

Financial Statements and Report of  
Independent Certified Public  
Accountants

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

June 30, 2025 and 2024

**Contents**

**Page**

|  |   |
|--|---|
| Report of Independent Certified Public Accountants | 3 |
| Financial Statements                               |   |
| Statements of financial position                   | 5 |
| Statements of activities                           | 6 |
| Statements of cash flows                           | 8 |
| Notes to financial statements                      | 9 |

---

**GRANT THORNTON LLP**

Two Commerce Square  
2001 Market St., Suite 800  
Philadelphia, PA 19103-7065

**D** +1 215 561 4200

**F** +1 215 561 1066

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees

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

**Opinion**

We have audited the financial statements of Institute for Advanced Study – Louis Bamberger and Mrs. Felix Fuld Foundation (the “Institute”), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Institute and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

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

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

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable

assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Institute's ability to continue as a going concern for a reasonable period of time.

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

*Grant Thornton LLP*

Philadelphia, Pennsylvania  
October 27, 2025

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

**STATEMENTS OF FINANCIAL POSITION**

**June 30,**

|  | <b>2025</b>                        | <b>2024</b>                        |
|--|------------------------------------|------------------------------------|
| <b>ASSETS</b>  |                                    |                                    |
| Cash and cash equivalents  | \$ 16,667,609                      | \$ 12,281,302                      |
| Accounts receivable and other assets                                       | 1,519,983                          | 1,462,408                          |
| Grants receivable  | 2,051,029                          | 2,364,786                          |
| Contributions receivable, net  | 32,258,819                         | 33,357,175                         |
| Mortgages receivable   | 3,770,234                          | 5,288,146                          |
| Funds held by bond trustee   | 108                                | 103                                |
| Operating lease right-of-use asset, net                                    | 643,022                            | 46,844                             |
| Land, buildings and improvements, equipment, and rare book collection, net | 151,820,041                        | 140,999,937                        |
| Investments  | <u>1,251,096,507</u>               | <u>1,190,715,892</u>               |
| <br>Total assets   | <br><u><u>\$ 1,459,827,352</u></u> | <br><u><u>\$ 1,386,516,593</u></u> |
| <br><b>LIABILITIES AND NET ASSETS</b>                                      |                                    |                                    |
| <b>Liabilities</b>   |                                    |                                    |
| Accounts payable and accrued expenses                                      | \$ 10,542,734                      | \$ 11,429,558                      |
| Deferred revenue   | 6,448,891                          | 7,165,967                          |
| Finance lease liability  | 2,087                              | 187,532                            |
| Operating lease liability  | 643,022                            | 40,720                             |
| Liabilities under split-interest agreements                                | 641,757                            | 590,629                            |
| Postretirement benefit obligation  | 19,578,811                         | 14,806,727                         |
| Asset retirement obligation  | 1,308,617                          | 1,277,155                          |
| Bond swap liability  | 301,889                            | 268,934                            |
| Long-term debt, net  | <u>101,451,315</u>                 | <u>104,841,718</u>                 |
| <br>Total liabilities  | <br><u>140,919,123</u>             | <br><u>140,608,940</u>             |
| <br><b>Net assets</b>  |                                    |                                    |
| Net assets without donor restrictions                                      |                                    |                                    |
| Undesignated   | 272,108,468                        | 282,998,859                        |
| Designated for specific purposes   | <u>211,673,190</u>                 | <u>199,762,176</u>                 |
| <br>Total net assets without donor restrictions                            | <br><u>483,781,658</u>             | <br><u>482,761,035</u>             |
| <br>Net assets with donor restrictions                                     |                                    |                                    |
| Purpose restricted   | 429,032,946                        | 399,669,612                        |
| Endowment fund corpus  | <u>406,093,625</u>                 | <u>363,477,006</u>                 |
| <br>Total net assets with donor restrictions                               | <br><u>835,126,571</u>             | <br><u>763,146,618</u>             |
| <br>Total net assets   | <br><u>1,318,908,229</u>           | <br><u>1,245,907,653</u>           |
| <br>Total liabilities and net assets                                       | <br><u><u>\$ 1,459,827,352</u></u> | <br><u><u>\$ 1,386,516,593</u></u> |

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

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

**STATEMENT OF ACTIVITIES**

**Year ended June 30, 2025**

|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>                |
|---|---------------------------------------|------------------------------------|-----------------------------|
| <b>Operating revenues, gains, and other support</b>                             |                                       |                                    |                             |
| Private contributions and grants  | \$ 9,973,332                          | \$ 50,885,744                      | \$ 60,859,076               |
| Government grants   | -                                     | 5,331,028                          | 5,331,028                   |
| Investment income, net  | 31,139,160                            | 57,936,184                         | 89,075,344                  |
| Auxiliary activity  | 5,813,617                             | -                                  | 5,813,617                   |
| Net assets released from restrictions - satisfaction<br>of program restrictions | 42,173,003                            | (42,173,003)                       | -                           |
| <br>Total operating revenues, gains, and<br>other support                       | <br>89,099,112                        | <br>71,979,953                     | <br>161,079,065             |
| <br><b>Operating expenses</b>   |                                       |                                    |                             |
| School of Mathematics   | 14,707,742                            | -                                  | 14,707,742                  |
| School of Natural Sciences  | 14,569,005                            | -                                  | 14,569,005                  |
| School of Historical Studies  | 10,860,253                            | -                                  | 10,860,253                  |
| School of Social Science  | 5,651,403                             | -                                  | 5,651,403                   |
| Nelson Center for Collaborative Research  | 669,131                               | -                                  | 669,131                     |
| Libraries and other academic  | 5,695,723                             | -                                  | 5,695,723                   |
| Administration and general  | 28,966,545                            | -                                  | 28,966,545                  |
| Auxiliary activity  | 11,532,121                            | -                                  | 11,532,121                  |
| <br>Total operating expenses  | <br>92,651,923                        | <br>-                              | <br>92,651,923              |
| <br>Change in net assets from operating<br>activities                           | <br>(3,552,811)                       | <br>71,979,953                     | <br>68,427,142              |
| <br><b>Nonoperating activities</b>  |                                       |                                    |                             |
| Change in fair value of bond swap liability                                     | (32,955)                              | -                                  | (32,955)                    |
| Gain on sale of plant assets  | 63,523                                | -                                  | 63,523                      |
| Net periodic benefit costs other than service costs                             | 4,542,866                             | -                                  | 4,542,866                   |
| <br>Total nonoperating activities   | <br>4,573,434                         | <br>-                              | <br>4,573,434               |
| <br><b>CHANGE IN NET ASSETS</b>   | <br>1,020,623                         | <br>71,979,953                     | <br>73,000,576              |
| <br><b>Net assets - beginning of year</b>                                       | <br>482,761,035                       | <br>763,146,618                    | <br>1,245,907,653           |
| <br><b>Net assets - end of year</b>   | <br><u>\$ 483,781,658</u>             | <br><u>\$ 835,126,571</u>          | <br><u>\$ 1,318,908,229</u> |

