



## **FORDHAM UNIVERSITY**

Financial Statements and Supplementary  
Information on Financial Responsibility Data and Federal Awards  
Programs

Year ended June 30, 2021

(With Independent Auditors' Report and  
Reports on Internal Control and Compliance)

# FORDHAM UNIVERSITY

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

## Independent Auditors' Report

The Board of Trustees  
Fordham University:

### Report on the Financial Statements

We have audited the accompanying financial statements of Fordham University (the University), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fordham University as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Other Matter*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedule of financial responsibility data as of and for the year ended June 30, 2021, is presented for purposes of additional analysis as required by the US Department of Education, and is



not a required part of the 2021 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of financial responsibility data is fairly stated, in all material respects, in relation to the 2021 financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2021, except as to note 18, which is as of September 29, 2022, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

**KPMG LLP**

October 20, 2021, except as to note 18  
and our report on the supplementary  
schedule of financial responsibility data,  
which are as of September 29, 2022

**FORDHAM UNIVERSITY**

Statements of Financial Position

June 30, 2021 and 2020

(Amounts in thousands)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents (note 3)	\$ 16,197	25,176
Short-term investments (note 4)	10,649	22,764
Accounts receivable, net (notes 3 and 6)	17,439	20,054
Student loans receivable, net (note 6)	6,318	7,630
Deposits with bond trustees (note 10)	59,644	132,892
Contributions receivable, net (note 7)	91,988	63,233
Other assets (notes 2(g) and 2(o))	27,726	22,256
Endowment investments (notes 4 and 5)	1,003,039	796,240
Operating lease right-of-use assets (note 15)	86,740	—
Plant assets, net (note 8)	1,115,571	1,061,178
Total assets	\$ 2,435,311	2,151,423
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 87,452	84,679
Deferred revenue and deposits	29,926	52,397
Fair value of swap agreement (note 10)	8,253	11,703
Other liabilities	9,183	7,713
Postretirement benefit obligation (note 9)	73,762	72,854
Long-term debt, net (note 10)	538,955	557,238
Operating lease liabilities (note 15)	98,530	—
Total liabilities	846,061	786,584
Commitments and contingencies (notes 4, 8, 9, 10, 14, 15 and 16)		
Net assets (notes 5 and 13):		
Without donor restrictions:		
Undesignated	349,413	422,827
Board-designated	377,856	248,041
Total net assets without donor restrictions	727,269	670,868
With donor restrictions:		
Purpose or time	420,652	301,465
Perpetuity	441,329	392,506
Total net assets with donor restrictions	861,981	693,971
Total net assets	1,589,250	1,364,839
Total liabilities and net assets	\$ 2,435,311	2,151,423

See accompanying notes to financial statements.

**FORDHAM UNIVERSITY**

Statements of Activities

Years ended June 30, 2021 and 2020

(Amounts in thousands)

	<b>2021</b>	<b>2020</b>
Changes in net assets without donor restrictions:		
Operating revenue:		
Tuition and fees, net (financial aid of \$264,386 and \$255,588 in 2021 and 2020, respectively)	\$ 477,898	490,234
Government grants	31,368	19,227
Investment return, net	32,971	30,246
Contributions and private grants	38,330	35,459
Student housing	36,762	50,584
Food services	12,753	15,423
Other	9,895	19,210
Net assets released from restrictions	8,107	5,176
Total operating revenue	648,084	665,559
Operating expenses:		
Program services:		
Instruction and research	296,674	299,825
Academic support	175,565	176,904
Auxiliary services	93,367	94,934
Total program services	565,606	571,663
Institutional administration	85,491	88,397
Total operating expenses	651,097	660,060
Operating result before transfers	(3,013)	5,499
Designated fund transfers	10,700	874
Operating result	7,687	6,373
Nonoperating activities:		
Investment return, net	55,284	(13,591)
Changes in postretirement health benefits other than net periodic benefit cost	7,274	2,804
Net periodic benefit cost other than service cost	(1,804)	(2,257)
Provision for voluntary separation benefits	(3,470)	—
Designated fund transfers	(10,700)	(874)
Other	2,130	(4,330)
Increase (decrease) in net assets without donor restrictions	56,401	(11,875)
Changes in net assets with donor restrictions:		
Contributions	54,625	17,390
Investment return (loss), net	119,446	(20,409)
Change in fair value of perpetual trust	2,046	(507)
Net assets released from restrictions	(8,107)	(5,176)
Increase (decrease) in net assets with donor restrictions	168,010	(8,702)
Increase (decrease) in net assets	224,411	(20,577)
Net assets at beginning of year	1,364,839	1,385,416
Net assets at end of year	\$ 1,589,250	1,364,839

See accompanying notes to financial statements.

**FORDHAM UNIVERSITY**

Statements of Cash Flows

Years ended June 30, 2021 and 2020

(Amounts in thousands)

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 224,411	(20,577)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net (appreciation) depreciation on investments	(212,251)	4,468
Provision for doubtful student accounts	5,027	3,085
Provision for uncollectible contributions receivable	(1,478)	1,204
Depreciation and amortization of plant assets	57,498	58,419
Amortization of bond issue costs and original issue discount/premium	(2,442)	(1,475)
Amortization of right-of-use assets	8,866	—
Postretirement related changes other than net periodic pension cost	(7,274)	(2,804)
Change in fair value of perpetual trust	(2,046)	507
Permanently restricted contributions and investment return	(42,006)	(14,299)
Change in deferred tax provision	—	1,152
Capital contributions and grants	(1,036)	(1,149)
Change in value of interest rate swap	(3,450)	2,671
Changes in operating assets and liabilities:		
Accounts receivable	(2,412)	(6,164)
Contributions receivable, net of permanently restricted and capital components	(4,917)	(2,159)
Other assets	(3,424)	2,088
Accounts payable and accrued expenses	17,553	(1,977)
Deferred revenue and deposits	(22,471)	(2,313)
Other liabilities	1,473	(1,306)
Operating lease liability	(9,060)	—
Postretirement benefit obligation	8,182	7,834
Net cash provided by operating activities	8,743	27,205
Cash flows from investing activities:		
Purchases of investments	(400,995)	(444,100)
Sales of investments	418,562	472,838
Purchases of plant assets	(111,891)	(86,972)
(Decrease) increase in accounts payable for capital projects	(2,799)	7,637
Decrease in student loans receivable, net	1,312	1,221
Net cash used in investing activities	(95,811)	(49,376)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	165,170
Bond issuance costs	—	(1,103)
Repayment of long-term debt	(15,841)	(18,130)
Decrease (increase) in deposits with bond trustees	73,248	(132,276)
Permanently restricted contributions and investment return	42,006	14,299
Capital contributions and grants	1,036	1,149
Decrease in contributions receivable for capital projects	2,324	2,820
(Increase) decrease in permanently restricted contributions receivable	(24,684)	2,041
Net cash provided by financing activities	78,089	33,970
Net (decrease) increase in cash and cash equivalents	(8,979)	11,799
Cash and cash equivalents at beginning of year	25,176	13,377
Cash and cash equivalents at end of year	\$ 16,197	25,176
Supplemental disclosures:		
Interest paid (includes capitalized interest of \$5,087 and \$2,451 for 2021 and 2020, respectively)	\$ 21,144	19,025
Acquisition of equipment through finance leases	—	1,412
Right-of-use assets acquired under operating leases	86,740	—
Deferred rent liability and tenant improvement allowance included in operating lease right-of-use assets	11,790	—
Noncash gift of property, plant and equipment	—	2,700

See accompanying notes to financial statements.

# FORDHAM UNIVERSITY

## Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

### (1) The University

Fordham University (the University) is an independent, not-for-profit, institution of higher learning, in the Jesuit tradition, within its principal campuses located in New York City. The University was founded in 1841 and was granted its charter in 1846 by the State of New York. It is exempt from federal income taxes under the provisions of the Internal Revenue Code, as an organization described in Section 501(c)(3).

