

RIDER UNIVERSITY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Rider University
Lawrenceville, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Rider University which comprise the balance sheet as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rider University as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of Rider University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Rider University's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

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

Board of Trustees
Rider University

Report on Summarized Comparative Information

We have previously audited Rider University's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
December 21, 2023

**RIDER UNIVERSITY
BALANCE SHEETS
JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)**

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 8,394	\$ 13,965
Student Accounts Receivable, Net	2,326	2,374
Grants and Other Receivables	3,026	2,568
Contributions Receivable, Net	11,407	11,706
Student Loans, Net	1,026	1,407
Beneficial Interest in Perpetual Trusts	5,827	5,674
Funds Held by Bond Trustees	7,041	9,851
Investments	67,488	67,306
Plant Assets, Net	136,681	146,560
Other Assets	3,863	3,775
Total Assets	\$ 247,079	\$ 265,186
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 9,735	\$ 11,323
Line of Credit	8,500	-
Other Liabilities	9,527	9,455
Deferred Revenue	12,932	11,548
Postretirement Benefits Other Than Pensions	5,167	4,162
Refundable Government Loan Funds	1,033	1,537
Asset Retirement Obligation	5,935	5,592
Bonds and Mortgage Notes Payable	108,971	109,358
Total Liabilities	161,800	152,975
NET ASSETS		
Without Donor Restrictions	(11,701)	7,343
With Donor Restrictions:		
Time or Purpose Restrictions	17,970	26,393
Beneficial Interest in Perpetual Trusts	5,827	5,674
Endowment	73,183	72,801
Total With Donor Restrictions	96,980	104,868
Total Net Assets	85,279	112,211
Total Liabilities and Net Assets	\$ 247,079	\$ 265,186

See accompanying Notes to Financial Statements.

RIDER UNIVERSITY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
OPERATING REVENUES AND OTHER SUPPORT				
Tuition and Fees, Net	\$ 71,181	\$ -	\$ 71,181	\$ 76,361
Auxiliary, Net	26,162	-	26,162	26,099
Grants and Contracts	890	2,986	3,876	13,655
Contributions	1,899	1,998	3,897	7,616
Endowment Spending Policy	3,156	3,937	7,093	4,257
Other Investment Income	181	-	181	208
Other Revenues	5,616	521	6,137	5,428
Net Assets Released from Restrictions	19,965	(19,965)	-	-
Total Operating Revenues and Other Support	129,050	(10,523)	118,527	133,624
OPERATING EXPENSES				
Instruction and Academic Support	66,516	-	66,516	70,044
Auxiliary and Student Services	53,387	-	53,387	56,257
Institutional Support	26,878	-	26,878	24,186
Total Expenses Before Scholarships and Fellowships (HEERF)	146,781	-	146,781	150,487
Scholarships and Fellowships (HEERF)	17	-	17	4,943
Total Operating Expenses	146,798	-	146,798	155,430
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(17,748)	(10,523)	(28,271)	(21,806)
NONOPERATING ACTIVITIES				
Endowment Grants and Contributions	-	4,135	4,135	501
Net Endowment (Deficit) Surplus	(3,598)	1,976	(1,622)	(10,680)
Postretirement Benefit Adjustment	(1,321)	-	(1,321)	1,924
Reclassification for Changes in Donor Intent	3,599	(3,599)	-	-
Other	24	123	147	(729)
Total Nonoperating Activities	(1,296)	2,635	1,339	(8,984)
CHANGE IN NET ASSETS	(19,044)	(7,888)	(26,932)	(30,790)
Net Assets - Beginning of Year	7,343	104,868	112,211	143,001
NET ASSETS - END OF YEAR	<u>\$ (11,701)</u>	<u>\$ 96,980</u>	<u>\$ 85,279</u>	<u>\$ 112,211</u>

See accompanying Notes to Financial Statements.

RIDER UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (26,932)	\$ (30,790)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	12,491	12,541
Change in Value of Beneficial Interest in Perpetual Trust	(153)	796
Accretion Expense Related to Asset Retirement Obligation	259	258
Amortization of Bond Premium	(20)	(20)
Amortization of Bond Issuance Costs	70	53
Postretirement Benefit Adjustment	1,321	(1,924)
Net Realized Gains on Sales of Investments	(884)	(12,424)
Unrealized (Gain) Loss on Investments	(2,357)	19,842
Provision for Doubtful Student Accounts Receivable	1,102	1,102
Provision for Doubtful Student Loans	1,697	327
Contributions and Grants Restricted for Plant Facilities	(675)	(1,222)
Contributions and Investment Income Permanently Restricted for Long-Term Investment	(5,459)	1,767
Changes in Operating Assets and Liabilities:		
Student Accounts Receivable	(1,054)	(698)
Grants and Other Receivables	(458)	(1,034)
Contributions Receivable	242	1,083
Other Assets	(88)	260
Accounts Payable and Accrued Expenses	(1,588)	(6,332)
Other Liabilities	72	628
Deferred Revenue	1,384	(4,713)
Postretirement Benefits Other Than Pensions	(316)	(108)
Refundable Government Loan Funds	(504)	(596)
Asset Retirement Obligation	84	(128)
Net Cash Used by Operating Activities	(21,766)	(21,332)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(53,289)	(95,617)
Proceeds from Sales of Investments	59,158	106,713
Purchases of Plant Assets, Net of Change in Related Accounts Payable	(2,612)	(9,025)
Student Loans Issued	6	6
Proceeds from Student Loan Collections	(1,322)	235
Net Cash Provided by Investing Activities	1,941	2,312

See accompanying Notes to Financial Statements.

