KPMG

FASHION INSTITUTE OF TECHNOLOGY

Basic Financial Statements,
Management’s Discussion and Analysis,
Required Supplementary Information,
and Supplementary Schedules

June 30, 2024 and 2023

(With Independent Auditors’ Report Thereon)

FASHION INSTITUTE OF TECHNOLOGY

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KPMG LLP
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Independent Auditors' Report

The Board of Trustees
Fashion Institute of Technology:

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Fashion Institute of Technology (FIT), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise FIT's basic financial statements for the years then ended, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of FIT, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 FIT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 FIT'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 FIT'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.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of changes in the college's total OPEB liability and related ratios, schedule of the college's proportionate share of the net pension liability – New York State Teachers' Retirement System, and schedule of employer contributions – New York State Teachers' Retirement System, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise FIT's basic financial statements. The schedule of reconciliation of the college's revenues, expenses, and other changes to the audited financial statements, schedule of state operating aid, and schedule of state-aidable FTE tuition reconciliation for the year ended June 30, 2024 are presented for purposes of additional analysis and are not a required part of the 2024 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statements or to the 2024 basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the 2024 basic financial statements as a whole.

KPMG LLP

New York, New York
December 17, 2024

Introduction

Fashion Institute of Technology (the College or FIT) is a community college under the State University of New York (SUNY) and is sponsored by the Department of Education of the City of New York.

The College is a specialized college of art and design, business, and technology devoted to preparing men and women for careers in fashion, design, and its related professions and industries, and also providing leadership preparation and a full range of liberal arts courses, as well as counseling and placement services, extracurricular activities, and access to the cultural life of New York City. The College has four academic schools: Art and Design; Business and Technology; Liberal Arts; and Graduate Studies. The College occupies five buildings located on a two-block square campus bounded by 7th and 8th Avenues and West 26th to 28th Streets in the Borough of Manhattan.

Founded in 1944 as the answer to the recognized needs of the fashion industry for professionally prepared people, the College is a unique institution. In 1951, the College became one of the first community colleges under SUNY empowered to grant the Associate in Applied Science degree. In 1975, an amendment to the education law of New York State was approved, permitting the College to confer Bachelor of Fine Arts and Bachelor of Science degrees. Four years later, another amendment was approved authorizing the granting of master's degrees. The College receives its principal support from New York State and New York City appropriations and grants as well as from tuition revenue.

The College is a fully accredited member of the Middle States Association of Colleges and Secondary Schools, the National Association of Schools of Arts and Design, and the Council for Interior Design Accreditation. In addition, the Museum at FIT (MFIT), a department of the College, received the highest national recognition for a museum – accreditation from the American Alliance of Museums (AAM). Accreditation, which is awarded to only 6% of America's museums, signifies the highest level of excellence. The AAM accrediting commission found MFIT not only to have "one of the most important collections of its type" but also to meet "national standards and best practices for a U.S. museum." It also found FIT "to be a good steward of its resources held in the public trust and committed to a philosophy of continual institutional growth."

The following discussion and analysis of the financial performance and activity of the College is intended to provide an introduction to, and understanding of, the basic financial statements as of and for the years ended June 30, 2024 and 2023 with comparative information for the year ended June 30, 2022. This section has been prepared by the management of the College and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The basic financial statements include three financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) accounting principles.

- Statements of net position – The statements of net position provide information about the nature and amounts of investments in resources (assets and deferred outflows of resources) and the obligations to the College's creditors (liabilities and deferred inflows of resources), with the difference between the two reported as net position.
- Statements of revenues, expenses, and changes in net position (SRECNP) – SRECNP report how the College's net position changed during the year. The statement accounts for all of the year's revenues and

expenses (operating and nonoperating), measures the financial results of the College's operations for the year, and can be used to determine how the College has funded its costs.

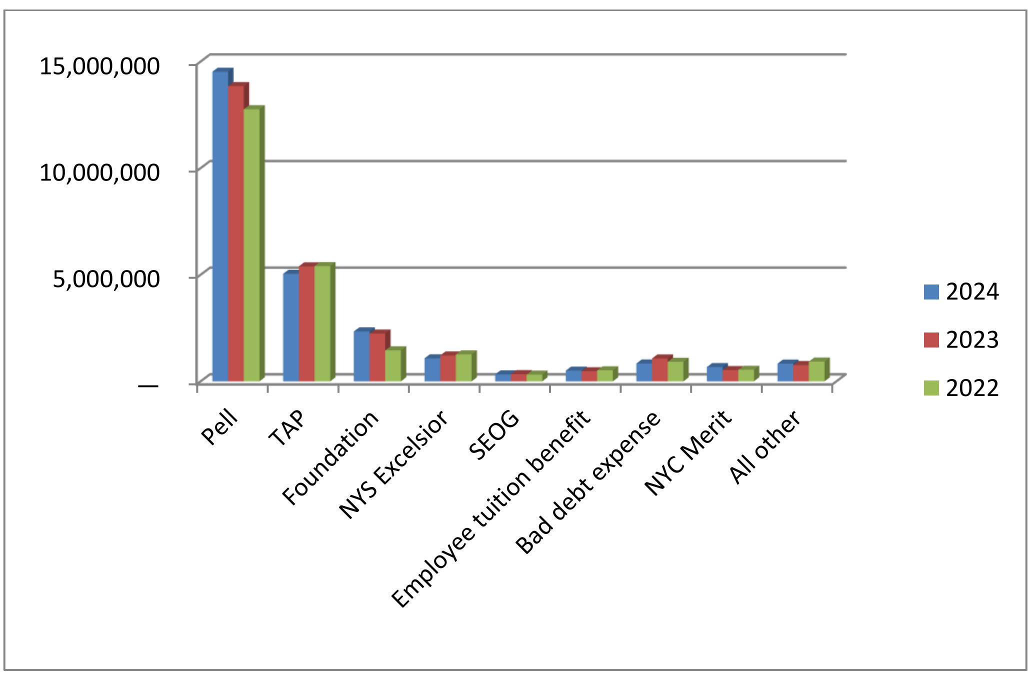
- Statements of cash flows – The statements of cash flows provide information about the College's cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operating activities, investing activities, and capital and noncapital related financing activities.

Highlights Regarding the Financial Statements

- Assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses are presented for the College and each of its component units, FIT Student Housing Corporation (Student Housing) and the Fashion Institute of Technology Foundation (Foundation). The following discussion only focuses on the accounts and transactions of the College.

Assets and liabilities are categorized as either current or noncurrent; revenues and expenses are categorized as either operating or nonoperating. GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an Amendment of GASB Statement No. 34*, requires that public appropriations, gifts, and investment income be presented as nonoperating revenue. As a result, public institutions will normally show an operating deficit.

Student tuition and fee revenue is shown net of scholarship expense, employee tuition benefit expense, and bad debt expense, with the appropriate functional expenses reduced by the same amounts. Stipends and other direct payments to students are presented as student aid expense. In fiscal years 2024, 2023, and 2022, tuition and fee revenue was reduced by the following amounts represented in the graph and chart below:



	2024	2023	2022
Pell	$ 14,522,018	13,845,233	12,761,514
NYS Tuition Assistance Program (TAP)	5,044,710	5,390,645	5,402,393
Foundation	2,341,220	2,239,725	1,454,052
NYS Excelsior	1,081,753	1,215,020	1,266,059
Federal Supplemental Educational Opportunity Grant (SEOG)	325,803	336,303	315,967
Employee tuition benefit	503,915	471,783	517,384
Bad debt expense	839,852	1,075,192	917,107
NYC Merit	671,500	528,800	543,200
All other	832,103	763,789	926,064
	$ 26,162,874	25,866,490	24,103,740

In the SRECNP, the costs of acquiring and improving capital assets, such as land, buildings, and equipment, are not shown, and depreciation is presented as an operating expense. The following schedule compares capital expenditures, depreciation and amortization expense for fiscal years 2024, 2023, and 2022 (note 6 – Capital Assets, Net).

	2024	2023	2022
Paid from operating funds:			
Construction in progress	$ 7,426,703	7,712,496	6,577,251
Building improvements	6,110,233	1,380,808	616,062
Equipment	3,309,015	4,915,289	750,206
Library materials	114,848	95,492	64,016
Leasehold improvements	—	91,429	—
Right-to-use lease assets and SBITA assets	62,614	52,546	—
Total additions	$ 17,023,413	14,248,060	8,007,535
Depreciation expense	$ 21,614,395	20,524,489	20,558,806

- Principal payments on the College's long-term debt are not presented in the SRECNP. In 2024, there were no debt principal or debt payments on Dormitory Authority of the State of New York (DASNY) bonds. In 2023 and 2022, total debt payments on DASNY bonds included interest expense of $11,781, and $89,719, respectively, and principal payments of $676,500, and $635,000 were made in 2023, and 2022, respectively. All principal and interest payments are funded entirely by New York State and New York City appropriations (note 7 – Bonds Payable).

Reporting on Retiree Health Benefits Expense and Liability

The College recognizes its total other postemployment benefits (OPEB) liability in accordance with GASB Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB No. 75). GASB No. 75 establishes standards for recognizing and measuring liabilities, deferred inflows (outflows) of resources, if applicable, note disclosures, and required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. For defined benefit OPEB, GASB No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

GASB No. 75 does not require that the unfunded liability actually be funded, but requires only that the College account for the unfunded accrued liability. In fact, New York State legislative action would be required to permit the College to establish a trust to fund this liability. The financial statements at June 30, 2024 and 2023 include a liability in the amount of approximately $76.2 million and $77.2 million, respectively, which represents the College's unfunded liability. In fiscal years 2024, 2023 and 2022, the College recognized OPEB expense of $(0.64 million), $(0.10 million), and $4.8 million, respectively. Actual OPEB contributions in each of the fiscal years 2024, 2023 and 2022 were $2.5 million, $2.2 million, and $2.7 million, respectively.

See note 12 – Postretirement Health Benefits for additional information.

Reporting on the New York State Teachers' Retirement System Pension

During 2015, the College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB No. 68). For the New York State Teachers' Retirement System (TRS or the System) pension plan the College participates in, GASB No. 68 requires that the College's proportionate share of the System's net pension (liability) asset be reflected in the reported amounts on the statement of net position, as well as deferred inflows and outflows of resources from pension activities. As a result, the College has recorded a participating proportion of the net pension (liability) asset of TRS.

Concurrently with the implementation of GASB No. 68, the College implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB No. 71). This Statement addresses an issue in GASB No. 68 concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of GASB No. 68 by employers and nonemployer contributing entities.

At June 30, 2024, 2023, and 2022 the College's net pension (liability) asset was $(1.5 million), $(2.0 million), and $20.3 million, respectively, which represents its proportionate share of the TRS net pension (liability) asset. The College's proportionate share of the net pension (liability) asset was based on the ratio of the College's actuarially determined employer contribution to the total TRS actuarially determined employer contribution. The net pension liability reported at June 30, 2024 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022 with update procedures used to roll forward the net pension liability to June 30, 2023.

The proportionate share of the net pension (liability) asset was approximately 0.13%, 0.10%, and 0.12% measured at June 30, 2023, 2022, and 2021 respectively.

See note 11 – Employee Pension Benefit Plans.

Statements of Net Position

The statements of net position present the financial position of the College at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources). Assets and liabilities are classified as current and noncurrent.

Current assets include: unrestricted cash and cash equivalents; investments that mature within a year; receivables and pledges due within a year; inventories; and other short-term assets, such as prepaid expenses and security deposits. Noncurrent assets include: deposits with bond trustees; restricted and long-term investments; capital assets; net of accumulated depreciation; the right-to-use lease assets; net pension assets, as applicable; and receivables and pledges deemed to be collectible in more than a year.

Deferred outflows of resources include the deferred amounts on refunding and deferred amounts relating to pensions and OPEB. Deferred outflows of resources are a consumption of net position by the College that is applicable to a future reporting period.

Current liabilities include all accrued expenses and liabilities that are payable within the next fiscal year, current portion of bonds payable, as well as unearned revenues, principally from summer programs, the current portion of lease liabilities, and student credit balances. Noncurrent liabilities are those that are due to be paid beyond the next fiscal year, including accrued vacation and sick leave, accrued retiree health benefits payable, the non-current portion of lease liabilities, net pension liabilities, as applicable, and the noncurrent portion of bonds payable.

Deferred inflows of resources include deferred amounts relating to pensions and OPEB. Deferred inflows of resources are an increase in net position by the College that is applicable to a future reporting period.

Net position consists of three categories:

- Net investment in capital assets includes the institution’s equity in property, plant, equipment, and right-to-use lease assets and Subscription Based Information Technology Arrangement assets (SBITA) net of accumulated depreciation and outstanding debt.
- Restricted net position is divided into two groups: nonexpendable and expendable. Nonexpendable net position is typically endowment type funds, which must be invested in perpetuity with only the earnings to be used as specified by the donor. Expendable restricted net position is available for expenditure for purposes as specified by the providers of the funds, including all government and private grants.
- Unrestricted net position is net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the board of trustees.

The following table presents a condensed summary comparison of the College's assets, deferred outflows of resources, liabilities , deferred inflows of resources, and net position at June 30, 2024, 2023, and 2022 in both the financial statement format and by asset and liability type:

	2024	2023	2022	2024–2023 Change	2023–2022 Change
Per financial statements:					
Assets:					
Current assets	$ 227,242,051	189,322,612	182,794,343	37,919,439	6,528,269
Noncurrent assets	157,924,607	162,505,886	188,449,093	(4,581,279)	(25,943,207)
Total assets	385,166,658	351,828,498	371,243,436	33,338,160	(19,414,938)
Deferred outflows of resources:					
Deferred amount relating to pensions	10,799,920	12,615,419	12,638,444	(1,815,499)	(23,025)
Deferred amount relating to OPEB	13,450,879	17,032,426	20,613,995	(3,581,547)	(3,581,569)
Total deferred outflows of resources	24,250,799	29,647,845	33,252,439	(5,397,046)	(3,604,594)
Liabilities:					
Current liabilities	88,725,137	72,990,950	84,519,482	15,734,187	(11,528,532)
Noncurrent liabilities	127,493,500	134,981,386	139,492,690	(7,487,886)	(4,511,304)
Total liabilities	216,218,637	207,972,336	224,012,172	8,246,301	(16,039,836)
Deferred inflows of resources:					
Deferred amounts relating to pensions	1,795,515	1,093,871	23,024,055	701,644	(21,930,184)
Deferred amounts relating to OPEB	50,504,165	56,228,946	63,932,537	(5,724,781)	(7,703,591)
Total deferred inflows of resources	52,299,680	57,322,817	86,956,592	(5,023,137)	(29,633,775)
Net position:					
Net investment in capital assets	108,335,432	106,216,754	103,422,416	2,118,678	2,794,338
Restricted – expendable	27,808,000	34,746,951	33,043,613	(6,938,951)	1,703,338
Unrestricted	4,755,708	(24,782,515)	(42,938,918)	29,538,223	18,156,403
Total net position	$ 140,899,140	116,181,190	93,527,111	24,717,950	22,654,079
By total asset and liability type:					
Assets:					
Cash and investments	$ 187,780,069	175,807,746	140,350,933	11,972,323	35,456,813
Receivables	43,258,770	19,311,804	46,874,593	23,946,966	(27,562,789)
Due from affiliated organizations	8,896,553	7,802,623	7,751,381	1,093,930	51,242
Restricted deposits	—	—	19,059	—	(19,059)
Prepaid expenses and other	2,638,343	1,722,420	2,464,540	915,923	(742,120)
Net pension asset	—	—	20,322,596	—	(20,322,596)
Capital assets including right-to-use lease assets and SBITA assets, net	142,592,923	147,183,905	153,460,334	(4,590,982)	(6,276,429)
Total assets	$ 385,166,658	351,828,498	371,243,436	33,338,160	(19,414,938)

	2024	2023	2022	2024–2023 Change	2023–2022 Change
Liabilities:					
Accounts and interest payable, accrued expenses, and due to affiliated organizations	$ 25,648,819	20,908,795	44,924,951	4,740,024	(24,016,156)
Due to pooled cash	52,139,409	41,439,202	28,016,738	10,700,207	13,422,464
Unearned revenue and student credits	3,521,030	3,651,661	4,347,775	(130,631)	(696,114)
Accrued vacation and sick leave	21,244,176	19,843,735	19,569,876	1,400,441	273,859
Total OPEB liability	76,216,890	77,184,826	75,376,030	(967,936)	1,808,796
Net pension liability	1,462,716	2,010,749	—	(548,033)	2,010,749
Lease and SBITA liability	35,985,597	42,933,368	49,467,865	(6,947,771)	(6,534,497)
Bonds payable	—	—	2,308,937	—	(2,308,937)
Total liabilities	$ 216,218,637	207,972,336	224,012,172	8,246,301	(16,039,836)

Cash and investments increased $12 million or 7% at June 30, 2024 as compared to June 30, 2023 and increased $35.5 million or 25% at June 30, 2023 as compared to June 30, 2022. The increase in fiscal year 2024 was primarily related to $5.5 million increase in short term investments attributed to interest earnings. The increase in fiscal year 2023 was related to $23.6 million payments received for prior year appropriation accounts receivables.