The central mission of the University is the discovery of wisdom and the transmission of learning through research and through undergraduate, graduate, and professional education of the highest quality. Guided by its Catholic and Jesuit traditions, the University fosters the intellectual, moral, and religious development of its students and prepares them for leadership in a global society.

The University awards baccalaureate, graduate, and professional degrees to students from Fordham College at Rose Hill, Fordham College at Lincoln Center, the Gabelli School of Business through both undergraduate and graduate programs, the School of Professional and Continuing Studies, the Graduate Schools of Arts and Sciences, Education, Religion and Religious Education, Social Service, and the School of Law. The University's principal locations include residential campuses in the Bronx and Manhattan, a campus in West Harrison, New York, the Louis Calder Center Biological Field Station in Armonk, New York, and the London Centre in the United Kingdom. In addition to these locations, the University holds a number of affiliations with higher education institutions across the globe and offers online classes and online degree programs.

The University is accredited by the Middle States Commission on Higher Education and presently serves approximately 9,400 undergraduate students and 7,000 graduate and professional students.

The University's primary source of revenue is tuition and fees from undergraduate, graduate, and professional and continuing education. Other sources of revenue include student housing and food services, contributions, grants and contracts, return on investments, and other services.

### (2) Summary of Significant Accounting Policies

The significant accounting policies followed by the University are as follows:

#### (a) *Basis of Presentation*

The University prepares its financial statements on the accrual basis in conformity with U.S. generally accepted accounting principles (GAAP) and classifies its activities into one of two classes of net assets, based on either the existence, or absence, of donor-imposed restrictions.

The two classes of net assets are as follows:

- Without donor restrictions: Net assets that are not subject to donor-imposed restrictions and are available to support the general operations of the University. Net assets without donor restrictions may be designated for specific uses by action of the Board of Trustees of the University (the Board); and



## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

- With donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the University or the passage of time or that must be maintained in perpetuity if so stipulated by the donor. A donor-imposed restriction arises when a donor makes a contribution and, in doing so, specifies its use for a specific activity within the University's overall mission. In the case of net assets that must be held in perpetuity, donors generally permit the use of all or part of the investment earnings for operations or specific purposes.

Expirations of restrictions on net assets with donor restrictions, including reclassifications of restricted gifts and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions on the statement of activities. Donor-imposed restrictions that are met in the same reporting period that the contribution is received are reported as increases in net assets without donor restrictions.

#### **(b) Operating and Non-Operating Activities**

Operating activities include student-sourced revenues, such as tuition and fees, student housing, and food services. They also include grants and contracts, donations for general operations, the allocation of endowment spending for current operations, other revenues that are ordinary and routine in nature, and all operating expenses.

Non-operating activities tend to vary from year to year and include changes in market values of investments and other financial instruments beyond the amount which has been appropriated for spending in the current year, certain actuarially-determined activities relating to the University's postretirement plan, and other non-recurring transactions. Accordingly, they are excluded from operating activities in order to preserve the comparability of the University's operating result from year to year.

#### **(c) Tuition and Fee Revenue**

The University recognizes revenue from student tuition and fees within the fiscal year in which the respective educational services are delivered. Campus-based programs are generally delivered from August through December (the Fall Term) and January through May (the Spring Term), as well as during three terms that span the summer months. Online courses are delivered on a rolling basis over the course of the fiscal year, with instruction periods of various lengths. Payments for the Fall Term are typically due in July and recorded as deferred revenue until the performance obligations are met.

Institutional aid (scholarships) reduces the published price of tuition for students and is funded by a number of sources, including the endowment, certain research funds, and gifts.

#### **(d) Student Housing and Food Services**

The University generates revenue from student housing and food services, which are offered for the benefit of the University community. Accordingly, fees for these services are set to recover the associated costs of providing them. Amounts billed for housing and food services are owed prior to the start of the academic term to which the services benefit, and are provided over the course of that academic term. Revenues associated with these services are earned and recognized over the course of each academic term as such services are provided.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(e) Fair Value Measurements**

The University measures the fair value of relevant financial assets and liabilities using a three-tiered fair value hierarchy, which prioritizes the inputs to valuation techniques used to make fair value measurements. The three levels of the fair value hierarchy and associated inputs are as follows:

- Level 1 inputs, which are quoted or published prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date;
- Level 2 inputs, which are directly or indirectly attributable to the assets or liabilities being valued, but cannot be considered Level 1 inputs; and
- Level 3 inputs, which are unobservable and derived from valuation methodologies, including pricing models, discounted cash flow models, and similar techniques, and are not based on market, exchange, dealer, or broker traded transactions.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to its fair value measurement.

Investments reported using a practical expedient, known as net asset value (NAV), to estimate fair value are not classified in the fair value hierarchy, except for those with a readily-determinable fair value based on a published price that serves as the basis for current transactions and, therefore, classified as Level 1 in the fair value hierarchy.

#### **(f) Investments**

Investments are reported at fair value. Investments in publicly traded securities are reported at fair value based upon quoted market prices. Investments in investment companies (consisting of investments in hedge funds and private capital funds) are estimated using values reported by those investment companies, which are based upon the underlying NAV of the investment. These estimated values are reviewed and evaluated by the University.

Investment income is reported as increases in net assets with donor restrictions if the terms of the underlying gift restrict the use of any income to specific activities or require it be added to the principal of the gift, or if the income is not yet available for expenditure based on the University's spending policy. Absent those conditions, investment income is recognized as increases in net assets without donor restrictions.

#### **(g) Contributions and Grants**

Contributions (including pledges and assets other than cash) are initially reported at fair value as revenue in the period received, net of an allowance for uncollectible amounts. Contributions to be received after one year (i.e., pledges) are recorded at their discounted present value using a risk-adjusted rate. Discounts on contributions are amortized to contribution revenue over the life of the pledge.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

Contributions of property and equipment are reported as increases in net assets without donor restrictions unless the donor imposes restrictions on their use. Contributions made toward long-lived assets are held as net assets with donor restrictions until the asset is placed in service, at which time the contributions are released from restriction. Contributions with donor-imposed restrictions are reported as changes in net assets without donor restrictions if the restriction is satisfied in the same fiscal year in which the contribution was received by the University.

Revenue from grants is recognized as performance obligations are satisfied which, in some cases, are as related costs are incurred. In other cases, a grant may represent a non-reciprocal transaction in which the benefits afforded to the University and sponsor are not of equal value, or the benefit of such an arrangement may accrue only to the public at large. In situations such as these, revenues may be subject to conditions, in the form of both a barrier to entitlement (e.g. a specific service level must be maintained to remain eligible for grant funding, or discretion as to the University's use of the grant is limited), or an explicit or implicit proviso that the University may not ultimately be entitled to the full amount of the grant (e.g. the sponsor may be released from its obligation to make future payments at some point during the arrangement), or both.

Revenues from conditional, non-exchange transactions are recognized when the barrier or financial limitation is overcome or satisfied. Similarly, conditional promises to give are not recognized until they become unconditional (i.e. at which time the conditions on which they depend are met).

The University holds split-interest agreements, which consist of irrevocable charitable remainder trusts and a perpetual trust, and are reported in other assets on the statements of financial position. These assets total \$20,252 and \$16,087 at June 30, 2021 and 2020, respectively, are categorized as Level 3 in the fair value hierarchy.

#### **(h) Cash Equivalents**

Cash equivalents include investments with maturities of three months or less at the time of purchase, except for such investments purchased by the University's investment managers as part of their ongoing investment strategies and those held to finance long-term capital projects.

#### **(i) Plant Assets**

Plant assets are recorded at cost or, in the case of donated assets, at fair value on the date of donation. Interest expense for construction financing, net of income earned on unspent proceeds is capitalized as a cost of construction. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets.

