenditure - operations	55,664,200	51,791,300
Total financial assets available within one year	83,419,956	73,307,809
Liquidity resources:		
Lines of credit	80,000,000	70,000,000
Total financial assets and liquidity resources available within one year	$ 163,419,956	$ 143,307,809

NOTE 4 - INVESTMENTS AND FUNDS HELD BY BOND TRUSTEE

(a) Overall Investment Objective

The overall investment objective of the Institute is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and capital preservation. The Institute diversifies its investments among various managers and investment opportunities. Substantially all of the investments are pooled with each individual fund subscribing to or disposing of units on the basis of the market value per unit, determined on a quarterly basis. Major investment decisions are authorized by the Board’s Investment Committee, which oversees the Institute’s investment program in accordance with established guidelines.

(b) Allocation of Investment Strategies

The Institute may hold shares or units in traditional institutional funds, traditional stocks and fixed-income securities, as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments and are valued accordingly. Private equity funds employ buyout and venture capital strategies and focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information and may reflect discounts for the illiquid nature of certain investments held.

The following tables summarize the Institute's investments and other assets at fair value by major category in the fair value hierarchy as of June 30, 2024 and 2023, as well as related strategy, liquidity, and funding commitments:

	2024				
	Total	Level 1	Level 2	Level 3	Investments at NAV
Investments:					
Hedge funds - onshore:					
Emerging markets	$ 308,038	$ -	$ -	$ -	$ 308,038
Multiple strategies	41,883,761	-	-	-	41,883,761
Hedge funds - offshore:					
Structured credit	-	-	-	-	-
Distressed/high-yield	179,204	-	-	-	179,204
Emerging markets	680	-	-	-	680
Equities - long bias	130,413,641	-	-	-	130,413,641
Equities - long/short	116,599,185	-	-	-	116,599,185
Multiple strategies	176,599,218	-	-	-	176,599,218
Quantitative/CTA	123,999,927	-	-	-	123,999,927
Insurance	21,057,776	-	-	-	21,057,776
Bio tech/healthcare	23,642,514	-	-	-	23,642,514
Discretionary macro	34,400,840	-	-	-	34,400,840
Energy trading	-	-	-	-	-
Total	669,084,784	-	-	-	669,084,784
Limited partnerships	356,941,409	-	-	-	356,941,409
Exchange-traded funds	527,205	527,205	-	-	-
Cash equivalents	162,750,072	162,750,072	-	-	-
Other investments:					
Assets held under split-interest agreements:	1,412,422	627,004	-	592,730	192,688
Total investments	$1,190,715,892	$ 163,904,281	$ -	$ 592,730	$1,026,218,881
Other assets:					
Funds held by bond trustee:					
Cash equivalents	$ 103	$ -	$ 103	$ -	$ -
Total other assets	$ 103	$ -	$ 103	$ -	$ -

	2023				
	Total	Level 1	Level 2	Level 3	Investments at NAV
Investments:					
Hedge funds - onshore:					
Emerging markets	$ 317,303	$ -	$ -	$ -	$ 317,303
Multiple strategies	40,394,434	-	-	-	40,394,434
Hedge funds - offshore:					
Structured credit	17,695,936	-	-	-	17,695,936
Distressed/high-yield	174,426	-	-	-	174,426
Emerging markets	3,717	-	-	-	3,717
Equities - long bias	130,809,606	-	-	-	130,809,606
Equities - long/short	93,571,942	-	-	-	93,571,942
Multiple strategies	190,370,910	-	-	-	190,370,910
Quantitative/CTA	80,813,160	-	-	-	80,813,160
Insurance	17,671,806	-	-	-	17,671,806
Bio tech/healthcare	20,141,834	-	-	-	20,141,834
Discretionary macro	30,662,525	-	-	-	30,662,525
Energy trading	43,988	-	-	-	43,988
Total	622,671,587	-	-	-	622,671,587
Limited partnerships	349,901,615	-	-	-	349,901,615
Exchange-traded funds	247,625	247,625	-	-	-
Cash equivalents	166,996,168	166,996,168	-	-	-
Other investments:					
Assets held under split-interest agreements:	3,295,775	2,129,715	-	552,697	613,363
Total investments	$1,143,112,770	$ 169,373,508	$ -	$ 552,697	$ 973,186,565
Other assets:					
Funds held by bond trustee:					
Cash equivalents	$ 99	$ -	$ 99	$ -	$ -
Total other assets	$ 99	$ -	$ 99	$ -	$ -

The following tables present the Institute's activities for the years ended June 30, 2024 and 2023 for investments classified in Level 3:

Level 3 Roll-Forward	2024 Assets Held Under Split-Interest Agreements Fixed-Income Securities
Fair value at June 30, 2023	$ 552,697
Dispositions	(14,167)
Net appreciation (realized and unrealized)	54,200
Fair value at June 30, 2024	$ 592,730

Level 3 Roll-Forward	2023 Assets Held Under Split-Interest Agreements Fixed-Income Securities
Fair value at June 30, 2022	$ 536,914
Dispositions	(13,042)
Net appreciation (realized and unrealized)	28,825
Fair value at June 30, 2023	$ 552,697

The Institute's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers between investments classified as Level 3 for the years ended June 30, 2024 and 2023.

