



THE STATE UNIVERSITY
OF **NEW YORK**
ANNUAL FINANCIAL REPORT

FOR THE **JUNE 30 2025**
FISCAL YEAR

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KPMG LLP
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Independent Auditors' Report

To the Board of Trustees
State University of New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the State University of New York (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the discretely presented component units listed in note 15 to the basic financial statements, which represent 74% and 85%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2025 and for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in note 1, the financial statements of the University are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the aggregate discretely presented component units of the State of New York that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the State of New York, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
November 4, 2025

2025 ANNUAL FINANCIAL REPORT
Management's Discussion and Analysis
(Unaudited)

Management's discussion and analysis (MD&A) provides a broad overview of the State University of New York's (State University) financial condition as of June 30, 2025 and 2024, the results of its operations for the years then ended, and significant changes between these two years. Management has prepared the financial statements and related note disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related notes of the State University, which directly follow the MD&A.

Overview of the Financial Statements

The financial statements of the State University have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statement presentation consists of the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and accompanying notes for the June 30, 2025 fiscal year. These statements provide information on the financial position of the State University and the financial activity and results of its operations during the year. A description of these statements follows:

The *Statement of Net Position* presents information on all of the State University's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State University is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing the change in the State University's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include items that will result in cash received or disbursed in future fiscal periods.

The *Statement of Cash Flows* provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided by or used in operating, investing, capital, and noncapital financing activities.

Financial Summary

At June 30, 2025 the State University's net deficit is \$4.43 billion, comprised of \$28.29 billion in total assets and deferred outflows of resources, less \$32.72 billion in total liabilities and deferred inflows of resources. The net position increased \$1.53 billion in 2025 as a result of this year's operations. The State University's total revenues increased \$893 million and total expenses increased \$1.20 billion in 2025 compared to 2024. The growth in revenues is primarily due to increases in grants and contracts revenue of \$369 million, State appropriation revenue of \$307 million, hospitals and clinics revenue of \$194 million, federal and State financial aid grants of \$76 million and net tuition and fees of \$53 million. These increases were offset by a decrease of \$218 million in transfers in - restricted for capital assets. Expense increase was driven by an overall increase in operating expenses of \$1.23 billion, or 9 percent compared to the prior year, mainly due to increases of \$345 million in hospital expenses, \$341 million in support services expenses, \$275 million in instruction expenses and \$143 million in research expenses. In addition, in 2025 the State University recognized a gain of \$309 million for unusual or infrequent items relating to federal emergency funding and liability elimination.

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Management's Discussion and Analysis
(Unaudited)

Detailed Analysis

Statement of Net Position

The following table reflects the net position at June 30, 2025 and 2024 (in thousands):

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Current assets	\$ 7,087,897	6,554,022	533,875	8%
Capital and lease assets, net	15,114,892	14,623,065	491,827	3%
Other noncurrent assets	4,266,317	3,809,634	456,683	12%
Deferred outflows of resources	1,818,194	2,117,626	(299,432)	(14%)
Total assets and deferred outflows of resources	<u>\$ 28,287,300</u>	<u>27,104,347</u>	<u>1,182,953</u>	<u>4%</u>
Current liabilities	3,247,415	4,147,609	(900,194)	(22%)
Noncurrent liabilities	27,761,671	25,888,216	1,873,455	7%
Deferred inflows of resources	1,711,798	3,032,462	(1,320,664)	(44%)
Total liabilities and deferred inflows of resources	<u>32,720,884</u>	<u>33,068,287</u>	<u>(347,403)</u>	<u>(1%)</u>
Net investment in capital assets	2,309,695	1,991,275	318,420	16%
Restricted - nonexpendable	851,488	795,004	56,484	7%
Restricted - expendable	806,397	647,177	159,220	25%
Unrestricted	(8,401,164)	(9,397,396)	996,232	(11%)
Total net position	<u>\$ (4,433,584)</u>	<u>(5,963,940)</u>	<u>1,530,356</u>	<u>(26%)</u>

Current Assets

In general, current assets are those assets that are available to satisfy current liabilities (i.e., those that will be paid within one year). Current assets at June 30, 2025 and 2024 consist primarily of cash and cash equivalents of \$3.14 billion and \$3.54 billion and receivables of \$2.91 billion and \$2.11 billion, respectively. The increase in current assets during 2025 is primarily due to increases of \$793 million in receivables and \$101 million in short-term investments, offset by a decrease in cash and cash equivalents of \$394 million.

Capital and Lease Assets, net

Capital assets are discussed below in the "Significant Capital Asset and Long-Term Financing Activity" section.

Other Noncurrent Assets

Noncurrent assets at June 30, 2025 and 2024 include long-term investments of \$1.96 billion and \$1.80 billion, the noncurrent portion of receivables of \$441 million and \$525 million, deposits with trustees of \$1.45 billion and \$1.11 billion, restricted cash of \$174 million and \$149 million, and other noncurrent assets of \$240 million and \$226 million, respectively.

Current Liabilities

Current liabilities at June 30, 2025 and 2024 consist principally of accounts payable and accrued expenses of \$1.66 billion and \$1.67 billion, other liabilities of \$554 million and \$1.52 billion, the current portion of long-term debt and long-term liabilities of \$483 million and \$426 million, and unearned revenue of \$424 million and \$408 million, respectively. The decrease in current liabilities during 2025 is primarily due to a reclassification of amounts owed to the State for capital projects funded in advance from current to noncurrent, to more properly reflect the current portion.

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Noncurrent Liabilities

Noncurrent liabilities are largely comprised of debt on State University facilities, other long-term liabilities accrued for postemployment and post-retirement benefits, pension liabilities and litigation reserves. The State University capital funding levels and bonding authority are subject to operating and capital appropriations of the State. Funding for capital construction and rehabilitation of educational and residence hall facilities of the State University is provided principally through the issuance of bonds by the Dormitory Authority of the State of New York (DASNY). The debt service for the educational facilities is paid by, or provided through a direct appropriation from, the State. The debt service on residence hall bonds is funded primarily from room rents. Additional details relating to debt on State University facilities can be found in the "Significant Capital Asset and Long-Term Financing Activity" section below.

The long-term portion of postemployment and post-retirement benefit obligations other than pensions (OPEB) as reported under GASB Statement No. 75 was \$12.47 billion and \$11.80 billion at June 30, 2025 and 2024, respectively, and increased \$677 million in 2025 primarily due to updated medical trend and demographic assumptions. The State, on behalf of the State University, provides health insurance coverage for eligible retired State University employees and their qualifying dependents as part of the New York State Health Insurance Program (NYSHIP). The State University, as a participant in the plan, recognizes OPEB on an accrual basis. The State has established a Trust, that the State University campuses (excluding hospitals and Construction Fund) provide these benefits through. The State University hospitals and Construction Fund also provide these benefits, but are not part of the Trust, and have no assets set aside to satisfy premiums.

The Research Foundation sponsors a separate defined benefit OPEB plan and has established a Voluntary Employee Benefit Association (VEBA) trust. Legal title to all the assets in the trust is vested for the benefit of the participants. Contributions are made by the Research Foundation pursuant to a funding policy established by its board of directors.

The long-term portion of pension liabilities increased \$201 million in 2025 mainly due to a decrease in the investment rate of return for the New York State and Local Employees' Retirement System (ERS) pension plan. The rate of return was 5.74% in 2025, compared to 11.34% in 2024.

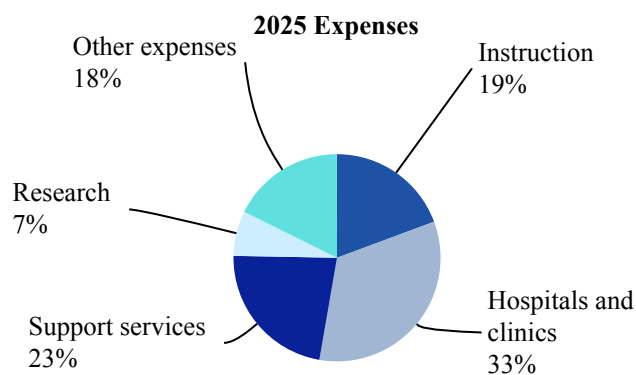
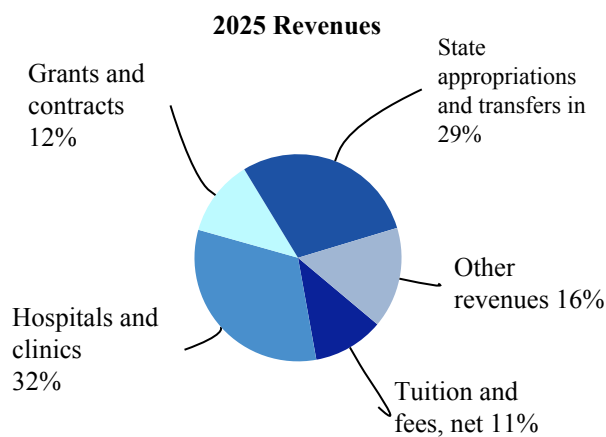
The State University has recorded a long-term litigation liability and a corresponding appropriation receivable of \$420 million and \$501 million at June 30, 2025 and 2024, respectively, for unfavorable judgments, both probable and estimable.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the State University's results of operations, as well as noncapital subsidies and nonoperating activities. Revenues, expenses, and changes in net position for the 2025 and 2024 fiscal years are summarized as follows (in thousands):