**FORDHAM UNIVERSITY**

Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

The useful lives used in calculating depreciation are as follows:

Land improvements	20 years
Buildings	50 years
Building improvements	20 years
Furnishings and equipment	3–10 years
Library collections	30 years

**(j) *Deferred Revenue and Deposits***

Deferred revenue and deposits include tuition and other student deposits related to programs applicable to the next fiscal year, as well as grants and other payments received in advance of incurring related expenses. Deferred revenue is recognized ratably as revenue in the fiscal year that it is earned.

**(k) *Derivative Instrument***

The University maintains an interest rate swap agreement to mitigate interest rate risk associated with its variable rate debt, and reports it at fair value. The fair value of the swap is based upon third-party valuations, which involve the use of pricing models that calculate and compare the present value of both the fixed and variable rate components of the swap.

**(l) *Accounting Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates in the financial statements include valuations of investments, and the postretirement benefit obligation; the net realizable value of receivables; and the allocation of expenses to programs and supporting services (operation and maintenance, depreciation, and interest). Actual results could differ from those estimates.

**(m) *Risks and Uncertainties***

The University invests in various investment securities. Investment securities are exposed to various risks and other factors such as interest rate changes, market fluctuations, and credit risks. Due to the level of fluctuation in values associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the statements of financial position in future periods.

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) global pandemic a public health emergency. The University's results of operations could continue to be adversely affected to the extent that COVID-19 or any other epidemic harms the economy. The University's Board and management continue to monitor the outbreak and any potential financial impact. The duration and intensity of the impact of the coronavirus and resulting disruption to the University's operations are uncertain and could adversely affect future financial results.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(n) Leases**

The University classifies leases as either operating or financing depending on the terms and conditions set forth in the contract, and amortizes a lease's cost in the statement of activities on a straight-line basis over its term. On the statement of financial position, right-of-use assets represent the University's right to use the underlying assets for the lease term and lease liabilities represents the University's obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at lease inception based on the present value of lease payments over the lease term. Right-of-use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability utilizing the straight line method.

As discussed in the note 2(p), the University adopted Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842) in 2021. The University elected the package of practical expedients permitted under the transition guidance within Accounting Standards Codification Topic 842, which allowed the University to carry forward its identification of contracts that are or contain leases, its historical classification of existing leases and its accounting for initial direct costs for existing leases.

The University elected the short-term lease exception under ASU 2016-02 for all leases, and therefore, leases with an initial term of 12 months or less are not included in the statements of financial position.

#### **(o) Income Taxes**

The University evaluates uncertainties in income taxes and accounts for them in its financial statements if they exceed a threshold of more-likely-than-not of being sustained. The University has no material uncertain tax positions.

Income generated from activities that support the University's mission but may not directly relate to its exempt purpose (i.e. unrelated business activities), is subject to tax. In connection with the University's routine evaluation of unrelated business activities, it recorded a deferred tax asset totaling \$1,152 at June 30, 2021 and 2020, which is included in other assets on the accompanying statement of financial position, to reflect the fact that net operating loss carryforwards will likely be deductible against future taxable income.

#### **(p) Recent Accounting Pronouncements**

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02 which is effective for the University's fiscal year ended June 30, 2021 (as amended), and is designed to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The University has adopted this ASU using the modified retrospective transition approach and the effective date method which allowed the University to apply the new leases standard at the adoption date of July 1, 2020. As such, the University is not required to adjust comparative periods or provide comparative period disclosures. The University also elected to use the transition package of practical expedients and short-term lease exemption. The discount rate is based on a risk-free rate using a period comparable with the lease term. The University recognized right-of-use assets and lease liabilities of \$94,606 and 106,587, respectively, on July 1, 2020.

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

The FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires that restricted cash and cash equivalents be included in total cash and cash equivalents at the beginning and end of the period for which changes are shown in the statements of cash flows. The University applied the amendments in this ASU using a retrospective transition method as of June 30, 2020. Management has determined that this ASU did not significantly impact the University's financial statements.

The FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, effective for the University's fiscal year ending June 30, 2021. The University has adopted ASU 2018-13 as of June 30, 2021. There was no material impact to the financial statements resulting from adoption.

The FASB issued ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for the University's fiscal year ending June 30, 2022. The ASU increases the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The University plans to adopt ASU No. 2020-07 for the year ending June 30, 2022 and is evaluating the impact of this ASU on its financial statements.

#### **(q) Reclassifications**

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

#### **(3) Operational Liquidity**

To manage liquidity, the University has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The University also invests cash in excess of daily requirements in short-term investments, and has a committed line of credit, which it could draw upon to manage liquidity needs.

The University's cash flows experience variations during the year associated with tuition billing cycles, with a concentration of cash received for tuition payments in August and January for the Fall and Spring terms, respectively.

**FORDHAM UNIVERSITY**  
Notes to Financial Statements  
June 30, 2021 and 2020  
(Amounts in thousands)

At June 30, the University's financial assets available within one year of the statements of financial position for expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 16,197	25,176
Accounts receivable, net	17,439	20,054
Investments available for general expenditure	90,580	83,697
Estimated endowment appropriations	<u>36,897</u>	<u>33,942</u>
	161,113	162,869
Transfer to Board approved quasi-endowment (note 5)	<u>(79,931)</u>	—
Total financial assets available within one year	81,182	162,869
Line of credit (liquidity resource)	<u>50,000</u>	<u>50,000</u>
Total financial assets and liquidity resource available within one year	\$ <u><u>131,182</u></u>	<u><u>212,869</u></u>

In addition to these resources, the University maintains board-designated and quasi-endowed funds, valued at \$377,856 and \$248,041 on June 30, 2021 and 2020, respectively. Although spending from these funds is governed by the Board and, in the case of the quasi endowment, set by its spending policy, the University could make these resources available, subject to lock-up provisions of the investments in which these funds are invested, with Board approval.

**FORDHAM UNIVERSITY**

Notes to Financial Statements

June 30, 2021 and 2020

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**(4) Investments**

Investments at June 30, including information relative to the University's ability to redeem its investments in investment companies and partnerships, are as follows:

	<u>2021</u>	<u>2020</u>	<u>Redemption frequency</u>	<u>Days notice</u>
Short-term:				
Cash and cash equivalents	\$ 10,649	11,644	Daily	Not applicable
Fixed income mutual funds	—	11,120	Daily	Not applicable
Total short-term	<u>10,649</u>	<u>22,764</u>		
Endowment and other investments:				
Cash and cash equivalents	40,503	69,140	Daily	Not applicable
U.S. public equities	61,508	38,250	Daily	Not applicable
U.S. government obligations	1,850	1,556	Daily	Not applicable
Equity mutual funds	10,588	4,182	Daily	Not applicable
Fixed income securities	17,790	947	Daily	Not applicable
Non-public equity funds (i)	290,503	181,934	Daily-monthly	5-45
Absolute return hedge funds (ii)	221,351	211,859	Quarterly-annual	5-90
Private capital funds:				
Private equity (iii)	170,719	96,557	Illiquid	Not applicable
Private debt (iv)	71,169	93,255	Illiquid	Not applicable
Private real assets (v)	114,868	96,613	Illiquid	Not applicable
Other	<u>2,190</u>	<u>1,947</u>		
Total endowment and other investments	<u>1,003,039</u>	<u>796,240</u>		
Total investments	<u>\$ 1,013,688</u>	<u>819,004</u>		

- i) Non-public equity funds invest in long-only equity in the United States, international developed markets, and emerging markets. Over the long term, these investments are expected to reflect a return commensurate with the overall economic and capital market climate in which the University operates.
- ii) Absolute return hedge funds generally have the flexibility to invest in a wide array of security types (e.g., equities, bonds, currencies and derivatives) as deemed appropriate by the fund manager to carry out the fund's objective. The goal of absolute return strategies is to provide, in aggregate, a return that is consistently positive and uncorrelated with other asset classes.