Private equity and venture capital investments are generally made through limited partnerships. Under the terms of such agreements, the Institute may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Institute cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur, they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. As of June 30, 2024, the Institute is obligated under certain limited partnership agreements to advance additional funding in the amount of $132,327,133, which is anticipated to be called over the next 10 years.

Investment liquidity for the years ended June 30, 2024 and 2023 are aggregated below based on redemption or sale period:

	2024				
	Fair Value		Percent not Eligible for Redemption	Redemption Frequency (if Available)	Redemption Notice Period
Investments:					
Hedge funds - onshore:					
Emerging markets	$ 308,038	(a)	100%	Illiquid	Fund in liquidation
Multiple strategies	41,883,761	(b)	1%	Semi-Annual; Lockup	90 days' notice; Fund in liquidation
Hedge funds - offshore:					
Structured credit	-	(c)	100%	Quarterly	90 days' notice
Distressed/high-yield	179,204	(d)	100%	Illiquid	Fund in liquidation
Emerging markets	680	(a)	100%	Illiquid	Fund in liquidation
Equities - long bias	130,413,641	(e)	42%	Annual; Lockup	60-150 days' notice; Fund in liquidation; 3 year rolling lockup
Equities - long/short	116,599,185	(f)	85%	Quarterly; Annual; Lockup; Illiquid	45-90 days' notice; Fund in liquidation; Funds subject to lockup
Multiple strategies	176,599,218	(b)	82%	Quarterly; Annual; Lockup; Illiquid	15-90 days' notice; Fund in liquidation; Funds subject to lockup
Quantitative/CTA	123,999,927	(g)	-%	Monthly; Quarterly	15-60 days' notice
Insurance	21,057,776	(h)	-%	Annual	60 days' notice
Bio tech/healthcare	23,642,514	(i)	-%	Quarterly	30-60 days' notice
Discretionary macro	34,400,840	(j)	-%	Monthly	90 days' notice
Energy trading	-	(k)	-%	Illiquid	Fund in liquidation
Total	669,084,784				
Limited partnerships	356,941,409	(l)	100%	Illiquid	Funds subject to lockup by agreement
Exchange-traded funds	527,205		-%	Daily	
Cash equivalents	162,750,072		-%	Daily	
Other investments:					
Assets held under split-interest agreements	1,412,422		100%	Illiquid	Funds subject to lockup by agreement
Total investments	$ 1,190,715,892				

	2023				
	Fair Value		Percent not Eligible for Redemption	Redemption Frequency (if Available)	Redemption Notice Period
Investments:					
Hedge funds - onshore:					
Emerging markets	$ 317,303	(a)	100%	Illiquid	Fund in liquidation
Multiple strategies	40,394,434	(b)	1%	Semi-Annual; Lockup	90 days' notice; Fund in liquidation
Hedge funds - offshore:					
Structured credit	17,695,936	(c)	100%	Quarterly	90 days' notice
Distressed/high-yield	174,426	(d)	100%	Illiquid	Fund in liquidation
Emerging markets	3,717	(a)	100%	Illiquid	Fund in liquidation
Equities - long bias	130,809,606	(e)	42%	Annual; Lockup	60-150 days' notice; Fund in liquidation; 3 year rolling lockup
Equities - long/short	93,571,942	(f)	85%	Quarterly; Annual lockup; Illiquid	45-90 days' notice; Fund in liquidation; Funds subject to lockup
Multiple strategies	190,370,910	(b)	-%	Quarterly, Annual, Lockup, Illiquid	15-90 days' notice; Fund in liquidation Fund subject to lockup
Quantitative/CTA	80,813,160	(g)	-%	Monthly, Quarterly	15-60 days' notice
Insurance	17,671,806	(h)	-%	Quarterly	60 days' notice
Bio tech/healthcare	20,141,834	(i)	-%	Quarterly	30-60 days' notice
Discretionary macro	30,662,525	(j)	-%	Monthly	90 days' notice
Energy trading	43,988	(k)	100%	Illiquid	Fund in liquidation
Total	622,671,587				
Limited partnerships	349,901,615	(l)	100%	Illiquid	Funds subject to lockup by agreement
Exchange-traded funds	247,625		-%	Daily	
Cash equivalents	166,996,168		-%	Daily	
Other investments:					
Assets held under split-interest agreements	3,295,775		100%	Illiquid	Funds subject to lockup by agreement
Total investments	$ 1,143,112,770				

(a) Emerging markets - This category includes investments in hedge funds that primarily invest in listed and non-listed equities primarily in emerging markets. The funds may also hold real estate and other non-traded non-corporate assets.