RIDER UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022
(DOLLARS IN THOUSANDS)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Bonds and Mortgage Notes Payable	\$ (437)	\$ (417)
Proceeds from Line of Credit	8,500	-
Proceeds from Contributions and Grants Restricted for Plant Facilities	776	1,561
Proceeds from Contributions and Investment Income Permanently Restricted for Long-Term Investment Less Write-Off of Contribution Receivables	5,415	1,050
Net Cash Provided by Financing Activities	14,254	2,194
CHANGE IN CASH AND CASH EQUIVALENTS	(5,571)	(16,826)
Cash and Cash Equivalents - Beginning of Year	13,965	30,791
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 8,394	\$ 13,965
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 5,407	\$ 4,006
Decrease in Accounts Payable for Related Plant Assets	\$ (370)	\$ (710)

See accompanying Notes to Financial Statements.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization (Unaudited)

Rider University (the University) is a private, nonprofit institution founded in 1865. The University's five academic units include the Norm Brodsky College of Business, the College of Liberal Arts and Sciences, the College of Education and Human Services, the College of Continuing Studies, and the Westminster College of the Arts. In the Fall of 2020, the University made the decision to close the College of Continuing Studies. During the year ended June 30, 2023, the University enrolled 3,168 undergraduate students and 866 graduate students.

Basis of Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the University as a whole and to present balances and transactions according to the presence or absence of donor-imposed restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the University's financial statements as of and for the year ended June 30, 2022, from which the summarized information was derived.

Classification of Net Assets

The University reports its net assets and changes therein in two classes: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent resources that are generally available for support of the University's activities. These resources are derived from gifts and other institutional resources, including income and gains thereon that are not subject to donor-imposed restrictions. Net assets without donor restrictions also include net investment in plant assets and amounts designated by the board of trustees to function as quasi endowment.

Net Assets With Donor Restrictions – Net assets with donor restrictions are established by donor gifts, pledges, trusts, and income and gains thereon that have donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or donor specified purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Certain donor restrictions are perpetual in nature and may include gifts, pledges, trusts, and income and gains thereon that require the asset to be retained permanently. Generally, the donors of these assets permit the University to use all or part of the investment return on related investments for donor-specified purposes, primarily for scholarship, or for unrestricted purposes.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value

Fair value is defined as the price that would be received to sell 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. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Quoted or published 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 assets or liabilities.

Statement of Activities

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Nonoperating Activities

A portion of long-term investment income and gains and losses is allocated to operating revenue each year in accordance with the University's spending policy for investments held for endowment, as more fully discussed in Note 9. All other investment income earned and gains and losses on investments held for long term purposes (including land), contribution related activity for long term purposes, net assets released from restrictions related to capital, the postretirement benefit adjustment, gain on defeasance, and nonrecurring activities are considered nonoperating activities in the statements of activities. Clarifications of donor intentions are presented as reclassifications between the applicable classes of net assets in the year known.

Split Interest Agreements

The University's split interest agreements with donors consist primarily of charitable gift annuities and irrevocable charitable remainder trusts. Assets are invested and payments are made to donors and/or beneficiaries in accordance with the respective agreements. Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability for the present value of the estimated future payments to be made to the respective donors and/or beneficiaries.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Split Interest Agreements (Continued)

The present value of payments to beneficiaries of charitable gift annuities and charitable remainder trusts is calculated using discount rates, which represent the risk adjusted rates in existence at the date of the gift. Gain or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the accompanying statements of activities.

The University also has beneficial interest in perpetual trusts. Under the terms of the trusts, the University has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. Contribution revenue and an asset are recognized at the time the University is notified of the trust's existence. The value of the interest in perpetual trusts is based on the fair value of the assets held by the perpetual trusts and is adjusted annually. Gains or losses resulting from changes in fair value of the trust assets are recorded as increases or decreases in net asset with donor restrictions in the accompanying statements of activities.

Income Taxes

The University is an organization described under Section 501(c)(3) of the Internal Revenue Code (the Code). Accordingly, the University is exempt from federal income taxes under Section 501(a) of the Code, except to the extent it has taxable income from activities unrelated to its exempt purpose. No provision for income taxes was required in 2023 or 2022. In addition, the University follows the accounting standard for uncertain tax positions, which requires that a tax position be recognized or derecognized based on a 'more-likely-than-not' threshold. The application of this standard had no impact on the University's financial statements, as management is not aware of any uncertain tax positions or of any activities that would jeopardize its tax-exempt status.