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- iii) Private equity invests in securities from private or closely held companies that may either go public or be acquired by other companies, or from public companies that may go private. The market for these securities is illiquid and comprises a variety of strategies such as venture capital, growth equity, and leverage buyouts. The investment horizon is typically more than ten years.
- iv) Private debt invests in illiquid debt obligations or debt-related financial instruments. The category is comprised of a variety of strategies such as mezzanine financing, direct lending and distressed debt investing. The investment horizon is typically five to ten years.
- v) Private real assets are primarily held in private equity-type structures that invest in tangible assets that include real estate, farmland, timber, oil and gas. The investment horizon is typically 7 to 10 years.

Total unfunded commitments for private capital funds total \$239,981 and \$169,070 at June 30, 2021 and 2020, respectively.

Investments are classified in the fair value hierarchy at June 30 as follows:

		<b>2021</b>			
		<b>NAV</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Cash and cash equivalents	\$	—	51,152	—	51,152
U.S. public equities		—	61,508	—	61,508
U.S. government obligations		—	1,850	—	1,850
Equity mutual funds		—	10,588	—	10,588
Fixed income securities		—	17,790	—	17,790
Equity funds		—	290,503	—	290,503
Hedge funds		221,351	—	—	221,351
Private capital funds		356,756	—	—	356,756
Other		—	137	2,053	2,190
Total	\$	<u>578,107</u>	<u>433,528</u>	<u>2,053</u>	<u>1,013,688</u>

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<b>2020</b>					
		<b>NAV</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Cash and cash equivalents	\$	—	80,783	—	80,783
U.S. public equities		—	38,250	—	38,250
U.S. government obligations		—	1,556	—	1,556
Equity mutual funds		—	4,183	—	4,183
Fixed income securities		—	12,067	—	12,067
Equity funds		—	181,934	—	181,934
Hedge funds		211,859	—	—	211,859
Private capital funds		286,425	—	—	286,425
Other		—	128	1,819	1,947
Total	\$	498,284	318,901	1,819	819,004

The following tables summarize the University's total investment return and its classification in the financial statements for the years ended June 30:

		<b>2021</b>	<b>2020</b>
Without donor restrictions:			
Operating	\$	32,971	30,246
Non-operating		55,284	(13,591)
With donor restrictions		119,446	(20,409)
Total investment return, net	\$	207,701	(3,754)

**(5) Endowment**

The University's endowment consists of 1,047 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the University's Board to function as endowments (i.e. quasi endowments).

Pursuant to the investment policy statement approved by its Board of Trustees, the University interprets the New York Prudent Management of Institutional Funds Act (NYPMIFA) as allowing the appropriation or accumulation of a donor-restricted endowment fund as is deemed prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the provisions of the applicable gift instrument.

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Endowment activities during the years ended June 30, 2021 and 2020 are as follows:

	<b>Quasi endowment</b>		<b>Donor-restricted endowment</b>	<b>Total</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>		
Net assets at June 30, 2019	\$ 245,227	17,227	471,062	733,516
Investment return, net	(1,678)	(116)	(3,413)	(5,207)
Contributions and other additions	3	—	16,340	16,343
Appropriation for expenditure	(10,884)	(753)	(20,240)	(31,877)
Net assets at June 30, 2020	232,668	16,358	463,749	712,775
Investment return, net	65,669	4,661	131,648	201,978
Contributions and other additions	79,931	26,385	14,576	120,892
Appropriation for expenditure	(10,883)	(776)	(20,947)	(32,606)
Net assets at June 30, 2021	\$ <u>367,385</u>	<u>46,628</u>	<u>589,026</u>	<u>1,003,039</u>

In 2021, the University's Board of Trustees designated certain of the University's long-term investments totaling \$104,908 (\$79,931 without donor restrictions and \$24,977 with donor restrictions), to become part of the endowment.

The pool is managed to achieve the maximum prudent long-term total return while providing a predictable stream of funding to programs supported by the endowment. The Board has authorized spending and investment policies designed to support these goals. Under the investment policy, endowment assets are invested in a manner that is intended to earn, over the long term, a compound annual rate of return in excess of inflation plus the spending rate. The University seeks to achieve competitive returns when compared with the University's peer group and measured against the appropriate benchmark for each asset class in the University's portfolio.

The University considers the duration and preservation of the investment pool, the donor restrictions governing use of individual endowment funds, general economic conditions, the possible effect of inflation and deflation, the expected total return, the change in fair value of investments, the University's investment policy, and certain other factors in making a determination to appropriate or accumulate endowment funds. In 2021 and 2020, the spending policy permits the use of total return at a rate of appropriation (spending rate) of 4.5% of the average quarterly fair value during the three preceding calendar years, unless otherwise specified by donor.

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**(6) Accounts and Loans Receivable**

Accounts receivable, net consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Students	\$ 26,028	23,367
Grants	5,142	4,900
Other	<u>3,716</u>	<u>4,207</u>
	34,886	32,474
Allowance for doubtful accounts	<u>(17,447)</u>	<u>(12,420)</u>
Accounts receivable, net	<u>\$ 17,439</u>	<u>20,054</u>

Student loans receivable are net of an allowance for uncollectible accounts, totaling \$2,649 and \$2,626 at June 30, 2021 and 2020, respectively.

**(7) Contributions Receivable**

Contributions receivable, net consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Amounts expected to be collected in:		
Less than one year	\$ 22,525	18,888
One to five years	45,838	48,191
More than five years	<u>39,787</u>	<u>11,186</u>
	108,150	78,265
Less:		
Allowance for uncollectible amounts	(11,834)	(10,356)
Discount to net present value (ranging from 0.3% to 3.3%)	<u>(4,328)</u>	<u>(4,676)</u>
	<u>\$ 91,988</u>	<u>63,233</u>

Receivables from nine donors account for 65% and 55% of the gross contributions receivable balance at June 30, 2021 and 2020, respectively.

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**(8) Plant Assets**

Plant assets, net of accumulated depreciation, consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 42,009	42,160
Buildings and building improvements	1,300,771	1,253,226
Furnishings, equipment, and library collections	339,035	326,656
Construction in progress	<u>135,064</u>	<u>84,741</u>
Total	1,816,879	1,706,783
Less accumulated depreciation	<u>(701,308)</u>	<u>(645,605)</u>
	<u>\$ 1,115,571</u>	<u>1,061,178</u>

Construction in progress at June 30, 2021 is principally comprised of construction costs relating to the expansion and refurbishment of the University's campus center.

The University has commitments under contracts for construction projects, which total \$52,499 and \$92,372 as of June 30, 2021 and 2020, respectively.

**(9) Pension and Other Postretirement Benefits**

Certain eligible employees of the University receive retirement income benefits under defined-contribution plans. Contributions by the University range from 5% to 11% of an employee's earnings and are determined by the employee's classification, level of earnings, and length of service. The University's contributions for retirement benefits for its employees totaled \$20,297 and \$20,877 during the years ended June 30, 2021 and 2020, respectively.

In November 2020, the University temporarily suspended employer contributions to the retirement plan for five months due to economic conditions stemming from the pandemic and will restore the amount of suspended contributions totaling approximately \$9,000, over the next few fiscal years.

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In addition to providing retirement income benefits, the University sponsors a postretirement plan, which funds certain healthcare and life insurance benefits for certain retired employees who meet minimum age and length-of-service requirements. The following tables summarize changes in the plan's benefit obligation and components of net periodic benefit cost for the years ended June 30:

	<b>2021</b>	<b>2020</b>
Change in postretirement benefit obligation:		
Benefit obligation at beginning of year	\$ 72,854	67,824
Service cost	6,378	5,577
Interest cost	1,804	2,257
Plan participants' contributions	956	858
Actuarial net gain	(5,349)	(731)
Benefits paid	(2,881)	(2,931)
Postretirement benefit obligation at end of year	\$ 73,762	72,854
Components of net periodic benefit cost:		
Service cost	\$ 6,378	5,577
Interest cost	1,804	2,257
Net periodic benefit cost	\$ 8,182	7,834

At June 30, 2021, the gain not yet recognized as a component of net periodic benefit cost totals \$12,122.