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	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Revenues:				
Tuition and fees, net	\$ 1,797,631	1,744,235	53,396	3%
Hospitals and clinics	5,231,759	5,037,898	193,861	4%
Grants and contracts	1,939,409	1,570,735	368,674	23%
Auxiliary enterprises	715,683	674,638	41,045	6%
Federal and State financial aid grants	729,897	654,228	75,669	12%
Other operating	465,758	468,194	(2,436)	(1%)
Operating revenues	<u>10,880,137</u>	<u>10,149,928</u>	<u>730,209</u>	<u>7%</u>
State appropriations	3,839,398	3,532,158	307,240	9%
Transfers in - restricted for capital assets	882,788	1,100,905	(218,117)	(20%)
Other nonoperating and noncapital subsidies	649,877	575,943	73,934	13%
Nonoperating and noncapital subsidies	<u>5,372,063</u>	<u>5,209,006</u>	<u>163,057</u>	<u>3%</u>
Total revenues	<u>16,252,200</u>	<u>15,358,934</u>	<u>893,266</u>	<u>6%</u>
Expenses:				
Instruction	2,901,063	2,626,174	274,889	10%
Research	1,049,611	906,689	142,922	16%
Public service	356,074	322,963	33,111	10%
Support services	3,386,139	3,045,346	340,793	11%
Scholarships and fellowships	322,287	309,023	13,264	4%
Hospitals and clinics	5,000,009	4,654,616	345,393	7%
Auxiliary enterprises	678,365	606,529	71,836	12%
Depreciation and amortization	884,433	866,610	17,823	2%
Other operating expenses	43,155	52,220	(9,065)	(17%)
Operating expenses	<u>14,621,136</u>	<u>13,390,170</u>	<u>1,230,966</u>	<u>9%</u>
Nonoperating expenses	409,615	439,310	(29,695)	(7%)
Total expenses	<u>15,030,751</u>	<u>13,829,480</u>	<u>1,201,271</u>	<u>9%</u>
Unusual or infrequent items	308,907	—	308,907	
Increase in net position	<u>1,530,356</u>	<u>1,529,454</u>	<u>902</u>	<u>—%</u>
Net position at the beginning of the year	<u>(5,963,940)</u>	<u>(7,493,394)</u>	<u>1,529,454</u>	<u>(20%)</u>
Net position at the end of the year	<u><u>\$ (4,433,584)</u></u>	<u><u>(5,963,940)</u></u>	<u><u>1,530,356</u></u>	<u><u>(26%)</u></u>



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Tuition and Fees, Net

Tuition and fee revenue, net of scholarship allowances, totaled \$1.80 billion and increased \$53 million in 2025 compared to 2024. The growth was driven by an increase in enrollment and increases in professional and nonresident tuition rates. Annual average full-time equivalent students, including undergraduate and graduate, were approximately 189,000 and 184,500 for the fiscal years ended June 30, 2025 and 2024, respectively.

Hospitals and Clinics

The State University has three hospitals (each with academic medical centers) – the State University Hospitals at Downstate Medical, Stony Brook, and Upstate Medical. Hospital and clinic revenue for the 2025 fiscal year was \$5.23 billion, an increase of \$194 million over the prior year, mainly due to an increase of \$195 million in net patient revenue due to increases in rates and volume.

Grants and Contracts

Grants and contracts revenue increased \$369 million in 2025 driven by growth in state grants of \$197 million, federal grants of \$86 million, and private grants of \$85 million. The increase in state grants was due to funding for the Albany Nanotech Complex expansion.

Auxiliary Enterprises

The State University's auxiliary enterprise activity is comprised of sales and services for residence halls, food services, intercollegiate athletics, parking, and other activities. The residence halls are operated and managed by the State University and its campuses. Auxiliary enterprise sales and services revenue totaled \$716 million, an increase of \$41 million compared to 2024 due to increased occupancy levels in the residence hall facilities.

The residence hall operations and capital programs are financially self-sufficient. Each campus is responsible for the operation of its residence halls program including setting room rates and covering operating, maintenance, capital and debt service costs. Any excess funds generated by residence halls operating activities are separately maintained for improvements and maintenance of the residence halls. Revenue producing occupancy at the residence halls was 60,043 for the fall of 2024, an increase of 1,921 students compared to the previous year. The overall revenue producing utilization rate for the fall of 2024 was reported at 88 percent.

Federal and State Financial Aid Grants

Major scholarships and grants revenue includes the federal Pell Program revenue of \$407 million and \$336 million during fiscal years 2025 and 2024, respectively, and the State Tuition Assistance and Excelsior Programs of \$270 million and \$271 million during fiscal years 2025 and 2024, respectively.

State Appropriations

A significant source of the State University's revenues are State appropriations, which for financial reporting purposes are classified as noncapital subsidies. State appropriations totaled \$3.84 billion and \$3.53 billion for fiscal years 2025 and 2024, respectively. State support (both direct support for operations and indirect support for fringe benefits and litigation) for State University campus operations, statutory colleges, and hospitals and clinics increased \$307 million in 2025 compared to the prior year. In 2025, State support for operating expenses increased \$160 million. Indirect State support for fringe benefits and litigation accruals increased \$116 million and \$31 million, respectively.

Transfers In - Restricted for Capital Assets

In addition to the State appropriations noted above, the State University also receives State appropriations and federal subsidies for debt service, which are classified as nonoperating revenues (transfers in - restricted for capital assets). In 2025, transfers in - restricted for capital assets totaled \$883 million and decreased \$218 million from the prior year due to a decrease

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in debt service payments. Debt service on educational facilities is paid by the State in an amount sufficient to cover annual debt service requirements.

Other Nonoperating Revenues

Other nonoperating revenues totaled \$650 million and increased \$74 million in 2025 compared to the prior year, mainly due to increases in net realized and unrealized gains of \$64 million as a result of improved investment returns.

Operating Expenses

Total operating expenses were \$14.62 billion in 2025 and increased \$1.23 billion compared to the prior year. The table below shows the total operating expenses by natural classification for fiscal years 2025 and 2024, as well as the change in operating expenses by functional classification (in thousands):

	<u>Personal Service</u>	<u>Fringe Benefits</u>	<u>Contractual Services</u>	<u>Other*</u>	<u>Depreciation</u>	<u>Total</u>
2025 operating expenses	\$ 6,200,204	2,890,328	2,976,024	1,670,147	884,433	14,621,136
2024 operating expenses	5,824,543	2,478,618	2,682,165	1,538,234	866,610	13,390,170
Total change	<u>\$ 375,661</u>	<u>411,710</u>	<u>293,859</u>	<u>131,913</u>	<u>17,823</u>	<u>1,230,966</u>
Instruction	79,804	180,866	16,113	(1,894)	—	274,889
Research	34,909	26,153	81,624	236	—	142,922
Public service	8,703	15,628	8,752	28	—	33,111
Support services**	96,232	143,670	113,783	(12,892)	—	340,793
Scholarships and fellowships	2,802	1,098	9,323	41	—	13,264
Hospitals and clinics	144,034	14,889	53,097	133,373	—	345,393
Auxiliary enterprises	9,177	29,406	11,167	22,086	—	71,836
Depreciation and other	—	—	—	(9,065)	17,823	8,758
Total change	<u>\$ 375,661</u>	<u>411,710</u>	<u>293,859</u>	<u>131,913</u>	<u>17,823</u>	<u>1,230,966</u>

*Includes supplies, utilities, travel, equipment and library acquisitions, litigation, minor rehabilitation, and other expenses.

**Includes academic support, student services, institutional support, and operation and maintenance of plant.

The increase in personal service was mainly due to contractually negotiated salary increases. The increase in fringe benefits was mainly due to increases in OPEB expense accruals of \$458 million and other fringe benefits of \$180 million, offset by a decrease of \$227 million in pension expense accruals. The increase in contractual services was mainly due to increases at the Research Foundation and in hospital contracted medical services. The increase in other expenses was mainly due to increases in supplies expenses at the hospitals.

The changes in OPEB and pension expenses from year to year are based on changes in the actuarially determined liability. Each year, the change in net OPEB and net pension liability (which includes changes in actuarial assumptions, employee demographics, plan benefits, and investment earnings, among other inputs) is calculated and amortized over a period of 4 to 8 years. The expense that is recorded each year is based on a combination of the current year change to the net liability, as well as the amortization of the prior year changes. These expenses are outside of the control of the State University and can fluctuate significantly from year to year.

The State University (except for the hospitals) records fringe benefit expenses at the State fringe benefit rate based on qualifying personal service expenses. The hospitals pay the State directly for their fringe benefit costs. The State fringe benefit rate decreased from 67.05% in 2024 to 65.81% in 2025, but fringe benefit expenses still increased due to the increase in personal service expenses, as well as a \$60 million increase in fringe benefit expenses at the hospitals.