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

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

**STATEMENT OF ACTIVITIES**

**Year ended June 30, 2024**

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

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

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

**STATEMENTS OF CASH FLOWS**

Years ended June 30,

|  | <b>2025</b>                 | <b>2024</b>                 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities:</b>   |                             |                             |
| Change in net assets   | \$ 73,000,576               | \$ 64,759,884               |
| Adjustments to reconcile change in net assets to net cash used in operating activities:  |                             |                             |
| Depreciation of plant assets   | 8,416,757                   | 8,156,885                   |
| Contributions restricted for endowment and plant   | (44,179,440)                | (22,191,847)                |
| Net appreciation on investments  | (82,058,278)                | (75,395,144)                |
| Change in fair value of bond swap liability  | 32,955                      | (136,537)                   |
| (Gain) loss on sale of plant assets  | (63,523)                    | 347,996                     |
| Amortization of debt issuance costs  | 40,560                      | 43,358                      |
| Amortization of bond discount  | 14,037                      | 14,961                      |
| Amortization of finance right-of-use assets  | 187,433                     | 585,002                     |
| Operating lease cost   | (596,178)                   | 38,290                      |
| Changes in assets/liabilities:   |                             |                             |
| Accounts receivable and other assets   | 1,774,094                   | (1,351,552)                 |
| Contributions receivable, net  | 1,098,356                   | (11,273,755)                |
| Accounts payable and accrued expenses  | 289,033                     | (302,077)                   |
| Deferred revenue   | (717,076)                   | 496,736                     |
| Operating lease liability  | 602,302                     | (28,906)                    |
| Postretirement benefit obligation  | 4,772,084                   | 998,662                     |
| Asset retirement obligation  | 31,462                      | 31,462                      |
| Net cash used in operating activities  | <u>(37,354,846)</u>         | <u>(35,206,582)</u>         |
| <b>Cash flows from investing activities:</b>   |                             |                             |
| Purchase of plant assets   | (20,536,628)                | (8,018,281)                 |
| Proceeds from sale of investments  | 218,784,071                 | 261,764,073                 |
| Purchase of investments  | <u>(197,106,408)</u>        | <u>(233,972,051)</u>        |
| Net cash provided by investing activities  | <u>1,141,035</u>            | <u>19,773,741</u>           |
| <b>Cash flows from financing activities:</b>   |                             |                             |
| Contributions restricted for endowment and plant   | 44,179,440                  | 22,191,847                  |
| Increase in liabilities under split-interest agreements  | 51,128                      | 1,137                       |
| Principal payments on finance leases   | (185,445)                   | (589,572)                   |
| Principal payments on long-term debt   | <u>(3,445,000)</u>          | <u>(3,405,000)</u>          |
| Net cash provided by financing activities  | <u>40,600,123</u>           | <u>18,198,412</u>           |
| <b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>  | <u>4,386,312</u>            | <u>2,765,571</u>            |
| <b>Cash, cash equivalents and restricted cash - beginning of year</b>  | <u>12,281,405</u>           | <u>9,515,834</u>            |
| <b>Cash, cash equivalents and restricted cash - end of year</b>  | <u><u>\$ 16,667,717</u></u> | <u><u>\$ 12,281,405</u></u> |
| <b>Reconciliation of total cash, cash equivalents and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown above:</b> |                             |                             |
| Cash and cash equivalents  | \$ 16,667,609               | \$ 12,281,302               |
| Funds held by bond trustee   | <u>108</u>                  | <u>103</u>                  |
| Total cash, cash equivalents and restricted cash shown above   | <u><u>\$ 16,667,717</u></u> | <u><u>\$ 12,281,405</u></u> |
| <b>Supplemental data:</b>  |                             |                             |
| Interest paid  | \$ 4,266,920                | \$ 4,435,212                |
| Right-of-use assets acquired under operating leases  | 710,059                     | -                           |
| (Decrease) increase in accounts payable and accrued expenses related to plant assets   | (1,172,857)                 | 1,158,557                   |

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



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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2025 and 2024**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Organization***

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

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

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

***(b) Summary of Significant Accounting Policies***

**Basis of Presentation**

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

- *Without Donor Restrictions* - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.
- *With Donor Restrictions* - Net assets subject to donor-imposed restrictions that will be met either by actions of the Institute or the passage of time. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Institute, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income be made available for specific purposes. Other restricted items in this net asset category include annuity and life income gifts for which the ultimate purpose of the proceeds is subject to donor-imposed restrictions.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

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

*(i) Cash and Cash Equivalents*

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

*(ii) Mortgages Receivable*

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

*(iii) Investments*

Investments in marketable securities are reported in the financial statements at fair value based on published market quotations. Investments in limited partnerships and hedge funds are reported in the financial statements at estimated fair value using net asset value ("NAV") or its equivalent as a practical expedient, based upon values provided by external investment managers or general partners, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The Institute reviews and evaluates the values provided by external investment managers and general partners and agrees with the valuation methods and assumptions used in determining the fair value of funds. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed. As of June 30, 2025 and 2024, the Institute had no plans or intentions to sell investments at amounts different from NAV.

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

*(iv) Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of inputs used to measure fair value are as follows:

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

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

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

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

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

(v) *Plant Assets and Depreciation*

Proceeds from the sale of plant assets, if there are no donor-imposed restrictions, are transferred to operating funds or, if subject to donor-imposed restrictions, to amounts with donor restrictions for plant acquisitions. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis (buildings and capital improvements 20 to 40 years, equipment three to six years).

(vi) *Leases*

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

(vii) *Split-Interest Agreements*

The Institute is the beneficiary of various unitrusts, a pooled income fund, and a gift annuity fund. The Institute's interest in these split-interest agreements is reported as a contribution in the year received and is calculated as the difference between the fair value of the assets contributed to the Institute and the estimated liability to the beneficiary. This liability is computed using actuarially determined rates and is adjusted annually to reflect changes in the life expectancy of the donor or annuitant, amortization of the discount, and other changes in the estimates of future payments. The assets held by the Institute under these arrangements are recorded at fair value as determined by quoted market prices and are included as a component of investments. The

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

split-interest agreement assets that are held by the Institute are recorded at the fair value of the assets contributed to the trust and are classified in the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement as discussed in Note 1(b)(iv). The split-interest agreement assets that are held by third party trustees are recorded at the fair value of the assets contributed to the trust.