Receivables increased $23.9 million or 124% at June 30, 2024 as compared to June 30, 2023, and decreased $27.6 million or 59% at June 30, 2023 as compared to June 30, 2022. The fiscal year 2024 increase was primarily due a $19.6 million due from New York City related for operating appropriations. The fiscal year 2023 decrease was primarily due a $23.6 million of collections in operating appropriation receivable from New York City related to retroactive salary increases. This was offset by $16.1 million in collections the federal receivables related to the Higher Education Emergency Relief Fund (HEERF).

Capital assets including right-to-use lease assets and SBITA assets, net decreased $4.6 million or 3% at June 30, 2024 as compared to June 30, 2023, and decreased $6.3 million or 4% at June 30, 2023 as compared to June 30, 2022. The fiscal year 2024 decrease was primarily due to capital additions of $17.0 million offset by current year depreciation and amortization, of $21.6 million. The fiscal year 2023 decrease was primarily due to capital additions of $14.2 million offset by current year depreciation and amortization, of $20.2 million.

Deferred outflows of resources decreased by $5.4 million or 18% at June 30, 2024 as compared to June 30, 2023, and decreased by $3.6 million or 11% at June 30, 2023 as compared to June 30, 2022. The decrease in fiscal year 2024 and 2023 was primarily due to changes in actuarial assumptions related to pension and OPEB amounts.

Accounts payable and accrued expenses increased $4.7 million or 23% at June 30, 2024 as compared to June 30, 2023 and decreased $24 million or 53% at June 30, 2023 as compared to June 30, 2022. The fiscal year 2024 increases were primarily related $7.5 million year end increases in accounts payable and accrued expenses which was partially offset by a $2.2 million reduction in retirement benefits payable. The fiscal year 2023 decreases were primarily related the $23.6 million payment of retroactive salaries and benefit expenses incurred in 2022 as part of the collective bargaining agreement.

Due to pooled cash increased $10.7 million or 26% at June 30, 2024 as compared to June 30, 2023, and increased $13.4 million or 48% at June 30, 2023 as compared to June 30, 2022. The College utilizes a pooled cash model for handling the cash management of the College and Student Housing. Under the pooled cash model, all cash receipts and payments are centralized in the College's operating bank accounts; cash in excess of immediate needs is maintained as pooled short-term investments in the College's name. The College's accounting system continually tracks Student Housing's "claim on cash" as an automatic offset to each accounting transaction. At fiscal year-end, the Student Housing's "claim on cash" is listed as an asset if it is positive or as a liability if it is negative. The fiscal year 2024 increase was primarily related to a 3% increase rental rates along with a 1% increase in occupancy in the dorms. The fiscal year 2023 increase was primarily related to a 6% increase occupancy in the dorms due as the campus completely resumed operations during the fiscal year.

The total OPEB liability decreased $1.0 million or 1% at June 30, 2024 as compared to June 30, 2023, and increased $1.8 million or 2% at June 30, 2023 as compared to June 30, 2022. The increases in fiscal year 2024 and 2023 was primarily due to changes in actuarial assumptions.

Lease & SBITA liabilities decreased $6.9 million or 16% at June 30, 2024 as compared to June 30, 2023, and decreased $6.5 million or 13% at June 30, 2023 as compared to June 30, 2022. The changes are due to $6.5 million in payments of lease & SBITA principal.

Bonds payable decreased $2.3 million or 100% at June 30, 2023 as compared to June 30, 2022. The decrease in 2023 was due to the amortization of the bond discount and principal payments as well as a $1.4 million defeasance of the remaining bonds.

Deferred inflows of resources decreased by $5 million or 9% at June 30, 2024 as compared to June 30, 2023, and decreased by $29.6 million or 34% at June 30, 2023 as compared to June 30, 2022. The decrease in fiscal year 2024 and the increase in fiscal year 2023 was primarily due to changes in actuarial assumptions.

Statements of Revenues, Expenses, and Changes in Net Position

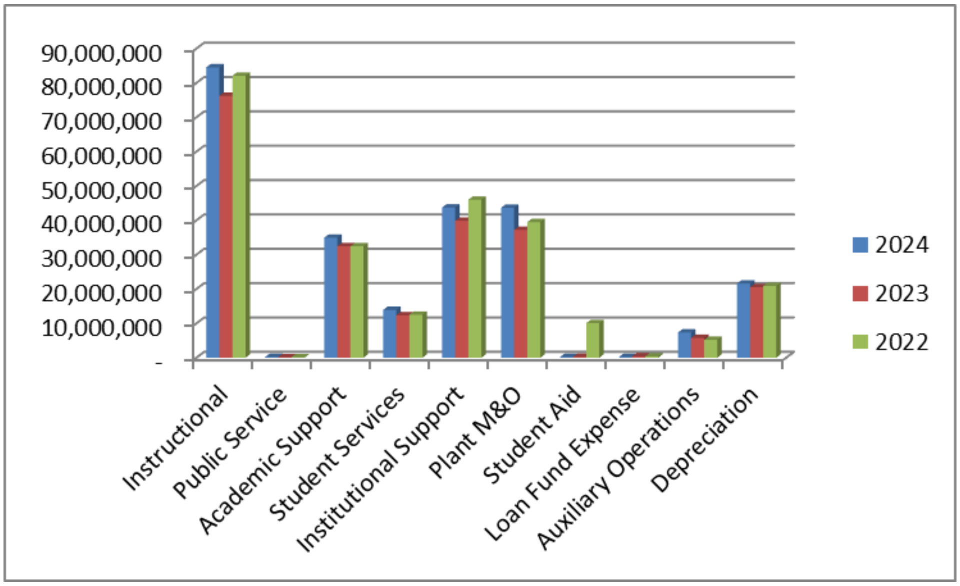
The SRECNP presents the revenues earned and the expenses incurred during the fiscal year. Activities are classified as either operating or nonoperating. Revenues received and expenses incurred as a result of providing goods and services to the College's students are considered operating. Nonoperating revenues includes all revenues received for which goods and services are not directly provided, including public appropriations and financial aid programs, gifts, and investment income. Nonoperating expenses are primarily related to debt service expense and amortization. These recurring operating deficits ($154 million in 2024, $136 million in 2023, and $162 million in 2022) demonstrate the College's dependency on public appropriations.

A condensed summary comparison of the College's revenues, expenses, and changes in net position for fiscal years 2024, 2023, and 2022 is presented in the charts and graphs on the following pages.

	2024	2023	2022	2024–2023 Change	2023–2022 Change
Tuition and fees, net	$ 77,572,692	76,198,698	75,160,003	1,373,994	1,038,695
Restricted student fees	4,247,646	4,287,187	4,313,183	(39,541)	(25,996)
NYS grants	2,660,637	2,240,317	630,925	420,320	1,609,392
Federal grants	319,873	227,076	217,062	92,797	10,014
Local grants	658,400	658,400	696,132	—	(37,732)
Foundation support	3,373,383	2,319,985	1,692,178	1,053,398	627,807
Other earned revenue	6,654,105	3,479,114	4,489,091	3,174,991	(1,009,977)
Total operating revenue	$ 95,486,736	89,410,777	87,198,574	6,075,959	2,212,203

	2024	2023	2022	2024–2023 Change	2023–2022 Change
Instructional	$ 84,541,856	76,238,984	82,104,013	8,302,872	(5,865,029)
Public service	226,661	159,165	142,634	67,496	16,531
Academic support	34,945,461	32,475,373	32,452,111	2,470,088	23,262
Student services	13,935,350	12,362,611	12,522,878	1,572,739	(160,267)
Institutional support	43,754,364	39,874,384	45,989,835	3,879,980	(6,115,451)
Plant management and operations	43,645,564	37,219,327	39,491,639	6,426,237	(2,272,312)
Student aid	235,949	276,384	10,072,135	(40,435)	(9,795,751)
Loan fund expense	225,323	410,432	401,855	(185,109)	8,577
Auxiliary operations	7,358,616	5,768,903	5,221,244	1,589,713	547,659
Depreciation	21,614,395	20,524,489	20,906,498	1,089,906	(382,009)
Total operating expenses	$ 250,483,539	225,310,052	249,304,842	25,173,487	(23,994,790)
Operating loss	$ (154,996,803)	(135,899,275)	(162,106,268)	(19,097,528)	26,206,993
Nonoperating revenues (expenses):					
Operating and financial aid appropriations	165,228,495	146,700,174	159,554,363	18,528,321	(12,854,189)
Interest and investment income	5,045,414	2,821,421	217,117	2,223,993	2,604,304
Lease interest expense	(1,220,795)	(1,432,659)	(1,604,998)	211,864	172,339
Debt expense	—	210,099	(15,241)	(210,099)	225,340
Nonoperating results	169,053,114	148,299,035	158,151,241	20,754,079	(9,852,206)
Other revenue:					
Capital appropriations, grants, and gifts	10,661,639	10,254,319	17,276,837	407,320	(7,022,518)
Change in net position	24,717,950	22,654,079	13,321,810	$ 2,063,871	9,332,269
Net position, beginning of year	116,181,190	93,527,111	80,205,301		
Net position, end of year	$ 140,899,140	116,181,190	93,527,111		

(Continued)

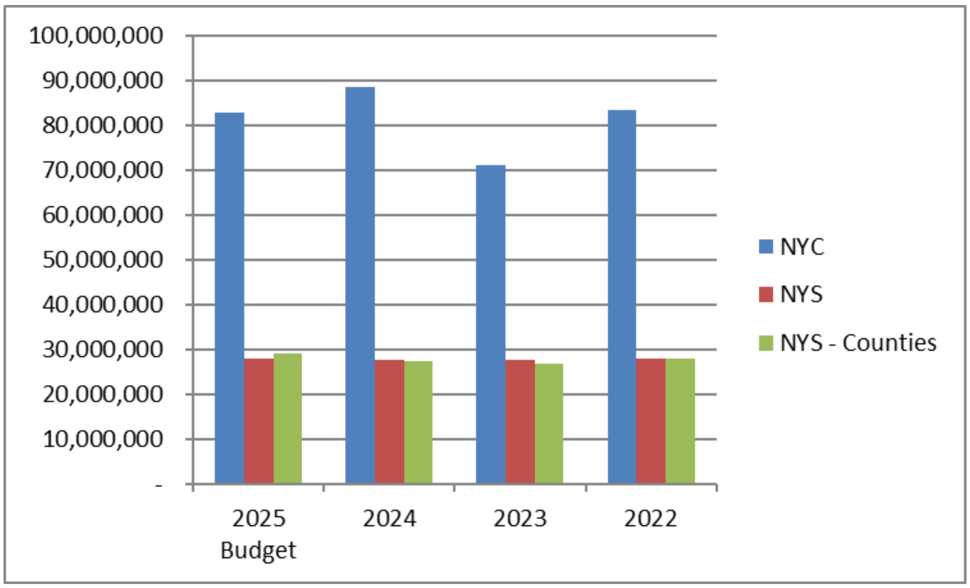


In fiscal year 2024, total operating revenues increased by $6.1 million or 7%, primarily the result of $3.2 million increase in other earned revenue due to commission revenue and a $1.4 million increase in tuition and fees. Total operating expenses increased by $25.2 million or 11%, primarily related to increased spending on instructional expenses and institutional support.

In fiscal year 2023, total operating revenues increased by $2.2 million or 3%, primarily the result of $1 million increase in tuition and fees a $1.6 million increase in NYS Grants. Total operating expenses decreased by $24 million or 9%, primarily related to the $23.6 million in salary expense due to retroactive salaries recognized in 2022. The decrease in expenses was also due to $4.4 million increase in the expense for the OPEB liability, net of deferrals.

Economic Outlook

The College received over half of its operating funds from appropriations from New York State, New York City, and the New York counties. The chart and table below compare public appropriations in fiscal years 2024, 2023, and 2022 while the table also includes the fiscal year 2025 approved budget:



		Budget 2025	2024	2023	2022
New York City	$	82,860,035	88,616,121	71,265,311	83,340,851
New York State		28,064,443	27,770,443	27,760,450	27,980,945
New York Counties		29,025,200	27,215,097	26,801,647	27,824,559
	$	139,949,678	143,601,661	125,827,408	139,146,355

In fiscal year 2024, the State of New York maintained its support for FIT to $2,997 per student. New York City, the College's local sponsor, funds the collective bargaining agreement between the College and the United College of Employees (UCE) of FIT. The collective bargaining agreement covers a five year period from January 2022 through January 2027. The College awards scholarships through the New York State the Excelsior Scholarship Program which provides tuition-free college at New York's public colleges and universities to families making up to $125,000 a year phased in over three years. In fiscal year 2024, 2023, and 2022 the NYS Excelsior scholarship awards totaled $1.1 million, $1.2 million, and $1.3 million, respectively.

Enrollment at the College increased to 7,893 full-time equivalent students in fiscal year 2024 as compared to 7,872 students in fiscal year 2023. Enrollment at the College increased to 7,872 full-time equivalent students in fiscal year 2023 as compared to 7,872 students in fiscal year 2022. At the end of fiscal year 2015, the College learned that New York City had agreed to fund $74 million for a 100,000 square-foot new academic building; this will match funding of $74 million, which had been promised by New York State. In fiscal year 2017, New York City agreed to fund an additional $16.9 million for the new academic building. The College broke ground in the Spring 2021 and anticipates completing the building by Spring 2025.

In fiscal 2022, after an extended closure in response to the COVID-19 pandemic, the College re-opened the campus and resumed normal operations, which included domestic business travel, international travel, study abroad programs, and in person events. The College resumed in person teaching, there was a 68% increase in occupancy in the dorms. This increase was offset by a 2% decrease in enrollment. In fiscal year 2023 occupancy in the dorms has increased to 84%, which was 11% higher than last fiscal year, and enrollment at the College has increased by 1%. In fiscal year 2024 occupancy in the dorms has increased to 85%, which was 1% higher than last fiscal year.