Information with respect to plan assumptions and estimated future benefit payments is as follows:

	<b>2021</b>	<b>2020</b>
Benefit obligation weighted average assumptions as of June 30:		
Discount rate	2.68 %	2.51 %
Rate of compensation increase	3.50	3.50
Benefit cost weighted average discount rate assumption for the year ended June 30		
	2.51 %	3.38 %
Healthcare cost trend:		
Ultimate rate	4.50 %	4.50 %
Year that the ultimate rate is reached	2035	2035

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The healthcare cost trend rate assumption has a significant effect on the amounts reported. A one-percentage-point change in assumed healthcare cost trend rates would have the following effects as of and for the year ended June 30, 2021:

	<u>One- percentage- point increase</u>	<u>One- percentage- point decrease</u>
Effect on total of service and interest cost components	\$ 1,872	(1,461)
Effect on postretirement benefit obligation	11,204	(9,202)

Estimated future annual benefit payments consist of the following:

2022	\$ 2,134
2023	2,281
2024	2,379
2025	2,540
2026	2,827
2027–2031	17,937

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**(10) Long-Term and Other Debt Obligations**

The University's long-term and other debt obligations consist of the following outstanding amounts at June 30:

Description	Maturity year	Interest rate	2021	2020
Bonds payable:				
Revenue bonds:				
Series 2020 (i)	2050	4.00 %	\$ 145,190	145,190
Series 2017 (ii)	2036	4.00%–5.00%	78,050	78,050
Series 2016 (iii)	2041	4.00%–5.00%	131,700	134,875
Series 2014 (iv)	2044	4.00%–5.00%	47,530	49,605
Series 2012 (v)	2032	3.00%–5.00%	20,145	22,085
Series 2011 (vi)	2021	5.00 %	—	1,925
Series 2008A (vii)	2032	Variable	63,905	69,480
Note payable to U.S.				
Department of Education	2022	3.00 %	343	343
Note payable for Loyola Hall	2022	None	2,750	2,750
Finance lease obligations (viii)	2024	2.00%–7.79%	528	1,679
Total principal debt			490,141	505,982
Net unamortized premium			53,305	56,046
			543,446	562,028
Unamortized bond issue costs			(4,491)	(4,790)
Total long-term and other debt obligations			\$ 538,955	557,238
Line of credit outstanding (ix)			\$ —	—

i) In January 2020, the Dormitory Authority of the State of New York (DASNY) issued Fordham University Revenue Bonds, Series 2020 (Series 2020 Bonds) for \$145,190, the proceeds of which are used for the expansion and refurbishment of the University's campus center, payments of capitalized interest, and to cover costs of issuance. Premiums paid at the time of issuance of the Series 2020 Bonds totaled \$19,980 (\$19,046 and 19,703 unamortized at June 30, 2021 and 2020, respectively).

ii) In December 2017, DASNY issued Fordham University Revenue Bonds, Series 2017 (Series 2017 Bonds) for \$78,050. The proceeds were used in connection with refunding tranches of the Series 2011 Bonds and to cover costs of issuance. Proceeds totaling \$90,385 plus \$3,730 of other University funds, were deposited in an irrevocable trust with an escrow agent in order to provide future debt service



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payments on the advance refunded bonds. In conjunction with the creation of the trust and satisfaction of certain other conditions, the refunded bonds are deemed paid and no longer outstanding. Premiums paid at the time of issuance of the Series 2017 Bonds totaled \$13,161 (\$10,671 and \$11,383 unamortized at June 30, 2021 and 2020, respectively).

- iii) In May 2016, DASNY issued Fordham University Revenue Bonds, Series 2016 (Series 2016 Bonds) for \$146,465, the proceeds of which were used in connection with refunding tranches of the Series 2011 Bonds, the defeasance and advance refunding of the Series 2008B Bonds, to refurbish an academic building and to cover costs of issuance. Premiums paid at the time of issuance of the Series 2016 Bonds totaled \$23,255 (\$18,481 and \$19,405 unamortized at June 30, 2021 and 2020, respectively).
- iv) In April 2014, DASNY issued Fordham University Revenue Bonds, Series 2014 (Series 2014 Bonds) for \$61,815, the proceeds of which were used to acquire a facility, refund a prior bond issue and to cover costs of issuance. Premiums paid at the time of issuance totaled \$4,367 (\$2,933 and \$3,131 unamortized at June 30, 2021 and 2020, respectively).
- v) In October 2012, DASNY issued Fordham University Revenue Bonds, Series 2012 (Series 2012 Bonds) for \$42,320, the proceeds of which were used to refund prior bond issues and to cover costs of issuance. Premiums paid at the time of issuance totaled \$3,887 (\$2,174 and \$2,371 unamortized at June 30, 2021 and 2020, respectively).
- vi) In May 2011, DASNY issued Fordham University Revenue Bonds, Series 2011 (Series 2011 Bonds) for \$146,645, the proceeds of which were used to construct a new Law School building, a 430-bed residence hall, and to make renovations to an existing library.

In connection with the issuance of the Series 2016 Bonds, \$50,000 of the Series 2011 Bonds was advance refunded. At the time of the refunding, the unamortized bond issuance costs and the original issue premium associated with this portion of the Series 2011 Bonds were fully amortized.

In connection with the issuance of the Series 2017 Bonds, \$83,440 of the Series 2011 Bonds were advance refunded. At the time of the refunding, the unamortized bond issuance costs and the original issue premium associated with this portion of the Series 2011 Bonds were fully amortized. The premium on the outstanding portion of the Series 2011 Bonds was fully amortized as of June 30, 2021 and totaled \$53 at June 30, 2020.

- vii) In May 2008, DASNY issued Fordham University Revenue Bonds, Series 2008A (Series 2008A Bonds) for \$96,895, the proceeds of which were used to refund a previous bond issue and to cover costs of issuance. The Series 2008A Bonds are secured by an irrevocable letter of credit, which expires in 2024.

In connection with a prior bond issue in 2005, and as amended with the issuance of the Series 2008A Bonds, the University entered into an interest rate swap agreement with a notional amount of \$95,750. Under the terms of the agreement, the University pays a fixed rate of 3.24%, and receives 67.00% of the one-month LIBOR on the notional principal amount (\$63,905 and \$69,480 at June 30, 2021 and 2020, respectively).

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The liability of the swap agreement, reported at fair value and categorized as Level 2 in the fair value hierarchy, is \$8,253 and \$11,703 at June 30, 2021 and 2020, respectively. The University was not obligated under the swap agreement to post any collateral at June 30, 2021 or 2020.

- viii) The University has executed certain financing lease agreements relating to computer equipment, which bear interest at rates ranging from 2% to 7.79% per annum.
- ix) The University maintains an unsecured line of credit that provides up to \$50,000 of short-term financing, which was not borrowed against in 2021 and 2020, and expires in April 2023.

Bonds payable are secured by mortgages on certain of the University's properties and, in certain cases, by pledges of dormitory and tuition revenue equal to the annual debt service requirements on the bonds.

The combined aggregate payments on outstanding debt obligations are as follows:

	<u>Bonds and notes principal</u>	<u>Capital lease principal</u>	<u>Interest</u>	<u>Total</u>
Year:				
2022	\$ 19,333	207	20,648	40,188
2023	18,100	321	19,948	38,369
2024	19,510	—	19,132	38,642
2025	20,155	—	18,302	38,457
2026	20,815	—	17,463	38,278
Thereafter	<u>391,700</u>	<u>—</u>	<u>208,244</u>	<u>599,944</u>
Subtotal	489,613	528	303,737	793,878
Net unamortized premium	53,305	—	—	53,305
Unamortized bond issuance costs	<u>(4,491)</u>	<u>—</u>	<u>—</u>	<u>(4,491)</u>
	<u>\$ 538,427</u>	<u>528</u>	<u>303,737</u>	<u>842,692</u>

Total interest expense on long-term debt totals \$15,337 and \$16,574 for the years ended June 30, 2021 and 2020, respectively.