(viii) *Unamortized Debt Issuance Costs*

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

(ix) *Asset Retirement Obligation*

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

(x) *Contributions*

Contributions, including unconditional promises to give, are recognized initially at fair value as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions of assets other than cash are recorded at their estimated fair value. Pledges of contributions to be received after one year are discounted at a risk-adjusted discount rate. The discount rates range from 3.68% to 5.10%. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

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

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

(xi) *Grants*

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

Based on the Institute's review of grants received, the granting agency does not receive commensurate value for the grant and therefore grant income is considered a voluntary, nonreciprocal transaction that meets the definition of a contribution. For those grants which also have one or more barriers that must be overcome, they are categorized as conditional contributions for the Institute. Such conditional grants are initially recorded as deferred revenue (if the funds are received in advance) and reported as revenue as conditions are satisfied.

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

*(xii) Auxiliary Activity*

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

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

*(xiii) Functional Allocation of Expenses*

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

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

Fundraising expenses incurred by the Institute amounted to \$2,559,906 and \$2,009,046 for the years ended June 30, 2025 and 2024, respectively. This amount is included in administration and general expenses in the accompanying statements of activities.

*(xiv) Tax Status*

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

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

*(xv) Use of Estimates*

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 2 - CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30, 2025 and 2024 were as follows:

|  | 2025          | 2024          |
|--|---------------|---------------|
| Amounts expected to be collected:          |               |               |
| Less than one year                         | \$ 16,600,000 | \$ 12,600,000 |
| One to five years                          | 19,200,000    | 25,800,000    |
|  | 35,800,000    | 38,400,000    |
| Discount for present value (3.68% - 5.10%) | (3,541,181)   | (5,042,825)   |
| Total                                      | \$ 32,258,819 | \$ 33,357,175 |

At June 30, 2025, 16% of gross contributions receivable and 31% of contributions revenue are from four donors. At June 30, 2024, 30% of gross contributions receivable and 44% of contributions revenue are from four donors.

**NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

Financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal and interest payments on debt, and capital construction costs not financed with debt, at June 30, 2025 and 2024 were as follows:

|  | 2025           | 2024           |
|--|----------------|----------------|
| Financial assets:  |                |                |
| Cash and cash equivalents  | \$ 16,667,609  | \$ 12,281,302  |
| Accounts receivable due less than one year                               | 218,699        | 188,790        |
| Grants receivable due less than one year                                 | 2,051,029      | 2,364,786      |
| Mortgages receivable due less than one year                              | 176,841        | 320,878        |
| Contributions receivable due less than one year, net                     | 16,600,000     | 12,600,000     |
| Endowment appropriated for expenditure - operations                      | 60,030,500     | 55,664,200     |
| Total financial assets available within one year                         | 95,744,678     | 83,419,956     |
| Liquidity resources:   |                |                |
| Lines of credit  | 80,000,000     | 80,000,000     |
| Total financial assets and liquidity resources available within one year | \$ 175,744,678 | \$ 163,419,956 |

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

**NOTE 4 - INVESTMENTS AND FUNDS HELD BY BOND TRUSTEE**

***(a) Overall Investment Objective***

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

***(b) Allocation of Investment Strategies***

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following tables summarize the Institute's investments and other assets at fair value by major category in the fair value hierarchy as of June 30, 2025 and 2024, as well as related strategy, liquidity, and funding commitments:

|  | 2025                   |                       |               |                   | Investments at NAV     |
|--|------------------------|-----------------------|---------------|-------------------|------------------------|
|  | Total                  | Level 1               | Level 2       | Level 3           |                        |
| Investments:                                 |                        |                       |               |                   |                        |
| Hedge funds - onshore:                       |                        |                       |               |                   |                        |
| Emerging markets                             | \$ 303,444             | \$ -                  | \$ -          | \$ -              | \$ 303,444             |
| Multiple strategies                          | 47,364,290             | -                     | -             | -                 | 47,364,290             |
| Hedge funds - offshore:                      |                        |                       |               |                   |                        |
| Distressed/high-yield                        | 54,257                 | -                     | -             | -                 | 54,257                 |
| Emerging markets                             | 362                    | -                     | -             | -                 | 362                    |
| Equities - long bias                         | 140,123,498            | -                     | -             | -                 | 140,123,498            |
| Equities - long/short                        | 119,685,441            | -                     | -             | -                 | 119,685,441            |
| Multiple strategies                          | 189,303,145            | -                     | -             | -                 | 189,303,145            |
| Quantitative/CTA                             | 121,558,736            | -                     | -             | -                 | 121,558,736            |
| Insurance                                    | 15,811,987             | -                     | -             | -                 | 15,811,987             |
| Bio tech/healthcare                          | 23,883,335             | -                     | -             | -                 | 23,883,335             |
| Discretionary macro                          | 33,667,605             | -                     | -             | -                 | 33,667,605             |
| Total  | 691,756,100            | -                     | -             | -                 | 691,756,100            |
| Limited partnerships                         | 369,280,188            | -                     | -             | -                 | 369,280,188            |
| Exchange-traded funds                        | 30,815                 | 30,815                | -             | -                 | -                      |
| Cash equivalents                             | 188,466,381            | 188,466,381           | -             | -                 | -                      |
| Other investments:                           |                        |                       |               |                   |                        |
| Assets held under split-interest agreements: | 1,563,023              | 791,113               | -             | 619,531           | 152,379                |
| Total investments                            | <u>\$1,251,096,507</u> | <u>\$ 189,288,309</u> | <u>\$ -</u>   | <u>\$ 619,531</u> | <u>\$1,061,188,667</u> |
| Other assets:                                |                        |                       |               |                   |                        |
| Funds held by bond trustee:                  |                        |                       |               |                   |                        |
| Cash equivalents                             | \$ 108                 | \$ -                  | \$ 108        | \$ -              | \$ -                   |
| Total other assets                           | <u>\$ 108</u>          | <u>\$ -</u>           | <u>\$ 108</u> | <u>\$ -</u>       | <u>\$ -</u>            |



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

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

The following tables present the Institute's activities for the years ended June 30, 2025 and 2024 for investments classified in Level 3:

| Level 3 Roll-Forward                       | 2025  |
|--|---|
|  | Assets Held Under Split-Interest Agreements |
|  | Fixed-Income Securities                     |
| Fair value at June 30, 2024                | \$ 592,730                                  |
| Dispositions                               | (21,544)                                    |
| Net appreciation (realized and unrealized) | 48,345                                      |
| Fair value at June 30, 2025                | <u>\$ 619,531</u>                           |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

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

The Institute's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no transfers between investments classified as Level 3 for the years ended June 30, 2025 and 2024.