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Significant Capital Asset and Long-Term Financing Activity

The State University's capital assets are substantially comprised of State-operated campus educational, residence, and hospital facilities. During the 2025 fiscal year, capital and lease assets (net of depreciation) increased \$492 million. The majority of the increase occurred at the State University campuses due to the completion of new building construction, renovations, and rehabilitation totaling \$770 million for the 2025 fiscal year. Equipment additions during 2025 of \$196 million also contributed to the increase.

Significant projects completed and capitalized during the 2025 fiscal year included rehabilitation of Hewitt Hall at SUNY Oswego, rehabilitation of Zenger and Paine Residence Halls and renovations to College of Nanotechnology, Science and Engineering building at University at Albany, improvements to campus-wide utilities and Water Treatment building at Alfred State College, and renovation of Milne Library at SUNY Geneseo. Other significant projects included renovations to Library at Binghamton University, renovations to Farnsworth Hall at SUNY Delhi, rehabilitation of Fargo Quadrangle Residence Hall at University at Buffalo and Casey and Smith Towers Residence Hall at SUNY Cortland, rehabilitation of Karner Hall at Buffalo State University, improvements and upgrade of Pier at Maritime College, renovation of Mathematics Instruction building at Stony Brook University and rehabilitation of University Hospital at Downstate at SUNY Downstate Health Sciences University.

Personal Income Tax (PIT) and Sales Tax Revenue Bonds support the majority of the funding for construction and critical maintenance projects on State University facilities. During 2025, Sales Tax Revenue Bonds were issued with a par amount of \$1.20 billion at a premium of \$140 million for the purpose of financing capital construction and major rehabilitation for educational facilities as well as to refund \$685 million of the State University's existing educational facilities obligations.

The State University's credit ratings were unchanged from the prior year. The credit ratings at June 30, 2025 are as follows: Moody's (Aa1), S&P (AA+), and Fitch (AA+).

State legislation authorizes the State University to assign to DASNY all of the State University's rights, title and interest in dormitory facilities revenues derived from payments made by students and others for use and occupancy of certain dormitory facilities. The legislation authorized DASNY to issue State University of New York Dormitory Facilities Revenue Bonds payable from and secured by the dormitory facilities revenues assigned to it by the State University. These bonds are special obligations of DASNY payable solely from the dormitory facilities revenues collected by the State University as agent for DASNY. The outstanding obligations under these bonds are reported under long-term liabilities as residence hall facility collateralized borrowing in the State University's financial statements.

During 2025, bonds with a par amount of \$372 million at a premium of \$21 million were issued for the purpose of financing capital construction and major rehabilitation for residence hall facilities as well as to refund \$239 million of the State University's existing residential facility obligations.

The credit ratings assigned to these bonds at June 30, 2025 were as follows: Moody's (Aa3), S&P (A+), and Fitch (A+).

Currently Known Facts, Decisions, or Conditions

The State University is one of the largest public universities in the nation, with headcount enrollment of approximately 211,000 for Fall 2024 at the twenty-nine State-operated campuses and five statutory colleges. Full-time equivalent (FTE) enrollment, excluding community colleges, for the fiscal year ended June 30, 2025 is approximately 189,000, an increase of 4,500 FTE compared to June 30, 2024. The State University's student population is directly influenced by State demographics, as the majority of students attending the State University are New York residents.

The State University's largest single source of revenue is from State support. State appropriations take the form of direct assistance, indirect support for fringe benefit costs for State University employees, and litigation expenses for which the State is responsible. The State University reported \$3.84 billion in State appropriation revenues for fiscal year 2025. The State also pays the State University's debt service on its educational facilities, which is reported as transfers in - restricted for capital assets, and

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totaled \$832 million in 2025. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

The 2025-26 Enacted State Budget provided for the third year of historic investments made by the State in the State University. This included an additional \$114 million of direct State tax support – bringing the three-year total to nearly \$400 million in total – and continued support for employee benefits, campus debt service costs, and various programs, such as the Educational Opportunity Program (EOP), that support our students. Of particular importance was the investment of \$12 million to make permanent the ASAP | ACE (Advancing Success in Associate Pathways | Advancing Completion through Engagement) programs at the State University, allowing for expansion of these essential retention and student service programs to serve 10,000 students within the next two years.

The State University also depends on the State to provide appropriations in support of its capital program and receives support for the bonded portion of the educational and hospital capital programs. In addition to base level funding for critical maintenance that can be used for existing facilities, on occasion campuses will receive funding for specific Strategic Initiatives projects, or more flexible funding that can be used towards new construction or program improvement. In the fiscal year 2025-26 State Budget, the State enacted new capital appropriations totaling \$1.965 billion for the State University including the recurring critical maintenance funding for existing facilities in the amount of \$550 million, \$150 million for hospitals, \$900 million for new Upstate and Downstate facilities, and \$60 million in flexible funding. The new appropriations are subject to a plan to be developed by the State University and approved by the State Division of the Budget.

The State University hospitals, which are all part of larger State University Academic Health Centers at Downstate Medical, Stony Brook and Upstate Medical, serve large numbers of patients who are uninsured, under-insured or covered by Medicare and Medicaid programs. As a result, the hospitals' continued viability is directly linked to appropriate levels of funding from Medicare, Medicaid and the Medicaid Disproportionate Share (DSH) Programs. The New York State Department of Health has proposed limits on funds it will contribute towards DSH funding for the State's public hospitals. With the pressure to reduce the federal budget deficit, it is also anticipated that both the federal and state governments will be under pressure to reduce their overall spending in future years. These spending reductions could result in significant cuts to the hospitals' Medicare and Medicaid rates and the State's support for costs of State sponsorship, having a negative impact on overall revenue.

The State University remains in a period of uncertainty due to a shortage of nursing and other staff, increasing labor costs and supply chain disruptions. These and other uncertainties regarding the stability of the economy could impact the State University's ability to conduct its operations, the cost of its operations, and the generation of certain revenue, including from enrollment, campus housing, and patient care, as well as ongoing State and federal support.

Statement of Net Position

June 30, 2025

In thousands

Assets and Deferred Outflows of Resources

Current Assets:

Cash and cash equivalents	\$ 3,141,864
Deposits with bond trustees	156,248
Short-term investments	711,151
Accounts, notes, and loans receivable, net	2,291,977
Appropriations receivable	189,595
Grants receivable	424,733
Other assets	172,329
Total current assets	7,087,897

Noncurrent Assets:

Restricted cash and cash equivalents	174,338
Deposits with bond trustees	1,453,342
Accounts, notes, and loans receivable, net	18,730
Appropriations receivable	421,781
Long-term investments	1,958,154
Other noncurrent assets	239,972
Lease and subscription IT assets, net	496,226
Capital assets, net	14,618,666
Total noncurrent assets	19,381,209

Total assets

26,469,106

Deferred outflows of resources

1,818,194

Total assets and deferred outflows of resources

\$ 28,287,300

Liabilities, Deferred Inflows of Resources and Net Position (Deficit)

Current Liabilities:

Accounts payable and accrued liabilities	1,660,894
Unearned revenue	424,295
Long-term debt - current portion	217,010
Long-term liabilities - current portion	266,236
Lease and subscription IT liabilities - current portion	124,579
Other liabilities	554,401
Total current liabilities	3,247,415

Noncurrent Liabilities:

Long-term debt	9,367,152
Long-term liabilities	16,474,746
Lease and subscription IT liabilities	452,834
Other noncurrent liabilities	1,466,939
Total noncurrent liabilities	27,761,671

Total liabilities

31,009,086

Deferred inflows of resources

1,711,798

Total liabilities and deferred inflows of resources

32,720,884

Net Position (Deficit):

Net investment in capital assets	2,309,695
Restricted - nonexpendable:	
Instruction and departmental research	426,157
Scholarships and fellowships	225,712
General operations and other	199,619
Restricted - expendable:	
Instruction and departmental research	317,807
Scholarships and fellowships	159,944
General operations and other	328,646
Unrestricted	(8,401,164)
Total net position (deficit)	\$ (4,433,584)

See accompanying notes to the financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2025

In thousands

Operating revenues:	
Tuition and fees	\$ 2,728,391
Less: scholarship allowances	(930,760)
Net tuition and fees	<u>1,797,631</u>
Federal and State financial aid grants	729,897
Federal grants and contracts	955,441
State and local grants and contracts	392,718
Private grants and contracts	591,250
Hospitals and clinics	5,231,759
Sales and services of auxiliary enterprises:	
Residence halls, net	525,874
Food service and other, net	189,809
Private gifts	180,223
Other sources	285,535
Total operating revenues	<u>10,880,137</u>
Operating expenses:	
Instruction	2,901,063
Research	1,049,611
Public service	356,074
Academic support	679,471
Student services	593,227
Institutional support	1,328,316
Operation and maintenance of plant	785,125
Scholarships and fellowships	322,287
Hospitals and clinics	5,000,009
Auxiliary enterprises:	
Residence halls	438,618
Food service and other	239,747
Depreciation and amortization expense	884,433
Other operating expenses	43,155
Total operating expenses	<u>14,621,136</u>
Operating loss	<u>(3,740,999)</u>
Noncapital subsidies:	
State appropriations	3,839,398
Federal appropriations	21,058
Total noncapital subsidies	<u>3,860,456</u>
Operating loss and noncapital subsidies	<u>119,457</u>
Other nonoperating revenues (expenses):	
Investment income, net	288,731
Net realized and unrealized gains	185,474
Interest expense on capital related debt	(403,314)
Loss on disposal of plant assets	(6,301)
Transfers in - restricted for capital assets	882,788
Capital contributions	101,523
Additions to permanent endowments	53,091
Net nonoperating revenues	<u>1,101,992</u>
Income before unusual or infrequent items	<u>1,221,449</u>
Unusual or infrequent items:	
Federal emergency funding	169,122
Liability elimination	139,785
Increase in net position	<u>1,530,356</u>
Net position (deficit) at the beginning of year	<u>(5,963,940)</u>
Net position (deficit) at the end of year	<u>\$ (4,433,584)</u>

See accompanying notes to the financial statements.