Cash Equivalents

Cash equivalents include short term, highly liquid investments held for current operating purposes and consist principally of money market accounts and securities having an original maturity of three months or less.

Plant Assets

All property is carried at cost at date of acquisition or at fair value at date of gift, less accumulated depreciation, computed on a straight-line basis over their estimated useful lives (buildings – 50 years; building systems, renovations, and land improvements – 20 to 30 years; and equipment – 3 to 20 years).

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Asset Retirement Obligation

The University 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 University 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.

Leases

The University determines if an arrangement is a lease at inception. Leases are included as right-of-use (ROU) assets, under plant assets, and are included in other liabilities on the balance sheets.

ROU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain the University will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the University has elected to use a risk-free weighted-average discount rate for computing the present value of lease liabilities.

Refundable Government Loan Funds

Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students. These funds are ultimately refundable to the U.S. government and are presented in the balance sheets as a liability.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COVID-19 Pandemic

During the fiscal year ending June 30, 2021, the University received an additional \$5,567 from the HEERF under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA). This included \$1,824 of emergency financial aid grants to students as required by the U.S. Department of Education that was recorded as a pass-through of funds on the University's statement of activities. The University disbursed \$1,778 to students during the fiscal year ending June 30, 2021, and the remaining \$46 during fiscal year ending June 30, 2022. An additional \$3,668 was used to offset the impacts of COVID-19 and was recorded in the University's statements of activities and included in grants and contracts for the fiscal year ending June 30, 2021. The remaining \$75 will also be applied to offset the impacts of COVID-19. The University will recognize this grant revenue in future periods, as the University incurs qualifying expenses.

As of June 30, 2021, the University was awarded \$9,801 from the HEERF, under the American Rescue Plan Act of 2021 (ARP). This includes \$4,914 of emergency financial aid grants to students as required by the U.S. Department of Education that was recorded as a pass-through of funds on the University's statement of activities. The University disbursed \$4,897 to students during the fiscal year ending June 30, 2022, and the remaining \$17 during fiscal year ending June 30, 2023. An additional \$4,866 under the ARP and \$75 under the CRRSAA was used to offset the impacts of COVID-19 and was recorded in the University's statements of activities and included in grants and contracts for the fiscal year ending June 30, 2022, and the remaining \$21 during fiscal year ending June 30, 2023.

COVID-19 may continue to impact various aspects of the University's operations and financial results, including, but not limited to declines in enrollment, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes the University is taking appropriate actions to mitigate these negative impacts. At the present time, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

Subsequent Events

The University has evaluated subsequent events through December 21, 2023, the date the financial statements were available to be issued.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 2 REVENUE

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value at date of donation.

Contributions of plant assets without donor stipulations concerning the use of such long-lived assets are reported as revenues in net assets without donor restrictions. Contributions of cash or other assets to be used to acquire plant assets with such donor stipulations are reported as revenues of the with donor-restricted net asset class; the restrictions are considered to be released at the time such long-lived assets are acquired or in the case of construction, when the project is complete. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activities.

Tuition, Fees, and Auxiliary Revenue

Tuition, fees, and auxiliary revenue is recognized in the fiscal year in which the academic programs are delivered. Institutional scholarships awarded to students reduce the amount of revenue recognized. In addition, students who adjust their course load or withdraw completely within the add/drop period may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Payments for tuition are due approximately three weeks prior to the start of the academic term.

Tuition and fees revenue consist of the following as of June 30:

	2023	2022
Tuition and Fees	\$ 142,122	\$ 151,157
Scholarship Allowance	(70,941)	(74,796)
Total	\$ 71,181	\$ 76,361

Auxiliary revenue consists of the following as of June 30:

	2023	2022
Auxiliary	\$ 27,094	\$ 27,053
Scholarship Allowance	(932)	(954)
Total	\$ 26,162	\$ 26,099

Deferred Revenue

Amounts received in advance for tuition and fees included in deferred revenue in the balance sheets total \$2,318 and \$2,895 as of June 30, 2023 and 2022, respectively. At the beginning of 2022, the balance of deferred revenue was \$2,385. The balance of deferred revenue related to tuition at June 30, 2023, less any refunds issued will be recognized as revenue over the academic term beginning on July 1, 2023, as services are rendered.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 3 RECEIVABLES

Student Accounts Receivable

Student accounts receivable consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Student Accounts Receivable	\$ 8,137	\$ 7,971
Allowance for Doubtful Accounts	(5,811)	(5,597)
Total	<u>\$ 2,326</u>	<u>\$ 2,374</u>

At the beginning of 2022, the balance of student accounts receivable was \$4,174.