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The University is required to establish and deposit with bond trustees certain funds for the benefit of bondholders, and to fulfill construction commitments. The funds are invested in U.S. government obligations at June 30, 2021. Deposits held by bond trustees, which are reported at fair value and categorized as Level 1 in the fair value hierarchy, consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Construction funds	\$ 53,353	120,692
Capitalized interest funds	6,101	11,887
Debt service funds	190	313
	<u>\$ 59,644</u>	<u>132,892</u>

#### (11) COVID-19 Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency. In response, various governmental agencies mandated stringent regulations and guidelines to help organizations promote the health and safety of their communities.

In connection with this event, Fordham students, faculty, and staff were transitioned to remote operations and the University issued refunds to students for housing and food services of \$22,186 and fees of \$2,668 for the year ended June 30, 2020. Refunds issued reduced the amount of revenue recognized in fiscal 2020.

The United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020. The University recognized a CARES Act grant of \$12,986 and \$4,350 for the years ended June 30, 2021 and 2020, respectively. Of that grant, \$5,060 and \$2,175 was used as grants for COVID-19 assistance to students (and is included in academic support on the accompanying statements of activities) and the balance was used to mitigate a portion of the financial losses incurred by the University for the numerous health and safety measures taken, for the years ended June 30, 2021 and 2020, respectively.

#### (12) Functional Classification of Expenses

The University's primary program activities are instruction and research, academic support and auxiliary services. Institutional support includes \$14,009 and \$14,155 of fund-raising expenses in 2021 and 2020, respectively. For purposes of reporting fund-raising expenses, the University includes only those fund-raising costs incurred by its development office.

Natural expenses attributable to the operation and maintenance of the physical plant, or more than one functional expense category, are allocated using a variety of cost allocation methods including usable square footage, and time and effort. Interest expense is allocated to program and supporting activities based on the use of loan or bond proceeds.

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Operating expenses are allocated to program and supporting activities during the year ended June 30 as follows:

	2021							
	Program activities				Supporting activities			Total operating expenses
	Instruction and research	Academic support	Auxiliary services	Total	Institutional administration	Operations and maintenance	Total	
Salaries and wages	\$ 156,754	73,657	4,848	235,259	35,516	20,861	56,377	291,636
Fringe benefits	52,532	30,185	2,367	85,084	16,130	8,884	25,014	110,098
Professional fees	9,579	10,121	2,140	21,840	5,761	9,061	14,822	36,662
Depreciation	16,514	14,526	21,589	52,629	4,869	—	4,869	57,498
Interest and other financing costs	1,445	2,582	8,707	12,734	311	—	311	13,045
Other	47,026	32,113	24,625	103,764	18,689	19,705	38,394	142,158
Total before allocation	283,850	163,184	64,276	511,310	81,276	58,511	139,787	651,097
Allocation of operations and maintenance of plant	12,824	12,381	29,091	54,296	4,215	(58,511)	(54,296)	—
Total operating expenses	\$ 296,674	175,565	93,367	565,606	85,491	—	85,491	651,097

	2020							
	Program activities				Supporting activities			Total operating expenses
	Instruction and research	Academic support	Auxiliary services	Total	Institutional administration	Operations and maintenance	Total	
Salaries and wages	\$ 163,650	73,866	6,357	243,873	34,910	19,150	54,060	297,933
Fringe benefits	51,115	30,092	2,887	84,094	16,443	8,171	24,614	108,708
Professional fees	10,552	9,824	2,258	22,634	7,787	5,920	13,707	36,341
Depreciation	16,657	14,909	21,589	53,155	5,264	—	5,264	58,419
Interest and other financing costs	2,553	2,902	9,027	14,482	312	—	312	14,794
Other	44,845	35,519	29,591	109,955	20,366	13,544	33,910	143,865
Total before allocation	289,372	167,112	71,709	528,193	85,082	46,785	131,867	660,060
Allocation of operations and maintenance of plant	10,453	9,792	23,225	43,470	3,315	(46,785)	(43,470)	—
Total operating expenses	\$ 299,825	176,904	94,934	571,663	88,397	—	88,397	660,060

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**(13) Net Assets**

At June 30, net assets comprised of the following:

	<b>2021</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Limited use as to purpose or time:			
Board-designated endowment	\$ 367,385	46,628	414,013
Board-designated non-endowed funds	10,471	—	10,471
Accumulated endowment earnings pending appropriation for:			
Scholarships and fellowships	—	124,166	124,166
Academic support	—	71,356	71,356
General	—	45,822	45,822
Donations and endowment appropriations pending expenditure	—	82,922	82,922
Contributions receivable	—	33,888	33,888
Annuity and life income funds	—	6,079	6,079
Other	—	9,791	9,791
	<u>377,856</u>	<u>420,652</u>	<u>798,508</u>
Restricted in perpetuity:			
Historical gift values restricted for:			
Scholarships and fellowships	—	218,251	218,251
Academic support	—	84,254	84,254
General	—	45,177	45,177
Contributions receivable	—	58,101	58,101
Annuity and life income funds	—	14,039	14,039
Other	—	21,507	21,507
	—	441,329	441,329
Undesignated	<u>349,413</u>	<u>—</u>	<u>349,413</u>
	<u>\$ 727,269</u>	<u>861,981</u>	<u>1,589,250</u>

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	<b>2020</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Limited use as to purpose or time:			
Board-designated endowment	\$ 232,668	16,358	249,026
Board-designated non-endowed funds	15,373	—	15,373
Accumulated endowment earnings pending appropriation for:			
Scholarships and fellowships	—	62,580	62,580
Academic support	—	39,326	39,326
General	—	28,737	28,737
Donations and endowment appropriations pending expenditure	—	101,538	101,538
Contributions receivable	—	31,405	31,405
Annuity and life income funds	—	7,010	7,010
Other	—	14,511	14,511
	<u>248,041</u>	<u>301,465</u>	<u>549,506</u>
Restricted in perpetuity:			
Historical gift values restricted for:			
Scholarships and fellowships	—	206,258	206,258
Academic support	—	83,968	83,968
General	—	42,880	42,880
Contributions receivable	—	31,828	31,828
Annuity and life income funds	—	14,039	14,039
Other	—	13,533	13,533
	—	392,506	392,506
Undesignated	<u>422,827</u>	<u>—</u>	<u>422,827</u>
	<u>\$ 670,868</u>	<u>693,971</u>	<u>1,364,839</u>

**(14) Commitments and Contingencies**

The University is a defendant in various lawsuits arising in the normal course of business. Management of the University does not expect the ultimate resolution of these actions to have a material adverse effect on the University's financial position.

**(15) Leases**

The University has entered into operating leases of certain facilities for educational purposes which expire at various dates through 2043. Operating leases with lease terms greater than one year are reported as operating lease right-of-use assets and operating lease liabilities in the financial statements.

**FORDHAM UNIVERSITY**  
Notes to Financial Statements  
June 30, 2021 and 2020  
(Amounts in thousands)

The University has also entered into finance leases for certain office equipment. Finance lease right-of-use assets and finance lease liabilities are included in plant assets, net and long-term debt, net, respectively.

Operating lease installments are due in future years as follows:

Year ending June 30:		
2022	\$	8,678
2023		8,239
2024		8,407
2025		8,240
2026		8,024
2027 and thereafter		<u>62,922</u>
		104,510
Less discount to net present value		<u>(5,980)</u>
Total operating lease liabilities	\$	<u><u>98,530</u></u>

Lease costs and other related information for the year ended June 30, 2021 are as follows:

Lease cost:		
Operating lease cost	\$	8,866
Short-term lease cost		<u>482</u>
Total lease cost	\$	<u><u>9,348</u></u>
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	9,060
Weighted-average remaining lease term		15.19 years
Weighted-average discount rate		1.01 %

## FORDHAM UNIVERSITY

### Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

#### **(16) Related-Party Transactions**

The University has a written conflict of interest policy that requires, among other things, that no member of the Board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each trustee is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and in the best interest of the University, and in accordance with relevant conflict of interest laws.