Statement of Cash Flows

Year Ended June 30, 2025

In thousands

Cash flows from operating activities:	
Tuition and fees	\$ 1,805,979
Grants and contracts:	
Federal	909,172
State and local	384,713
Private	584,179
Hospitals and clinics	4,340,439
Personal service payments	(6,208,657)
Other than personal service payments	(4,011,291)
Payments for fringe benefits	(850,313)
Payments for scholarships and fellowships	(321,931)
Loans issued to students	(3,825)
Collection of loans to students	10,807
Auxiliary enterprise charges:	
Residence halls	508,759
Food service and other	187,991
Other receipts	182,932
Net cash used by operating activities	<u>(2,481,046)</u>
Cash flows from noncapital financing activities:	
State appropriations	1,558,501
Federal appropriations	21,058
Federal and State financial aid grants	730,717
Private gifts and grants	200,242
Proceeds from short-term loans	22,076
Repayment of short-term loans	(12,278)
Direct loan receipts	991,614
Direct loan disbursements	(991,614)
Other receipts	65,630
Net cash provided by noncapital financing activities	<u>2,585,946</u>
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,771,472
Transfers in - restricted for capital assets	900,359
Capital contributions	47,167
Proceeds from sale of capital assets	5,643
Purchases of capital assets	(1,313,017)
Principal paid on capital debt and leases	(1,680,296)
Interest paid on capital debt and leases	(485,533)
Capital funds advanced from State	417,781
Deposits with bond trustees	(378,867)
Net cash used by capital and related financing activities	<u>(715,291)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	675,002
Interest, dividends, and realized gains on investments	295,301
Purchases of investments	(727,899)
Net cash provided by investing activities	<u>242,404</u>
Net change in cash	<u>(367,987)</u>
Cash - beginning of year	<u>3,684,189</u>
Cash - end of year	<u>\$ 3,316,202</u>
End of year cash comprised of:	
Cash and cash equivalents	3,141,864
Restricted cash and cash equivalents	174,338
Total cash and cash equivalents	<u>\$ 3,316,202</u>

Statement of Cash Flows (continued)

Year Ended June 30, 2025

In thousands

Reconciliation of net operating loss to net cash used by operating activities:	
Operating loss	\$ (3,740,999)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	884,433
State appropriations for fringe benefits and litigation	2,430,873
Federal and State financial aid grants	(729,897)
Private gifts and grants	(180,223)
Change in assets and liabilities:	
Receivables, net	(680,327)
Other assets	205,929
Accounts payable and accrued liabilities	62,634
Unearned revenue	15,696
Other liabilities	(749,165)
Net cash used by operating activities	<u><u>\$ (2,481,046)</u></u>
 Supplemental disclosures for noncash transactions:	
Noncash gifts	<u><u>\$ 64,575</u></u>
Unrealized gains on investments	<u><u>\$ 89,089</u></u>
Accounts payable attributable to capital assets	<u><u>\$ 1,840,803</u></u>
Initiation of leases	<u><u>\$ 17,738</u></u>
Initiation of subscription IT arrangements	<u><u>\$ 3,331</u></u>

See accompanying notes to the financial statements.

Component Units Statement of Financial Position

June 30, 2025

In thousands

<u>Assets</u>	
Cash and cash equivalents	\$ 316,738
Accounts and notes receivable, net	107,654
Pledges receivable, net	517,136
Investments	4,717,621
Assets held for others	52,484
Other assets	128,829
Capital assets, net	532,099
Total assets	<u><u>\$ 6,372,561</u></u>
 <u>Liabilities and Net Assets</u> 	
Liabilities:	
Accounts payable and accrued liabilities	132,163
Deferred revenue	12,875
Deposits held in custody for others	269,071
Other liabilities	144,877
Long-term debt, net	250,224
Total liabilities	<u><u>809,210</u></u>
Net Assets:	
Net assets without donor restrictions:	
Board designated for:	
Fixed assets	256,153
Campus programs	95,061
Investments	228,668
General operations and other	399,711
Undesignated	559,229
Total net assets without donor restrictions	<u>1,538,822</u>
Net assets with donor restrictions:	
Time and purpose	1,766,434
Perpetual and endowment funds	2,248,096
Plant and fixed assets	9,999
Total net assets with donor restrictions	<u>4,024,529</u>
Total net assets	<u><u>5,563,351</u></u>
Total liabilities and net assets	<u><u>\$ 6,372,561</u></u>

See accompanying notes to the financial statements.

Component Units Statement of Activities

Year Ended June 30, 2025

In thousands

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contributions, gifts and grants	\$ 23,187	379,682	402,869
In-kind contributions	48,806	551	49,357
Food service	363,997	—	363,997
Other auxiliary services	98,863	—	98,863
Rental income	85,095	23	85,118
Sales and services	312,186	1,249	313,435
Program income and special events	33,158	1,680	34,838
Investment income, net	146,051	315,338	461,389
Change in value of split interest agreements	77	4,131	4,208
Other sources	12,755	3,312	16,067
Net assets released from restrictions	234,743	(234,743)	—
Total revenues	1,358,918	471,223	1,830,141
Expenses:			
Food service	334,533	—	334,533
Other auxiliary services	91,005	—	91,005
Program expenses	430,083	—	430,083
Support to the State University:			
Scholarships and fellowships	98,248	—	98,248
Other	78,526	—	78,526
Real estate	74,687	—	74,687
Management and general	67,785	—	67,785
Fundraising	40,973	—	40,973
Other expenses	3,413	—	3,413
Total expenses	1,219,253	—	1,219,253
Change in net assets	139,665	471,223	610,888
Net asset transfer/reclassification	376	(376)	—
Total change in net assets	140,041	470,847	610,888
Net assets at the beginning of year	1,398,781	3,553,682	4,952,463
Net assets at the end of year	\$ 1,538,822	4,024,529	5,563,351

See accompanying notes to the financial statements.

2025 ANNUAL FINANCIAL REPORT
Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies and Basis of Presentation

Reporting Entity

For financial reporting purposes, the State University of New York (State University) consists of all sectors of the State University including the university centers, health science centers (including hospitals), colleges of arts and sciences, colleges of technology and agriculture, specialized colleges, statutory colleges (located at the campuses of Cornell and Alfred Universities), central services and other affiliated entities determined to be includable in the State University's financial reporting entity.

Inclusion in the reporting entity is based primarily on the notion of financial accountability, defined in terms of a primary government (State University) that is financially accountable for the organizations that make up its legal entity. Separate legal entities meeting the criteria for inclusion in the blended totals of the State University reporting entity are described below. The State University is included in the financial statements of the State of New York (State) as an enterprise fund, as the State is the primary government of the State University.

The Research Foundation for The State University of New York (Research Foundation) is a separate, private, nonprofit educational corporation that administers the majority of the State University's sponsored programs. These programs are for the exclusive benefit of the State University and include research, training, and public service activities of the State-operated campuses supported by sponsored funds other than State appropriations. The Research Foundation provides sponsored programs administration and innovation support services to State University faculty performing research in life sciences and medicine; engineering and technology; physical sciences and energy; social sciences; and computer and information services. The activity of the Research Foundation has been included in these financial statements using Governmental Accounting Standards Board (GASB) measurements and recognition standards. The financial activity was primarily derived from audited financial statements of the Research Foundation for the year ended June 30, 2025.

The State University Construction Fund (Construction Fund) is a public benefit corporation that designs, constructs, reconstructs and rehabilitates facilities of the State University pursuant to an approved master plan. Although the Construction Fund is a separate legal entity, it carries out operations which are integrally related to and for the exclusive benefit of the State University and, therefore, the financial activity for the Construction Fund is included in the State University's 2025 financial statements.

The State statutory colleges at Cornell University and Alfred University are an integral part of, and are administered by, those universities. The statutory colleges are fiscally dependent on State appropriations through the State University. The financial statement information of the statutory colleges of Cornell University and Alfred University has been included in the State University's 2025 financial statements.