Contributions Receivable

Unconditional promises to give are expected to be received during the indicated time periods and have been discounted at rates ranging from 0.01% to 5.15% as of June 30:

	<u>2023</u>	<u>2022</u>
One Year or Less	\$ 1,578	\$ 1,596
Greater than One Year	12,816	13,232
Subtotal	<u>14,394</u>	<u>14,828</u>
Less:		
Present Value Discount	(2,196)	(2,318)
Allowance for Uncollectible Contributions Receivable	(791)	(804)
Total	<u>\$ 11,407</u>	<u>\$ 11,706</u>

There were three donors that represent 67% of unconditional promises to give at June 30, 2023 and 2022.

Beneficial Interest in Perpetual Trusts

The University's beneficial interest in perpetual trusts are reported at fair value as Level 3 in the fair value hierarchy, representing \$5,827 and \$5,674 at June 30, 2023 and 2022, respectively. The change during the year is due to the net appreciation.

During fiscal years 2023 and 2022, there were no transfers into or out of Level 3 of the fair value hierarchy and there were no purchases or issues of Level 3 assets.

Instrument	Fair Value		Principal Valuation Technique	Unobservable Inputs
	<u>2023</u>	<u>2022</u>		
Beneficial Interest in Perpetual Trusts	\$ 5,827	\$ 5,674	Fair Market Value of Trust Instruments	Value of Underlying Assets

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30 2023 AND 2022
(DOLLARS IN THOUSANDS)

NOTE 3 RECEIVABLES (CONTINUED)

Student Loans Receivable

Student loans receivable consist of the following as of June 30:

	2023	2022
Student Loans	\$ 2,784	\$ 4,515
Allowance for Doubtful Loans	(1,758)	(3,108)
Total	<u>\$ 1,026</u>	<u>\$ 1,407</u>

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments

Investments in equity securities, mutual funds, and certain alternative investments with readily determinable fair values, and all investments in debt securities are reported at fair value based upon quoted or published market prices. Certain investments in alternative investments are reflected at net asset value as estimated and reported by the general partners, based upon the underlying net asset value of the fund or partnership, as a practical expedient. These estimated values are reviewed and evaluated by the University. As of June 30, 2023 and 2022, the University holds land for investment purposes. The fair value of the land is based upon an appraisal obtained in 2021 for June 30, 2023 and 2022.

The University's assets at June 30, that are reported at fair value on a recurring basis are summarized in the following tables by their fair value hierarchy:

	Fair Value	Fair Value Measurements at Report Date Using			Reported at Net Asset Value
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>June 30, 2023</u>					
Funds Held by Bond Trustees:					
Cash	\$ 6,092	\$ 6,092	\$ -	\$ -	\$ -
Money Market Funds	949	949	-	-	-
Total	<u>\$ 7,041</u>	<u>\$ 7,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Investments:					
Fixed Income:					
Mutual Funds	\$ 10,049	\$ 10,049	\$ -	\$ -	\$ -
Other	618	539	79	-	-
Equities:					
Common and Preferred Stocks	285	285	-	-	-
Mutual Funds	30,588	30,588	-	-	-
Alternatives:					
Domestic Equity	1,915	-	-	-	1,915
Flexible Capital	647	-	-	-	647
Private Equity	15,865	-	-	-	15,865
Private Real Assets	3,561	-	-	-	3,561
Land	3,960	-	-	3,960	-
Total	<u>\$ 67,488</u>	<u>\$ 41,461</u>	<u>\$ 79</u>	<u>\$ 3,960</u>	<u>\$ 21,988</u>

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investments (Continued)

June 30, 2022	Fair Value	Fair Value Measurements at Report Date Using			Reported at Net Asset Value
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Funds Held by Bond Trustees:					
Cash	\$ 8,907	\$ 8,907	\$ -	\$ -	\$ -
Money Market Funds	944	944	-	-	-
Total	\$ 9,851	\$ 9,851	\$ -	\$ -	\$ -
Long-Term Investments:					
Fixed Income:					
Mutual Funds	\$ 6,876	\$ 6,876	\$ -	\$ -	\$ -
Other	1,050	943	107	-	-
Equities:					
Common and Preferred					
Stocks	284	284	-	-	-
Mutual Funds	32,735	32,735	-	-	-
Alternatives:					
Domestic Equity	2,983	-	-	-	2,983
Flexible Capital	3,439	-	-	-	3,439
Private Equity	12,650	-	-	-	12,650
Private Real Assets	3,329	-	-	-	3,329
Land	3,960	-	-	3,960	-
Total	\$ 67,306	\$ 40,838	\$ 107	\$ 3,960	\$ 22,401

The University did not have any assets measured at fair value on a nonrecurring basis as of June 30, 2023 and 2022.