Private equity and venture capital investments are generally made through limited partnerships. Under the terms of such agreements, the Institute may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Institute cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur, they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. As of June 30, 2025, the Institute is obligated under certain limited partnership agreements to advance additional funding in the amount of \$122,723,382, which is anticipated to be called over the next 10 years.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Investment liquidity for the years ended June 30, 2025 and 2024 are aggregated below based on redemption or sale period:

|   |                         | 2025       |                                     |                                     |  |
|---|-------------------------|------------|-------------------------------------|-------------------------------------|--|
|   |                         | Fair Value | Percent not Eligible for Redemption | Redemption Frequency (if Available) | Redemption Notice Period   |
| Investments:                                |                         |            |                                     |                                     |  |
| Hedge funds - onshore:                      |                         |            |                                     |                                     |  |
| Emerging markets                            | \$ 303,444              | (a)        | 100%                                | Illiquid                            | Fund in liquidation  |
| Multiple strategies                         | 47,364,290              | (b)        | 1%                                  | Semi-Annual; Lockup                 | 90 days' notice; Fund in liquidation                             |
| Hedge funds - offshore:                     |                         |            |                                     |                                     |  |
| Distressed/high-yield                       | 54,257                  | (c)        | 100%                                | Illiquid                            | Fund in liquidation  |
| Emerging markets                            | 362                     | (a)        | 100%                                | Illiquid                            | Fund in liquidation  |
| Equities - long bias                        | 140,123,498             | (d)        | 100%                                | Annual; Lockup                      | 60-150 days' notice; Fund in liquidation; 3 year rolling lockup  |
| Equities - long/short                       | 119,685,441             | (e)        | 41%                                 | Quarterly; Annual; Lockup; Illiquid | 45-90 days' notice; Fund in liquidation; Funds subject to lockup |
| Multiple strategies                         | 189,303,145             | (b)        | 81%                                 | Quarterly; Annual; Lockup; Illiquid | 15-90 days' notice; Fund in liquidation; Funds subject to lockup |
| Quantitative/CTA                            | 121,558,736             | (f)        | -%                                  | Monthly; Quarterly                  | 15-60 days' notice   |
| Insurance                                   | 15,811,987              | (g)        | -%                                  | Annual                              | 60 days' notice  |
| Bio tech/healthcare                         | 23,883,335              | (h)        | -%                                  | Quarterly                           | 30-60 days' notice   |
| Discretionary macro                         | 33,667,605              | (i)        | -%                                  | Monthly                             | 90 days' notice  |
| Total                                       | 691,756,100             |            |                                     |                                     |  |
| Limited partnerships                        | 369,280,188             | (j)        | 100%                                | Illiquid                            | Funds subject to lockup by agreement                             |
| Exchange-traded funds                       | 30,815                  |            | -%                                  | Daily                               |  |
| Cash equivalents                            | 188,466,381             |            | -%                                  | Daily                               |  |
| Other investments:                          |                         |            |                                     |                                     |  |
| Assets held under split-interest agreements | 1,563,023               |            | 100%                                | Illiquid                            | Funds subject to lockup by agreement                             |
| Total investments                           | <u>\$ 1,251,096,507</u> |            |                                     |                                     |  |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

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

- (a) Emerging markets - This category includes investments in hedge funds that primarily invest in listed and non-listed equities primarily in emerging markets. The funds may also hold real estate and other non-traded non-corporate assets.
- (b) Multiple strategies - This category includes investments in hedge funds that invest in event-related equity and credit, arbitrage, fixed income relative value, quantitative strategies, and other marketable assets and strategies.
- (c) Distressed/high-yield - This category includes investments in hedge funds that primarily invest in distressed and/or high yield bonds.
- (d) Equities - long bias - This category includes investments in hedge funds that invest primarily long listed equities with either minimal or no ability to short. The funds may also own non-listed equities up to certain thresholds of NAV.
- (e) Equities - long/short - This category includes investments in hedge funds that invest primarily in long and short-listed equities. The funds may also own non-listed equities up to certain thresholds of NAV.
- (f) Quantitative/CTA - This category includes investments in hedge funds that invest across multiple sectors and asset classes using quantitative tools to inform trading decisions. The funds may also own non-listed equities up to certain thresholds of NAV.
- (g) Insurance - This category includes investments in hedge funds that write reinsurance and retrocessional contracts and/or invest in insurance linked securities, both long and short.
- (h) Bio tech/healthcare - This category includes investments in hedge funds that invest in primarily in long and short-listed equities focused on the healthcare sector. The funds may also own non-listed equities up to certain thresholds of NAV.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

- (i) Discretionary macro - This category includes investments in hedge funds that invest across multiple sectors, asset classes, and geographies using fundamental analyses to inform thematic views which drive trading and investing decisions.
- (i) Limited partnerships - This category includes private equity partnerships, including buyout, growth, venture capital, and distressed investment funds, as well as natural resources and real estate funds. These investments cannot be redeemed but do make distributions as the underlying investments are liquidated. Most funds have a primary term of 10 years.

**(c) Redemption Restrictions - Hedge Funds**

At June 30, 2025, the Institute had hedge fund investments of approximately \$691,756,100, of which approximately \$5,879,900 was under liquidation and \$232,189,300 was restricted from redemption for lock up periods. At June 30, 2024, the Institute had hedge fund investments of approximately \$669,084,800, of which approximately \$5,988,900 was under liquidation and \$207,367,100 was restricted from redemption for lock up periods. Some of the investments with redemption restrictions allow early redemption for specified fees. The terms and conditions upon which an investor may redeem an investment vary, usually with the majority requiring 30 to 150 days' notice after the initial lock-up period.

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

| <u>Fiscal Year</u> | <u>Amount</u>         |
|--------------------|-----------------------|
| 2026               | \$ 152,013,700        |
| 2027               | 17,487,600            |
| 2028               | 62,688,000            |
| Total              | <u>\$ 232,189,300</u> |

**(d) Redemption Restrictions - Limited Partnerships**

At June 30, 2025 and 2024, the Institute had limited partnership investments of approximately \$369,280,200 and \$356,941,400, respectively, which were restricted from redemption for lock-up periods. Some of the investments with redemption restrictions allow early redemption for specified fees.