Most of the State University's campuses maintain auxiliary services corporations and some campuses maintain student housing corporations. These are legally separate, nonprofit organizations which, as independent corporations, operate, manage, and promote educationally related services for the benefit of the campus community. All of the State University campuses also maintain foundations, which are legally separate, nonprofit, affiliated organizations that receive and hold economic resources that are significant to, and that are entirely for the benefit of the State University, and are required to be included in the reporting entity using discrete presentation requirements. As a result, the combined totals of the campus-related auxiliary services corporations, student housing corporations and foundations are separately presented as an aggregate component unit on pages 17 and 18 of these financial statements in accordance with display requirements prescribed by the Financial Accounting Standards Board (FASB). All of the financial data for these organizations was derived from each entity's individual audited financial statements, the majority of which have a May 31 or June 30 fiscal year end. The combined totals are also included in the financial statements of the State's discretely presented component unit combining statements.

The operations of certain related but independent organizations, i.e., clinical practice management plans, alumni associations and student associations, do not meet the criteria for inclusion, and are not included in the accompanying financial statements.

The State University administers State financial assistance to the community colleges in connection with its general oversight responsibilities pursuant to New York State Education Law. However, since these community colleges are sponsored by local governmental entities and are included in their financial statements, the community colleges are not considered part of the State University's financial reporting entity and, therefore, are not included in the accompanying financial statements.

STATE UNIVERSITY OF NEW YORK
Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

The accompanying financial statements of the State University have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as prescribed by the GASB. The State University reports its financial statements as a special purpose government engaged in business-type activities, as defined by the GASB. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the State University consist of a classified statement of net position, which separately classifies deferred outflows of resources and deferred inflows of resources; statement of revenues, expenses, and changes in net position (SRECNP), which distinguishes between operating and nonoperating revenues and expenses, noncapital subsidies, and unusual or infrequent items; and statement of cash flows, using the direct method of presenting cash flows from operations and other sources.

During 2025, the State University adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Implementation of this Statement resulted in changes to the SRECNP including the creation of a new financial reporting section, noncapital subsidies, and removal of the previously presented section, other changes in net position.

This Statement requires that the SRECNP continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. This Statement also replaces "extraordinary and special items" with "unusual or infrequent items" which are displayed individually as the final resource flows before the change in net position on the SRECNP.

Net Position

Resources are classified for accounting and financial reporting purposes into the following four net position categories:

Net investment in capital assets

Capital assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, repair or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, repair or improvement of those assets or related debt are also included.

Restricted – nonexpendable

Net position component subject to externally imposed conditions that the State University is required to retain in perpetuity.

Restricted – expendable

Net position component whose use is subject to externally imposed conditions that can be fulfilled by the actions of the State University or by the passage of time.

Unrestricted component of net position

The unrestricted component of net position includes amounts provided for specific use by the State University's colleges and universities, hospitals and clinics, and separate legal entities included in the State University's reporting entity that are designated for those entities and, therefore, not available for other purposes.

The State University has adopted a policy of generally utilizing restricted – expendable funds, when available, prior to unrestricted funds.

2025 ANNUAL FINANCIAL REPORT
Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Revenues

Revenues from exchange transactions are recognized in the period earned. State appropriations are recognized when they are made legally available for expenditure. Revenues arising from nonreciprocal transactions are recognized when qualifying expenditures are incurred and all eligibility requirements, including time requirements, are met. Promises of private donations are recognized at fair value. Net patient service revenue for the hospitals is reported at the estimated net realizable amounts from patients, third party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payors.

Tuition and fees and auxiliary sales and service revenues are reported net of scholarship discounts and allowances. Auxiliary sales and service revenue classifications for 2025 were reported net of scholarship discount and allowance amounts of \$115 million for residence halls and \$30 million for food service and other auxiliary services, respectively.

Cash and Cash Equivalents

Cash and cash equivalents are defined as current operating assets and include investments with original maturities of less than 90 days, except for cash and cash equivalents held in investment pools, which are included in short-term and long-term investments on the accompanying statement of net position.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent unspent funds under various capital financing arrangements, cash held for others, and cash restricted for loan and residence hall programs.

Investments

Investment income is recorded on the accrual basis, and purchases and sales of investment securities are reflected on a trade date basis. Any net earnings not expended are included as increases in restricted – nonexpendable net position if the terms of the gift require that such earnings be added to the principal of a permanent endowment fund, or as increases in restricted – expendable net position as provided for under the terms of the gift, or as unrestricted. At June 30, 2025, the State University had \$699 million available for authorization for expenditure, including \$501 million from restricted funds and \$198 million from unrestricted funds.

The Investment Committee of the Cornell Board of Trustees establishes the investment policy for Cornell University as a whole, including investments that support the statutory colleges. Distributions from the pool are approved by the Cornell Board of Trustees and are provided for program support independent of the cash yield and appreciation of investments in that year. The Board applies the “prudent person” standard when making its decision whether to appropriate or accumulate endowment funds in compliance with the New York Prudent Management of Institutional Funds Act. Investments in the pool are stated at fair value and include limited use of derivative instruments including futures, forward, options and swap contracts designed to manage market exposure and to enhance the total return.

Investments in marketable securities are stated at fair value, which is generally the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Alternative investments are valued using current estimates of fair value obtained from the investment managers in the absence of readily determinable fair values. The estimated fair value of these investments is based on the most recent valuations provided by the external investment managers. Because of the inherent uncertainty of valuation for these investments, the investment managers' estimates may differ from the values that would have been used had a ready market existed.

Capital Assets

Capital assets are stated at cost, or in the case of gifts, fair value at the date of receipt. Building renovations and additions costing over \$100,000 and equipment items with a unit cost of \$5,000 or more are capitalized. Intangible assets, including internally generated computer software with costs of \$1 million or more are capitalized. Library materials are capitalized and amortized over a ten-year period. Works of art or historical treasures that are held for public exhibition, education, or research

STATE UNIVERSITY OF NEW YORK
Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

in furtherance of public service are capitalized. Capital assets, with the exception of land, construction in progress, and inexhaustible works of art or intangible assets, are depreciated on a straight-line basis over their estimated useful lives, using historical and industry experience, ranging from 2 to 50 years.

Leases (Lessee and Lessor) and Subscription-Based Information Technology Arrangements

The State University is a lessee for various noncancellable leases and subscription-based information technology arrangements (SBITA). For lease and SBITA arrangements with a maximum possible term of 12 months or less at commencement, the State University recognizes expense based on the provisions of the contract. For lease and SBITA arrangements greater than 12 months, the State University recognizes a liability and an intangible right-to-use asset. At lease or SBITA commencement, the State University initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of lease or SBITA payments made. The asset is initially measured as the initial amount of the liability, less payments made at or before the commencement date. The asset is amortized on a straight-line basis over the shorter of the lease or SBITA term or the useful life of the underlying asset. If the State University is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

The State University generally uses its estimated incremental borrowing rate as the discount rate for leases and SBITAs unless the rate that the lessor/vendor charges is known. The State University incremental borrowing rate for leases and SBITAs is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or SBITA payments under similar terms at the commencement or remeasurement date. The lease or SBITA term includes the noncancellable period of the contract, plus any additional periods covered by an option to extend for which it is reasonably certain to be exercised, or by an option to terminate for which it is reasonably certain not to be exercised.

The State University is a lessor for various noncancellable leases. For lease arrangements greater than 12 months that do not transfer ownership or represent an investment, the State University initially recognizes a lease receivable at the present value of lease payments expected to be received during the lease term and recognizes a deferred inflow of resources at the amount of the initial measurement of the lease receivable, adjusted for any lease payments received prior to the commencement of the lease term.

Compensated Absences

Employees accrue annual leave based primarily on the number of years employed up to a maximum rate of 21 days per year up to a maximum total of 40 days. Compensated absences are recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Fringe Benefits

Employee fringe benefit costs (e.g., health insurance, workers' compensation, and post-retirement benefits) for State University and statutory employees are paid by the State on behalf of the State University (except for the State University hospitals and Research Foundation, which pay their own fringe benefit costs) at a fringe benefit rate determined by the State. The State University records an expense and corresponding State appropriation revenue for fringe benefit costs based on the fringe benefit rate applied to total eligible personal service costs incurred.

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are defined as a consumption of net position by a college or university that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net position by the college or university that is applicable to a future reporting period. Deferred inflows and deferred outflows of resources include amounts related to changes in the net pension and other postemployment benefit (OPEB) liabilities of the State University's cost sharing pension plans and the OPEB plans due to differences between expected and actual claims experience and changes in actuarial assumptions such as the discount rate used to determine the respective liability. Deferred outflows of resources also include losses resulting from refinancing of debt which represents the difference between the reacquisition price and the net carrying amount of the old debt and is amortized over the life of the related debt. Other deferred inflows of resources include foreign currency forward contract fair value changes.