Funds Held by Bond Trustees

Under the terms of certain debt agreements, funds are required to be placed on deposit with specified financial institutions acting as trustee. Investments held by bond trustees related to bonds and mortgage notes payable were composed of funds held for the following purposes as of June 30:

	2023	2022
Construction Funds	\$ -	\$ -
Interest Funds	1,967	4,781
Principal Funds	5,074	5,070
Total	\$ 7,041	\$ 9,851

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Redemption and Investment Strategy

As of June 30, 2023, alternative investments are allocated between the following investment strategies:

Private equity funds of \$12,446 consist of 22 representing limited partnerships, which were formed for the purpose of investing in private equity funds including venture capital, buyouts, growth capital, international private equity, and other private equity investments. Under the terms of certain private equity agreements, the University had open commitments of approximately \$2,906 at June 30, 2023. These investments are generally less liquid, and redemption of these investments is at the discretion of the general manager over the duration of the investment term.

Remaining alternative investments of \$6,123 consist of 15 funds representing investments in a broad range of investment strategies that seek to exploit opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies and in mutual equity and fixed income funds. These investments contain various restrictions with required notice ranging from 1 to 90 days. Under the terms of certain fund agreements, the University had open commitments of approximately \$620 at June 30, 2023.

The following table summarizes the redemption frequency by category of alternative investments as of June 30, 2023:

	Remaining Alternative Investments	Private Equity	Total
Redemption Frequency:			
Monthly	\$ 1,915	\$ -	\$ 1,915
Annual	647	-	647
No Redemptions (a)	3,561	12,446	16,007
Total	\$ 6,123	\$ 12,446	\$ 18,569

(a) Underlying assets of the remaining alternative investments are expected to be liquidated between 1 and 10 years. Underlying assets of the private equity investments are expected to be liquidated between 1 and 13 years.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 PLANT ASSETS

Plant assets consist of the following as of June 30:

	Cost	Accumulated Depreciation and Amortization	Net Carrying Value	
			2023	2022
Land	\$ 253	\$ -	\$ 253	\$ 253
Land Improvements	14,764	(9,546)	5,218	5,520
Buildings and Improvements	264,350	(148,053)	116,297	114,376
Equipment	50,237	(38,412)	11,825	13,394
Library Collection	17,401	(16,916)	485	536
Construction in Progress	2,603	-	2,603	12,481
Total	<u>\$ 349,608</u>	<u>\$ (212,927)</u>	<u>\$ 136,681</u>	<u>\$ 146,560</u>

Commitments outstanding on projects included in construction in progress as of June 30, 2023, amounted to approximately \$0.

NOTE 6 BONDS AND MORTGAGE NOTES PAYABLE

Bonds and mortgage notes payable consist of the following as of June 30:

<u>Description:</u>	<u>2023</u>	<u>2022</u>
<u>Bonds Payable</u>		
Public Financing Authority		
Series 2021 A, due serially to 2048, interest rate 4.50%	\$ 32,920	\$ 32,920
Series 2021B, due 2031, interest rate 6.00%	34,080	34,080
New Jersey Educational Facilities Authority:		
Series 2017 F, due serially to 2047, interest rate 3.00% to 5.00%	41,770	41,770
Series 2012 A, due serially to 2037, interest rate 2.00% to 5.00%	-	-
Higher Education Capital Improvement Fund		
Various Series, interest rate 2.22% to 5.75%	423	662
Total Bonds Payable	<u>109,193</u>	<u>109,432</u>
<u>Mortgage Notes Payable</u>		
U.S. Department of Education, due semi-annually to 2023, interest rate 6.00%	<u>2</u>	<u>199</u>
Total Bonds and Mortgage Notes Payable	<u>109,195</u>	<u>109,631</u>
Unamortized Original Issue Discount	(502)	(565)
Less: Unamortized Bond Original Issue Discount	-	-
Unamortized Premium	1,994	2,077
Less: Unamortized Bond Issuance Costs	(1,716)	(1,785)
Total	<u>\$ 108,971</u>	<u>\$ 109,358</u>

RIDER UNIVERSITY
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NOTE 6 BONDS AND MORTGAGE NOTES PAYABLE (CONTINUED)

During the fiscal year ended June 30, 2022, the University completed the 2021A and B bond issue. The par amount borrowed as part of the bond issue was \$67,000, and included funds for a debt service reserve fund, capitalized interest, and costs of issuance. The 2021A series, which refinanced the outstanding 2012A bonds, is a tax-exempt issue at a 4.50% interest rate that matures in 2048. The 2021B series provided additional working capital for the University and is a taxable issue at a 6.00% interest rate with interest only payments through 2031, when the entire principal is due.

Annual debt service requirements (principal and interest) over the next five years are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>	<u>Mortgages</u>	<u>Total</u>	<u>Interest</u>	<u>Total Debt Service Requirement</u>
2024	\$ 36	\$ -	\$ 36	\$ 5,435	\$ 5,471
2025	36	-	36	5,433	5,469
2026	22	-	22	5,432	5,454
2027	23	-	23	5,431	5,454
2028	24	-	24	5,431	5,455

Certain University debt, aggregating approximately \$108,770, is collateralized by certain revenue and plant assets.