(b) Multiple strategies - This category includes investments in hedge funds that invest in event-related equity and credit, arbitrage, fixed income relative value, quantitative strategies, and other marketable assets and strategies.

(c) Structured credit - This category includes investments in hedge funds that preliminary invest in structured credit and/or structured credit derivative markets, both long and short.

(d) Distressed/high-yield - This category includes investments in hedge funds that primarily invest in distressed and/or high yield bonds.

(e) Equities - long bias - This category includes investments in hedge funds that invest primarily long listed equities with either minimal or no ability to short. The funds may also own non-listed equities up to certain thresholds of NAV.

(f) Equities - long/short - This category includes investments in hedge funds that invest primarily in long and short listed equities. The funds may also own non-listed equities up to certain thresholds of NAV.

(g) Quantitative/CTA - This category includes investments in hedge funds that invest across multiple sectors and asset classes using quantitative tools to inform trading decisions. The funds may also own non-listed equities up to certain thresholds of NAV.

(h) Insurance - This category includes investments in hedge funds that write reinsurance and retrocessional contracts and/or invest in insurance linked securities, both long and short.

(i) Bio tech/healthcare - This category includes investments in hedge funds that invest in primarily in long and short listed equities focused on the healthcare sector. The funds may also own non-listed equities up to certain thresholds of NAV.

(j) Discretionary macro - This category includes investments in hedge funds that invest across multiple sectors, asset classes, and geographies using fundamental analyses to inform thematic views which drive trading and investing decisions.

(k) Energy trading - This category includes investments in hedge funds that invest in energy and natural resources related equities and commodities.

(l) Limited partnerships - This category includes private equity partnerships, including buyout, growth, venture capital, and distressed investment funds, as well as natural resources and real estate funds. These investments cannot be redeemed but do make distributions as the underlying investments are liquidated. Most funds have a primary term of 10 years.

(c) Redemption Restrictions - Hedge Funds

At June 30, 2024, the Institute had hedge fund investments of approximately $669,084,800, of which approximately $5,988,900 was under liquidation and $207,367,100 was restricted from redemption for lock up periods. At June 30, 2023, the Institute had hedge fund investments of approximately $622,671,600, of which approximately $7,125,400 was under liquidation and $204,184,300 was restricted from redemption for lock up periods. Some of the investments with redemption restrictions allow early redemption for specified fees. The terms and conditions upon which an investor may redeem an investment vary, usually with the majority requiring 30 to 150 days' notice after the initial lock-up period.

The expirations of redemption lock-up periods are summarized in the table below:

Fiscal Year	Amount
2025	$ 145,149,800
2026	13,177,300
2027 and thereafter	49,040,000
Total	$ 207,367,100

(d) Redemption Restrictions - Limited Partnerships

At June 30, 2024 and 2023, the Institute had limited partnership investments of approximately $356,941,400 and $349,901,600, respectively, which were restricted from redemption for lock-up periods. Some of the investments with redemption restrictions allow early redemption for specified fees.

The expirations of redemption lock-up periods are summarized in the table below:

Fiscal Year	Amount
2025	$ 86,511,100
2026	57,780,900
2027	27,278,900
2028	52,968,700
2029	48,420,500
2030 and thereafter	83,981,300
Total	$ 356,941,400

(e) Funds Held by Bond Trustee

Funds held by bond trustee represent funds held for debt service payments to be made for the various bond indentures. These funds are being held in trust by U.S. Bank.

NOTE 5 - INVESTMENT RETURN AND ENDOWMENT SPENDING POLICY

Investment return consists of interest, dividends, and realized and unrealized gains and losses on investments. Each year, the Institute includes a portion of its endowment return in its operating budget, with the amount of such planned support determined using its spending policy. The policy of the Institute is to distribute for current spending a percentage of the fair value of pooled investments, which is determined by the Board of Trustees annually. The budgeted spending rate for operating and capital purposes was 4.76% and 5.42% for 2024 and 2023, respectively. The actual spending rate for operating and capital purposes was 4.44% and 4.62% for 2024 and 2023, respectively.