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

| <u>Fiscal Year</u>  | <u>Amount</u>         |
|---------------------|-----------------------|
| 2026                | \$ 152,923,700        |
| 2027                | 36,134,200            |
| 2028                | 40,816,600            |
| 2029                | 2,641,200             |
| 2030                | 38,796,900            |
| 2031 and thereafter | 97,967,600            |
| Total               | <u>\$ 369,280,200</u> |

**(e) Funds Held by Bond Trustee**

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

**NOTE 5 - INVESTMENT RETURN AND ENDOWMENT SPENDING POLICY**

Investment return consists of interest, dividends, and realized and unrealized gains and losses on investments. Each year, the Institute includes a portion of its endowment return in its operating budget, with the amount of such planned support determined using its spending policy. The policy of the Institute is to distribute for current spending a percentage of the fair value of pooled investments, which is determined by the Board of Trustees annually. The budgeted spending rate for operating and capital purposes was 4.84% and 4.76% for 2025 and 2024, respectively. The actual spending rate for operating and capital purposes was 5.12% and 4.44% for 2025 and 2024, respectively.

The following tables summarize the investment return and its classification in the statements of activities for the years ended June 30, 2025 and 2024:

|  | 2025                          |                            |                      |
|--|-------------------------------|----------------------------|----------------------|
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Investment (loss) income, net of investment expenses | \$ (580,246)                  | \$ 1,923,584               | \$ 1,343,338         |
| Net appreciation (realized and unrealized)           | 31,719,406                    | 56,012,600                 | 87,732,006           |
|  | <u>\$ 31,139,160</u>          | <u>\$ 57,936,184</u>       | <u>\$ 89,075,344</u> |
|  | 2024                          |                            |                      |
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
| Investment (loss) income, net of investment expenses | \$ (742,020)                  | \$ 3,110,399               | \$ 2,368,379         |
| Net appreciation (realized and unrealized)           | 29,678,304                    | 48,167,888                 | 77,846,192           |
|  | <u>\$ 28,936,284</u>          | <u>\$ 51,278,287</u>       | <u>\$ 80,214,571</u> |

**NOTE 6 - ENDOWMENT**

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

**(a) Interpretation of Relevant Law**

The Institute has interpreted the New Jersey-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as allowing the Institute to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the Institute determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in a donor-restricted endowment fund are donor-restricted assets until appropriated for expenditure by the Board of Trustees of the Institute. As a result of applicable accounting guidance, the Institute classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

value of subsequent gifts to the permanent endowment, and (c) the accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as endowment fund corpus within the net assets with donor restrictions is classified as net assets with donor purpose restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

Below is a schedule which represents the composition of the Institute's endowment funds and funds designated by the Board of Trustees to function as endowments by type of fund as of June 30, 2025 and 2024:

| 2025                              |                            |                         |                       |                         |
|-----------------------------------|----------------------------|-------------------------|-----------------------|-------------------------|
|                                   | Without Donor Restrictions | With Donor Restrictions |                       | Total                   |
|                                   |                            | Original Gift           | Accumulated Gains     |                         |
| Undesignated                      | \$ 236,530,238             | \$ -                    | \$ -                  | \$ 236,530,238          |
| Specific purpose designated funds | 211,673,190                | -                       | -                     | 211,673,190             |
| Donor - purpose restricted funds  | -                          | 38,841,803              | 369,552,233           | 408,394,036             |
| Endowment fund corpus             | -                          | 406,093,625             | -                     | 406,093,625             |
|                                   | <u>\$ 448,203,428</u>      | <u>\$ 444,935,428</u>   | <u>\$ 369,552,233</u> | <u>\$ 1,262,691,089</u> |
| 2024                              |                            |                         |                       |                         |
|                                   | Without Donor Restrictions | With Donor Restrictions |                       | Total                   |
|                                   |                            | Original Gift           | Accumulated Gains     |                         |
| Undesignated                      | \$ 247,420,629             | \$ -                    | \$ -                  | \$ 247,420,629          |
| Specific purpose designated funds | 199,762,176                | -                       | -                     | 199,762,176             |
| Donor - purpose restricted funds  | -                          | 38,536,803              | 341,453,817           | 379,990,620             |
| Endowment fund corpus             | -                          | 363,477,006             | -                     | 363,477,006             |
|                                   | <u>\$ 447,182,805</u>      | <u>\$ 402,013,809</u>   | <u>\$ 341,453,817</u> | <u>\$ 1,190,650,431</u> |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Changes in the Institute's endowment funds and funds designated by the Board of Trustees to function as endowments for the fiscal years ended June 30, 2025 and 2024 were as follows:

|   | Without Donor<br>Restrictions | With Donor Restrictions |                       | Total                   |
|---|-------------------------------|-------------------------|-----------------------|-------------------------|
|   |                               | Original<br>Gift        | Accumulated<br>Gains  |                         |
| Net assets, June 30, 2023                     | \$ 434,995,210                | \$ 369,428,951          | \$ 320,579,614        | \$ 1,125,003,775        |
| Investment returns:                           |                               |                         |                       |                         |
| Investment income, net                        | (742,020)                     | -                       | 1,535,524             | 793,504                 |
| Net appreciation (realized and<br>unrealized) | 29,678,304                    | -                       | 48,036,441            | 77,714,745              |
| Total investment return                       | 28,936,284                    | -                       | 49,571,965            | 78,508,249              |
| Contributions                                 | 3,222,000                     | 32,584,858              | -                     | 35,806,858              |
| Appropriation for expenditure -<br>operations | (19,970,689)                  | -                       | (28,697,762)          | (48,668,451)            |
| Net assets, June 30, 2024                     | 447,182,805                   | 402,013,809             | 341,453,817           | 1,190,650,431           |
| Investment returns:                           |                               |                         |                       |                         |
| Investment income, net                        | (580,246)                     | -                       | 916,982               | 336,736                 |
| Net appreciation (realized and<br>unrealized) | 31,719,406                    | -                       | 55,909,177            | 87,628,583              |
| Total investment return                       | 31,139,160                    | -                       | 56,826,159            | 87,965,319              |
| Contributions                                 | 3,095,721                     | 42,921,619              | -                     | 46,017,340              |
| Appropriation for expenditure -<br>operations | (33,214,259)                  | -                       | (28,727,742)          | (61,942,001)            |
| Net assets, June 30, 2025                     | <u>\$ 448,203,427</u>         | <u>\$ 444,935,428</u>   | <u>\$ 369,552,234</u> | <u>\$ 1,262,691,089</u> |

**(b) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original corpus of the fund included in net assets with donor restrictions due to unfavorable market fluctuations subsequent to the investment of the gift. Under the provisions of UPMIFA, spending from such endowment funds with deficiencies would be permitted. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2025, eight funds with an original gift value of \$4,872,357 were "underwater" by \$2,579,457. As of June 30, 2024, eight funds with an original gift value of \$8,222,357 were "underwater" by \$2,277,968. Subsequent gains that restore the fair value of the assets of the donor-restricted endowment fund are classified as an increase in net assets with donor restrictions.