Contacting the College's Management

This financial report is designed to provide a general overview of the College's finances and to demonstrate the College's accountability for the resources at its disposal. If you have any questions about this report, need additional financial information, or would like to request copies of the financial statements for any of the component units, please contact: The Office of the Controller, The Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

FASHION INSTITUTE OF TECHNOLOGY

Statement of Net Position

June 30, 2024

Assets and Deferred Outflows of Resources	College	Component units: Student Housing	Component units: Foundation	Total
Current assets:				
Cash and cash equivalents (note 3)	$ 27,853,532	32,874	6,475,618	34,362,024
Share of pooled cash	—	52,139,409	—	52,139,409
Short-term investments (note 3)	132,815,045	—	3,927,538	136,742,583
Restricted short-term investments (notes 3 and 10)	19,360,046	7,863,487	—	27,223,533
Student accounts receivable (net of allowance of $3,559,213)	1,546,350	—	—	1,546,350
Accounts receivable – other	1,026,110	—	1,845,872	2,871,982
Restricted loans receivable – current portion (net of allowance of $18,726)	18,726	—	—	18,726
Appropriations and grants receivable, net (note 4)	40,561,469	—	—	40,561,469
Due from affiliated organizations (note 5)	1,422,430	—	—	1,422,430
Prepaid bond insurance and other assets	2,638,343	200,777	52,854	2,891,974
Total current assets	227,242,051	60,236,547	12,301,882	299,780,480
Noncurrent assets:				
Restricted investments (note 3)	7,751,446	—	—	7,751,446
Restricted deposits with bond trustee (note 10)	—	11,136,742	—	11,136,742
Interest in remainder trusts	—	—	471,112	471,112
Restricted long-term investments (note 1(v))	—	—	62,465,652	62,465,652
Restricted loans receivable – noncurrent portion (net of allowance of $106,115)	106,115	—	—	106,115
Due from affiliated organizations (note 5)	—	—	—	—
Prepaid bond expense	7,474,123	1,146,037	—	8,620,160
Capital assets including right-to-use lease assets and SBITA assets, net (notes 6 and 13)	142,592,923	98,005,544	—	240,598,467
Total noncurrent assets	157,924,607	110,288,323	62,936,764	331,149,694
Total assets	385,166,658	170,524,870	75,238,646	630,930,174
Deferred outflows of resources:				
Deferred amount on refunding	—	3,731,468	—	3,731,468
Deferred amounts relating to pensions (note 11)	10,799,920	—	—	10,799,920
Deferred amounts relating to OPEB (note 12)	13,450,879	211,417	—	13,662,296
Total deferred outflows of resources	$ 24,250,799	3,942,885	—	28,193,684

FASHION INSTITUTE OF TECHNOLOGY

Statement of Net Position

June 30, 2024

Liabilities, Deferred Inflows of Resources, and Net Position		College	Component units: Student Housing	Component units: Foundation	Total
Current liabilities:					
Accounts payable and accrued expenses (note 8)	$	25,556,608	2,993,362	295,721	28,845,691
Accrued vacation and sick leave		290,658	—	—	290,658
Interest payable		92,211	2,520,718	—	2,612,929
Due to pooled cash		52,139,409	—	—	52,139,409
Due to affiliated organizations (note 5)		—	—	1,422,430	1,422,430
Bonds payable – current portion (note 7)		—	5,515,000	—	5,515,000
Lease and SBITA liability – current portion (note 13)		7,125,221	—	—	7,125,221
Unearned revenue and student credits		3,521,030	574,734	328,500	4,424,264
Total current liabilities		88,725,137	11,603,814	2,046,651	102,375,602
Noncurrent liabilities (note 9):					
Accrued vacation and sick leave		20,953,518	173,800	79,620	21,206,938
Total OPEB liability (note 12)		76,216,890	434,234	383,673	77,034,797
Due to affiliated organizations (note 5)		—	7,474,123	—	7,474,123
Net pension liability (note 11)		1,462,716	—	—	1,462,716
Lease and SBITA liability – noncurrent portion (note 13)		28,860,376	—	—	28,860,376
Bonds payable – noncurrent portion (note 7)		—	110,938,957	—	110,938,957
Total noncurrent liabilities		127,493,500	119,021,114	463,293	246,977,907
Total liabilities		216,218,637	130,624,928	2,509,944	349,353,509
Deferred inflows of resources:					
Deferred amounts relating to pensions (note 11)		1,795,515	—	—	1,795,515
Deferred amounts relating to OPEB (note 12)		50,504,165	1,297,719	—	51,801,884
Total deferred inflows of resources		52,299,680	1,297,719	—	53,597,399
Net position:					
Net investment in capital assets		108,335,432	(9,908,140)	—	98,427,292
Restricted – nonexpendable:					
Scholarships and awards		—	—	30,458,457	30,458,457
Departmental programs		—	—	7,361,294	7,361,294
Dorm subsidy		—	—	529,692	529,692
Total restricted – nonexpendable		—	—	38,349,443	38,349,443
Restricted – expendable:					
General education		18,612,776	—	9,265,499	27,878,275
Loan funds		264,386	—	—	264,386
Capital projects		7,751,446	—	—	7,751,446
Debt service		—	—	4,847,389	4,847,389
Interest in remainder trusts		—	5,342,770	—	5,342,770
Endowment appreciation not appropriated for expenditure (note 2(v))		—	—	471,112	471,112
Scholarships and financial aid		747,270	—	17,465,270	18,212,540
Other		7,973,811	—	—	7,973,811
Total restricted – expendable		35,349,689	5,342,770	32,049,270	72,741,729
Unrestricted		(2,785,981)	47,110,478	2,329,989	46,654,486
Total net position	$	140,899,140	42,545,108	72,728,702	256,172,950

See accompanying notes to basic financial statements.

FASHION INSTITUTE OF TECHNOLOGY

Statement of Net Position

June 30, 2023

Assets and Deferred Outflows of Resources	College	Component units: Student Housing	Component units: Foundation	Total
Current assets:				
Cash and cash equivalents (note 3)	$ 21,352,891	14,789	6,154,637	27,522,317
Share of pooled cash	—	41,439,202	—	41,439,202
Short-term investments (note 3)	131,273,145	—	3,793,163	135,066,308
Restricted short-term investments (notes 3 and 10)	15,535,614	432,591	—	15,968,205
Student accounts receivable (net of allowance of $3,925,763)	1,343,473	—	—	1,343,473
Accounts receivable – other	1,019,121	57,970	2,638,046	3,715,137
Restricted loans receivable – current portion (net of allowance of $35,606)	35,605	—	—	35,605
Appropriations and grants receivable, net (note 4)	16,711,843	—	—	16,711,843
Due from affiliated organizations (note 5)	328,500	2,476	5,400	336,376
Prepaid bond insurance and other assets	1,722,420	189,341	38,065	1,949,826
Total current assets	189,322,612	42,136,369	12,629,311	244,088,292
Noncurrent assets:				
Restricted investments (note 3)	7,646,096	—	—	7,646,096
Restricted deposits with bond trustee (note 10)	—	20,842,976	—	20,842,976
Interest in remainder trusts	—	—	387,992	387,992
Restricted long-term investments (note 1(v))	—	—	55,978,766	55,978,766
Restricted loans receivable – noncurrent portion (net of allowance of $201,766)	201,762	—	—	201,762
Due from affiliated organizations (note 5)	7,474,123	—	—	7,474,123
Prepaid bond expense	—	1,233,598	—	1,233,598
Capital assets including right-to-use lease assets and SBITA assets, net (notes 6 and 13)	147,183,905	102,673,265	—	249,857,170
Total noncurrent assets	162,505,886	124,749,839	56,366,758	343,622,483
Total assets	351,828,498	166,886,208	68,996,069	587,710,775
Deferred outflows of resources:				
Deferred amount on refunding	—	4,104,614	—	4,104,614
Deferred amounts relating to pensions (note 11)	12,615,419	—	—	12,615,419
Deferred amounts relating to OPEB (note 12)	17,032,426	226,868	—	17,259,294
Total deferred outflows of resources	$ 29,647,845	4,331,482	—	33,979,327

(Continued)

FASHION INSTITUTE OF TECHNOLOGY

Statement of Net Position

June 30, 2023

Liabilities, Deferred Inflows of Resources, and Net Position		College	Component units: Student Housing	Component units: Foundation	Total
Current liabilities:					
Accounts payable and accrued expenses (note 8)	$	20,793,360	1,202,088	200,869	22,196,317
Interest payable		110,035	2,658,136	—	2,768,171
Due to pooled cash		41,439,202	—	—	41,439,202
Due to affiliated organizations (note 5)		5,400	—	330,976	336,376
Bonds payable – current portion (note 7)		—	5,235,000	—	5,235,000
Lease and SBITA liability – current portion (note 13)		6,991,292	—	—	6,991,292
Unearned revenue and student credits		3,651,661	886,012	434,000	4,971,673
Total current liabilities		72,990,950	9,981,236	965,845	83,938,031
Noncurrent liabilities (note 9):					
Accrued vacation and sick leave		19,843,735	148,359	78,187	20,070,281
Total OPEB liability (note 12)		77,184,826	418,971	274,995	77,878,792
Due to affiliated organizations (note 5)		—	7,474,123	—	7,474,123
Net pension liability (note 11)		2,010,749	—	—	2,010,749
Lease and SBITA liability – noncurrent portion (note 13)		35,942,076	—	—	35,942,076
Bonds payable – noncurrent portion (note 7)		—	116,999,853	—	116,999,853
Total noncurrent liabilities		134,981,386	125,041,306	353,182	260,375,874
Total liabilities		207,972,336	135,022,542	1,319,027	344,313,905
Deferred inflows of resources:					
Deferred amounts relating to pensions (note 11)		1,093,871	—	—	1,093,871
Deferred amounts relating to OPEB (note 12)		56,228,946	1,315,275	—	57,544,221
Total deferred inflows of resources		57,322,817	1,315,275	—	58,638,092
Net position:					
Net investment in capital assets		106,216,754	(10,489,507)	—	95,727,247
Restricted – nonexpendable:					
Scholarships and awards		—	—	29,771,099	29,771,099
Departmental programs		—	—	7,342,297	7,342,297
Dorm subsidy		—	—	529,692	529,692
Total restricted – nonexpendable		—	—	37,643,088	37,643,088
Restricted – expendable:					
General education		14,782,485	—	9,832,757	24,615,242
Loan funds		406,829	—	—	406,829
Capital projects		7,646,096	—	5,279,709	12,925,805
Debt service		—	7,338,775	—	7,338,775
Interest in remainder trusts		—	—	387,992	387,992
Endowment appreciation not appropriated for expenditure (note 2(v))		—	—	12,834,156	12,834,156
Scholarships and financial aid		753,129	—	—	753,129
Other		11,158,412	—	—	11,158,412
Total restricted – expendable		34,746,951	7,338,775	28,334,614	70,420,340
Unrestricted		(24,782,515)	38,030,605	1,699,340	14,947,430
Total net position	$	116,181,190	34,879,873	67,677,042	218,738,105

See accompanying notes to basic financial statements.

FASHION INSTITUTE OF TECHNOLOGY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2024

	College	Component units: Student Housing	Component units: Foundation	Total
Operating revenues:				
Tuition and fees	$ 103,735,566	—	—	103,735,566
Scholarships and allowances	(26,162,874)	—	—	(26,162,874)
Tuition and fees, net	77,572,692	—	—	77,572,692
Housing and meal charges	—	41,140,597	—	41,140,597
Restricted student fees	4,247,646	—	—	4,247,646
New York State grants	2,660,637	—	—	2,660,637
Federal grants	319,873	—	—	319,873
Local grants	658,400	—	—	658,400
Foundation support (note 1)	3,373,383	—	—	3,373,383
Private grants	—	—	2,924,904	2,924,904
Contributions from Fashion Institute of Technology	—	—	1,614,350	1,614,350
Other earned revenue	6,654,105	1,009,012	385,988	8,049,105
Total operating revenues	95,486,736	42,149,609	4,925,242	142,561,587
Operating expenses:				
Functional expenses:				
Instructional	84,541,856	—	—	84,541,856
Public service	226,661	—	—	226,661
Academic support	34,945,461	—	—	34,945,461
Student services	13,935,350	—	—	13,935,350
Institutional support	43,754,364	—	—	43,754,364
Plant management and operations	43,645,564	—	—	43,645,564
Student aid	235,949	—	—	235,949
Loan fund expense	225,323	—	—	225,323
Total functional expenses	221,510,528	—	—	221,510,528
Auxiliary operations:				
Dormitory operations	—	23,997,860	—	23,997,860
Student clubs and activities	1,455,743	—	—	1,455,743
Student recreation and athletics	1,248,746	—	—	1,248,746
Contributions to Fashion Institute of Technology Foundation	1,614,350	—	—	1,614,350
Student health services	3,039,777	—	—	3,039,777
Total auxiliary operations	7,358,616	23,997,860	—	31,356,476
Foundation:				
Administration and fundraising	—	—	3,091,127	3,091,127
Financial aid	—	—	2,528,891	2,528,891
Departmental programs	—	—	2,881,128	2,881,128
College subsidies	—	—	92,682	92,682
Capital programs	—	—	15,000	15,000
Total Foundation	—	—	8,608,828	8,608,828
Depreciation and amortization (note 6)	21,614,395	8,263,255	—	29,877,650
Total operating expenses	250,483,539	32,261,115	8,608,828	291,353,482
Net operating (loss) income	$ (154,996,803)	9,888,494	(3,683,586)	(148,791,895)

FASHION INSTITUTE OF TECHNOLOGY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2024

	College	Component units: Student Housing	Component units: Foundation	Total
Net operating (loss) income	$ (154,996,803)	9,888,494	(3,683,586)	(148,791,895)
Nonoperating revenues (expenses):				
Operating appropriations (note 2):				
New York City	88,616,121	—	—	88,616,121
New York State	27,770,443	—	—	27,770,443
New York State counties	27,215,097	—	—	27,215,097
Total operating appropriations	143,601,661	—	—	143,601,661
Financial aid appropriations:				
Federal	15,100,942	—	—	15,100,942
New York State	6,525,892	—	—	6,525,892
Total financial aid appropriations	21,626,834	—	—	21,626,834
Gifts and fundraising, net	—	—	505,749	505,749
Interest and investment income	5,045,414	2,807,915	7,406,931	15,260,260
Debt expense:				
Interest on long-term debt	—	5,041,417	—	5,041,417
Interest on lease and SBITA	1,220,795	—	—	1,220,795
Interest on loan from College	—	74,946	—	74,946
Amortization of bond issuance costs	—	(85,189)	—	(85,189)
Total debt expense	1,220,795	5,031,174	—	6,251,969
Total nonoperating revenue (expenses), net	169,053,114	(2,223,259)	7,912,680	174,742,535
Additions to endowment	—	—	822,566	822,566
Capital appropriations, grants, and gifts:				
New York State	4,536,684	—	—	4,536,684
New York City	4,617,645	—	—	4,617,645
New York State counties (note 2)	420,722	—	—	420,722
Foundation	1,086,588	—	—	1,086,588
Total capital appropriations, grants, and gifts	10,661,639	—	—	10,661,639
Total endowment, transfer and capital	10,661,639	—	822,566	11,484,205
Net increase in net position	24,717,950	7,665,235	5,051,660	37,434,845
Net position:				
Beginning of year	116,181,190	34,879,873	67,677,042	218,738,105
End of year	$ 140,899,140	42,545,108	72,728,702	256,172,950

See accompanying notes to basic financial statements.

FASHION INSTITUTE OF TECHNOLOGY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

	College	Component units: Student Housing	Component units: Foundation	Total
Operating revenues:				
Tuition and fees	$ 102,065,188	—	—	102,065,188
Scholarships and allowances	(25,866,490)	—	—	(25,866,490)
Tuition and fees, net	76,198,698	—	—	76,198,698
Housing and meal charges	—	39,074,623	—	39,074,623
Restricted student fees	4,287,187	—	—	4,287,187
New York State grants	2,240,317	—	—	2,240,317
Federal grants	227,076	—	—	227,076
Local grants	658,400	—	—	658,400
Foundation support (note 1)	2,319,985	—	—	2,319,985
Private grants	—	—	2,550,194	2,550,194
Contributions from Fashion Institute of Technology	—	—	928,493	928,493
Other earned revenue	3,479,114	779,588	312,410	4,571,112
Total operating revenues	89,410,777	39,854,211	3,791,097	133,056,085
Operating expenses:				
Functional expenses:				
Instructional	76,238,984	—	—	76,238,984
Public service	159,165	—	—	159,165
Academic support	32,475,373	—	—	32,475,373
Student services	12,362,611	—	—	12,362,611
Institutional support	39,874,384	—	—	39,874,384
Plant management and operations	37,219,327	—	—	37,219,327
Student aid	276,384	—	—	276,384
Loan fund expense	410,432	—	—	410,432
Total functional expenses	199,016,660	—	—	199,016,660
Auxiliary operations:				
Dormitory operations	—	21,705,162	—	21,705,162
Student clubs and activities	1,006,825	—	—	1,006,825
Student recreation and athletics	823,608	—	—	823,608
Contributions to Fashion Institute of Technology Foundation	928,493	—	—	928,493
Student health services	3,009,977	—	—	3,009,977
Total auxiliary operations	5,768,903	21,705,162	—	27,474,065
Foundation:				
Administration and fundraising	—	—	2,501,498	2,501,498
Financial aid	—	—	2,318,985	2,318,985
Departmental programs	—	—	1,335,938	1,335,938
College subsidies	—	—	67,987	67,987
Capital programs	—	—	15,000	15,000
Total Foundation	—	—	6,239,408	6,239,408
Depreciation and amortization (note 6)	20,524,489	8,258,530	—	28,783,019
Total operating expenses	225,310,052	29,963,692	6,239,408	261,513,152
Net operating (loss) income	$ (135,899,275)	9,890,519	(2,448,311)	(128,457,067)

(Continued)

FASHION INSTITUTE OF TECHNOLOGY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended June 30, 2023

	College	Component units: Student Housing	Component units: Foundation	Total
Net operating (loss) income	$ (135,899,275)	9,890,519	(2,448,311)	(128,457,067)
Nonoperating revenues (expenses):				
Operating appropriations (note 2):				
New York City	71,265,311	—	—	71,265,311
New York State	27,760,450	—	—	27,760,450
New York State counties	26,801,647	—	—	26,801,647
Total operating appropriations	125,827,408	—	—	125,827,408
Financial aid appropriations:				
Federal	14,442,527	—	—	14,442,527
New York State	6,430,239	—	—	6,430,239
Total financial aid appropriations	20,872,766	—	—	20,872,766
Gifts and fundraising, net	—	—	378,440	378,440
Interest and investment income	2,821,421	1,402,414	4,612,402	8,836,237
Grant from the Fashion Institute of Technology	—	—	100,000	100,000
Debt expense:				
Interest on long-term debt	(210,099)	5,316,254	—	5,106,155
Interest on lease and SBITA	1,432,659	—	—	1,432,659
Interest on loan from College	—	74,741	—	74,741
Amortization of bond issuance costs	—	(85,189)	—	(85,189)
Total debt expense	1,222,560	5,305,806	—	6,528,366
Total nonoperating revenue (expenses), net	148,299,035	(3,903,392)	5,090,842	149,486,485
Additions to endowment	—	—	232,493	232,493
Capital appropriations, grants, and gifts:				
New York State	6,537,208	—	—	6,537,208
New York City	2,771,169	—	—	2,771,169
New York State counties (note 2)	456,989	—	—	456,989
Federal	473,953	—	—	473,953
Foundation	15,000	—	—	15,000
Total capital appropriations, grants, and gifts	10,254,319	—	—	10,254,319
Total endowment, transfer and capital	10,254,319	—	232,493	10,486,812
Net increase in net position	22,654,079	5,987,127	2,875,024	31,516,230
Net position:				
Beginning of year, as restated	93,527,111	28,892,746	64,802,018	187,221,875
End of year	$ 116,181,190	34,879,873	67,677,042	218,738,105

See accompanying notes to basic financial statements.