The following tables summarize the investment return and its classification in the statements of activities for the years ended June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment (loss) income, net of investment expenses	$ (742,020)	$ 3,110,399	$ 2,368,379
Net appreciation (realized and unrealized)	29,678,304	48,167,888	77,846,192
	$ 28,936,284	$ 51,278,287	$ 80,214,571

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income, net of investment expenses	$ 2,342,727	$ 3,073,678	$ 5,416,405
Net appreciation (realized and unrealized)	6,193,102	9,821,843	16,014,945
	$ 8,535,829	$ 12,895,521	$ 21,431,350

NOTE 6 - ENDOWMENT

The Institute's endowment consists of approximately 140 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowments, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Institute has interpreted the New Jersey-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as allowing the Institute to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the Institute determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in a donor-restricted endowment fund are donor-restricted assets until appropriated for expenditure by the Board of Trustees of the Institute. As a result of applicable accounting guidance, the Institute 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) the accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as endowment fund corpus within the net assets with donor restrictions is classified as net assets with donor purpose restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Below is a schedule which represents the composition of the Institute's endowment funds and funds designated by the Board of Trustees to function as endowments by type of fund as of June 30, 2024 and 2023:

	2024			
		With Donor Restrictions		
	Without Donor Restrictions	Original Gift	Accumulated Gains	Total
Undesignated	$ 247,420,629	$ -	$ -	$ 247,420,629
Specific purpose designated funds	199,762,176	-	-	199,762,176
Donor - purpose restricted funds	-	38,536,803	341,453,817	379,990,620
Endowment fund corpus	-	363,477,006	-	363,477,006
	$ 447,182,805	$ 402,013,809	$ 341,453,817	$ 1,190,650,431

	2023			
		With Donor Restrictions		
	Without Donor Restrictions	Original Gift	Accumulated Gains	Total
Undesignated	$ 246,915,511	$ -	$ -	$ 246,915,511
Specific purpose designated funds	188,079,699	-	-	188,079,699
Donor - purpose restricted funds	-	36,986,803	320,579,614	357,566,417
Endowment fund corpus	-	332,442,148	-	332,442,148
	$ 434,995,210	$ 369,428,951	$ 320,579,614	$ 1,125,003,775

Changes in the Institute's endowment funds and funds designated by the Board of Trustees to function as endowments for the fiscal years ended June 30, 2024 and 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions: Original Gift	With Donor Restrictions: Accumulated Gains	Total
Net assets, June 30, 2022	$ 452,218,213	$ 343,402,684	$ 331,693,717	$1,127,314,614
Investment returns:				
Investment income, net	2,342,727	-	2,538,098	4,880,825
Net appreciation (realized and unrealized)	6,193,102	-	9,666,194	15,859,296
Total investment return	8,535,829	-	12,204,292	20,740,121
Contributions	1,011,295	26,026,267	-	27,037,562
Appropriation for expenditure - operations	(26,770,127)	-	(23,318,395)	(50,088,522)
Net assets, June 30, 2023	434,995,210	369,428,951	320,579,614	1,125,003,775
Investment returns:				
Investment income, net	(742,020)	-	1,535,524	793,504
Net appreciation (realized and unrealized)	29,678,304	-	48,036,441	77,714,745
Total investment return	28,936,284	-	49,571,965	78,508,249
Contributions	3,222,000	32,584,858	-	35,806,858
Appropriation for expenditure - operations	(19,970,689)	-	(28,697,762)	(48,668,451)
Net assets, June 30, 2024	$ 447,182,805	$ 402,013,809	$ 341,453,817	$1,190,650,431

(b) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original corpus of the fund included in net assets with donor restrictions due to unfavorable market fluctuations subsequent to the investment of the gift. Under the provisions of UPMIFA, spending from such endowment funds with deficiencies would be permitted. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2024, 8 funds with an original gift value of $8,222,357 were "underwater" by $2,277,968. As of June 30, 2023, 11 funds with an original gift value of $10,549,257 were "underwater" by $2,578,213. Subsequent gains that restore the fair value of the assets of the donor-restricted endowment fund are classified as an increase in net assets with donor restrictions.

(c) Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

(d) Strategies Employed for Achieving Objectives

The Institute manages its investments in accordance with a total return concept and the goal of maximizing returns within acceptable levels of risk. The Institute relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (dividends and interest). The Institute's spending policy is designed to provide a stable level of financial support and to preserve the real value of its endowment.

NOTE 7 - PHYSICAL PLANT

Physical plant and equipment are stated at cost at date of acquisition, less accumulated depreciation.