A member of the Board is also an owner of a corporation from which the University leases facilities. Rent expense associated with these facilities totaled \$2,188 and \$2,249 for the years ended June 30, 2021 and 2020, respectively. There are rental commitments to the corporation through December 2038 totaling \$41,581 at June 30, 2021.

#### **(17) Subsequent Events**

In connection with the preparation of the financial statements, the University evaluated subsequent events through October 20, 2021, which was the date the financial statements were issued.

During July 2021, the Teachers Insurance and Annuity Association of America commenced its service as Master Servicer for the University's pension plan. In its role, it will coordinate data and funds, while providing various compliance efforts.

The University intends to refinance several issues of bonds in October 2021 to take advantage of lower interest rates and seek positive future cash flow savings. The University will also seek additional capital for current projects.



**FORDHAM UNIVERSITY**

Notes to Financial Statements

June 30, 2021 and 2020

(Amounts in thousands)

**(18) Financial Responsibility Standards**

The University participates in federal Title IV student financial assistance programs, which require it to meet standards of financial responsibility based on criteria determined by the U.S. Department of Education (ED), as set forth in 34 CFR Subpart 668.171. The criteria for private institutions include the annual calculation by ED of a financial responsibility composite score, as further outlined in 34 CFR Subpart 668.172, using audited financial statements submitted through ED's eZ-Audit system. The composite score has been and will continue to be based on three ratios: Primary Reserve, Equity, and Net Income. These ratios utilize the following financial data of the University, which are not otherwise presented in the financial statements or other notes to the financial statements, as of and for the year ended June 30, 2021.

<u>Data element</u>	<u>Direct input to ratio</u>	<u>Amount</u>
<i>Composition of long-term debt:</i>		
Pre-implementation long-term debt, net	Primary reserve \$	375,770
Post-implementation long-term debt, net:		
Debt financed construction in progress	Primary reserve	109,833
Proceeds from long-term debt in an escrow account	NA	<u>53,352</u>
Total long-term debt, net (statement of financial position)	NA	<u>\$ 538,955</u>
<i>Composition of plant assets:</i>		
Pre-implementation plant assets, net	Primary reserve \$	911,306
Post-implementation plant assets, net	Primary reserve	69,201
Construction in progress	Primary reserve	<u>135,064</u>
Total plant assets, net (statement of financial position)	NA	<u>\$ 1,115,571</u>

Pre-implementation long-term debt and plant assets were acquired prior to July 1, 2019. Post-implementation long-term debt and plant assets were acquired subsequent to June 30, 2019.

Construction in progress includes \$109,833 which was funded with proceeds from post-implementation debt. The remaining portion of construction in progress was primarily funded using other available resources, such as operating funds and donor restricted contributions.

**FORDHAM UNIVERSITY**  
Notes to Financial Statements  
June 30, 2021 and 2020  
(Amounts in thousands)

<u>Data element</u>	<u>Direct input to ratio</u>	<u>Amount</u>
<i>Composition of investment return without donor restrictions (statement of activities):</i>		
Operating investment return, net	NA	\$ 32,971
Nonoperating investment return, net	NA	<u>55,284</u>
Total investment return without donor restrictions	Net income	<u>\$ 88,255</u>
<i>Composition of total expenses and losses without donor restrictions (statement of activities):</i>		
Total expenses and losses without donor restrictions	NA	\$ 651,097
Net periodic benefit cost other service cost	NA	1,804
Provision for voluntary separation benefits	NA	3,470
Other nonoperating activities	NA	<u>1,320</u>
Total expenses and losses without donor restrictions	Primary reserve	<u>\$ 657,691</u>
<i>Composition of total revenue and gains without donor restrictions (statement of activities):</i>		
Total operating revenue	NA	\$ 648,084
Investment return included in total operating revenue	NA	(32,971)
Total Investment return without donor restrictions	NA	88,255
Changes in postretirement health benefits other than net periodic benefit cost	NA	7,274
Other nonoperating activities	NA	<u>3,450</u>
Total revenue and gains without donor restrictions	Net income ratio	<u>\$ 714,092</u>

**Fordham University**

Supplementary Schedule of Financial Responsibility Data

As of and for the year ended June 30, 2021

(In thousands of dollars)

Data element	Source of data element in the financial statements or related notes	Amount
Primary reserve ratio:		
Numerator: Expendable net assets:		
Total net assets without donor restrictions	Statement of financial position	\$ 727,269
Total net assets with donor restrictions	Statement of financial position	861,981
Net assets with donor restrictions: restricted in perpetuity portion	Statement of financial position	441,329
Life Income and annuity funds with donor restrictions	Note 13	6,079
Pre-implementation long-term debt	Note 18	375,770
Post-implementation long-term debt for long term purposes	Note 18	109,833
Operating lease liabilities	Statement of financial position	98,530
Postretirement benefit obligation	Statement of financial position	73,762
Pre-implementation plant assets, net	Note 18	911,306
Post-implementation plant assets, net	Note 18	69,201
Construction in progress	Note 18	135,064
Operating lease right-of-use assets	Statement of financial position	86,740
Denominator: Total expenses and losses without donor restrictions	Note 18	657,691
Equity Ratio:		
Numerator: Modified net assets:		
Net assets without donor restrictions	Statement of financial position	727,269
Net assets with donor restrictions	Statement of financial position	861,981
Denominator: Modified assets: Total assets	Statement of financial position	2,435,311
Net income ratio:		
Numerator: Change in net assets without donor restrictions:		
Increase in net assets without donor restrictions	Statement of activities	56,401
Denominator: Total revenue and gains without donor restrictions:	Note 18	714,092

See accompanying independent auditors' report.