**(c) Return Objectives and Risk Parameters**

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



NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

**(d) Strategies Employed for Achieving Objectives**

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

**NOTE 7 - PHYSICAL PLANT AND EQUIPMENT (LAND, BUILDINGS AND IMPROVEMENTS, EQUIPMENT, AND RARE BOOK COLLECTION, NET)**

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

A summary of plant assets at June 30, 2025 and 2024 is as follows:

|  | 2025                  | 2024                  |
|--|-----------------------|-----------------------|
| Land   | \$ 373,738            | \$ 373,738            |
| Land improvements                            | 3,578,591             | 3,492,446             |
| Buildings and improvements                   | 244,159,805           | 227,817,837           |
| Equipment                                    | 46,446,686            | 43,109,461            |
| Rare book collection                         | 203,508               | 203,508               |
| Joint ownership property                     | 6,217,449             | 6,553,262             |
| Finance lease ROU                            | 2,920,444             | 2,920,444             |
|  | 303,900,221           | 284,470,696           |
| Accumulated depreciation                     | (149,338,263)         | (140,916,275)         |
| Accumulated amortization - finance lease ROU | (2,741,917)           | (2,554,484)           |
| Net book value                               | <u>\$ 151,820,041</u> | <u>\$ 140,999,937</u> |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 8 - LONG-TERM DEBT**

A summary of long-term debt at June 30, 2025 and 2024 is as follows:

|                                 | 2025                  | 2024                  |
|---------------------------------|-----------------------|-----------------------|
| 2006 Series B - NJEFA           | \$ 8,400,000          | \$ 10,400,000         |
| 2012 Taxable                    | 12,255,000            | 12,730,000            |
| 2015 Taxable                    | 12,280,000            | 12,650,000            |
| 2017 Taxable                    | 21,100,000            | 21,700,000            |
| 2022 Senior unsecured notes     | 48,000,000            | 48,000,000            |
|                                 | <hr/>                 | <hr/>                 |
| Long-term debt                  | 102,035,000           | 105,480,000           |
| Less:                           |                       |                       |
| Unamortized bond discount       | (135,730)             | (149,767)             |
| Unamortized debt issuance costs | (447,955)             | (488,515)             |
|                                 | <hr/>                 | <hr/>                 |
| Total long-term debt            | <u>\$ 101,451,315</u> | <u>\$ 104,841,718</u> |

Interest expense on long-term debt for the years ended June 30, 2025 and 2024 was \$4,245,426 and \$4,403,910, respectively.

**(a) 2006 Series B - NJEFA**

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

**(b) 2012 Taxable**

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

**(c) 2015 Taxable**

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

**(d) 2017 Taxable**

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**(e) 2022 Senior Unsecured Notes**

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

**(f) Interest Rates**

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

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

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

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

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

**(g) Bond Swap Agreement**

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

The Institute entered into this swap agreement with the intention of lowering its effective interest rate. At June 30, 2025 and 2024, the fair value of the interest rate swap was (\$301,888) and (\$268,934), respectively. The change in fair value recognized during the years ended June 30, 2025 and 2024 in the amount of (\$32,955) and \$136,537, respectively, is reported in the statements of activities in change in fair value of bond swap liability. The swap agreement utilizes Level 2 inputs to measure fair value. The fair value of the interest rate swap was determined using pricing models developed based on the London Inter-bank Offered Rate ("LIBOR") swap rate and other market data. Under the swap agreement, the Institute may be required to post collateral to the counterparty if certain triggering events (rates and dollar thresholds) are met. As of June 30, 2025 and 2024, there was no requirement to post collateral imposed by the swap counterparty.

The bonds are repayable as follows at June 30, 2025:

| <u>Year Ending June 30</u> | <u>Amount</u>         |
|----------------------------|-----------------------|
| 2026                       | \$ 3,585,000          |
| 2027                       | 3,735,000             |
| 2028                       | 3,880,000             |
| 2029                       | 2,235,000             |
| 2030                       | 2,310,000             |
| 2031 through 2051          | 86,290,000            |
| Total                      | <u>\$ 102,035,000</u> |

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

**(h) Lines of Credit**

As of June 30, 2025 and 2024, the Institute had unsecured loan agreements representing a line of credit. As of June 30, 2025 and 2024, the agreements provide for borrowings up to \$80,000,000, of which \$40,000,000 is available through June 2027 and \$40,000,000 is available through April 2028. Interest payments are due on demand and interest accrues for the \$40,000,000 line of credit expiring in June 2027 at Margin over Term SOFR rate plus 60 basis points, which is 5.05% as of June 30, 2025 and 5.93% as of June 30, 2024. Interest payments are due on demand and accrue for the \$40,000,000 line of credit expiring in April 2028 at Margin over Term SOFR rate plus 70 basis points, which is 5.15% as of June 30, 2025 and at the BSBY rate plus 45 basis points, which was 5.86% as of June 30, 2024.

There were no borrowings in fiscal year 2025 and 2024 against the lines of credit. No interest expense was incurred for the years ended June 30, 2025 and 2024.

**(i) Standby Bond Purchase Agreement**

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 9 - PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS**

Separate voluntary defined-contribution retirement plans are in effect for faculty members and eligible staff personnel, both of which provide for annuities, which are funded, to the Teachers Insurance and Annuity Association and/or the College Retirement Equities Fund. Contributions are based on the individual participant's compensation in accordance with the formula set forth in the plan documents on a nondiscriminatory basis. Contributions for the years ended June 30, 2025 and 2024 totaled approximately \$2,819,649 and \$2,403,300, respectively.

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

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following table provides a reconciliation of the change in benefit obligation of the plan at June 30, 2025 and 2024. There are no plan assets at June 30, 2025 and 2024.