FASHION INSTITUTE OF TECHNOLOGY

Statements of Cash Flows

Years ended June 30, 2024 and 2023

	College only	
	2024	2023
Cash flow from operating activities:		
Cash received from tuition and fees	$ 111,414,858	114,559,972
Operating grants	6,086,506	1,897,566
Earned income and other	6,554,293	3,522,355
Benefit refunds and copayments	959,352	849,956
Student perkins loan received	107,010	138,676
Student smart card deposits	177,256	185,285
Payments for employee salaries	(80,145,305)	(81,762,103)
Payments for employee benefits	(92,859,818)	(96,137,861)
Payments for supplies and other	(55,180,388)	(59,474,914)
Student aid and refunds paid	(24,902,398)	(26,092,073)
Payments to department of education	(213,244)	(213,244)
Wired to international programs	(1,507,986)	(1,450,508)
Net cash used for operating activities	(129,509,864)	(143,976,893)
Cash flow from noncapital and related financing activities:		
Federal appropriations and grants	15,284,655	15,331,558
NYS appropriations	34,106,065	33,964,982
NYC appropriations	71,094,351	90,876,022
County chargebacks	27,125,458	27,773,643
Net cash provided by noncapital and related financing activities	147,610,529	167,946,205
Cash flow from capital related financing activities:		
Appropriations for debt financing	—	2,120,150
Capital grants – public	4,497,931	9,990,301
Capital grants and gifts – Foundation	15,000	15,000
Debt service and bond expense	—	(13,724)
Lease interest expense	(1,128,584)	(1,322,624)
Payments for lease and SBITA liability	(6,947,771)	(6,534,497)
Purchase of capital assets	(18,046,673)	(12,026,115)
Net cash used for capital related financing activities	(21,610,097)	(7,771,509)
Cash flow from investing activities:		
Interest income	5,045,414	2,821,421
Proceeds from sale of restricted deposits held by bond trustees	—	711,704
Purchase of deposits held by bond trustees	—	(694,678)
Purchase of short-term investments	(5,735,548)	(39,836,575)
Due to pooled cash	10,700,207	13,422,464
Net cash provided by (used for) investing activities	10,010,073	(23,575,664)
Net increase (decrease) in cash and cash equivalents	6,500,641	(7,377,861)
Cash and cash equivalents at beginning of year	21,352,891	28,730,752
Cash and cash equivalents at end of year	$ 27,853,532	21,352,891
Reconciliation of net operating loss to net cash used for operating activities:		
Net operating loss	$ (154,996,803)	(135,899,275)
Depreciation and amortization	21,614,395	20,524,489
Changes in operating assets and liabilities:		
Student accounts receivable	(202,877)	198,816
Accounts receivable – other	(6,989)	(379,447)
Loans receivable	112,526	131,345
Due from/to affiliated organizations	(1,099,330)	(109,102)
Prepaid bond insurance and other assets	(915,923)	742,120
Net pension (liability) asset, net of deferred amounts	1,969,110	426,186
Accounts payable and accrued expenses	5,857,387	(26,876,543)
Accrued vacation and sick leave	1,400,441	273,859
Total OPEB liability, net of deferred amounts	(3,111,170)	(2,313,226)
Unearned revenue and student credits	(130,631)	(696,115)
Net cash used for operating activities	$ (129,509,864)	(143,976,893)
Supplemental disclosures of cash flow:		
Cash paid for accrued construction	$ (1,094,139)	2,126,452

See accompanying notes to basic financial statements.

(1) Organization and Reporting Entity

The Fashion Institute of Technology (the College or FIT) is a community college under the State University of New York (SUNY) and is sponsored by the Department of Education of the City of New York.

The College is a specialized college of art and design, business, and technology devoted to preparing men and women for careers in fashion and its related professions and industries, and also providing leadership preparation and a full range of liberal arts courses, as well as counseling and placement services, extracurricular activities, and access to the cultural life of New York City. The College has four academic schools: Liberal Arts; Art and Design; Business and Technology; and Graduate Studies. The College occupies five buildings located on a two-block square campus bounded by 7th and 8th Avenues and West 26th to 28th Streets in the Borough of Manhattan.

Founded in 1944 as the answer to the recognized needs of the fashion industry for professionally prepared people, the College is a unique institution. In 1975, the College became one of the first community colleges under SUNY empowered to grant the Associate in Applied Science degree, Bachelor of Science, and Bachelor of Fine Arts degrees. In 1979, another amendment was approved authorizing the granting of master's degrees. The College receives its principal support from New York State and New York City appropriations and grants as well as from tuition revenue.

The College is a fully accredited member of the Middle States Association of Colleges and Secondary Schools, the National Association of Schools of Arts and Design, and the Council for Interior Design Accreditation.

The College is a political subdivision and as such is exempt from federal, New York State, and New York City income taxes.

Reporting Entity

The accompanying financial statements of the College consist of accounts of the College and its component units. It was determined that FIT Student Housing Corporation (Student Housing) should be included in FIT's financial reporting entity. It was also determined that the Fashion Institute of Technology Foundation (the Foundation) should be included in FIT's financial reporting entity (the FASB component unit), due to the following:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the College, its component units, or its constituents (e.g., students, faculty, and staff).
2. The College, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the College, or its component units, is entitled to, or has the ability to otherwise access, are significant to the College.

Each of the entities listed below met the criteria of the Governmental Accounting Standards Board (GASB) Codification Section 2100, and is, therefore, discretely presented in the College's basic financial statements.

(Continued)

FIT Student Housing Corporation (Student Housing) is a not-for-profit corporation formed by FIT to own and operate certain dormitories. Student Housing owns Nagler Hall, a 10-story building built in 1960; Alumni Hall, an 18-story building that opened in August 1988; co-ed Hall, a 15-story dormitory building; and Kaufman Hall, a 1,110 bed facility at 406 West 31st Street that opened in August 2006. The economic resources provided by Student Housing are almost entirely for the direct benefit of the College's constituents (e.g., students, faculty, and staff).

Fashion Institute of Technology Foundation, Inc. (the Foundation) is a not-for-profit organization that operates exclusively for charitable and educational purposes, including providing scholarships and general support activities to the College. The Foundation has a separate board of trustees from that of the College. The economic resources received and held by the Foundation are almost entirely for the direct benefit of the College. Although the College does not control the timing or amount of receipts from the Foundation, all of the resources and income earned that the Foundation holds and invests are restricted to the activities of the College.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus and Basis of Accounting

For financial reporting purposes, the College and its component unit, except the Foundation, is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the GASB. Accordingly, revenues are recognized in the accounting period in which they are earned and expenses are recognized when incurred.

The Foundation is a private not-for-profit organization that reports under Financial Accounting Standards Board (FASB) statements. Most significant to the Foundation's operations and reporting model are Accounting Standards Codification (ASC) Subtopic 958, *Not-for-Profit Entities*. As such, certain revenue recognition and measurement criteria are different from GASB revenue recognition criteria and measurement features. The financial statements of the Foundation are presented using the GASB format. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the basic financial statements. (See note 2(w)).

(b) Cash and Cash Equivalents

Cash equivalents are composed of highly liquid assets with original maturities of 90 days or less and money market accounts, except for those cash equivalents that are held as investments for long-term purposes and amounts held on deposit with bond trustees.

(c) Pooled Cash

The College utilizes a pooled cash model for handling the cash management of the College and its auxiliary corporation (Student Housing). Under the pooled cash model, all cash receipts and payments are centralized in the College's operating bank accounts; cash in excess of immediate needs is maintained as pooled short-term investments in the College's name. The short-term investments are made up of money market funds. The College's accounting system continually tracks each corporation's "claim on cash" as an automatic offset to each accounting transaction. At fiscal year end, the auxiliary corporation's "claim on cash" is listed as an asset if it is positive or as a liability if it is negative.

On a monthly basis, interest income earned on the College's pooled short-term investments is allocated to the auxiliary corporation based on their average daily claim on cash balance during the month. In fiscal years 2024 and 2023, allocated interest income was $5,045,414 and $2,821,421, respectively.

(d) Short-Term Investments

Money market funds with original maturity dates of greater than three months but less than one year from the date of purchase have been classified as short-term investments.

(e) Investments

Investments are reported at fair value based on quoted market prices or published prices. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted or published prices for identical assets or liabilities in active markets available at the measurement date;
- Level 2 – quoted or published prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

As a public college receiving public funding, the College's investment policy is to seek maximum returns consistent with complete preservation of principal and liquidity. All unrestricted cash is invested by the College's primary bank in insured and/or collateralized certificates of deposits with maturity dates from one month to two years. Unexpended bond proceeds are invested by the bond trustee in money market funds and U.S. Treasury securities, with maturity dates selected to meet anticipated cash needs of the capital projects and bond repayments for which the funds were raised.

The College has determined that all of its investments, including deposits held by bond trustees, are considered Level 1 in the fair value hierarchy noted above.

(f) Capital Assets

Capital assets include buildings, improvements, infrastructure, furniture, and equipment. Capital assets are defined by the College as equipment and furnishings with an initial unit cost of $5,000 or more and an estimated useful life in excess of two years and construction/renovation projects costing more than

$10,000. Such assets are recorded at actual cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Pursuant to New York State Education Law relative to community colleges, title to real property rests in and is held by the local sponsor (The City of New York) in trust for the use and purpose of the College. The College has stewardship responsibility, and as such, all plant asset activity is recorded by the College. Capital assets are depreciated using the straight-line method over the following useful lives:

	Years
Buildings	37–50
Leasehold improvements	5–10
Building improvements	3–37
Furniture and equipment	3–15
Library materials	5
Software	5

(g) Leases and Software Based Information Technology Arrangements

The College is a lessee for noncancelable leases of building space and software based information technology arrangements (SBITA). For leases and SBITAs with a maximum possible term of 12 months or less at commencement, the College recognizes lease and SBITA expense based on the provisions of their respective contract. For all other leases and SBITAs that are not 12 months or less, the College recognizes a lease or SBITA liability and an offsetting intangible right-to-use lease or SBITA asset.

At lease or SBITA commencement, the College initially measures the lease or SBITA liability at the present value of payments expected to be made during the lease term. Subsequently, the lease or SBITA liability is reduced by the principal portion of lease or SBITA payments made. The right-to-use lease asset or SBITA asset is initially measured as the initial amount of the lease or SBITA liability, less lease or SBITA payments made at or before the lease or SBITA commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease or SBITA incentives received at or before the lease commencement date. Subsequently, the right-to-use lease asset or SBITA asset is amortized into depreciation expense on a straight-line basis over the shorter of the lease or SBITA term or the useful life of the underlying asset. If the College is reasonably certain of exercising a purchase option contained in a lease or SBITA, the right-to-use lease asset or SBITA asset will be amortized over the useful life of the underlying asset.

Key estimates and judgments include how the College determines the (1) discount rate it uses to calculate the present value of the expected future lease or SBITA payments, (2) lease or SBITA term, and (3) lease or SBITA payments.

(1) The College generally uses its estimated incremental borrowing rate as the discount rate for leases and SBITAs unless the rate that the lessor/vendor charges is known. The College's incremental borrowing rate for leases and SBITAs is based on calculating the average rate of interest on long term bond obligation to borrow an amount equal to the lease, under similar terms at the commencement or remeasurement date.

(2) The lease or SBITA term includes the noncancelable period of the lease or SBITA plus any additional periods covered by either the College or lessor/vendor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the College and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease term.

(3) Payments are evaluated by the College to determine if they should be included in the measurement of the lease or SBITA liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, payments for termination penalties, and other payments.

The College monitors changes in circumstances that may require remeasurement of a lease or SBITA arrangement. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the right-to-use lease asset or SBITA asset. Right-to-use lease asset or SBITA assets are reported with capital assets, net and lease and SBITA liabilities are reported with noncurrent liabilities in the statement of net position, net of the short-term portion of the lease and SBITA liabilities which are reported as current liabilities.

(h) Noncurrent Assets

Noncurrent assets, other than capital assets and right-to-use lease asset and SBITA assets, include: (1) cash and other assets or resources commonly identified as those that are expected to be realized in cash or sold or consumed beyond the normal operating cycle (12 months or more) and (2) investments purchased with a long-term objective, which should not be reported as current assets, even though they are within one year of maturity, as the managerial intent was that the resources are not available for current uses or needs.

Cash and investments that are externally restricted to make debt service payments or long-term loans to students, or to purchase capital or other noncurrent assets, are classified as noncurrent assets in the accompanying statements of net position.

(i) Accrued Vacation and Sick Leave

The College records the estimated value of earned unused sick and vacation pay as a noncurrent liability based on the vesting method. Under this method, vacation is vested when earned for all employees, and sick pay is vested once an employee reaches age 55 and has been employed by the College for the required amount of time stipulated under the College’s retirement policies. Employees accrue sick leave based on the number of years employed up to a maximum rate of 17 days per year. Employees also receive annual vacation leave ranging from 20 days to 50 days and may accumulate up to a maximum of one year’s entitlement. Any unused vacation pay is payable upon retirement or termination. Accumulated sick leave is forfeited, unless an employee retires and has been employed the required amount of time, in which case 100% of the accrual is paid up to a maximum of 100 days.

(j) Unearned Revenue

Unearned revenue primarily consists of tuition and fees collected prior to June 30 for semesters, which begin after June 30, and grants and contracts that have not yet been earned, as all eligibility requirements have not been satisfied.

(k) Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Long-term bonds are reported net of the applicable bond premium and discount.

(l) Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources include deferred amounts relating to the refunding of debt and deferred amounts relating to the net pension asset or liability and total OPEB liability. Deferred outflows of resources are a consumption of net position by the College that is applicable to a future reporting period.

Deferred inflows of resources include deferred amounts relating to net pension asset or liability and the total OPEB liability. Deferred inflows of resources are an increase in net position by the College that is applicable to a future reporting period.

Deferred inflows and deferred outflows of resources are reported for differences between expected or projected results compared to actual results related to the College’s share of pension and OPEB amounts as well as changes in the College’s proportionate share of the pension plan from the prior period. Deferred outflows of resources resulting from a loss in the refinancing of debt represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt.