**FORDHAM UNIVERSITY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster	ALN	Project number/ pass-through identification number	Passed- through to subrecipients	Total expenditures
Federal student assistance cluster:				
U.S. Department of Education:				
Direct:				
Federal Supplemental Educational Opportunity Program	84.007	P007A182797	\$ —	2,158,059
Federal Work-Study Program	84.033	P033A182797	—	1,994,272
Federal Perkins Loan Program (note 5)	84.038	None	—	5,097,498
Federal Pell Grant Program	84.063	P063P181847	—	9,730,558
Teacher Education Assistance for College and Higher Education Grants	84.379	P379T191847	—	22,592
Federal Direct Student Loan Program (note 4)	84.268	P0268K19847	—	167,215,203
Total federal student assistance cluster			—	186,218,182
Research and development cluster:				
U.S. Department of Agriculture:				
Pass-through: University of Nebraska – The Impacts of Conservation Auction Design	10.310	25-6224-0157-002	—	11,858
Intelligence Advanced Research Projects Activity (IARPA):				
Pass-through: Haverford College – Synergistic Discover and Design (SD2) Program	12.UNKNOWN	HR001118C0036	—	82,505
U.S. Army Medical Research Acquisition Activity:				
Pass-through: University of Georgia – Optimizing Concussion Care Seeking (OCCS) In Military Service	12.420	SUB00002484	—	32,583
U.S. Department of Defense – National Security Agency:				
Direct:				
Information Assurance Scholarship Program	12.902	H98230-19-1-0289	—	68,403
Information Assurance Scholarship Program	12.902	H98230-20-1-0045	—	58,375
Information Assurance Scholarship Program	12.902	H98230-20-1-0302	—	137,816
Information Assurance Scholarship Program	12.902	H98230-20-1-0387	74,812	201,009
Total U.S. Department of Defense – National Security Agency awards			74,812	465,603
U.S. Department of Defense – Armed Forces Pest Management Board:				
Pass-through: Cornell University – Pest Management and Vector Control Research	12.355	89560-11266	—	10,486
U.S. Department of the Interior – U.S. Fish and Wildlife Service:				
Pass-through: Wildlife Management Institute – Susceptibility Research of Bat Species to Infections	15.664	WNS 2019-06	—	4,022
National Endowment for the Humanities:				
Direct:				
Promotion of the Humanities Fellowship Grants	45.160	FEL-267928-20	—	58,365
National Science Foundation:				
Direct:				
Mathematical and Physical Science	47.049	2042654	—	29,686
Mathematical and Physical Science	47.049	1750254	—	40,456
Mathematical and Physical Science	47.049	1928882	46,535	168,874
			46,535	239,016
Computer and Information Science and Engineering	47.070	1914446	—	6,934
Biological Sciences	47.074	DEB-1457523	—	91,976
Social, Behavioral, and Economic Sciences	47.075	BCS-1756662	—	2,638
Social, Behavioral, and Economic Sciences	47.075	1919055	—	9,175
Social, Behavioral, and Economic Sciences	47.075	1917704	—	34,145
			—	45,958
Education and Human Resources	47.076	CNS-1330214	—	3,278
Education and Human Resources	47.076	DRL-1421019	—	7,044
Education and Human Resources	47.076	CNS-1330214	—	38,732
Education and Human Resources	47.076	1833931	—	131,840
Education and Human Resources	47.076	DGE-1839284	—	58,000
Education and Human Resources	47.076	1908142	—	19,617
			—	258,511
Total National Science Foundation – direct awards			46,535	642,395
Pass-through:				
University of Arizona – Computer and Information Science and Engineering	47.070	CNS-1737453	—	6,288
New York University – Biological Sciences	47.074	F8681-01	—	34,498
University of California, Davis – Biological Sciences	47.074	A20-0700-S001	—	93,495
Total National Science Foundation – pass-through awards			—	134,281
Total National Science Foundation awards			46,535	776,676
U.S. Department of Energy:				
Pass-through: Argonne National Laboratory – Epiphytic and Macrophyte Interactions in Glen Canyon	81.UNKNOWN	0F-60006	—	52,906
U.S. Department of Health and Human Services (DHHS):				
Direct:				
Mental Health Research Grants	93.242	7K01MH107648-05; 08 KMH107648B	—	43,133
Mental Health Research Grants	93.242	1R21MH124902-01	—	10,447
Mental Health Research Grants	93.242	1R01MH123523-01A1	9,270	78,338
Mental Health Research Grants	93.242	1R15MH115356-01	—	71,497
Mental Health Research Grants	93.242	R15MH11535	2,515	7,109
			11,785	210,524
Drug Abuse and Addiction Research Programs	93.279	2R25DA031608-08	102,499	258,684
Minority Health and Health Disparities Research	93.307	5R21MD011388-02	—	1,361
Minority Health and Health Disparities Research	93.307	1F31MD011582-01A1	—	8,185
			—	9,546
Biomedical Research and Research Training	93.859	2R15GM097702-03A1	—	1,699
Child Health and Human Development Research	93.865	1F31HD096946-01A1	—	29,884
Child Health and Human Development Extramural Research	93.866	1R56AG065110-01	659,922	1,162,724
Vision Research	93.867	5R01EY026215-04	—	196,568
Total DHHS – direct awards			774,206	1,869,629

**FORDHAM UNIVERSITY**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster	ALN	Project number/ pass-through identification number	Passed- through to subrecipients	Total expenditures
Pass-through:				
Cornell University – Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	1U01CK000509	\$ —	19,453
University of Maryland – Mental Health Research Grants	93.242	1701877	—	20,791
University of Connecticut – Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UCHC7-111857281-A2	—	59,246
Wheeler Clinic – Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI081263-01	—	30,793
Albert Einstein College of Medicine – Drug Abuse and Addiction Research Programs	93.279	311147-1	—	16,473
Albert Einstein College of Medicine – Drug Abuse and Addiction Research Programs	93.279	310236-1	—	7,809
Massachusetts General Hospital – Social Network Analysis of Puberty, Activity Behaviors and Health Disparities	93.307	237174	—	73,222
Westchester County Department of Social Services – Child Abuse and Neglect Discretionary Activities	93.670	DSS#642B-18	—	112,547
Columbia University – Child Health and Human Development Extramural Research	93.865	1(GC014007)	—	78,700
University of Southern California – Alzheimer’s Disease Neuroimaging Initiative (ADNI3)	93.866	135791999	—	8,191
Icahn School of Medicine at Mount Sinai – Aging Research	93.866	0255-D461-4609	—	46,887
Total DHHS – pass-through awards			—	474,112
Total DHHS awards			774,206	2,343,741
Total research and development cluster			895,553	3,838,745
TRIO cluster:				
U.S. Department of Education:				
Direct: TRIO Talent Search	84.044	P044A160247-17	—	448,479
Other federal programs:				
U.S. Department of Justice:				
Direct: Stop School Violence	16.839	2020-YS-BX-0072	—	77,167
U.S. Department of State:				
Direct: International Programs to Support Democracy, Human Rights and Labor	19.345	S-LMAQM-15-GR-2400	—	12,523
Passthrough:				
International Programs to Support Democracy, Human Rights and Labor	19.345	2020-0778	—	111,589
International Programs to Support Democracy, Human Rights and Labor	19.345	2020-1203	—	58,147
Total pass-throughs			—	169,736
Total U.S. Department of State			—	182,259
U.S. Department of Treasury:				
Direct: Low Income Taxpayer Clinics	21.008	20-LITC0408-02-00	—	95,000
U.S. Department of Education:				
Direct:				
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325	H325K170022	—	276,774
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325	H325K170031	—	194,702
Total Special Education awards			—	471,476
Education Stabilization Funds: COVID-19 Higher Education Emergency Relief Fund Student Portion	84.425E	P425E201625	—	5,060,091
Education Stabilization Funds: COVID-19 Higher Education Emergency Relief Fund Institutional Portion	84.425F	P425F200825	—	7,998,357
Total Education Stabilization Funds			—	13,058,448
Total U.S. Department of Education			—	13,529,924
U.S. Department of Health and Human Services:				
Pass-through: Stony Brook University – Foster Care Title IV – E	93.658	CC06	—	243,423
Total other federal programs			—	14,127,773
Total expenditures of federal awards			\$ 895,553	204,633,179

See accompanying independent auditors’ report.

## FORDHAM UNIVERSITY

### Notes to Schedule of Expenditures of Federal Awards

June 30, 2021 and 2020

(Amounts in thousands)

#### **(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Fordham University under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

#### **(2) Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting and recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **(3) Indirect Cost Rate**

The University has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **(4) Federal Direct Student Loan Program (ALN 84.268)**

The University is only responsible for the performance of certain administrative duties in connection with the Federal Direct Student Loan Program. Accordingly, the University's financial statements do not include the lending and collection activities associated with this program. The Schedule includes the amounts awarded to students during the year ended June 30, 2021. It is not practical to determine the balances of loans outstanding to students of the University under this program.

#### **(5) Federal Perkins Loan Program (ALN 84.038)**

The University extended loans through a revolving federal loan program which ended in fiscal year 2018. The expenditures on the Schedule related to the Federal Perkins Loan Program represent the beginning of year (July 1, 2020) balance of \$5,097,498. Perkins loans outstanding at June 30, 2021 were \$4,219,128.

The University returned \$842,328 to the U.S. Department of Education in fiscal 2021.



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

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

The Board of Trustees  
Fordham University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Fordham University (the University), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2021, except as to note 18, which is as of September 29, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

October 20, 2021, except as to note 18,  
which is as of September 29, 2022





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

## **Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
Fordham University:

### **Report on Compliance for Each Major Federal Program**

We have audited Fordham University's (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Fordham University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance



for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the University as of and for the years ended June 30, 2021 and 2020, and have issued our report thereon dated October 20, 2021, except as to note 18, which is as of September 29, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2021 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 2021 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2021 financial statements as a whole.

*KPMG LLP*

September 29, 2022

**FORDHAM UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021

**(1) Summary of Auditors' Results**

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **No**
  - Significant deficiencies: **None Reported**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **No**
  - Significant deficiencies: **None reported**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major programs:
  - Student Federal Assistance Cluster (various ALN)
  - Higher Education Emergency Relief Fund – ALN 84.425E and 84.425F
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

None