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Postretirement benefit obligation:   |                      |                      |
| Retirees   | \$ 6,816,289         | \$ 5,100,229         |
| Fully eligible active plan participants  | 3,634,569            | 2,650,825            |
| Other active plan participants   | 9,127,953            | 7,055,673            |
|  | <u>\$ 19,578,811</u> | <u>\$ 14,806,727</u> |
| Postretirement benefit obligation  |                      |                      |
| Change in benefit obligation:  |                      |                      |
| Benefit obligation at beginning of year  | \$ 14,806,727        | \$ 13,808,065        |
| Service cost   | 654,326              | 552,585              |
| Interest cost  | 781,738              | 668,929              |
| Benefits paid  | (425,108)            | (349,044)            |
| Actuarial loss   | 3,761,128            | 126,192              |
|  | <u>\$ 19,578,811</u> | <u>\$ 14,806,727</u> |
| Benefit obligation at end of year  |                      |                      |
| Change in plan assets:   |                      |                      |
| Plan assets at beginning of year   | \$ -                 | \$ -                 |
| Employer contributions   | 425,108              | 349,044              |
| Benefits paid  | (425,108)            | (349,044)            |
|  | <u>-</u>             | <u>-</u>             |
| Plan assets at end of year   |                      |                      |
|  | <u>\$ 19,578,811</u> | <u>\$ 14,806,727</u> |
| Funded status at end of year   |                      |                      |
| Components of net periodic benefit costs:  |                      |                      |
| Service cost   | \$ 654,326           | \$ 552,585           |
| Interest cost  | 781,738              | 668,929              |
| Amortization of net loss   | 3,761,128            | 126,192              |
|  | <u>\$ 5,197,192</u>  | <u>\$ 1,347,706</u>  |
| Net periodic benefit costs   |                      |                      |
|  | <u>2025</u>          | <u>2024</u>          |
| Benefit obligation assumptions:  |                      |                      |
| Weighted average discount rate   | 5.57%                | 5.35%                |
| Net periodic cost benefit assumptions:   |                      |                      |
| Weighted average discount rate   | 5.35%                | 4.98%                |
| Assumed health care cost trend rates at June 30:                                 |                      |                      |
|  | <u>2025</u>          | <u>2024</u>          |
| Health care cost trend rate assumed for next year                                | 9.00%                | 9.00%                |
| Rate to which the cost trend rate is assumed to decline<br>(ultimate trend rate) | 5.00%                | 5.00%                |
| Year that the rate reaches the ultimate trend rate                               | 2038                 | 2030                 |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Projected payments for each of the next five fiscal years and thereafter through 2035 are as follows:

| <u>Year Ending June 30</u> | <u>Amount</u> |
|----------------------------|---------------|
| 2026                       | \$ 540,000    |
| 2027                       | 575,000       |
| 2028                       | 633,000       |
| 2029                       | 698,000       |
| 2030                       | 779,000       |
| 2031 through 2035          | 5,024,000     |

The Institute funds claims as they are incurred. The Institute does not expect to contribute any amounts in fiscal year 2026, except as needed to provide for benefit payments.

**NOTE 10 - NATURAL ALLOCATION OF EXPENSES**

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

Expenses by natural classification for the year ended June 30, 2025 consist of the following:

|  | 2025                 |                                   |                       |                     |                                    |                                    |                               |                       | Total                |
|--|----------------------|-----------------------------------|-----------------------|---------------------|------------------------------------|------------------------------------|-------------------------------|-----------------------|----------------------|
|  | Mathematics          | Schools of<br>Natural<br>Sciences | Historical<br>Studies | Social<br>Science   | Nelson Ctr.<br>Collab.<br>Research | Libraries and<br>Other<br>Academic | Administration<br>and General | Auxiliary<br>Activity |                      |
| Salaries   | \$ 4,684,157         | \$ 4,147,733                      | \$ 3,976,024          | \$ 1,875,860        | \$ 425,000                         | \$ 2,026,895                       | \$10,707,148                  | \$ 2,230,809          | \$ 30,073,626        |
| Stipends   | 4,987,464            | 4,073,098                         | 3,019,433             | 1,822,313           | 11,443                             | 166,691                            | -                             | -                     | 14,080,442           |
| Employee benefits and taxes                      | 1,846,942            | 1,494,853                         | 1,464,546             | 640,002             | 148,966                            | 665,054                            | 12,281,946                    | 672,487               | 19,214,796           |
| Materials and supplies                           | 45,026               | 90,680                            | 50,019                | 38,259              | 157                                | 110,030                            | 749,294                       | 433,358               | 1,516,823            |
| Conferences and travel                           | 654,455              | 801,050                           | 594,995               | 293,580             | 68,240                             | 1,471,583                          | 841,795                       | 869,527               | 5,595,225            |
| Insurance, legal and professional fees           | 16,388               | 204,101                           | 34,581                | 34,750              | 15,325                             | 146,443                            | 3,258,576                     | 334,081               | 4,044,245            |
| Occupancy (inc. utilities and real estate taxes) | -                    | -                                 | -                     | -                   | -                                  | -                                  | 1,159,752                     | 1,599,931             | 2,759,683            |
| Interest expense                                 | -                    | 1,620                             | -                     | -                   | -                                  | -                                  | 3,043,641                     | 1,201,782             | 4,247,043            |
| Books and periodicals                            | 3,534                | 688                               | 27,750                | 2,037               | -                                  | 699,405                            | 5,655                         | 70                    | 739,139              |
| Other expenses                                   | 155,953              | 205,930                           | 24,149                | 10,623              | -                                  | 152,246                            | 1,039,877                     | 76,219                | 1,664,997            |
| Depreciation                                     | 119,434              | 563,998                           | 37,308                | 25,502              | -                                  | 158,563                            | 3,697,242                     | 4,113,857             | 8,715,904            |
| Subtotal   | 12,513,353           | 11,583,751                        | 9,228,805             | 4,742,926           | 669,131                            | 5,596,910                          | 36,784,926                    | 11,532,121            | 92,651,923           |
| Computing allocation                             | 583,245              | 922,105                           | 244,065               | 213,223             | -                                  | 98,813                             | (2,061,451)                   | -                     | -                    |
| Academic building allocation                     | 1,611,144            | 2,063,149                         | 1,387,383             | 695,254             | -                                  | -                                  | (5,756,930)                   | -                     | -                    |
|  | <u>\$ 14,707,742</u> | <u>\$ 14,569,005</u>              | <u>\$ 10,860,253</u>  | <u>\$ 5,651,403</u> | <u>\$ 669,131</u>                  | <u>\$ 5,695,723</u>                | <u>\$28,966,545</u>           | <u>\$ 11,532,121</u>  | <u>\$ 92,651,923</u> |