(m) Net Position

Net position is classified into the following four categories:

Net investment in capital assets – This category includes capital assets and right-to-use lease assets and SBITA assets, net of accumulated depreciation and amortization less the outstanding principal balances of debt attributable to the acquisition, construction, improvement, or use of those assets.

Restricted – nonexpendable – This category includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have nonexpendable restricted net position at June 30, 2024 and 2023. The College’s endowment is held by the Foundation.

Restricted – expendable – This category includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted – This category includes net position that does not meet the definition of net investment in capital assets and right-to-use assets. Unrestricted net position may be designated for specific purposes by actions of management or the board of trustees.

(n) Classification of Revenues and Expenses

The College’s policy for defining operating activities in the accompanying statements of revenues, expenses, and changes in net position is those that serve the College’s principal purpose and generally result from exchange transactions, such as payments received for services and payments made for the purchase of goods and services. Examples include: (1) tuition and fees, net of scholarship allowances; sales and services of auxiliary enterprises; and (3) most federal, state, local, and private grants, and contracts. Nonoperating and other revenues include activities that have the characteristics of nonexchange transactions, such as contributions, operating, and capital appropriations from the State and the City of New York, and investment income.

The College classifies all expenses as operating in the statements of revenues, expenses, and changes in net position, except for interest expense, which is classified as nonoperating.

(o) Student Tuition and Fee Revenue

Student tuition and fee revenues are recognized in the period earned. Student tuition and fee revenues are reported net of scholarship allowances in the accompanying statements of revenues, expenses, and changes in net position. Scholarship allowances are the differences between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on behalf of students. To the extent that these revenues are used to satisfy tuition and fees, the College has recorded a scholarship allowance.

(p) Nonexchange Revenue

Nonexchange revenue, in which the College receives value without directly giving equal value in return, includes: federal, state, and local grants; state appropriations; and other contributions. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the College must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

(q) New York City Appropriations

As the College’s local sponsor, the New York City Department of Education has in recent years funded 25% of the College’s operating budget. The fiscal 2024 and 2023 appropriation was $88,616,121 and $71,265,331, respectively. In addition, the College’s local sponsor funds 50% of approved capital projects. In fiscal years 2024 and 2023, the capital appropriations was $4,617,645 and $2,771,169, respectively.

(r) New York State Appropriations

Operating appropriations received from SUNY are regulated by a financial formula contained in the SUNY regulations. Under the formula, the amount of basic state aid is limited to the lower of 40% of the College’s net allowable expenditures or an established rate per full-time equivalent (FTE) student. The basic aid for fiscal years 2024 and 2023 was computed based on the established FTE rate of $2,997, plus 55% of noninstructional rental costs incurred. The total aid for fiscal years 2024 and 2023 was $27,770,443 and $27,760 450, respectively. In addition, capital appropriations received from the local sponsor are matched 100% by New York State. In fiscal years 2024 and 2023 the capital appropriations was $4,536,684 and $6,537,208, respectively.

(s) New York State Counties Chargebacks

The College is authorized by New York State to charge and collect from each county within the state, for every nonresident student, two “chargeback” fees, an operating fee, and a capital fee. These fees are used by SUNY when calculating the sponsor’s support for the College.

In fiscal years 2024 and 2023, the College earned $27,215,097 and $26,801,647 in operating county chargebacks, calculated at the rate of $18,410 and $16,800, respectively, per FTE per year. In addition, the College earned $420,722 and $456,989 in capital county chargeback, respectively, calculated at the rate of $300 per FTE per year; the law requires that these amounts be separately accounted for and that the funds be utilized to meet capital expenditure requirements of future periods.

(t) Income Tax Status

The College is exempt from federal income taxes under Section 115 of the Internal Revenue Code (the Code). Student Housing is exempt from federal income taxes under Section 501(c)(3) of the Code and a similar provision of the New York State income tax laws.

The Foundation is generally exempt from federal income tax under Section 501(c)(3) of the Code. The Foundation recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Foundation’s exempt purpose is subject to tax under Section 511 of the Code. The Foundation did not have any material unrelated business income tax liabilities for the years ended June 30, 2024 and 2023.

(u) Pension Benefits

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State Teachers’ Retirement System (TRS or the System) and additions to/deductions from TRS’s fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(v) OPEB Liability

The College recognizes its total OPEB liability in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (GASB No. 75). GASB No. 75 addresses accounting and financial reporting for OPEB that are provided to the employees of state and local governmental employers. The College’s OPEB plan is classified as a single-employer defined benefit plan under GASB No. 75 and is unfunded.

(w) Fashion Institute of Technology Foundation – Significant Accounting Policies

The Foundation is a not-for-profit organization, which provides scholarships and fundraising activities for FIT.

(i) Contributions

Contributions received, including unconditional promises to give, are recognized at fair value in the period received.

(Continued)

(ii) Investments

The following tables present the restricted long-term investment portfolio of the Foundation at June 30, 2024 and 2023:

		Current portfolio	Endowed portfolio	2024 Total
Cash and cash equivalents	$	—	299,622	299,622
Equity funds:				
Domestic		2,064,199	20,636,429	22,700,628
International		1,068,885	12,223,262	13,292,147
Fixed income funds:				
Domestic		1,670,615	8,943,311	10,613,926
Hedge funds:				
Domestic		260,013	4,773,887	5,033,900
Real assets		293,279	1,796,028	2,089,307
Private equity		—	8,436,122	8,436,122
	$	5,356,991	57,108,661	62,465,652

		Current portfolio	Endowed portfolio	2023 Total
Cash and cash equivalents	$	—	1,169,395	1,169,395
Equity funds:				
Domestic		1,695,522	17,244,396	18,939,918
International		950,609	10,681,734	11,632,343
Fixed income funds:				
Domestic		1,499,652	7,808,469	9,308,121
Hedge funds:				
Domestic		230,237	4,620,684	4,850,921
Real assets		265,883	1,963,062	2,228,945
Private equity		—	7,849,123	7,849,123
	$	4,641,903	51,336,863	55,978,766

Investments primarily consist of fixed income funds, equity funds, hedge funds, real assets, and private equity, and are maintained in separate unrestricted and restricted portfolios for each fund. The Foundation records investments in equity funds with readily determinable fair values based on quoted market prices. Investment income or loss (including gains and losses on investment, interest, and dividends) is included as increases or decreases in the specific unrestricted net assets unless the income or loss is restricted by the donor or law.

The Foundation reports its investments in funds that do not have readily determinable fair values (alternative investments) at estimated fair value using net asset value (NAV) per share or its equivalent as reported by the investment managers. The estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. The Foundation reviews and evaluates the values provided by the fund managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of the underlying net assets (or partner's capital).

At June 30, 2024 and 2023, $14,044,326 and $13,380,851, respectively, of the Foundation's investments are measured at NAV. The remaining investments are reported at fair value and are considered Level 1 in the fair value hierarchy.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in investments in the near term would materially affect the amounts reported in these financial statements.

(iii) Endowment Funds

New York State has enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA). The Foundation has interpreted NYPMIFA as allowing it to appropriate for expenditure or accumulate so much of the donor-restricted endowment fund as is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary. Accounting guidance associated with the enactment of NYPMIFA as set forth in ASC 958, Section 205-45, *Classification of Donor-Restricted Endowment Funds Subject to UPMIFA*, requires the portion of a donor-restricted endowment fund that is not classified as restricted nonexpendable to be classified as restricted expendable net position until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The Foundation's endowment consists of approximately 356 and 355 funds at June 30, 2024 and 2023, respectively. The objective of the Foundation's investment portfolio is to preserve the real (inflation-adjusted) purchasing power of the portfolio while providing a relatively predictable, stable, and constant (in real terms) stream of earnings in line with spending needs. Financial objectives for the Foundation are established to provide for sufficient income to meet the spending needs of the Foundation, as well as to provide for continued capital appreciation of the portfolio. The established objective for investment returns is to generate a return of the Consumer Price Index plus an additional percentage based on the investment objectives and asset allocation structure set by the Finance Committee as described in the investment policy over a 3 to 5 year planning horizon. The Foundation has a spending policy of appropriating for distribution each year 4.50% of the endowment.

(Continued)

Restricted net position related to the endowment, excluding pledges, consists of the following at June 30, 2024 and 2023:

		Unrestricted	Restricted expendable	Restricted nonexpendable	Total
Donor restricted	$	—	17,465,270	38,162,612	55,627,882
Board designated		813,866	—	—	813,866
Balance at June 30, 2024	$	813,866	17,465,270	38,162,612	56,441,748

		Unrestricted	Restricted expendable	Restricted nonexpendable	Total
Donor restricted	$	—	12,834,156	37,430,588	50,264,744
Board designated		719,362	—	—	719,362
Balance at June 30, 2023	$	719,362	12,834,156	37,430,588	50,984,106

The following tables present the changes in net position related to endowment, excluding pledges, for the years ended June 30, 2024 and 2023:

		Unrestricted	Restricted expendable	Restricted nonexpendable	Total
Balance at June 30, 2023	$	719,362	12,834,156	37,430,588	50,984,106
Investment income, net		94,504	6,650,410	—	6,744,914
Endowment spending		—	(2,019,296)	—	(2,019,296)
Gifts		—	—	732,024	732,024
Balance at June 30, 2024	$	813,866	17,465,270	38,162,612	56,441,748

		Unrestricted	Restricted expendable	Restricted nonexpendable	Total
Balance at June 30, 2022	$	662,747	10,442,335	37,168,175	48,273,257
Investment income, net		56,615	3,865,452	—	3,922,067
Endowment spending		—	(1,473,631)	—	(1,473,631)
Gifts		—	—	262,413	262,413
Balance at June 30, 2023	$	719,362	12,834,156	37,430,588	50,984,106

(x) Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the basic financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of OPEB and pension amounts.

(y) Adoption of Accounting Pronouncements Applicable to the College

In April of 2022, GASB issued GASB Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The College adopted the provisions of this statement, which did not have a material impact on the 2024 financial statements.

In June of 2022, GASB issued GASB Statement No. 100, Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The College adopted the provisions of this statement, which did not have a material impact on the 2024 financial statements.

(3) Cash and Cash Equivalents and Investments

The College follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures* (GASB No. 40), which establishes disclosure requirements related to the following investment and deposit risks:

Custodial credit risk – deposits is the risk that, in the event of failure of a depository financial institution, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Custodial credit risk – investments is the risk that, in the event of failure of the counterparty (the party that pledges collateral or that sells investments to or buys investments from the College) of a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of credit risk is the risk of loss attributed to the magnitude of the College’s investment in a single issuer. The College is diversified and is not currently exposed to this risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of the investment.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of the investment or deposit. The College’s exposure to this risk is not significant.

(a) Custodial Credit Risk – Cash Deposits

The College’s cash and cash equivalents are maintained in interest-bearing checking accounts. All cash and unrestricted investments are held in FDIC insured commercial banks and are insured or collateralized with securities held by the College or its agent in the College’s name. At June 30, 2024 and 2023, cash and cash equivalents were held by depositories and amounted to $27,853,532 and $21,939,239, respectively. In 2024, $841,934 was FDIC insured and the remaining $28,014,299 was not covered under FDIC insurance. In 2023, $975,100 was FDIC insured and the remaining $20,964,139 was not covered under FDIC insurance.

(b) Short-Term and Restricted Investments of the College

The College's cash balances are invested in commercial bank money market accounts. All investments are insured or collateralized with securities held by the College or its agent in the College's name. Total investments of the College at June 30, 2024 and 2023 were $159,926,537 and $154,454,855, respectively, (original maturities of less than one year), of which all were FDIC insured.

(c) Deposits with Bond Trustee

Unexpended Dormitory Authority of the State of New York (DASNY) bond proceeds are held by the bond trustee in U.S. Treasury securities and cash, with maturity dates determined by the College's needs for payments to vendors and payments of debt service.

(4) Appropriations and Grants Receivable, Net

At June 30, 2024 and 2023, appropriations and grants receivable of the College consist of the following:

	2024				
	New York City	**New York State**	**Federal**	**New York State counties**	**Total**
Appropriations	$ 19,686,762	—	—	1,146,611	20,833,373
Less allowance	—	—	—	(49,915)	(49,915)
Appropriations, net	19,686,762	—	—	1,096,696	20,783,458
Operating grants	—	—	472,873	—	472,873
Capital grants	8,848,522	10,456,616	—	—	19,305,138
Total receivable	$ 28,535,284	10,456,616	472,873	1,096,696	40,561,469

	2023				
	New York City	**New York State**	**Federal**	**New York State counties**	**Total**
Appropriations	$ 2,060,719	—	—	1,056,971	3,117,690
Less allowance	—	—	—	(44,047)	(44,047)
Appropriations, net	2,060,719	—	—	1,012,924	3,073,643
Operating grants	—	—	336,713	—	336,713
Capital grants	4,914,784	8,386,703	—	—	13,301,487
Total receivable	$ 6,975,503	8,386,703	336,713	1,012,924	16,711,843

(5) Due to/from Affiliated Organizations

At June 30, 2024 and 2023, due to/from affiliated organizations consists of the following:

		2024	2023
Current portion:			
Expense reimbursements due to the Foundation	$	—	5,400
Program support due to Student Housing		—	2,476
Total due to affiliates		—	7,876
Due from the Foundation:			
Expense reimbursements		248,336	95,645
Program support		1,174,094	232,855
Total due from the Foundation		1,422,430	328,500
Total current portion		1,422,430	336,376
Noncurrent portion:			
Loan to Student Housing:			
Replenishment of debt service reserve (a)		7,474,123	7,474,123
Total due from Student Housing		7,474,123	7,474,123
Total noncurrent portion		7,474,123	7,474,123
Total	$	8,896,553	7,810,499

(a) Loans to Student Housing

Replenishment of the debt service reserve fund: In May 2008, in order to enable Student Housing to refund the debt service reserve on the 2004 DASNY bonds, the board of the College approved a loan of up to $9,895,670 over a five-year period, conditioned on a promise to repay when the debt service reserve is no longer required. Monthly interest payments to the College are calculated based on the average interest rate of the College's pooled short-term investments. As of June 30, 2024 and 2023, the total amount owed to the College was $7,474,123, which is included in the College's noncurrent due from affiliated organizations.