Interest expense on bonds and mortgage notes payable for the years ended June 30, 2023 and 2022, was \$5,421 and \$4,985, respectively. The University capitalized interest of \$4 and \$462 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 LEASES

The University leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide for renewal options ranging from three to four years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain vehicle leases require the University to guarantee minimum residual values when returning those vehicles. The University does not anticipate those residual values not to be met at the time of the lease terminations. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the University to pay insurance and repairs.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 LEASES (CONTINUED)

The following table provides quantitative information concerning the University's leases:

	<u>2023</u>	<u>2022</u>
Lease Cost:		
Total Operating Lease Cost	\$ 697	\$ 778
Total Financing Lease Cost	\$ 35	\$ 20
Other Information:		
Operating Cash Flows from Operating Leases	\$ 561	\$ 778
Financing Cash Flows from Financing Leases	\$ 33	\$ 20
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 319	\$ -
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 32	\$ 81
Weighted-Average Remaining Lease Terms (in Years) - Operating Leases	2 Years	3 Years
Weighted-Average Remaining Lease Terms (in Years) - Financing Leases	3 Years	3 Years
Weighted-Average Discount Rate - Financing and Operating Leases	5.97%	0.69%

The maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Financing Leases</u>	<u>Operating Leases</u>
2024	\$ 34	\$ 474
2025	14	309
2026	7	91
2027	7	29
2028	1	-
Total	<u>63</u>	<u>903</u>
Less: Present Value Discount	<u>(5)</u>	<u>(43)</u>
Lease Liability	<u>\$ 58</u>	<u>\$ 860</u>

The total rent expense for the years ended June 30, 2023 and 2022, was \$732 and \$1,043, respectively.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LINE OF CREDIT

On December 18, 2017, the University entered into a revolving line of credit agreement of \$15,000 with interest at a variable prime rate (as defined in the agreement). The line of credit agreement has been extended a number of times, and now expires on March 15, 2023. Of the \$15,000 line of credit, \$5,000 will be available upon signing with the remaining \$10,000 available at the bank's discretion. There was \$8,500 outstanding on the line of credit at June 30, 2023. The line carries a variable rate of interest at the Prime Rate plus 75 BPS, but no lower than 4.25% per annum. During the year ended June 30, 2023, the University carved a letter of credit totaling \$220 from this line of credit for the University's self-insured workers' compensation. Borrowings under the line of credit are secured by certain plant assets.

NOTE 9 NET ASSETS

Net assets with donor restrictions are available for the following as of June 30:

	2023	2022
Instruction and Scholarships	\$ 6,920	\$ 13,138
Capital Acquisitions	5,976	9,472
Future Periods	19,339	16,985
Permanent in Nature	64,745	65,273
Total Net Assets With Donor Restrictions	\$ 96,980	\$ 104,868

Endowment

The University's endowment consists of both donor-restricted endowment funds and funds designated by the board of trustees to function as endowments. Quasi endowment net assets, unlike donor-restricted endowments, are not subject to donor or other outside restrictions. Quasi endowment net assets have been designated by the University's board of trustees and are expended at its discretion. Information regarding the University's endowment follows:

Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income and growth, while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the University's board of trustees, the endowment assets are invested in a number of different asset classes and investment strategies to diversify the investments to provide a balance that attempts to enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 NET ASSETS (CONTINUED)

Endowment (Continued)

Spending Policy

Each year, the University includes a portion of the endowment return in its operating budget, with the amount of such planned support determined using its spending policy. The policy of the University for the years ended June 30, 2023 and 2022, is to distribute for current spending 6.75% of a three-year moving average of the fair value of endowment investments.

The spending rate is anticipated to be 6.75% in 2024. In establishing this policy, the University considered the expected return on its endowment as well as spending requirements.

Interpretation of Relevant Law

The board of trustees of the University has interpreted the State of New Jersey Uniform Prudent Management of Institutional Funds Act as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the University 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.

The University has interpreted New Jersey state law to allow the spending of income and net realized and unrealized gains on investments of net assets with donor restrictions that are permanent in nature, absent explicit donor stipulations that all or a portion of such income or net realized or unrealized gains be maintained in perpetuity. New Jersey state law allows the University to appropriate and spend such income and gains as is prudent. The spending policy allocations are made considering such factors as the University's long term and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions.