2025 ANNUAL FINANCIAL REPORT
Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

The composition of deferred outflows and deferred inflows of resources at June 30, 2025 is as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB activities	\$ 1,159,044	1,030,685
Pension activities	574,991	109,434
Deferred loss / gain on refunding	76,358	486,579
Other	7,801	85,100
Total	<u>\$ 1,818,194</u>	<u>1,711,798</u>

Pensions

For the cost-sharing multiple-employer pension plans the State University participates in, a portion of the Plan's net pension liability (asset), as well as deferred inflows and outflows of resources from pension activities are reflected in the reported amounts on the statement of net position. The State University is considered a participating employer of the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and New York State Teachers' Retirement System (TRS) pension plans. As a result, the State University has recorded a participating proportion of the net pension liability (asset) and related deferred inflows and deferred outflows of resources of the ERS, PFRS, and TRS plans. Also, the State University administers a single-employer defined benefit plan for which the State University reports the entire net pension liability (asset) and related deferred inflows and deferred outflows of resources. This plan is frozen and is further described in note 9 to the financial statements. For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to and deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by those plans.

Postemployment and Post-retirement Benefits

In addition to providing pension benefits, the State University provides health insurance coverage and survivor benefits for retired employees and their survivors. Postemployment benefits other than pensions are recognized on an actuarially determined basis as employees earn benefits that are expected to be used in the future. Substantially all State University employees may become eligible for these benefits if they reach normal retirement age while working for the State University.

Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the State University and the retired employee. The amounts earned include employee sick leave credits expected to be used to pay for a share of post-retirement health insurance.

Tax Status

The State University and the Construction Fund are political subdivisions of the State and are, therefore, generally exempt from federal and state income taxes under applicable federal and state statutes and regulations. The Research Foundation is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally tax-exempt on related income, pursuant to Section 501(a) of the Code.

Unusual or Infrequent Items

The New York State Division of Budget (NYS DOB), on behalf of the State University, applied to the Federal Emergency Management Agency (FEMA) related to emergency protective measures costs incurred related to the coronavirus pandemic. In 2025, the State University was notified that costs of approximately \$169 million included in the application were obligated by FEMA. As of the date of issuing these financial statements, the State University has not received payment from the NYS DOB.

In 2011, the State University acquired Long Island College Hospital (LICH) through an Asset Purchase Agreement. As part of this acquisition, the State University recorded a liability of \$140 million, due to the Health Science Center at Brooklyn Foundation, related to legacy LICH endowment funds. The liability was to be paid as funds became available, and repayment was feasible. Since consummating this acquisition, repayment of this liability has not been feasible, and the liability was eliminated. The remaining assets from this transaction are expected to be sold. The State University will be required to obtain the approval of the transaction from the Charities Bureau of the Office of the New York State Attorney General and/or the Supreme Court of the State of New York.

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1. Summary of Significant Accounting Policies and Basis of Presentation (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. The most significant estimates relate to the actuarial valuations and assumptions that affect the postemployment benefit liabilities, pension obligations and medical malpractice claims. Other significant estimates include the allowance for uncollectible receivables, discount rates used in the right of use assets and liabilities related to leases and SBITA arrangements and the valuation of certain investments measured at net asset value. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Cash and cash equivalents and restricted cash represent State University funds held in the State treasury, in the short-term investment pool (STIP), in State bank accounts, unexpended escrow funds for equipment financing, and cash held by affiliated organizations. Cash held in the State treasury beyond immediate need is pooled with other State funds for short-term investment purposes. The pooled balances are limited to legally stipulated investments which include obligations of, or are guaranteed by, the United States; obligations of the State and its political subdivisions; commercial paper; and repurchase agreements. These investments are reported at cost (which approximates fair value) and are held by the State's agent in its name on behalf of the State University. At June 30, 2025, the State University had a book and bank balance of \$3.07 billion in deposits held by the State treasury and invested in the STIP that were fully collateralized.

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

For campus State bank accounts, the State requires that its depository banks pledge collateral or provide a surety bond based on actual and average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in its name on behalf of the State University and are valued on a monthly basis.

The New York State Annual Comprehensive Financial Report contains the GASB Statement No. 40 *Deposit and Investment Risk Disclosures* for amounts held in the State treasury. Deposits not held in the State treasury that are not covered by depository insurance and are (a) uncollateralized; (b) collateralized with securities held by a pledging financial institution; or (c) collateralized with securities held by a pledging financial institution's trust department or agency, but not in the State University or affiliates' name at June 30, 2025, are as follows (in thousands):

	<u>Category (a)</u>	<u>Category (b)</u>	<u>Category (c)</u>
\$	58,835	162,055	—

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3. Deposits with Bond Trustees

Deposits with bond trustees primarily represent Dormitory Authority of the State of New York (DASNY) bond proceeds needed to finance capital projects, equipment replacement, and debt service reserves. Pursuant to financing agreements with DASNY, bond proceeds, including interest income, are restricted for capital projects or debt service. Also included are non-bond proceeds that have been designated for capital projects and equipment.

The State University's deposits with bond trustees, which include cash and investments, are registered in the State University's name and held by an agent or in trust accounts in the State University's name. Cash and short-term investments held in the State treasury and money market accounts were approximately \$1 million at June 30, 2025.

The market value of investments held and maturity period at June 30, 2025 are as follows (in thousands):

Type of Investments	Fair Value	Level 1	Level 2	Less than 1 year	1-5 years
U.S. Treasuries	\$ 1,117,737	—	1,117,737	\$ 1,065,584	52,153
Federal Agencies*	490,431	—	490,431	490,431	—
Total	<u>\$ 1,608,168</u>	<u>—</u>	<u>1,608,168</u>	<u>\$ 1,556,015</u>	<u>52,153</u>

*Rating on investments are Aa1 / AA+

4. Investments

Investments of the State University are recorded at fair value. Investments include those held by the statutory colleges at Cornell University and Alfred University (Alfred Ceramics), the Research Foundation, and the Construction Fund.

For financial reporting purposes, assets attributable to the statutory colleges at Cornell University and Alfred University are held in Cornell University's and Alfred University's entire portfolio of investments and are invested in external investment pools. The assets are not managed by, or attributable to, any individual college and the statutory colleges do not have the authority to manage investment assets independently. The fair value of the statutory colleges' investments is primarily based on the unit value of the pools and the number of shares owned in the various investment pools. The table below presents the unit value of each external investment pool, in addition to the fair value (in thousands) of assets attributable to the statutory colleges at June 30, 2025.

	Unit Value	Fair Value
Cornell Statutory Colleges:		
Endowments:		
Long-term investment pool	\$ 80.06	1,674,693
Charitable gift annuities master trust units	3.46	9,516
Charitable trusts:		
Endowment strategy	79.29	34,541
Common trust fund - growth	75.14	7,393
Common trust fund - income	11.15	2,944
Pooled life income funds:		
PLIF A	1.41	326
PLIF B	2.99	534
Alfred Ceramics:		
Endowment long-term investment pool	9.84	39,807
Total external investment pools		<u>\$ 1,769,754</u>

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4. Investments (continued)

The Research Foundation maintains a diverse investment portfolio and follows an investment policy and asset guidelines approved and monitored by its board of directors. The portfolio is mainly comprised of mutual funds, exchange-traded funds and alternative investments of high quality and liquidity. Investments are held with the investment custodian in the Research Foundation's name.

Investments of the Construction Fund are made in accordance with the applicable provisions of the laws of the State and the Construction Fund's investment policy and consist primarily of obligations of the United States government and its agencies. These investments are held by the State's agent in the Construction Fund's name.

Except for investments reported at net asset value (NAV) or its equivalent as a practical expedient to estimate fair value, fair value is measured using three levels:

Level 1: Investments include cash and money market funds, equity and fixed income securities with observable market prices. Fair value is readily determinable based on quoted or published market prices in active markets for those securities.

Level 2: Investments whose inputs are other than quoted or published prices in active markets that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies.

Level 3: Investments have significant unobservable inputs. The inputs into the determination of fair value are based on the best information available.

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 following is a description of the valuation methodologies used for investments measured at fair value:

Mutual funds are reported at current quoted or published fair values as of the statement of net position date.

Investments in limited liability partnerships and corporations represent investments measured at NAV or its equivalent and consist of hedge funds of funds, real estate, domestic and foreign equity funds, fixed income securities and private equity funds in various investment vehicles. These investments, which are not exchange traded, do not have readily determinable fair values. These investments are typically redeemable at NAV under the terms of the investment agreements. Estimates of fair value are made using NAV per share or its equivalent as a practical expedient and are not required to be categorized in the fair value hierarchy.

External investment pools represent ownership in Cornell University's and Alfred University's long-term investment pools (LTIP) or other split interest agreement pools. The objective of the LTIP investment policy is to maximize total return within a reasonable risk parameter - specifically, to achieve a total return, net of investment expenses, of at least 5 percent in excess of inflation as measured by a rolling average of the Consumer Price Index.

Private equity fund investments include non-controlling shares or interests in funds where the controlling general partner serves as the investment's manager. Such investments are generally not eligible for redemption from the fund or general partner but can potentially be sold to third-party buyers in private transactions. It is the intent to hold these investments until the fund has fully distributed all proceeds to the investors. The State University has unfunded commitments to private equity investments as of June 30, 2025 of approximately \$119 million.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the State University believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a materially different fair value measurement at the reporting dates.

Investment income is reported net of investment fees of approximately \$10 million at June 30, 2025. The State University did not have any exposure to foreign currency risk for investments held at June 30, 2025.