(6) Capital Assets, Net

A summary of changes in capital assets for the years ended June 30, 2024 and 2023 is as follows:

	June 30, 2023	Additions	Deletions/ transfers	June 30, 2024
College:				
Buildings	$ 100,950,995	—	—	100,950,995
Infrastructure	10,000,000	—	—	10,000,000
Building improvements	170,647,187	6,110,233	1,158,360	177,915,780
Right-to-use lease asset and SBITA asset	60,966,327	62,614	—	61,028,941
Leasehold improvements	5,773,778	—	—	5,773,778
Library acquisitions	8,198,676	114,848	—	8,313,524
Equipment	73,317,569	3,309,015	(1,267,391)	75,359,193
Construction in progress	36,565,007	7,426,703	(1,158,360)	42,833,350
Total	466,419,539	17,023,413	(1,267,391)	482,175,561
Less accumulated depreciation:				
Buildings	(90,140,564)	(593,272)	—	(90,733,836)
Infrastructure	(7,500,000)	(500,000)	—	(8,000,000)
Building improvements	(123,191,556)	(9,827,711)	—	(133,019,267)
Right-to-use lease asset and SBITA asset	(19,999,177)	(6,772,273)	—	(26,771,450)
Leasehold improvements	(4,085,676)	(407,147)	—	(4,492,823)
Library acquisitions	(7,730,850)	(345,566)	—	(8,076,416)
Equipment	(66,587,811)	(3,168,426)	1,267,391	(68,488,846)
Total accumulated depreciation and amortization	(319,235,634)	(21,614,395)	1,267,391	(339,582,638)
Net capital assets – College	147,183,905	(4,590,982)	—	142,592,923
Student Housing:				
Land (nondepreciable)	12,408,700	—	—	12,408,700
Building	62,341,610	—	—	62,341,610
Building renovations and improvements	152,404,873	3,525,980	—	155,930,853
Capitalized software	13,600	—	—	13,600
Furniture, fixtures, and equipment	12,208,789	69,554	—	12,278,343
	239,377,572	3,595,534	—	242,973,106

(Continued)

	June 30, 2023	Additions	Deletions/ transfers	June 30, 2024
Less accumulated depreciation:				
Building	$ (40,786,162)	(1,603,788)	—	(42,389,950)
Building renovations and improvements	(83,671,214)	(6,583,464)	—	(90,254,678)
Capitalized software	(13,600)	—	—	(13,600)
Furniture, fixtures, and equipment	(12,233,331)	(76,003)	—	(12,309,334)
Total accumulated depreciation and amortization	(136,704,307)	(8,263,255)	—	(144,967,562)
Net capital assets – Student Housing	102,673,265	(4,667,721)	—	98,005,544
Total	$ 249,857,170	(9,258,703)	—	240,598,467

	June 30, 2022	Additions	Deletions/ transfers	June 30, 2023
College:				
Buildings	$ 100,950,995	—	—	100,950,995
Infrastructure	10,000,000	—	—	10,000,000
Building improvements	165,557,232	1,380,808	3,709,147	170,647,187
Right-to-use lease asset and SBITA asset	60,913,781	52,546	—	60,966,327
Leasehold improvements	9,021,797	91,429	(3,339,448)	5,773,778
Library acquisitions	8,103,184	95,492	—	8,198,676
Equipment	68,550,949	4,915,289	(148,669)	73,317,569
Construction in progress	29,073,541	7,712,496	(221,030)	36,565,007
Total	452,171,479	14,248,060	—	466,419,539
Less accumulated depreciation:				
Buildings	(89,547,294)	(9,656,260)	—	(99,203,554)
Infrastructure	(7,000,000)	(500,000)	—	(7,500,000)
Building improvements	(113,535,296)	(593,270)	—	(114,128,566)
Right-to-use lease asset and SBITA asset	(13,205,210)	(6,793,967)	—	(19,999,177)
Leasehold improvements	(3,667,420)	(418,256)	—	(4,085,676)
Library acquisitions	(7,656,162)	(74,688)	—	(7,730,850)
Equipment	(64,099,763)	(2,488,048)	—	(66,587,811)
Total accumulated depreciation and amortization	(298,711,145)	(20,524,489)	—	(319,235,634)
Net capital assets – College	153,460,334	(6,276,429)	—	147,183,905

		June 30, 2022	Additions	Deletions/ transfers	June 30, 2023
Student Housing:					
Land (nondepreciable)	$	12,408,700	—	—	12,408,700
Building		62,341,610	—	—	62,341,610
Building renovations and improvements		148,188,818	4,216,055	—	152,404,873
Capitalized software		13,600	—	—	13,600
Furniture, fixtures, and equipment		12,167,634	41,155	—	12,208,789
		235,120,362	4,257,210	—	239,377,572
Less accumulated depreciation:					
Building		(39,182,374)	(1,603,788)	—	(40,786,162)
Building renovations and improvements		(77,162,834)	(6,508,380)	—	(83,671,214)
Capitalized software		(13,600)	—	—	(13,600)
Furniture, fixtures, and equipment		(12,086,969)	(146,362)	—	(12,233,331)
Total accumulated depreciation and amortization		(128,445,777)	(8,258,530)	—	(136,704,307)
Net capital assets – Student Housing		106,674,585	(4,001,320)	—	102,673,265
Total	$	260,134,919	(10,277,749)	—	249,857,170

(7) Bonds Payable

(a) The College

In July 2000, DASNY issued Fashion Institute of Technology Revenue Bonds, Series 2000 (the Series 2000 Bonds) in the amount of $18,515,000, the proceeds of which were used to fund a portion of the College's Master Plan, Phase I, as well as to refinance the outstanding principal amount of $4,155,000 on the College's Series 1990 Bonds. The Series 2000 bonds were issued at a discount of $372,128, with interest at variable rates ranging from 4.35% to 5.40% until maturity in July 2030. According to the terms of an agreement between the College, New York City, and New York State, the debt service on the bonds (consisting of semiannual interest payments and annual principal payments) will be covered by appropriations from the state and city.

In October 2007, DASNY issued new bonds in the amount of $5,860,000 to refinance a portion of the original 2000 Series bonds, which saved New York State an estimated $475,000 over the life of the bonds. The bonds were sold with a $184,872 premium, with interest at variable rates ranging from 4.00% to 5.00% until maturity in April 2026. Of the original 2000 Series bonds, $5,700,000 was refunded. The loss on defeasance on the refunded bonds was $614,316. In addition, during 2012, DASNY early retired $5,095,000 of the College's debt utilizing excess debt service reserves.

In July 2017, DASNY issued new bonds in the amount of $3,090,000 to refinance the 2007 Series bonds, which saved New York State an estimated $406,000 over the life of the bonds. The bonds were sold with a $580,033 premium, with interest and variable rates ranging from 4.10% to 5.00% until maturity in April 2026. Annual amortization on the defeasance of $72,504 is included in the statements of revenue, expenses, and changes in net position under amortization of debt expense.

In October 2018, the $2,938,473 balance of the Series 2000 bonds was fully repaid utilizing a $2,585,460 appropriation from New York State, $344,735 from the debt service reserve fund, and $8,278 from the debt service fund.

In fiscal year 2023, New York State defeased the remaining potion on the College's outstanding 2017 DASNY bond through two separate transactions totaling $1,425,000.

In fiscal year 2024 there was no New York State appropriation for debt service. In fiscal year 2023, New York State's appropriation for debt service was $2,120,150. There was no New York City appropriation in fiscal years 2024 and 2023. These amounts are included in the statements of revenues, expenses, and changes in net position as capital appropriations, gifts, and grants. The bonds are collateralized by pledged revenues and the underlying assets of the College in the unlikely event that either or both New York State and New York City default on their pledges to cover debt service.

(b) Student Housing

In February 2021, DASNY issued new bonds in the principal amount of $31,670,000 in response to the significant decrease in dormitory occupancy and related revenue due to the COVID-19 pandemic. The proceeds from the bonds will be used to fund debt services costs of the 2007 series bond for the next three years. The bonds were sold at cost with interest rates ranging from 2.692% to 2.842%. The total amount of $31,670,000 was outstanding as of June 30, 2024 and 2023.

On June 9, 2004, DASNY issued FIT Student Housing Corporation Insured Revenue Bonds (2004 Issue) in the principal amount of $144,545,000, with a premium of $1,504,334. The total bond proceeds of $146,049,334 were used to purchase and renovate a building at 406 West 31st Street for use as a 1,100 bed dormitory (which opened in August 2006). The debt service obligation is funded by a pledge of revenue consisting of room rents.

Under the initial terms of the agreement, a Debt Service Reserve Fund was established, into which $9,895,670 was deposited. During the fiscal year 2006, in order to cover higher than estimated renovation expenses for the 31st Street dormitory, DASNY secured on behalf of Student Housing, the approval of the bond insurer to allow the funds in the Debt Service Reserve Fund to be transferred to the Construction Fund. A total of $9,698,945 was transferred to the Construction Fund, and additional bond insurance worth $346,348 was purchased. In addition, during fiscal years 2006 and 2007 at the request of DASNY, Student Housing transferred to DASNY a total of $6,200,000 to cover additional construction and renovation costs.

In May 2007, DASNY issued new bonds in the principal amount of $110,935,000 to refinance a portion of the original 2004 Series bonds, which saved Student Housing an estimated $4,400,000 in debt service payments over the life of the bonds. The bonds were sold on May 31, 2007 with a premium of $14,639,189. The loss on defeasance on the nonrefunded 2004 bond was $10,074,947. Annual amortization on the defeasance in the amount of $373,146 is included in the SRECNP under amortization of debt expense. The loss on defeasance is recorded in deferred outflow of resources.

The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in these financial statements. At June 30, 2024 and 2023, $79,325,000 and $84,560,000, respectively, remained outstanding.

Total debt service (annual principal and interest payments) on the combined bonds due for years subsequent to June 30, 2024 is as follows:

		Principal	Premium	Total	Interest expense
Year(s) ending June 30:					
2025	$	5,515,000	545,896	6,060,896	4,751,879
2026		5,800,000	545,896	6,345,896	4,447,379
2027		6,105,000	545,896	6,650,896	4,126,867
2028		6,425,000	545,896	6,970,896	3,789,554
2029		6,765,000	545,896	7,310,896	3,434,392
2030–2034		39,525,000	2,729,477	42,254,477	11,158,344
2035–2039		40,860,000	—	40,860,000	1,359,328
Total	$	110,995,000	5,458,957	116,453,957	33,067,743
Less current portion				(5,515,000)	
Noncurrent portion				$ 110,938,957	

In early 2008, FIT and Student Housing were notified by the bonds’ underwriter that because the credit rating of the bond’s insurance agency had been downgraded, under the terms of the bond offering, Student Housing would be required to fund the debt service reserve account to the initial level of $9,895,670 over a five-year period, by making semiannual payments of $987,243. In order to enable Student Housing to make these payments, FIT agreed to loan Student Housing up to $9,895,670 over a five-year period (note 10). The first payment to refund the debt service reserve fund was made in June 2008. As of June 30, 2024 and 2023, Student Housing has made payments totaling $7,474,123, which brought the debt service reserve fund to the required level.

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at June 30, 2024 and 2023:

	2024		
	College	Component units	Total
Vendors and other	$ 16,890,007	3,192,427	20,082,434
Accrued payroll	7,756,617	96,656	7,853,273
Retirement payable	—	—	—
Due to NYC	909,984	—	909,984
	$ 25,556,608	3,289,083	28,845,691

	2023		
	College	Component units	Total
Vendors and other	$ 11,814,962	1,301,356	13,116,318
Accrued payroll	5,638,211	101,601	5,739,812
Retirement payable	2,430,203	—	2,430,203
Due to NYC	909,984	—	909,984
	$ 20,793,360	1,402,957	22,196,317

(9) Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the years ended June 30, 2024 and 2023 is as follows:

	2024				
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
College:					
Net pension liability	$ 2,010,749	—	(548,033)	1,462,716	—
Accrued vacation and sick leave	19,843,735	3,015,119	(1,614,678)	21,244,176	290,658
Total OPEB liability	77,184,826	—	(967,936)	76,216,890	—
Lease and SBITA liability	42,933,368	62,614	(7,010,385)	35,985,597	7,125,221
	$ 141,972,678	3,077,733	(10,141,032)	134,909,379	7,415,879
Component units:					
Accrued vacation and sick leave	$ 226,546	26,874	—	253,420	—
Total OPEB liability	693,966	123,941	—	817,907	—
Due to affiliated organizations	7,810,499	1,500,467	(30,740)	9,280,226	1,422,430
Bonds payable	122,234,853	—	(5,780,896)	116,453,957	5,515,000
	$ 130,965,864	1,651,282	(5,811,636)	126,805,510	6,937,430

	2023				
	Beginning balance	Additions	Reductions	Ending balance	Due within one year
College:					
Net pension (asset) liability	$ (20,322,596)	22,333,345	—	2,010,749	—
Accrued vacation and sick leave	19,569,876	1,689,200	(1,415,341)	19,843,735	—
Total OPEB liability	75,376,030	1,808,796	—	77,184,826	—
Lease and SBITA liability	49,467,865	52,546	(6,587,043)	42,933,368	6,991,292
Bonds payable	2,308,937	—	(2,308,937)	—	—
	$ 126,400,112	25,883,887	(10,311,321)	141,972,678	6,991,292
Component units:					
Accrued vacation and sick leave	$ 242,551	60,816	(76,821)	226,546	—
Total OPEB liability	655,094	38,872	—	693,966	—
Due to affiliated organizations	7,751,381	1,194,559	(1,135,441)	7,810,499	330,976
Bonds payable	127,755,749	—	(5,520,896)	122,234,853	5,235,000
	$ 136,404,775	1,294,247	(6,733,158)	130,965,864	5,565,976

(10) Restricted Deposits with DASNY Trustees

Unexpended DASNY bond proceeds, as well as any “equity” cash contributions made by the College or Student Housing, are held by various trustee banks under contract with DASNY and invested in U.S. government securities (Treasury notes and Treasury bills), with maturity dates of under one year.

(a) The College

As part of the original agreement with New York State and New York City, the College made an “equity” contribution of $4,857,526, which was added to the 2000 DASNY bond proceeds (note 7) to pay for construction costs of the Master Plan projects. To cover additional expenses associated with these projects from fiscal year 2002 to fiscal year 2004, the College contributed an additional $3,374,005. Both amounts were paid from privately raised gifts.

In April 2003, the College contributed $2,046,880 as an equity share in DASNY’s Personal Income Tax Education 2003A bond offering. The College’s share of the proceeds of this offering was used to fund additional Master Plan Phase I projects. By April 2008, because of interest income earned on the unexpended portion, the College’s equity share was $2,329,702. In May 2008, in preparation for the A Building labs renovations, this amount, plus $721,865 in unexpended equity proceeds from the DASNY 2000 bond issue, was transferred to a separate account maintained by DASNY from which the College’s portion of the A Building labs renovation expenses will be paid. The College transferred an additional $1,000,000 to the account in June 2009 to pay its share of the expenses of the project.

There were no deposits with DASNY trustees as of June 30, 2024 and 2023.

(b) Student Housing

The following tables represent restricted short-term investments and restricted deposits with bond trustees, consisting of cash and cash equivalents and U.S. government securities, as of June 30, 2024 and 2023:

	2024		
	Cash and cash equivalents	**U.S. Treasury bills**	**Total**
Debt service fund	$ 7,863,487	—	7,863,487
Debt service reserve fund	11,121,039	15,703	11,136,742
Total	$ 18,984,526	15,703	19,000,229

	2023		
	Cash and cash equivalents	**U.S. Treasury bills**	**Total**
Debt service fund	$ 2,263	430,328	432,591
Debt service reserve fund	551,797	20,291,149	20,842,946
Total	$ 554,060	20,721,477	21,275,537

Restricted deposits with bond trustee are subject to the following risks:

(i) Custodial Credit Risk

Custodial credit risk for restricted short-term investments and restricted deposits with bond trustee and amounts held by DASNY is the risk that in the event of a bank failure or counterparty failure, the College will not be able to recover the value of its cash and investments in the possession of an outside party. All of the investments held are held by DASNY, not in the College's name.

(ii) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the College's investment in a single issuer. During 2024 and 2023, restricted deposits with bond trustee were not exposed to concentration of credit risk.

(iii) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal investment policy for restricted deposits with bond trustee that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments primarily consist of obligations of the U.S. government and are reported at fair value with maturities of one year or less.

(11) Employee Pension Benefit Plans

The College provides pension benefits for its employees through contributions to TRS and the SUNY Optional Retirement Program (ORP). These systems provide various plans and options, some of which require employee contributions. Substantially all of the College's full-time staff and faculty are covered by and participate in one of the two pension plans.

TRS issues a publicly available financial report that includes financial statements and supplementary information. The reports may be obtained by writing to:

New York State Teachers' Retirement System
10 Corporate Woods Drive
Albany, New York 12211
https://www.nystrs.org/

The following is a brief description of each plan:

(a) New York State Teachers' Retirement System

The College contributes to the TRS, a cost-sharing, multiple-employer defined benefit pension plan administered by the New York State Teachers' Retirement System Board. The System provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. Benefit provisions vary depending on date of membership.

Plan members who joined TRS before July 27, 1976 (Tiers 1 and 2) are not required to make contributions. Those joining after July 27, 1976 and before January 1, 2010 (Tiers 3 and 4) are required to contribute 3% of their annual salary. However, pursuant to legislation effective October 1, 2000, the 3% mandatory contribution to the retirement system ended for employees who have attained 10 years of membership. Those joining on or after January 1, 2010 and prior to April 1, 2012 (Tier 5) are required to contribute 3.5% of salary through their active membership. Those joining on or after April 1, 2012 (Tier 6) are required to contribute between 3% and 6% of salary through their active membership in accordance with a schedule based upon salary earned.

The College is required to contribute at an actuarial determined rate applicable to member salaries and adopted annually by the Retirement Board. The actuarially determined contribution rate applicable to 2022-2023 and 2021 – 2022 member salaries was 10.29% and 9.80%, respectively.

Members are generally eligible for service retirement allowances ranging from 1.75% to 2.00% per year of service depending on their membership Tier, subject to certain limitations.