A summary of plant assets at June 30, 2024 and 2023 is as follows:

	2024	2023
Land	$ 373,738	$ 373,738
Land improvements	3,492,446	3,360,475
Buildings and improvements	227,817,837	221,267,096
Equipment	43,109,461	42,369,745
Rare book collection	203,508	203,508
Joint ownership property	6,553,262	5,553,262
Finance lease ROU	2,920,444	2,920,444
	284,470,696	276,048,268
Accumulated depreciation	(140,916,275)	(133,165,804)
Accumulated amortization - finance lease ROU	(2,554,484)	(1,969,482)
Net book value	$ 140,999,937	$ 140,912,982

NOTE 8 - LONG-TERM DEBT

A summary of long-term debt at June 30, 2024 and 2023 is as follows:

	2024	2023
2006 Series B - NJEFA	$ 10,400,000	$ 12,400,000
2012 Taxable	12,730,000	13,190,000
2015 Taxable	12,650,000	13,010,000
2017 Taxable	21,700,000	22,285,000
2022 Senior unsecured notes	48,000,000	48,000,000
Long-term debt	105,480,000	108,885,000
Less:		
Unamortized bond discount	(149,767)	(164,728)
Unamortized debt issuance costs	(488,515)	(531,873)
Total long-term debt	$ 104,841,718	$ 108,188,399

Interest expense on long-term debt for the years ended June 30, 2024 and 2023 was $4,403,910 and $4,224,581, respectively.

(a) 2006 Series B

In July 2006, the Institute received proceeds of the New Jersey Educational Facilities Authority (the "Authority") offering of $29,600,000 Revenue Bonds, 2006 Series B of the Institute for Advanced Study Issue. The 2006 Series B Bonds were issued to finance the advance refunding of the outstanding 1997 Series G Bonds, the partial advance refunding of the 2001 Series A Bonds, and to pay a portion of certain costs incidental to the sale and issuance of the 2006 Series B Bonds.

(b) 2012 Taxable

In December 2012, the Institute received proceeds of $17,320,000 Taxable Bonds, 2012 Series of the Institute for Advanced Study Issue, which were issued at a discount of approximately $92,000. The 2012 Taxable Bonds were used to finance the advance refunding of outstanding 2001 Series A Bonds, to fund renovations to the Members Housing facility and the costs of renovation and equipping certain educational facilities of the Institute and to pay certain costs incidental to the sale and issuance of the 2012 Taxable Bonds.

(c) 2015 Taxable

In November 2015, the Institute received proceeds of $15,300,000 Taxable Bonds, 2015 Series of the Institute for Advanced Study Issue, which were issued at a discount of approximately $80,000. The 2015 Taxable Bonds were used to fund capital projects at the Institute and for other corporate purposes of the Institute and to pay certain costs incidental to the sale and issuance of the 2015 Taxable Bonds.

(d) 2017 Taxable

In November 2017, the Institute received proceeds of $25,000,000 Taxable Bonds, 2017 Series of the Institute for Advanced Study Issue, which were issued at a discount of approximately $84,000. The 2017 Taxable Bonds were used to fund capital projects at the Institute and for other corporate purposes of the Institute and to pay certain costs incidental to the sale and issuance of the 2017 Taxable Bonds.

(e) 2022 Senior Unsecured Notes

On July 1, 2022, the Institute received proceeds of $48,000,000 from the issuance of the Senior Unsecured Notes. These private placement notes were issued to finance the advance refunding of the outstanding 2006 Series C bonds, to fund capital projects at the Institute, for other corporate purposes of the Institute and to pay certain costs incidental to the sale and issuance of the 2022 Senior Unsecured Notes.

(f) Interest Rates

The 2006 Series B bear interest at variable rates. The bonds were issued in the weekly mode with weekly rates determined by Lehman Brothers Inc., as a Remarketing Agent and paid monthly. The maximum interest rate on the 2006 Bonds shall be 12% per annum. The 2006 bonds are subject to redemption at various prices and require principal payments and sinking fund installments through July 1, 2031. The obligation to pay the Authority on a periodic basis, in the amounts sufficient to cover principal and interest due on the bonds, is a general obligation of the Institute. On September 18, 2008, the Institute entered into a contract with JP Morgan Chase Bank to take over as a remarketing agent, replacing Lehman Brothers Inc.

The 2012 Taxable bonds bear interest at rates ranging from 0.388% to 3.892% per annum, payable semiannually, are subject to redemption at various prices and require principal payments and sinking fund installments through December 1, 2042. The obligation to make the interest payments on a periodic basis, in the amounts sufficient to cover principal and interest due on the bonds, is a general obligation to the Institute.

The 2015 Taxable bonds bear interest at rates ranging from 0.906% to 4.394% per annum, payable semiannually, are subject to redemption at various prices and require principal payments and sinking fund installments through December 1, 2045. The obligation to make the interest payments on a periodic basis, in the amounts sufficient to cover principal and interest due on the bonds, is a general obligation to the Institute.

The 2017 Taxable bonds bear interest at rates ranging from 1.713% to 3.732% per annum, payable semiannually, are subject to redemption at various prices and require principal payments and sinking fund installments through November 1, 2047. The obligation to make the interest payments on a periodic basis, in the amounts sufficient to cover principal and interest due on the bonds, is a general obligation to the Institute.