Underwater Endowments

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below its historic dollar level. At June 30, 2023, the funds with original gift values of \$496, fair values of \$426, and deficiencies of \$70 were reported in net assets with donor restrictions. At June 30, 2022, the funds with original gift values of \$496, fair values of \$402, and deficiencies of \$94 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the board of trustees.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 NET ASSETS (CONTINUED)

Underwater Endowments (Continued)

Endowment net assets (excluding perpetual trusts) consisted of the following at June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>June 30, 2023</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 73,253	\$ 73,253
Quasi (Board-Designated) Endowment Funds	9,716	-	9,716
Underwater Endowments	-	(70)	(70)
Total	<u>\$ 9,716</u>	<u>\$ 73,183</u>	<u>\$ 82,899</u>
<u>June 30, 2022</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 72,895	\$ 72,895
Quasi (Board-Designated) Endowment Funds	4,639	-	4,639
Underwater Endowments	-	(94)	(94)
Total	<u>\$ 4,639</u>	<u>\$ 72,801</u>	<u>\$ 77,440</u>

Changes in endowment net assets for the years ended June 30, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>June 30, 2023</u>			
Endowment Net Assets - Beginning of Year	\$ 4,639	\$ 72,801	\$ 77,440
Investment Return, Net	3,143	5,104	8,247
Contributions, Net	-	4,307	4,307
Write-Off Contribution Receivable	-	(2)	(2)
Reclassification of Donor Intent	3,599	(3,599)	-
Endowment Release for Restrictions	1,491	(1,491)	-
Appropriation for Expenditures	(3,156)	(3,937)	(7,093)
Endowment Net Assets - End of Year	<u>\$ 9,716</u>	<u>\$ 73,183</u>	<u>\$ 82,899</u>
<u>June 30, 2022</u>			
Endowment Net Assets - Beginning of Year	\$ 4,476	\$ 82,074	\$ 86,550
Investment Return, Net	428	(5,857)	(5,429)
Contributions, Net	-	512	512
Write-Off Contribution Receivable	-	64	64
Appropriation for Expenditures	(265)	(3,992)	(4,257)
Endowment Net Assets - End of Year	<u>\$ 4,639</u>	<u>\$ 72,801</u>	<u>\$ 77,440</u>

During fiscal years 2023 and 2022, the University made \$2,200 and \$0 withdrawal from its quasi endowment.

The quasi endowment net assets include land held for investment purposes with a fair value of \$3,960 as of June 30, 2023 and 2022.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 FUNCTIONAL EXPENSE

The costs of providing program and supporting services of the University have been detailed on a functional basis in the table below and are reported in the University's financial statements in categories recommended by the National Association of College and University Business Officers. Accordingly, certain operating costs have been allocated among the functional categories as described below.

- Depreciation, amortization, accretion, interest, and operation and maintenance of plant expenses are allocated based on the square footage used to support each function.
- Postretirement benefit adjustments are allocated based on the fringe benefits directly charged to each function.

	Instruction and Academic Support	Auxiliary and Student Services	Institutional Support	Scholarships and Fellowships (HEERF)	Total	
					2023	2022
Salaries and Benefits	\$ 48,787	\$ 16,631	\$ 13,259	\$ -	\$ 78,677	\$ 87,043
Depreciation, Amortization, and Accretion	4,215	7,989	503	-	12,707	12,886
Professional Fees	4,284	2,798	3,797	-	10,879	7,514
Facilities	2,913	5,526	1,096	-	9,535	8,799
Food Service	27	9,767	-	-	9,794	8,913
Supplies and Equipment	1,097	1,255	881	-	3,233	3,864
Travel	651	2,093	348	-	3,092	2,450
Printing and Postage	57	395	707	-	1,159	1,247
Interest	1,799	3,422	933	-	6,154	5,051
Other	2,686	3,511	5,354	17	11,568	17,663
Total	<u>\$ 66,516</u>	<u>\$ 53,387</u>	<u>\$ 26,878</u>	<u>\$ 17</u>	<u>\$ 146,798</u>	<u>\$ 155,430</u>

Institutional support includes fundraising expense of approximately \$2,547 and \$2,793 as of June 30, 2023 and 2022, respectively.

NOTE 11 RETIREMENT BENEFITS

Retirement Plan

The University has a contributory defined-contribution retirement plan, covering substantially all employees under arrangements with Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) that provides for the purchase of annuities for employees. Employees are eligible after one year of service and must contribute 5.0% of compensation to participate. The University matched employee contributions at 5.0% for the years ended June 30, 2023 and 2022. The cost to the University for the retirement plan for the years ended June 30, 2023 and 2022, was approximately \$2,312 and \$2,459, respectively.

RIDER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 RETIREMENT BENEFITS (CONTINUED)

Postretirement Benefits Other than Pensions

The University provides postretirement medical benefits to former employees who meet certain criteria.