The College's required employer contribution was made for 2024 and 2023, which totaled $2,246,952 and $2,429,414, respectively. The employees' contribution for 2024 and 2023 was $490,769 and $403,591, respectively.

At June 30, 2024 and 2023, the College's net pension liability was $(1,462,716) and $(2,010,749), respectively, which represents its proportionate share of the TRS net pension (liability) asset. The College's proportionate share of the net pension (liability) asset was based on the ratio of the College's actuarially determined employer contribution to the total TRS actuarially determined employer contribution.

The net pension liability reported at June 30, 2024 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the net pension liability to June 30, 2023. The net pension liability reported at June 30, 2023 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the net pension liability to June 30, 2022. The proportionate share of the net pension liability was 0.1279% and 0.1048% measured at both June 30, 2023 and June 30, 2022, respectively.

For the years ended June 30, 2024 and 2023, the College recognized pension expense of $4,216,718 and $2,854,049, respectively. At June 30, 2024 and 2023, the College reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	2024	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 3,546,696	8,765
Net difference between projected and actual earnings on pension plan investments	747,711	—
Changes of assumptions	3,149,183	686,347
Changes in employer proportion	1,109,378	1,100,403
Employer contribution made subsequent to the measurement date	2,246,952	—
Total	$ 10,799,920	1,795,515

	2023	
	Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$ 2,107,010	40,292
Net difference between projected and actual earnings on pension plan investments	2,598,078	—
Changes of assumptions	3,900,512	809,986
Changes in employer proportion	1,580,405	243,593
Employer contribution made subsequent to the measurement date	2,429,414	—
Total	$ 12,615,419	1,093,871

The $2,246,952 and $2,429,414 for the years ended June 30, 2024 and 2023, respectively, were reported as deferred outflows of resources related to the College's contributions made subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the subsequent year. The collective other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized in pension expense as follows:

Year ended June 30:		
2025	$	839,213
2026		(685,154)
2027		5,883,568
2028		402,922
2029		230,711
Thereafter		86,193
Total	$	6,757,453

(i) 2023 Actuarial Assumptions

The June 30, 2023 actuarial valuation, which was rolled forward from the 2022 actuarial valuation, used the following actuarial assumptions that were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

Inflation rate of 2.40% was assumed.

Projected salary increases – rates of increase differ based on service. They have been calculated based on recent TRS member experience.

Service	Rate
5	5.18 %
15	3.64
25	2.50
35	1.95

Projected COLAS – 1.3% compounded annually.

Investment rate of return – 6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The long-term expected rate of return on pension investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in TRS target asset allocation as of the valuation date of June 30, 2023 is as follows:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equities	33.0 %	6.8 %
International equities	15.0	7.6
Global equities	4.0	7.2
Real estate	11.0	6.3
Alternative investments	9.0	10.1
Total equities	72.0	
Domestic fixed income securities	16.0	2.2
Global fixed income securities	2.0	1.6
High-yield fixed income securities	2.0	6.0
Mortgages	6.0	3.2
Private debt	1.0	4.4
Short-term	1.0	0.3
Total fixed income securities	28.0	
Total	100.0 %	

Real rates of return in the table above are net of a long-term inflation assumption of 2.4%.

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(ii) *2022 Actuarial Assumptions*

The June 30, 2022 actuarial valuation, which was rolled forward from the 2021 actuarial valuation, used the following actuarial assumptions that were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

Inflation rate of 2.40% was assumed.

Projected salary increases – rates of increase differ based on service. They have been calculated based on recent TRS member experience.

Service	Rate
5	5.18 %
15	3.64
25	2.50
35	1.95

Projected COLAS – 1.3% compounded annually.

Investment rate of return – 6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis.

The long-term expected rate of return on pension investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in TRS target asset allocation as of the valuation date of June 30, 2022 is as follows:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equities	33.0 %	6.8 %
International equities	16.0	7.6
Global equities	4.0	7.1
Real estate	11.0	6.5
Alternative investments	8.0	10.0
Total equities	72.0	

(Continued)

Asset class	Target allocation	Long-term expected real rate of return
Domestic fixed income securities	16.0 %	1.3 %
Global fixed income securities	2.0	0.8
High-yield fixed income securities	1.0	5.9
Mortgages	7.0	3.3
Private debt	1.0	3.8
Short-term	1.0	(0.2)
Total fixed income securities	28.0	
Total	100.0 %	

Real rates of return in the table above are net of a long-term inflation assumption of 2.4%.

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(iii) *Sensitivity of the Net Pension (Liability) Asset to Changes in the Discount Rate*

The following table presents the net pension (liability) asset of the College at June 30, 2024, calculated using the discount rate of 6.95% as well as what the College's net pension (liability) asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.95%) and 1-percentage point higher (7.95%) than the current year rate:

	1% Decrease (5.95%)	Current discount rate (6.95%)	1% Increase (7.95%)
2024	$ (22,277,901)	(1,462,716)	16,043,755

The following table presents the net pension (liability) asset of the College at June 30, 2023, calculated using the discount rate of 6.95% as well as what the College's net pension (liability) asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.95%) and 1-percentage point higher (7.95%) than the current year rate:

	1% Decrease (5.95%)	Current discount rate (6.95%)	1% Increase (7.95%)
2023	$ (18,540,046)	(2,010,749)	11,890,282

(b) SUNY Optional Retirement Program (ORP)

College employees may also participate in the ORP, which is a multiple employer, defined contribution plan administered by separate vendors – TIAA CREF, Fidelity Investments, Met Life, VALIC, and VOYA.

The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting.

Employees who joined the ORP after July 27, 1976 and have less than ten years of service or membership are required to contribute 3% of their salary. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career.

Employer contributions range from 8% to 15% depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the ORP.

Employer contributions to the ORP are based on participating employee salaries. Contributions for both fiscal years 2024 and 2023 were 100% of the required contributions and were as follows:

	2024		
	Payroll	Employer contribution	Employee contribution
College	$ 93,700,519	9,491,153	2,049,152
Student Housing	1,269,117	118,637	49,784
	$ 94,969,636	9,609,790	2,098,936

(Continued)

	2023		
	Payroll	**Employer contribution**	**Employee contribution**
College	$ 81,421,435	9,727,040	1,769,667
Student Housing	990,319	104,707	33,425
	$ 82,411,754	9,831,747	1,803,092

(12) Postretirement Health Benefits

(a) Plan Description

FIT provides retiree healthcare benefits to eligible retirees of the College and its component organizations through the New York City Health Insurance Program. In addition, FIT reimburses a portion of the Part B premium for Medicare-eligible retirees and covered spouses; also, FIT makes contributions to the welfare fund of the United College Employees of FIT (UCE). The plan does not currently issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. The plan is classified as a single employer defined benefit plan under GASB No. 75. No assets are accumulated in a trust that meets the criteria under GASB No. 75.

Eligibility for plan participation is as follows:

Attained Full-Time Position	Eligibility Requirement
Hired on or before June 30, 1976:	
• Age 55+	10 years continuous service
• Less than 55	15 years continuous service*
Hired between July 1, 1976 and August 31, 1985:	
• Age 62+	10 years continuous service
• Less than 62	15 years continuous service#
Hired after September 1, 1985:	
• Any age	15 years continuous service#

* – Benefits only commence upon attainment of age 55 (i.e., if an employee retires at age 53, benefits commence when employee becomes 55).

– Benefits only commence upon attainment of age 62.

At the June 30, 2024 valuation date, the following employees were covered by the benefit terms:

		College	Student Housing
Activities	$	762	12
Retirees		312	1
Total	$	1,074	13

Healthcare Coverage: Basic coverage is provided to eligible retirees through the New York City Health Insurance Program. The plans included in this program are community-rated; given the size of FIT's covered population in relation to the total covered population, FIT's actual claims experience has no effect on the premiums charged by these plans.

UCE Welfare Fund: FIT pays $1,670 annually for most eligible retirees to the UCE Welfare Fund. This contribution may change periodically based on collective bargaining agreements.

Medicare Part B Premium Reimbursement: FIT reimburses $58.70 a month toward Part B premium for all Medicare-eligible retirees and covered spouses.

(b) Contributions

The terms of the plan are determined through collective bargaining among FIT, UCE, and the City of New York. FIT (and its component organizations) historically has funded the plan on a pay-as-you-go basis and does not anticipate prefunding the plan.

In the fiscal year ended June 30, 2024, current expenses funded for the College and Student Housing were $2,476,655 and $4,569, respectively. In the fiscal year ended June 30, 2023, current expenses funded for the College and Student Housing were $2,217,219 and $4,525, respectively.

(c) Total OPEB Liability

The total OPEB liability measured at June 30, 2024 for the College and Student Housing were $76,216,890 and $434,234, respectively. The total OPEB liability measured at June 30, 2023 for the College and Student Housing were $77,184,826 and $418,971, respectively.

(d) Actuarial Assumptions

The total OPEB liability for the June 30, 2024 measurement date was from an actuarial valuation at the same date. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Healthcare cost trend rates	
Pre-Medicare Plans	7.75% for 2024, decreasing to an ultimate rate of 4.04% at 2075 and years later
Medicare Plans	4.60% for 2024, decreasing to an ultimate rate of 4.04% at 2075 and years later

The mortality rates used are based on the mortality table in the Pub-2010 Public Retirement Plans Mortality Tables adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis.

The total OPEB liability for the June 30, 2023 measurement date was rolled forward from the actuarial valuation as of June 30, 2022 to June 30,2023. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Healthcare cost trend rates	
Pre-Medicare Plans	7.75% for 2023, decreasing to an ultimate rate of 4.04% at 2075 and years later
Medicare Plans	4.50% for 2023, decreasing to an ultimate rate of 4.04% at 2075 and years later

The mortality rates used are based on the mortality table in the Pub-2010 Public Retirement Plans Mortality Tables adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis.

(e) Changes in the Total OPEB Liability

	2024 College	2024 Student Housing
Total OPEB liability, beginning of year	$ 77,184,826	418,971
Service cost	3,435,900	69,531
Interest	2,897,457	17,747
Differences between expected and actual experience	(3,312,211)	(53,448)
Changes in assumptions and other inputs	(1,512,427)	(13,998)
Actual benefit payments	(2,476,655)	(4,569)
Net changes (OPEB expense)	(967,936)	15,263
Total OPEB liability, end of year	$ 76,216,890	434,234

	2023 College	2023 Student Housing
Total OPEB liability, beginning of year	$ 75,376,030	351,969
Service cost	3,490,599	70,071
Interest	2,752,634	14,860
Differences between expected and actual experience	(1,946,445)	(14,128)
Changes in assumptions and other inputs	(270,773)	724
Actual benefit payments	(2,217,219)	(4,525)
Net changes (OPEB expense)	1,808,796	67,002
Total OPEB liability, end of year	$ 77,184,826	418,971

(f) Discount Rate

The discount rate used to measure the OPEB liability as of June 30, 2024 and 2023 was 3.93% and 3.65%, respectively, based on the Bond Buyer’s 20 Bond Index.

(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the College’s total OPEB liability calculated as of June 30, 2024 using the discount rate of 3.93%, as well as what the College’s liability would be if it were calculated using a

(Continued)

discount rate that is 1-percentage point lower (2.93%) and 1-percentage point higher (4.93%) than the current year rate:

		1% Decrease (2.93%)	Current discount rate (3.93%)	1% Increase (4.93%)
College total OPEB liability	$	87,864,213	76,216,890	66,675,347
Student Housing total OPEB liability		543,759	434,234	350,028

The following presents the College’s total OPEB liability calculated as of June 30, 2023 using the discount rate of 3.65%, as well as what the College’s liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65%) and 1-percentage point higher (4.65%) than the current year rate:

		1% Decrease (2.65%)	Current discount rate (3.65%)	1% Increase (4.65%)
College total OPEB liability	$	89,265,716	77,184,826	67,333,920
Student Housing total OPEB liability		525,404	418,971	336,991

(h) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the College, and Student Housing total OPEB obligation calculated as of June 30, 2024 using the healthcare cost trend rates that are 1-percentage point lower and 1-percentage point higher than the current healthcare cost trend rate:

		1% Decrease (6.75% decreasing to 3.037%)	Healthcare cost trend rates (7.75% decreasing to 4.037%)	1% Increase (8.75% decreasing to 5.037%)
College total OPEB liability	$	67,137,746	76,216,890	87,812,256
Student Housing total OPEB liability		342,980	434,234	563,979

The following presents the College, and Student Housing total OPEB obligation calculated as of June 30, 2023 using the healthcare cost trend rates that are 1-percentage point lower and 1-percentage point higher than the current healthcare cost trend rate:

		1% Decrease (6.75% decreasing to 3.037%)	Healthcare cost trend rates (7.75% decreasing to 4.037%)	1% Increase (8.75% decreasing to 5.037%)
College total OPEB liability	$	67,446,278	77,184,826	89,772,738
Student Housing total OPEB liability		329,409	418,971	546,366

(i) Deferred Outflows and Inflows of Resources

The following are components of the deferred outflows and inflows at June 30, 2024 and 2023:

		2024	
		Deferred outflows of resources	Deferred inflows of resources
College:			
Differences between expected and actual experience	$	8,846,445	16,482,259
Changes in assumptions		4,604,434	34,021,906
Total	$	13,450,879	50,504,165
Student Housing:			
Differences between expected and actual experience	$	6,605	885,448
Changes in assumptions		204,812	412,271
Total	$	211,417	1,297,719

(Continued)

		2023	
		Deferred outflows of resources	**Deferred inflows of resources**
College:			
Differences between expected and actual experience	$	11,047,344	16,146,641
Changes in assumptions		5,985,082	40,082,305
Total	$	17,032,426	56,228,946
Student Housing:			
Differences between expected and actual experience	$	7,063	888,545
Changes in assumptions		219,805	426,730
Total	$	226,868	1,315,275

The deferred outflow and deferred inflows of resources at June 30, 2024 will be recognized in expense as follows:

		College	**Student Housing**
Year ended June 30:			
2025	$	6,967,236	69,551
2026		6,029,171	69,551
2027		5,414,689	69,551
2028		6,431,476	69,551
2029		8,431,610	69,551
Thereafter		3,779,104	738,547
Total	$	37,053,286	1,086,302

(j) Annual OPEB Expense

In the fiscal year ended June 30, 2024, the annual OPEB (benefit) expense for the College and Student Housing were $(634,515) and $17,727, respectively. In the fiscal year ended June 30, 2023, the annual OPEB (benefit) expense for the College and Student Housing were ($96,007) and $19,625, respectively.

(13) Leases

(a) Lessee

As discussed in note 2(g), the College is a lessee for various noncancellable leases of building space. Lease terms vary from seven to twelve years. The discount rate used for the calculation of the lease receivable is calculated based on the stated rate included in lease or the average rate for the College’s long-term debt, at 4% for fiscal year 2024 and 2023.