The 2022 Senior Unsecured Notes bear interest at a rate of 4.19% per annum, payable semiannually, are subject to redemption at various prices and require principal payments through May 1, 2053. The obligation to make the interest payments on a periodic basis, in the amounts sufficient to cover principal and interest due on the bonds, is a general obligation to the Institute.

(g) Bond Swap Agreement

On December 22, 2008, the Institute entered into a swap agreement with Wells Fargo Bank covering $28,900,000 of outstanding 2006 Series B Bonds that required the Institute to pay a fixed rate of 3.7702% to Wells Fargo Bank in exchange for Wells Fargo Bank agreeing to pay the Institute a variable rate equal to 67% of the USD-LIBOR-BBA rate with a term of three months, payable monthly, on an identical notional amount. The notional value of the 2006 Series B Bond is $22,300,000. The effective date of the swap was December 22, 2008, and the termination date of the swap agreement coincides with the maturity of the bonds, which is July 1, 2031.

The Institute entered into this swap agreement with the intention of lowering its effective interest rate. At June 30, 2024 and 2023, the fair value of the interest rate swap was ($268,934) and ($405,471), respectively. The change in fair value recognized during the years ended June 30, 2024 and 2023 in the amount of $136,537 and $614,705, respectively, is reported in the statements of activities in change in fair value of bond swap liability. The swap agreement utilizes Level 2 inputs to measure fair value. The fair value of the interest rate swap was determined using pricing models developed based on the London Inter-bank Offered Rate (“LIBOR”) swap rate and other market data. Under the swap agreement, the Institute may be required to post collateral to the counterparty if certain triggering events (rates and dollar thresholds) are met. As of June 30, 2024 and 2023, there was no requirement to post collateral imposed by the swap counterparty.

The bonds are repayable as follows at June 30, 2024:

Year Ending June 30	Amount
2025	$ 3,445,000
2026	3,585,000
2027	3,735,000
2028	3,880,000
2029	2,235,000
2030 through 2050	88,600,000
Total	$ 105,480,000

The 2006 Series B bonds are secured by a pledge of revenues pursuant to the respective Loan Agreements.

(h) Lines of Credit

As of June 30, 2024 and 2023, the Institute had unsecured loan agreements representing a line of credit. As of June 30, 2024, the agreements provide for borrowings up to $80,000,000, of which $40,000,000 is available through June 2027 and $40,000,000 is available through April 2025. Interest payments are due on demand and interest accrues for the $40,000,000 line of credit expiring in June 2027 at Margin over Term SOFR rate plus 60 basis points, which is 5.93% as of June 30, 2024 and LIBOR rate plus 50 basis points, which is 6.35% as of June 30, 2023. Interest payments are due on demand and accrue for the $40,000,000 line of credit expiring in April 2025 at the BSBY rate plus 45 basis points, which was 5.86% and 5.62% as of June 30, 2024 and 2023, respectively.

There were no borrowings in fiscal year 2024 or 2023 against the lines of credit. No interest expense was incurred for the years ended June 30, 2024 and 2023.

(i) Standby Bond Purchase Agreement

On July 17, 2017, in connection with the substitution of the Standby Bond Purchase Agreements, the 2006 Bonds were subject to mandatory tender for purchase and were remarketed with an alternate liquidity facility on July 17, 2017. The 2006 Bonds continue to be in the Weekly Mode, with J.P. Morgan Securities LLC serving as a Remarketing Agent for the Bonds. Each Series of the 2006 Bonds are secured by a new Standby Bond Purchase Agreement issued by TD Bank, N.A.

NOTE 9 - PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

Separate voluntary defined-contribution retirement plans are in effect for faculty members and eligible staff personnel, both of which provide for annuities, which are funded, to the Teachers Insurance and Annuity Association and/or the College Retirement Equities Fund. Contributions are based on the individual participant's compensation in accordance with the formula set forth in the plan documents on a nondiscriminatory basis. Contributions for the years ended June 30, 2024 and 2023 totaled approximately $2,403,300 and $2,298,400, respectively.

In addition to providing pension benefits, the Institute provides certain health care and life insurance benefits for retired employees and faculty. Substantially all of the Institute's employees may become eligible for these benefits if they meet minimum age and service requirements. The Institute accrues these benefits over a period in which active employees become eligible under existing benefit plans.

The components of net periodic postretirement benefit cost other than the service cost component are included in a line item in the nonoperating activities section of the statements of activities.

The following table provides a reconciliation of the change in benefit obligation of the plan at June 30, 2024 and 2023. There are no plan assets at June 30, 2024 or 2023.