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4. Investments (continued)

The composition of investments at June 30, 2025 is as follows (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Cash and money market funds	\$ 155,653	155,653	—	—
U.S. Treasuries	32,090	—	32,090	—
Mutual funds - non-equities	56,149	56,149	—	—
U.S. equities	52,894	52,894	—	—
Foreign equities	6,812	6,812	—	—
Real estate	48,633	48,633	—	—
Equity partnership	7,980	—	—	7,980
Other	1,026	—	—	1,026
Total investments by fair value level	<u>361,237</u>	<u>320,141</u>	<u>32,090</u>	<u>9,006</u>
Investments measured at NAV:				
External investment pools	\$ 1,769,754			
Global equities	192,039			
Private equity	137,184			
Hedged equities	52,567			
Multi-strategy funds	98,560			
Credit securities	29,572			
Other	28,392			
Total investments measured at NAV	<u>2,308,068</u>			
Total investments	<u>\$ 2,669,305</u>			

Redemption disclosures for investments measured at NAV (in thousands):

	<u>Fair Value</u>	<u>Redemption Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
External investment pools	\$ 1,769,754	Monthly for funds functioning as endowments only	Two months
Global equities	192,039	Monthly/Quarterly/Annually	10 to 90 days
Private equity	137,184	N/A	N/A
Hedged equities	52,567	Quarterly	90 days
Multi-strategy funds	98,560	Quarterly	95 days
Credit securities	29,572	Monthly/Quarterly	20 to 60 days
Other	28,392	N/A	N/A
Total investments measured at NAV	<u>\$ 2,308,068</u>		

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June 30, 2025

4. Investments (continued)

At June 30, 2025 the State University had non-equity investments and maturities as summarized in Table A.

Table A (in thousands)

<u>Investment Type</u>	<u>Market Value</u>	<u>Less than 1 yr</u>	<u>1-5 yrs</u>	<u>6-10 yrs</u>	<u>More than 10 yrs</u>
U.S. Treasuries	\$ 32,090	32,090	—	—	—
Mutual funds - non-equities	56,149	—	—	56,149	—
Total investments	<u>\$ 88,239</u>	<u>32,090</u>	<u>—</u>	<u>56,149</u>	<u>—</u>

Credit quality ratings of the State University's investments in mutual funds, as described by Moody's, S&P, and Fitch at June 30, 2025 are summarized in Table B.

Table B (in thousands)

<u>Credit Rating</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>Not Rated</u>
<u>Investment Type</u>							
Mutual funds - non-equities*	\$ —	61	56,088	—	—	—	—
Total	<u>\$ —</u>	<u>61</u>	<u>56,088</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

*based on average credit quality of holdings

5. Receivables, Net

Receivables consist of the following at June 30, 2025 (in thousands):

Tuition and fees	\$ 35,272
Allowance for uncollectible	(25,682)
Net tuition and fees	<u>9,590</u>
Room rent	28,873
Allowance for uncollectible	(8,748)
Net room rent	<u>20,125</u>
Patient fees, net of contractual allowances	2,419,938
Allowance for uncollectible	(517,975)
Net patient fees	<u>1,901,963</u>
Other	366,420
Allowance for uncollectible	(21,219)
Net other	<u>345,201</u>
Total accounts and notes receivable	<u>2,276,879</u>
Student loans	53,408
Allowance for uncollectible	(19,580)
Total student loans receivable	<u>33,828</u>
Total, net	<u>\$ 2,310,707</u>

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6. Capital Assets

Capital assets, net of accumulated depreciation, totaled \$14.62 billion at fiscal year end 2025. Capital asset activity is reflected in Table C. In the table, closed projects and retirements represent capital assets retired and assets transferred from construction in progress for projects completed and added to the related capital assets category.

Table C (in thousands)

	July 1, 2024	Additions	Closed Projects & Retirements	June 30, 2025
Capital assets:				
Land	\$ 840,590	2,999	60	843,529
Infrastructure and land improvements	1,804,383	157,307	698	1,960,992
Buildings	17,623,772	770,325	13,979	18,380,118
Equipment, library books and other	3,545,483	195,827	104,520	3,636,790
Construction in progress	1,590,889	1,092,910	889,869	1,793,930
Total capital assets	<u>25,405,117</u>	<u>2,219,368</u>	<u>1,009,126</u>	<u>26,615,359</u>
Less accumulated depreciation:				
Infrastructure and land improvements	1,026,544	77,508	196	1,103,856
Buildings	7,560,011	503,787	8,097	8,055,701
Equipment, library books and other	2,744,070	192,367	99,301	2,837,136
Total accumulated depreciation	<u>11,330,625</u>	<u>773,662</u>	<u>107,594</u>	<u>11,996,693</u>
Capital assets, net	<u>\$ 14,074,492</u>	<u>1,445,706</u>	<u>901,532</u>	<u>14,618,666</u>

7. Long-term Liabilities

The State University has entered into financing agreements with DASNY to finance most of its capital facilities. The State University has also entered into financing arrangements with the New York Power Authority under the statewide energy services program. Equipment purchases are also made through DASNY's Tax-Exempt Equipment Leasing Program (TELP), various State sponsored equipment leasing programs, and private financing arrangements. The State University is responsible for lease debt service payments sufficient to cover the interest and principal amounts due under these arrangements.

The Research Foundation maintains unsecured lines of credit, with no fixed maturity date, in the amount of \$65 million of which \$8.9 million was outstanding at June 30, 2025. During the year ended June 30, 2025, the borrowing rates ranged between 5.5 percent and 6.975 percent. The terms of the lines include the specification that each draw must be repaid within one year, and that the bank has the right to demand full repayment of these lines of credit at any time. There has been no indication by the bank of its intent to exercise this right.

STATE UNIVERSITY OF NEW YORK
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7. Long-term Liabilities (continued)

Total obligations at June 30, 2025 are summarized in Table D.

Table D (in thousands)

	July 1, 2024	Additions	Reductions	June 30, 2025	Current Portion
Long-term debt:					
Educational facilities	8,514,949	1,199,930	1,209,307	8,505,572	154,021
Unamortized bond premium - educational facilities	953,656	140,237	153,242	940,651	50,683
Other long-term debt	150,142	2,474	14,677	137,939	12,306
Total long-term debt	<u>9,618,747</u>	<u>1,342,641</u>	<u>1,377,226</u>	<u>9,584,162</u>	<u>217,010</u>
Other long-term liabilities:					
Postemployment benefits other than pensions	11,797,415	1,277,817	601,128	12,474,104	—
Residence hall facilities collateralized borrowing	2,015,977	392,599	359,062	2,049,514	101,371
Litigation	513,721	—	81,484	432,237	11,940
Compensated absences*	475,550	27,654	—	503,204	128,127
Pension	1,005,919	530,700	329,670	1,206,949	—
Other long-term liabilities	261,452	3,910	190,388	74,974	24,798
Total other long-term liabilities	<u>16,070,034</u>	<u>2,232,680</u>	<u>1,561,732</u>	<u>16,740,982</u>	<u>266,236</u>
Total long-term debt and long-term liabilities	<u>\$25,688,781</u>	<u>3,575,321</u>	<u>2,938,958</u>	<u>26,325,144</u>	<u>483,246</u>

*Compensated absences additions and reductions are reported net.

Educational Facilities

The State University, through DASNY and the Urban Development Corporation, has entered into financing agreements to finance various educational facilities which have a maximum 30-year life. Debt service is paid by, or from specific appropriations of, the State.

During 2025, Sales Tax Revenue Bonds were issued with a par amount of \$1.20 billion at a premium of \$140 million for the purpose of financing capital construction and major rehabilitation for educational facilities as well as to refund \$685 million of the State University's existing educational facilities obligations. The result will produce an estimated savings of \$256 million in future cash flow, with an estimated present value gain of \$166 million.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. At June 30, 2025, \$962 million of outstanding educational facilities obligations were considered defeased.

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7. Long-term Liabilities (continued)

Requirements of the long-term debt obligations at June 30, 2025 are as follows (in thousands):

Fiscal Year(s)	Educational Facilities		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 154,021	398,137	62,989	3,539	217,010	401,676
2027	106,639	389,878	61,856	3,253	168,495	393,131
2028	110,962	384,089	61,672	2,982	172,634	387,071
2029	146,475	378,009	60,406	2,737	206,881	380,746
2030	365,165	370,148	60,845	2,493	426,010	372,641
2031-35	1,943,110	1,569,408	285,019	9,002	2,228,129	1,578,410
2036-40	1,772,740	1,111,825	247,685	4,260	2,020,425	1,116,085
2041-45	1,884,515	686,382	161,909	734	2,046,424	687,116
2046-50	1,629,950	253,761	68,342	29	1,698,292	253,790
2051-55	391,995	34,574	7,867	—	399,862	34,574
Total	<u>\$ 8,505,572</u>	<u>5,576,211</u>	<u>1,078,590</u>	<u>29,029</u>	<u>9,584,162</u>	<u>5,605,240</u>
	Interest rates range from 2.03% to 5.63%		Interest rates range from 0.77% to 6.22%			

Summarized by bond type/purpose, the schedule below details outstanding bonds that have assets pledged as collateral for debt and contain terms specified in debt agreements related to events of default and subjective acceleration clauses that have finance-related consequences.