(b) Intangible Right-to-use Lease Assets and SBITA Assets

A summary of right-to-use lease and SBITA asset activity for the years ended June 30, 2024 and 2023 is as follows:

	2024				
	Right-to-use lease assets and SBITA assets				
	Beginning balance	Additions	Remeasure-ments	Deductions	Ending balance
Right-to-use lease assets and SBITA assets:					
Space rental	$ 59,870,704	—	—	—	59,870,704
SBITA	1,095,623	62,614	—	—	1,158,237
Total right-to-use lease and SBITA assets	60,966,327	62,614	—	—	61,028,941
Less accumulated amortization:					
Right-to-use lease assets and SBITA assets:					
Space rental	(19,286,277)	(6,428,759)	—	—	(25,715,036)
SBITA	(712,900)	(343,514)	—	—	(1,056,414)
Total accumulated amortization	(19,999,177)	(6,772,273)	—	—	(26,771,450)
Total right-to-use lease assets and SBITA assets, net	$ 40,967,150	(6,709,659)	—	—	34,257,491

	2023				
	Right-to-use lease assets and SBITA assets				
	Beginning balance	Additions	Remeasure-ments	Deductions	Ending balance
Right-to-use lease assets and SBITA assets:					
Space rental	$ 59,870,704	—	—	—	59,870,704
SBITA	1,043,077	52,546	—	—	1,095,623
Total right-to-use lease and SBITA assets	60,913,781	52,546	—	—	60,966,327
Less accumulated amortization:					
Right-to-use lease assets and SBITA assets:					
Space rental	(12,857,518)	(6,428,759)	—	—	(19,286,277)
SBITA	(347,692)	(365,208)	—	—	(712,900)
Total accumulated amortization	(13,205,210)	(6,793,967)	—	—	(19,999,177)
Total right-to-use lease assets and SBITA assets, net	$ 47,708,571	(6,741,421)	—	—	40,967,150

(c) Lease and SBITA Liability and Interest Expense

A summary of lease and SBITA liability activity for the years ended June 30, 2024 and 2023 is as follows:

		2024 Lease and SBITA liability				
		Beginning balance	Additions	Remeasure-ments	Deductions	Ending balance	Current portion
Space rental	$	42,508,080	—	—	(6,627,463)	35,880,617	7,042,928
SBITA		425,288	62,614	—	(382,922)	104,980	82,293
Total lease and SBITA liability	$	42,933,368	62,614	—	(7,010,385)	35,985,597	7,125,221

		2023 Lease and SBITA liability					
		Beginning balance	Additions	Remeasure-ments	Deductions	Ending balance	Current portion
Space rental	$	48,738,105	—	—	(6,230,025)	42,508,080	6,627,454
SBITA		729,760	52,546	—	(357,018)	425,288	363,838
Total lease and SBITA liability	$	49,467,865	52,546	—	(6,587,043)	42,933,368	6,991,292

Future annual lease and SBITA payments are as follows:

Future annual lease and SBITA payments and interest

		Principal	Interest	Total
Year ending June 30:				
2025	$	7,125,221	1,079,983	8,205,204
2026		7,499,837	823,105	8,322,942
2027		7,504,696	556,673	8,061,369
2028		4,763,746	352,711	5,116,457
2029		5,029,610	202,339	5,231,949
Thereafter		4,062,487	118,968	4,181,455
	$	35,985,597	3,133,779	39,119,376

(14) Commitments and Contingencies of the College

The College is obligated to pay, or provide for payment to Student Housing if Student Housing is unable to make payments on its outstanding bond obligation. The bonds are secured by the pledges to Student Housing and its rental revenue, as well as its mortgaged properties and security interests in fixtures and equipment.

The College has received federal and state aid and grants, which are subject to audit by agencies of the federal and state governments. Such audits may result in disallowances and a request for a return of funds to the federal and state governments. The College believes that potential disallowances, if any, have been adequately provided for.

The College is a defendant in certain lawsuits arising in the ordinary course of operations. While the outcome of lawsuits or other proceedings against the College cannot be predicted with certainty, the College does not expect that these matters will have a material adverse effect on its financial position.

FASHION INSTITUTE OF TECHNOLOGY

Required Supplementary Information – Schedule of Changes in Total OPEB Liability and Related Ratios

June 30, 2024*

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
College:								
Total OPEB liability, beginning of year	$ 77,184,826	75,376,030	132,748,375	124,391,168	98,920,626	82,556,123	80,767,916	85,993,495
Service cost	3,435,900	3,490,599	7,828,062	7,595,719	4,097,855	3,635,572	3,843,208	4,657,665
Interest	2,897,457	2,752,634	3,007,448	2,890,252	3,573,854	3,302,817	2,998,414	2,559,760
Differences between expected and actual experience	(3,312,211)	(1,946,445)	(19,023,862)	756,027	17,936,300	110,420	658,364	672,437
Changes in assumptions and other inputs	(1,512,427)	(270,773)	(46,498,528)	(472,247)	1,679,296	11,027,105	(4,252,506)	(11,433,626)
Actual benefit payments	(2,476,655)	(2,217,219)	(2,685,465)	(2,412,544)	(1,816,763)	(1,711,411)	(1,728,275)	(1,681,815)
Net changes (OPEB expense)	(967,936)	1,808,796	(57,372,345)	8,357,207	25,470,542	16,364,503	1,519,205	(5,225,579)
Transfer from Student Faculty	—	—	—	—	—	—	269,002	—
Total OPEB liability, end of year	76,216,890	77,184,826	75,376,030	132,748,375	124,391,168	98,920,626	82,556,123	80,767,916
Covered employee payroll	$ 93,700,519	81,421,435	75,120,757	79,168,567	82,617,958	76,310,744	74,449,506	72,369,290
Total OPEB liability as a percentage of covered employee payroll	81.34 %	94.80 %	100.34 %	167.68 %	150.56 %	129.63 %	110.89 %	111.61 %
Student Housing:								
Total OPEB liability, beginning of year	$ 418,971	351,969	1,433,747	1,293,397	1,180,690	789,517	757,543	818,322
Service cost	69,531	70,071	127,313	124,048	91,167	68,425	74,547	96,116
Interest	17,747	14,860	33,669	31,279	44,424	33,109	29,710	26,001
Differences between expected and actual experience	(53,448)	(14,128)	(969,801)	(10,658)	7,384	670	467	529
Changes in assumptions and other inputs	(13,998)	724	(268,303)	(123)	(25,074)	293,862	(68,306)	(179,145)
Actual benefit payments	(4,569)	(4,525)	(4,656)	(4,196)	(5,194)	(4,893)	(4,444)	(4,280)
Net changes (OPEB expense)	15,263	67,002	(1,081,778)	140,350	112,707	391,173	31,974	(60,779)
Total OPEB liability, end of year	434,234	418,971	351,969	1,433,747	1,293,397	1,180,690	789,517	757,543
Covered employee payroll	$ 1,269,117	990,319	879,100	616,068	1,055,166	1,081,720	1,055,337	1,029,597
Total OPEB liability as a percentage of covered employee payroll	34.22 %	42.31 %	40.04 %	232.73 %	122.58 %	109.15 %	74.81 %	73.58 %
Additional information:								
Discount rate	3.93 %	3.65 %	3.54 %	2.16 %	2.21 %	3.50 %	3.87 %	3.87 %
Plan changes	none	none	none	none	none	none	none	none

For fiscal years 2017 and 2019 the mortality table in the New York City Teacher's Retirement System Assumption report was used. In fiscal year 2020 to 2023 the mortality table in the Pub-2010 Public Retirement Plans was used.

* Information provided for Required Supplementary Information will be provided for ten years, as the information becomes available.

See accompanying independent auditors' report.

FASHION INSTITUTE OF TECHNOLOGY

Required Supplementary Information –
Schedule of the College's Proportionate Share of the Net Pension Liability – New York State Teachers' Retirement System (Unaudited)
Schedule of Employer Contributions – New York State Teachers' Retirement System (Unaudited)

June 30, 2024

Schedule of Proportionate Share at Measurement Date

(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension asset (liability)	0.1279 %	0.1048 %	0.1173 %	0.1235 %	0.1273 %	0.1326 %	0.1541 %	0.1319 %	0.1389 %	0.1417 %
Proportionate share of the net pension asset (liability)	$ (1,462,716)	(2,010,749)	20,322,596	(3,413,811)	3,306,545	2,397,743	1,171,110	(1,412,696)	14,428,795	15,781,117
Covered payroll	23,609,465	18,570,105	19,905,291	20,985,868	21,243,829	21,597,972	24,513,498	20,353,379	20,866,852	20,921,148
Proportionate share of the net pension (liability) asset as a % of its covered payroll	(16.15)%	(10.83)%	102.10 %	(16.27)%	15.56 %	11.10 %	4.78 %	(6.94)%	69.15 %	75.43 %
Pension plan's fiduciary net position as a % of the total pension asset (liability)	99.20	98.60	113.20	98.00	102.00	102.00	101.00	99.00	110.00	111.00

Schedule of Employer Contributions

(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions (1)	$ 2,246,952	2,429,414	1,819,870	1,896,974	1,859,348	2,256,095	2,116,601	2,872,982	2,698,858	3,657,959
Contributions in relation to the actuarial determined contribution (2)	2,246,952	2,429,414	1,819,870	1,896,974	1,859,348	2,256,095	2,116,601	2,872,982	2,698,858	3,657,959
Contribution deficiency (excess)	—	—	—	—	—	—	—	—	—	—
Covered payroll (3)	23,022,443	23,609,465	18,570,105	19,905,291	20,985,868	21,243,829	21,597,971	24,513,498	20,353,379	20,866,852
Contribution as a percentage of covered-employee payroll	9.76 %	10.29 %	9.80 %	9.53 %	8.86 %	10.62 %	9.80 %	11.72 %	13.26 %	17.53 %

(1) The actuarially determined contribution includes normal costs, adjustments made to record the reconciliation of projected salary to actual salary and miscellaneous accounting adjustments.

(2) The contributions in relation to the actuarially determined contribution reflects actual payments.

(3) Covered-employee payroll represents total payroll.

Notes

(Unaudited)

Changes in benefit terms – There were no significant changes in benefits for the June 30, 2023 and June 30, 2022 measurement date (actuarial valuation as of June 30, 2022.

Changes in assumptions – The following lists the significant changes in assumptions between the June 30, 2022 valuation and the June 30, 2013 valuation:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Experience study period	July 1, 2015 to June 30, 2020	July 1, 2015 to June 30, 2020	July 1, 2015 to June 30, 2019	July 1, 2009 to June 30, 2014	July 1, 2009 to June 30, 2014	July 1, 2009 to June 30, 2014	July 1, 2009 to June 30, 2014	July 1, 2009 to June 30, 2014	July 1, 2005 to June 30, 2010	July 1, 2005 to June 30, 2010
Inflation rate	2.40 %	2.40 %	2.40 %	2.20 %	2.20 %	2.25 %	2.5 %	3.0 %	3.0 %	3.0 %
Projected salary increases based on	Service	Service	Service	Service	Service	Service	Service	Service	Age and gender	Age and gender
Projected COLAs, compounded annually	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.5 %	1.5 %	1.5 %	1.625 %	1.625 %
Investment rate of return, compounded annually (rounded)	7.0	7.0	7.0	7.1	7.1	7.3	7.3	7.3	8.0	—
Mortality rates – Society of Actuaries Scale, adjusted	MP2021	MP2021	MP2020	MP2019	MP2018	MP2014	MP2014	MP2014	AA	AA
Discount rates	6.95 %	6.95 %	6.95 %	7.10 %	7.10 %	7.25 %	7.25 %	7.50 %	8.00 %	8.00 %

See accompanying independent auditors' report.

Supplementary Schedule 1

FASHION INSTITUTE OF TECHNOLOGY

Schedule of Reconciliation of the College's Revenues, Expenses, and Other
Changes to Audited Financial Statements

Year ended June 30, 2024

		Revenues	Expenses	
Totals by fund:				
Unrestricted current funds	$	250,233,446	231,657,803	
Restricted current funds		46,886,205	48,101,975	
Plant funds		16,960,800	—	
Endowment and similar funds		82,880	225,323	
Student association		4,528,775	5,744,266	
Totals (all funds)		318,692,106	285,729,367	
Adjustments to reconcile to financial statements:				
Scholarship allowances		(26,162,874)	(26,162,874)	
Expended for plant facilities		(16,960,800)	(16,960,800)	
Depreciation		—	21,614,395	
GASB No. 75 OPEB costs not recognized in annual report		—	(3,164,957)	
GASB No. 68 pension costs not recognized in annual report		—	1,969,110	
GASB No. 87 lease costs not recognized in annual report		—	(6,602,691)	
GASB No. 96 SBITA costs not recognized in annual report		—	(382,953)	
Miscellaneous adjustments		853,852	(4,334,263)	
Adjusted totals	$	276,422,284	251,704,334	(1)
Per audited financial statements:				
Operating revenue/expenses	$	95,486,736	250,483,539	
Nonoperating revenue/expenses		180,935,548	1,220,795	
Other revenue/expenses		—	—	
Totals per financial statements	$	276,422,284	251,704,334	(1)

		Annual report	Unrestricted current funds (2)		Unreconciled difference
2023 Total unrestricted expenses	$	231,657,803	232,497,655		(839,852)
2023 Total revenues – offset to expense plus costs not allowable for state aid		—	—		—
2023 net operating costs	$	231,657,803	232,497,655		(839,852)
Description of reconciled difference:					
Bad debt expenses related to student receivables					839,852
Total unreconciled difference				$	—

(1) Adjusted totals should agree to totals per financial statements.

(2) Unrestricted current funds as contained in the audited financial statements

		Reported amounts
Net position/fund balance reconciliation:		
Current unrestricted fund balance *	$	137,839,941
GASB No. 75 adjustment – noncurrent Total OPEB liability (per financial statements)		(76,216,890)
GASB No. 75 adjustment – deferred inflows of resources (per financial statements)		(50,504,165)
GASB No. 75 adjustment – deferred outflows of resources (per financial statements)		13,450,879
GASB No. 75 adjustment, net of deferrals – FIT Student Association		1,239,348
GASB No. 87 adjustment		(1,820,317)
GASB No. 96 adjustment		(3,157)
Capital expenditures and other		(26,771,620)
Unrestricted net position (per financial statements)	$	(2,785,981)

* Line 113 (column C) of annual report

See accompanying independent auditors' report.

Supplementary Schedule 2

FASHION INSTITUTE OF TECHNOLOGY

Schedule of State Operating Aid

Year ended June 30, 2024

Total operating costs	$	231,657,803									
Total revenue – offset to expense		10,917,692									
Costs not allowable for state aid		—									
Net operating costs	$	220,740,111	x		0.40	=	$	88,296,044	(a)
Funded FTE students – basic aid									
2020–2021 Actual		8,002.4	x		0.20	=	$	1,600.5	
2021–2022 Actual		7,814.3	x		0.30	=		2,344.3	
2022–2023 Actual		7,872.4	x		0.50	=		3,936.2	
2020–2023 Calculated FTE (20-30-50% rule)							$	7,881.0	
2020–2023 Funded FTE (greater of 20-30-50% rule) or prior year actual)		—			—			7,881.0	(c)
Funded FTE students – basic aid		8,212.99	x	$	2,997.00	=	$	24,614,331	(d)
Plus rental costs		—			—	=		3,156,112	
Funded FTE, rental costs, small college, and high – needs funding							$	27,770,443	(b)
Basic aid – lesser of (a) or (b)							$	27,770,443	

See accompanying independent auditors’ report.

FASHION INSTITUTE OF TECHNOLOGY

Schedule of State-Aidable FTE Tuition Reconciliation

Year ended June 30, 2024

	Headcount Credit Hours and FTE				Rate			Equated
	Lower div	Upper div	Grad div	Total	Lower div	Upper div	Grad div	tuition
Calculated tuition based on state-aidable FTE per annual report:								
Full-time student headcount:								
Fall 2023 full-time students per Form 1C	$ 3,718	3,099	197	7,014	2,645	3,585	5,771	22,080,912
Spring 2024 full-time students per Form 1C	3,549	2,894	184	6,627	2,645	3,585	5,771	20,823,959
Total full-time headcount	7,267	5,993	381	13,641				
Total credit hours of full-time students	115,209	91,637	4,561	211,407				
Part-time student credit hours:								
Fall 2023 part-time credits per Form 1C	4,764	2,013	429	7,206	220	299	481	1,856,316
Spring 2024 part-time credits per Form 1C	5,320	3,241	319	8,880	220	299	481	2,292,898
Winter 2024 part-time credits per Form 1C	2,027	573	193	2,793	220	299	481	710,100
Summer 2023 part-time credits per Form 1C	4,225	1,996	282	6,503	220	299	481	1,661,946
Total part-time credit hours	16,336	7,823	1,223	25,382				
Total credit hours	131,545	99,460	5,784	236,789				
Total state-aidable FTE	$ 4,385	3,315	193	7,893				
Total calculated tuition based headcount and credit hours								49,426,131
Reconciliation to annual report and audited financial statements:								
Less:								
Bad debt allowance charged to in-state tuition								(839,852)
Other – 10% of summer 2024 tuition deferred to FY 2024								(1,230,044)
Add:								
Other – miscellaneous differences (withdrawals, adjustments, etc.)								376,124
Other – 10% of summer 2023 tuition deferred to FY 2024								1,002,646
Tuition revenue reported on annual report (lines 205-207)								48,735,005
Add:								
Out-of-state resident tuition								44,547,912
Service fees								4,626,149
Student revenue – non state-aidable courses								2,427,037
Fees credited to restricted accounts								2,559,611
Bad debt expense – in-state and out-of-state tuition								839,852
Tuition and fee revenue per audited financial statements (gross)								$ 103,735,566

See accompanying independent auditors' report.