	2024	2023
Postretirement benefit obligation:		
Retirees	$ 5,100,229	$ 5,115,819
Fully eligible active plan participants	2,650,825	2,770,214
Other active plan participants	7,055,673	5,922,032
Postretirement benefit obligation	$ 14,806,727	$ 13,808,065
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 13,808,065	$ 13,847,056
Service cost	552,585	566,912
Interest cost	668,929	611,312
Benefits paid	(349,044)	(351,567)
Actuarial loss (gain)	126,192	(865,648)
Benefit obligation at end of year	$ 14,806,727	$ 13,808,065
Change in plan assets:		
Plan assets at beginning of year	$ -	$ -
Actual return on assets	-	-
Employer contributions	349,044	351,567
Benefits paid	(349,044)	(351,567)
Plan assets at end of year	-	-
Funded status at end of year	$ 14,806,727	$ 13,808,065
Components of net periodic benefit costs:		
Service cost	$ 552,585	$ 566,912
Interest cost	668,929	611,312
Amortization of net loss (gain)	126,192	(865,648)
Net periodic benefit costs	$ 1,347,706	$ 312,576
Amounts recognized in the statement of financial position consist of the following:		
Postretirement benefit obligation liability	$ (14,806,727)	$ (13,808,065)

	2024	2023
Benefit obligation assumptions		
Weighted average discount rate	5.35%	4.92%
Net periodic cost benefit assumptions		
Weighted average discount rate	4.98%	4.48%

Assumed health care cost trend rates at June 30:

	2024	2023
Health care cost trend rate assumed for next year	9.00%	5.90%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2030	2030

Projected payments for each of the next five fiscal years and thereafter through 2033 are as follows:

Year Ending June 30	Amount
2025	$ 390,000
2026	426,000
2027	458,000
2028	510,000
2029	563,000
2030 through 2034	3,656,000

The Institute funds claims as they are incurred. The Institute does not expect to contribute any amounts in fiscal year 2024, except as needed to provide for benefit payments.

NOTE 10 - NATURAL ALLOCATION OF EXPENSES

The costs of providing program services and support services of the Institute have been summarized on a functional basis in the statement of activities. The following chart shows the relationship between the functional and natural classifications of expenses. Certain operating costs have been allocated among the functional categories as disclosed in Note 1(b).

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024 and 2023

Expenses by natural classification for the year ended June 30, 2024 consist of the following:

	2024							
	Schools of							
	Mathematics	Natural Sciences	Historical Studies	Social Science	Library and Other Academic	Administration and General	Auxiliary Activity	Total
Salaries	$ 3,427,367	$ 3,921,465	$ 3,991,472	$ 1,801,179	$ 1,442,775	$ 9,965,514	$ 2,074,480	$ 26,624,252
Stipends	4,504,141	3,616,273	3,009,683	1,961,789	433,783	-	-	13,525,669
Employee benefits and taxes	1,326,647	1,423,316	1,398,042	614,424	504,570	3,888,955	594,098	9,750,052
Materials and supplies	29,877	30,941	57,380	38,633	83,475	703,005	322,342	1,265,653
Conferences and travel	394,767	353,598	410,768	409,188	1,212,669	804,397	830,561	4,415,948
Insurance, legal and professional fees	62,377	254,457	27,313	20,772	186,423	2,658,270	371,122	3,580,734
Occupancy (inc. utilities and real estate taxes)	-	-	-	-	-	699,435	1,471,298	2,170,733
Interest expense	-	2,752	-	-	-	3,115,921	1,288,986	4,407,659
Books and periodicals	2,069	620	45,831	204	662,084	7,117	70	717.995
Other expenses	104,754	174,594	(3,666)	7,068	48,091	389,958	58,785	779,584
Depreciation	85,220	508,152	29,015	20,940	159,966	3,888,485	4,051,005	8,742,783
Subtotal	9,937,219	10,286,168	8,965,838	4,874,197	4,733,836	26,121,057	11,062,747	75,981,062
Computing allocation	595,048	940,725	248,892	217,458	100,741	(2,102,864)	-	-
Academic building allocation	1,495,094	1,914,530	1,287,446	645,180	-	(5,342,250)	-	-
	$ 12,027,361	$ 13,141,423	$ 10,502,176	$ 5,736,835	$ 4,834,577	$ 18,675,943	$ 11,062,747	$ 75,981,062

Expenses by natural classification for the year ended June 30, 2023 consist of the following:

	2023							
	Schools of							
	Mathematics	Natural Sciences	Historical Studies	Social Science	Library and Other Academic	Administration and General	Auxiliary Activity	Total
Salaries	$ 3,242,851	$ 3,723,361	$ 3,331,451	$ 1,637,711	$ 1,797,285	$ 9,016,655	$ 1,919,541	$ 24,668,855
Stipends	4,586,756	4,009,285	2,608,692	1,603,176	460,203	-	-	13,268,112
Employee benefits and taxes	1,148,178	1,229,465	1,110,311	517,380	559,373	2,560,047	544,081	7,668,835
Materials and supplies	39,610	65,625	48,550	34,727	85,045	805,042	411,634	1,490,233
Conferences and travel	705,926	590,281	420,111	214,247	1,788,785	606,117	889,463	5,214,930
Insurance, legal and professional fees	96,418	278,906	11,561	9,285	212,743	2,046,195	151,551	2,806,659
Occupancy (inc. utilities and real estate taxes)	-	-	-	-	-	1,151,561	1,446,216	2,597,777
Interest expense	-	6,069	-	-	-	2,898,561	1,328,172	4,232,802
Books and periodicals	-	573	27,173	-	675,197	12,097	60	715,100
Other expenses	162,861	265,232	16,523	14,174	202,513	1,219,621	74,086	1,955,010
Depreciation	94,958	507,227	58,401	21,767	158,496	3,776,519	4,079,862	8,697,230
Subtotal	10,077,558	10,676,024	7,632,773	4,052,467	5,939,640	24,092,415	10,844,666	73,315,543
Computing allocation	591,593	935,974	249,438	217,617	101,436	(2,096,058)	-	-
Academic building allocation	1,442,289	1,846,923	1,241,979	622,388	-	(5,153,579)	-	-
	$ 12,111,440	$ 13,458,921	$ 9,124,190	$ 4,892,472	$ 6,041,076	$ 16,842,778	$ 10,844,666	$ 73,315,543

NOTE 11 - NET ASSETS

Net assets are comprised of the following at June 30, 2024 and 2023:

	2024	2023
Net assets without donor restrictions:		
Undesignated	$ 282,998,859	$ 282,454,302
Designated for specific purpose funds:		
School of Mathematics	25,219,424	23,838,061
School of Natural Sciences	30,180,322	29,233,966
School of Historical Studies	25,598,017	24,516,283
School of Social Science	2,550,181	2,374,048
Libraries and other academic	103,992,969	97,629,624
Administration and general	12,221,263	10,487,717
Designated for specific purpose funds	199,762,176	188,079,699
Total net assets without donor restrictions	$ 482,761,035	$ 470,534,001
Net assets with donor restrictions and appropriation through endowment spending policy:		
Subject to expenditure for specific purpose:		
School of Mathematics	$ 45,835,035	$ 44,648,255
School of Natural Sciences	58,052,410	54,071,505
School of Historical Studies	58,071,198	56,384,370
School of Social Science	82,971,325	80,975,168
Jonathan M. Nelson Center for Collaborative Research	587,320	-
Libraries and other academic	22,121,673	16,715,452
Administration and general	132,030,651	125,376,870
Net assets with donor-purpose restrictions	399,669,612	378,171,620
Net assets held as endowed fund corpus to generate income for specified purposes	363,477,006	332,442,148
Total net assets with donor restrictions	$ 763,146,618	$ 710,613,768

NOTE 12 - LEASES

The Institute evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent the Institute's right to use the underlying assets for the lease term, and the lease liabilities represent the Institute's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms at the time of implementation or entering into the contract. The Institute has made an accounting policy election to utilize a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The components of lease expense for the years ended June 30, 2024 and 2023 consist of the following:

	2024	2023
Finance lease cost:		
Amortization of ROU assets	$ 585,002	$ 674,684
Interest on lease liabilities	38,290	8,221
Operating lease cost	38,290	8,723
Total lease cost	$ 661,582	$ 691,628

Total cash paid for amounts included in the measurement of lease liabilities, which is recorded as operating cash flows from operating leases, is $38,290 and $8,723 at June 30, 2024 and 2023, respectively. Total cash paid for amounts included in the measurement of lease liabilities, which is recorded as financing cash flows from finance leases, is $589,572 and $669,698 at June 30, 2024 and 2023, respectively.

The following table displays the undiscounted cash flows due related to operating and finance leases as of June 30, 2024, along with a reconciliation to the discounted amount recorded on the statements of financial position:

Year Ending June 30	Operating Lease	Finance Lease
2025	$ 29,080	$ 193,831
2026	16,444	-
2027	9,383	-
2028	1,355	-
Total lease payments	56,262	193,831
Less: present value discount	(15,542)	(6,299)
Present value of lease liabilities	$ 40,720	$ 187,532

The following table displays the weighted average remaining lease term and discount rates for the years ended June 30, 2024 and 2023:

	2024	2023
Operating lease:		
Weighted-average remaining lease term	3 years	4 years
Weighted-average discount rate	2.53%	2.19%
Finance lease:		
Weighted-average remaining lease term	1 year	2 years
Weighted-average discount rate	0.85%	0.65%

NOTE 13 - SUBSEQUENT EVENTS

The Institute evaluated events subsequent to June 30, 2024 through October 30, 2024, the date on which the financial statements were issued. The Institute is not aware of any subsequent events which would require recognition or disclosure in the financial statements.