Information with respect to the plan at June 30, is as follows:

	<u>2023</u>	<u>2022</u>
Change in Benefit Obligation:		
Benefit Obligation - Beginning of Year	\$ 4,162	\$ 6,194
Service Cost	307	417
Interest Cost	178	121
Assumption Change	589	(858)
Amendment	-	-
Actuarial Loss (Gain)	356	(1,394)
Benefits Paid	(425)	(318)
Benefit Obligation - End of Year	<u>\$ 5,167</u>	<u>\$ 4,162</u>
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	\$ -	\$ -
Employer Contributions	425	318
Benefits Paid	(425)	(318)
Fair Value of Plan Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>
Funded Status	<u>\$ (5,167)</u>	<u>\$ (4,162)</u>
	<u>2023</u>	<u>2022</u>
Components of Net Periodic Benefit Cost:		
Service Cost	\$ 307	\$ 417
Interest Cost	178	122
Amortization of Prior Service Cost	(33)	(33)
Recognized Actuarial Gain	(343)	(296)
Net Periodic Benefit Cost	<u>\$ 109</u>	<u>\$ 210</u>
Weighted Average Assumptions as of June 30:		
Benefit Obligation Discount Rate	4.90%	4.30%
Periodic Benefit Cost Discount Rate	4.30%	2.40%

As of June 30, 2023 and thereafter, the medical trend and inflation rate was 4.5% in 2022 grading up to 7.5% in 2023 and thereafter.

The effects of a 1% increase or decrease in health care trend rates on total service and interest costs and the postretirement benefit obligation are as follows:

	<u>One-Percentage-Point Increase</u>		<u>One-Percentage-Point Decrease</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Effect on Total of Service and Interest Cost Components	\$ 69	\$ 80	\$ (58)	\$ (66)
Effect on Postretirement Benefit Obligation	424	446	(371)	(384)

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NOTE 11 RETIREMENT BENEFITS (CONTINUED)

Postretirement Benefits Other than Pensions (Continued)

Projected benefits payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 478
2025	536
2026	562
2027	527
2028	545
2029-2033	2,101

The University expects to contribute approximately \$425 in fiscal year 2023.

A postretirement benefit adjustment of \$(1,321) and \$1,924 was recorded in nonoperating activities in the statements of activities in 2023 and 2022, respectively. The postretirement adjustment reported on the statements of activities also includes the other component of net periodic benefit costs except the service cost.

A net gain of \$3,970 and \$5,291 in 2023 and 2022, respectively, has not yet been recognized as a component of net periodic benefit cost. The University expects to recognize \$249 of this gain in 2024.

NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 8,394	\$ 13,965
Student Accounts Receivable, Net	2,326	2,374
Grants and Other Receivables	1,439	1,993
Contributions Receivable (Without Donor Restrictions)	33	335
Quasi Endowment (Exclusive of Land)	5,756	679
Spending Policy on Endowment	4,823	4,165
Total Assets	<u>22,771</u>	<u>23,511</u>
Liquidity Resources:		
Line of Credit (Undrawn)	6,280	14,780
Total Resources Available Within One Year	<u>\$ 29,051</u>	<u>\$ 38,291</u>

RIDER UNIVERSITY
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NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The University regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition, the University invests cash in excess of monthly requirements in short-term working capital investments. Endowment funds appropriated for spending are distributed to the appropriate department or program budgets for spending in accordance with donor restrictions, if any, at the beginning of the fiscal year. However, cash withdrawals from the endowment are available for general liquidity purposes and are timed to coincide with low points in the normal cash cycle of the University. Additionally, the University has a \$15,000 revolving line of credit agreement in place to help manage unanticipated liquidity needs (see Note 8 for disclosures regarding the revolving line of credit). As of June 30, 2023, the University has a \$8,500 balance on the line of credit and \$220 was carved out as a letter of credit for the University's self-insured workers' compensation insurance. Lastly, the University has board-designated quasi endowment funds. If necessary, the University could make these funds available to cover liquidity needs.

NOTE 13 COMMITMENTS AND CONTINGENCIES

The University receives support from federal and state of New Jersey grant programs, primarily student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. As of June 30, 2023, the University believes it has complied with the terms of the grant agreements and applicable regulations in all material respects.

The University is party to various legal actions and other claims in the normal course of business, and it is the opinion of management that the outcome thereof will not have a material effect on its financial position.

NOTE 14 RELATED PARTIES

The University's board of trustees includes representatives from both private and public sector industries. The University received gifts from the members of the board of trustees during 2023 and 2022.

RIDER UNIVERSITY
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NOTE 15 MANAGEMENT PLANS

In fiscal years 2023 and 2022, the University experienced significant losses as well as negative cash flows from operating activities, largely driven by declines in undergraduate enrollment and expiration of Federal COVID relief funding. These recurring financial results, as well as the industry-wide and regional trends in declining undergraduate enrollment raised substantial doubt about the University's ability to continue as a going concern within one year after the date that the financial statements were available to be issued.

The Board of Trustees has approved an operating budget for fiscal 2024 which includes an increase in new student enrollment as compared to fiscal years 2023 and 2022, as well as increased auxiliary revenue. A voluntary faculty retirement program, in combination with reductions in force, along with reduced operating expenditures are included in the approved budget. In addition, management has also implemented a multi-year path forward plan to address enrollment-driven revenue declines and improve availability of cash. As outlined in Note 12, the University has \$29,051 available for general expenditures. Management projects that all cash needs will be met throughout calendar year 2024. As a result, the doubts about the University's ability to continue as a going concern were alleviated at December 21, 2023.