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

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

|  | 2024                 |                      |                       |                     |                                    |                               |                       |                      |
|--|----------------------|----------------------|-----------------------|---------------------|------------------------------------|-------------------------------|-----------------------|----------------------|
|  | Schools of           |                      |                       |                     | Libraries and<br>Other<br>Academic | Administration<br>and General | Auxiliary<br>Activity | Total                |
|  | Mathematics          | Natural<br>Sciences  | Historical<br>Studies | Social<br>Science   |                                    |                               |                       |                      |
| Salaries   | \$ 3,427,367         | \$ 3,921,465         | \$ 3,991,472          | \$ 1,801,179        | \$ 1,442,775                       | \$ 9,965,514                  | \$ 2,074,480          | \$ 26,624,252        |
| Stipends   | 4,504,141            | 3,616,273            | 3,009,683             | 1,961,789           | 433,783                            | -                             | -                     | 13,525,669           |
| Employee benefits and<br>taxes                         | 1,326,647            | 1,423,316            | 1,398,042             | 614,424             | 504,570                            | 3,888,955                     | 594,098               | 9,750,052            |
| Materials and supplies                                 | 29,877               | 30,941               | 57,380                | 38,633              | 83,475                             | 703,005                       | 322,342               | 1,265,653            |
| Conferences and travel                                 | 394,767              | 353,598              | 410,768               | 409,188             | 1,212,669                          | 804,397                       | 830,561               | 4,415,948            |
| Insurance, legal and<br>professional fees              | 62,377               | 254,457              | 27,313                | 20,772              | 186,423                            | 2,658,270                     | 371,122               | 3,580,734            |
| Occupancy (inc. utilities<br>and real estate<br>taxes) | -                    | -                    | -                     | -                   | -                                  | 699,435                       | 1,471,298             | 2,170,733            |
| Interest expense                                       | -                    | 2,752                | -                     | -                   | -                                  | 3,115,921                     | 1,288,986             | 4,407,659            |
| Books and periodicals                                  | 2,069                | 620                  | 45,831                | 204                 | 662,084                            | 7,117                         | 70                    | 717,995              |
| Other expenses   | 104,754              | 174,594              | (3,666)               | 7,068               | 48,091                             | 389,958                       | 58,785                | 779,584              |
| Depreciation   | 85,220               | 508,152              | 29,015                | 20,940              | 159,966                            | 3,888,485                     | 4,051,005             | 8,742,783            |
| Subtotal   | 9,937,219            | 10,286,168           | 8,965,838             | 4,874,197           | 4,733,836                          | 26,121,057                    | 11,062,747            | 75,981,062           |
| Computing allocation                                   | 595,048              | 940,725              | 248,892               | 217,458             | 100,741                            | (2,102,864)                   | -                     | -                    |
| Academic building<br>allocation                        | 1,495,094            | 1,914,530            | 1,287,446             | 645,180             | -                                  | (5,342,250)                   | -                     | -                    |
|  | <u>\$ 12,027,361</u> | <u>\$ 13,141,423</u> | <u>\$ 10,502,176</u>  | <u>\$ 5,736,835</u> | <u>\$ 4,834,577</u>                | <u>\$ 18,675,943</u>          | <u>\$ 11,062,747</u>  | <u>\$ 75,981,062</u> |



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 11 - NET ASSETS**

Net assets are comprised of the following at June 30, 2025 and 2024:

|   | 2025                  | 2024                  |
|---|-----------------------|-----------------------|
| Net assets without donor restrictions:  |                       |                       |
| Undesignated  | \$ 272,108,468        | \$ 282,998,859        |
| Designated for specific purpose funds:  |                       |                       |
| School of Mathematics   | 26,821,421            | 25,219,424            |
| School of Natural Sciences  | 31,191,633            | 30,180,322            |
| School of Historical Studies  | 26,793,309            | 25,598,017            |
| School of Social Science  | 2,749,826             | 2,550,181             |
| Libraries and other academic  | 105,492,085           | 103,992,969           |
| Administration and general  | 18,624,916            | 12,221,263            |
| Designated for specific purpose funds   | 211,673,190           | 199,762,176           |
| Total net assets without donor restrictions   | <u>\$ 483,781,658</u> | <u>\$ 482,761,035</u> |
| Net assets with donor restrictions and appropriation through endowment spending policy: |                       |                       |
| Subject to expenditure for specific purpose:  |                       |                       |
| School of Mathematics   | \$ 47,971,442         | \$ 45,835,035         |
| School of Natural Sciences  | 62,932,219            | 58,052,410            |
| School of Historical Studies  | 60,978,575            | 58,071,198            |
| School of Social Science  | 85,758,722            | 82,971,325            |
| Jonathan M. Nelson Center for Collaborative Research                                    | 1,749,186             | 587,320               |
| Libraries and other academic  | 27,836,468            | 22,121,673            |
| Administration and general  | 141,806,334           | 132,030,651           |
| Net assets with donor-purpose restrictions  | 429,032,946           | 399,669,612           |
| Net assets held as endowed fund corpus to generate income for specified purposes        | <u>406,093,625</u>    | <u>363,477,006</u>    |
| Total net assets with donor restrictions  | <u>\$ 835,126,571</u> | <u>\$ 763,146,618</u> |

**NOTE 12 - LEASES**

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following table displays the undiscounted cash flows due related to operating and finance leases as of June 30, 2025, along with a reconciliation to the discounted amount recorded in the statements of financial position:

| <u>Year Ending June 30</u>         | <u>Operating<br/>Lease</u> | <u>Finance<br/>Lease</u> |
|------------------------------------|----------------------------|--------------------------|
| 2026                               | \$ 373,572                 | \$ 2,087                 |
| 2027                               | 280,483                    | -                        |
| 2028                               | 13,623                     | -                        |
| 2029                               | 4,042                      | -                        |
| 2030                               | 1,684                      | -                        |
|                                    | <hr/>                      | <hr/>                    |
| Total lease payments               | 673,404                    | 2,087                    |
| Less: present value discount       | (30,382)                   | -                        |
|                                    | <hr/>                      | <hr/>                    |
| Present value of lease liabilities | <u>\$ 643,022</u>          | <u>\$ 2,087</u>          |

The following table displays the weighted average remaining lease term and discount rates for the years ended June 30, 2025 and 2024:

|                                       | <u>2025</u> | <u>2024</u> |
|---------------------------------------|-------------|-------------|
| Operating lease:                      |             |             |
| Weighted-average remaining lease term | 3 years     | 3 years     |
| Weighted-average discount rate        | 2.78%       | 2.53%       |
| Finance lease:                        |             |             |
| Weighted-average remaining lease term | 0 years     | 1 year      |
| Weighted-average discount rate        | 0.00%       | 0.85%       |

**NOTE 13 - SUBSEQUENT EVENTS**

The Institute evaluated subsequent events through October 27, 2025, the date on which the financial statements were issued. The Institute is not aware of any subsequent events which would require recognition or disclosure in the financial statements.