Dormitory Authority	Bonds Outstanding (in thousands)	Assets Pledged as Collateral	Events of Default	Termination Events	Subjective Acceleration Clauses
Educational Facilities (PIT)	\$4,759,952	(1)	(3)	(4)	(5)
Educational Facilities (Sales Tax)	3,745,620	(2)	(3)	(4)	(5)

Footnotes for the column identified as Assets Pledged as Collateral

(1) Effective April 1, 2018, a statutory allocation of 50 percent of State of New York personal income tax receipts are deposited into the Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. Also added was a requirement to deposit 50 percent of the New York State Employer Compensation Expense Program receipts and 50 percent of the New York State Pass-Through Entity Tax receipts as an additional revenue source. Annual State appropriations are required prior to any payments out of the account. Should the balance be insufficient to make financing agreement payments that have been appropriated, the State Comptroller is required to transfer from the State's General Fund amounts necessary to meet the cash requirements.

(2) A statutory allocation of 2 percent of New York State sales tax receipts are deposited in the Sales Tax Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller.

Footnotes for the column identified as Events of Default

(3) There are no events of default that cause additional financial consequences. Bondholders continue to be entitled to receive all principal and interest that is due.

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7. Long-term Liabilities (continued)

Footnotes for the column identified as Termination Events

(4) There are no termination events with financial consequences relevant to State related debt.

Footnotes for the column identified as Subjective Acceleration Clauses

(5) The bond resolution does not permit the trustee or bondholders to declare the bonds immediately due and payable. Bondholders of not less than a majority in aggregate principal amount of bonds outstanding may bring an action or suit to enforce the rights of the bondholders.

Residence Hall Facilities Collateralized Borrowing

DASNY bonds for most of the State University residence hall facilities, and these bonds have a maximum 30-year life. In March 2013, the State enacted legislation amending the Public Authorities Law and Education Law of the State. The amendments, among other things, authorized the State University to assign to DASNY all of the State University's rights, title and interest in dormitory facilities revenues derived from payments made by students and others for use and occupancy of certain dormitory facilities. The amendments further authorize DASNY to issue State University of New York Dormitory Facilities Revenue Bonds payable from and secured by the dormitory facilities revenues assigned to it by the State University. The enacted legislation also created a special fund to be held by the State's Commissioner of Taxation and Finance on behalf of DASNY. All dormitory facilities revenues collected by the State University are required to be deposited in this special fund.

The outstanding obligations under these bonds are reported as residence hall facilities collateralized borrowing in the State University's financial statements since these bonds are not payable from any money of the State University or the State and neither the State University nor the State has any obligation to make any payments with respect to the debt service on the bonds. The pledged revenues recognized during the fiscal year ended June 30, 2025 amounted to \$620 million. There were principal payments of \$92 million and interest payments of \$75 million during fiscal year 2025. Total principal and interest outstanding on the bonds at June 30, 2025 were \$1.92 billion and \$776 million, respectively, payable through July 1, 2055.

During 2025, bonds with a par amount of \$372 million at a premium of \$21 million were issued for the purpose of financing capital construction and major rehabilitation for residence hall facilities as well as to refund \$239 million of the State University's existing residential facility obligations. The result will produce an estimated savings of \$14 million in future cash flow, with an estimated present value gain of \$11 million.

In prior years, the State University defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in the State University's financial statements. At June 30, 2025, \$203 million of residence hall obligations were considered defeased.

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8. Leases (Lessee) and Subscription-Based IT Arrangements

The State University is a lessee for various noncancellable leases for non-financial assets such as land, buildings, and equipment. A summary of the lease asset activity during the year ended June 30, 2025 is as follows:

Table E (in thousands)

	July 1, 2024	Additions	Remeasurements	Reductions	June 30, 2025
Lease assets:					
Land	\$ 12,939	—	—	—	12,939
Buildings	799,359	15,764	1,303	28,715	787,711
Equipment	257,300	38,511	—	8,092	287,719
Total lease assets	<u>1,069,598</u>	<u>54,275</u>	<u>1,303</u>	<u>36,807</u>	<u>1,088,369</u>
Less accumulated amortization:					
Land	2,558	942	—	—	3,500
Buildings	417,839	67,832	(121)	28,715	456,835
Equipment	190,132	21,915	(5)	7,898	204,144
Total accumulated amortization	<u>610,529</u>	<u>90,689</u>	<u>(126)</u>	<u>36,613</u>	<u>664,479</u>
Total lease assets, net	<u>\$ 459,069</u>	<u>(36,414)</u>	<u>1,429</u>	<u>194</u>	<u>423,890</u>

Lease Liabilities

A summary of changes in the total lease liabilities during the year ended June 30, 2025 is as follows (in thousands):

	July 1, 2024	Additions	Remeasurements	Reductions	June 30, 2025	Current Portion
Right-to-use leases	\$ 295,596	17,738	1,286	46,018	268,602	42,120
Finance leases	254,310	36,232	—	60,040	230,502	65,976
Total lease liabilities	<u>\$ 549,906</u>	<u>53,970</u>	<u>1,286</u>	<u>106,058</u>	<u>499,104</u>	<u>108,096</u>

Future annual lease payments are as follows (in thousands):

Year ending June 30:	Right-to-use leases		Finance leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 42,120	5,364	65,976	11,809	108,096	17,173
2027	37,468	4,485	52,671	8,625	90,139	13,110
2028	32,459	3,695	51,087	5,340	83,546	9,035
2029	29,181	2,992	35,888	1,999	65,069	4,991
2030	26,585	2,348	10,073	844	36,658	3,192
2031-35	81,932	5,646	6,880	2,240	88,812	7,886
2036-40	13,133	1,228	5,237	1,097	18,370	2,325
2041-45	3,732	443	2,690	132	6,422	575
2046-50	1,964	102	—	—	1,964	102
2051-55	28	—	—	—	28	—
	<u>\$ 268,602</u>	<u>26,303</u>	<u>230,502</u>	<u>32,086</u>	<u>499,104</u>	<u>58,389</u>

Variable Lease Payments

Variable lease and subscription payments, other than those payments that depend on an index or a rate, or are fixed in substance, are excluded from the measurement of the lease. Such amounts are recognized as lease expense in the period in which the obligation for those payments is incurred. Certain office space lease agreements include a non-lease component cost (e.g., property taxes, insurance and maintenance), that is generally determined annually. The amounts recognized as outflows

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8. Leases (Lessee) and Subscription-Based IT Arrangements (continued)

(expense) for variable lease payments not included in the measurement of the lease liabilities were \$11 million during the year ended June 30, 2025.

Subscription-Based Information Technology Arrangements

The State University enters into SBITAs for various purposes including academic services, business, and information security. A summary of the SBITA asset activity during the year ended June 30, 2025 is as follows (in thousands):

	July 1, 2024	Additions	Remeasurements	Reductions	June 30, 2025
SBITA assets	\$ 124,128	3,331	100	7,224	120,335
Less accumulated amortization	34,624	20,589	10	7,224	47,999
Total SBITA assets, net	<u>\$ 89,504</u>	<u>(17,258)</u>	<u>90</u>	<u>—</u>	<u>72,336</u>

A summary of changes in the total SBITA liabilities during the year ended June 30, 2025 is as follows (in thousands):

	July 1, 2024	Additions	Remeasurements	Reductions	June 30, 2025	Current Portion
SBITA liabilities	<u>\$ 93,685</u>	<u>3,331</u>	<u>100</u>	<u>18,807</u>	<u>78,309</u>	<u>16,483</u>

Future annual SBITA payments are as follows (in thousands):

Year ending June 30:	Principal	Interest	Total
2026	\$ 16,483	1,633	18,116
2027	14,060	2,254	16,314
2028	11,994	1,282	13,276
2029	12,174	957	13,131
2030	12,504	626	13,130
2031-35	<u>11,094</u>	<u>287</u>	<u>11,381</u>
	<u>\$ 78,309</u>	<u>7,039</u>	<u>85,348</u>

The State University has a variety of variable payment clauses within its SBITAs, including variable payments based on usage of the underlying asset or the number of software licenses. Such amounts are recognized as expense in the period in which the obligation for those payments is incurred. During the year, the State University recorded \$27 million for variable payments related to SBITAs. As of June 30, 2025, the State University had no losses reported from impairments of SBITAs or payments for arrangements that have not yet commenced.

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9. Retirement Plans

Retirement Benefits

The three major defined benefit retirement plans State University employees participate in are ERS, PFRS and TRS. ERS and PFRS are cost-sharing, multiple-employer, defined benefit pension plans administered by the State Comptroller. TRS is a cost-sharing, multiple-employer, defined benefit pension plan separately administered by a ten-member board. The State University reported amounts include the net pension liability for employees of the State University that participate in ERS, PFRS and TRS pension plans.

Obligations of employers and employees to contribute, and related benefits, are governed by the New York State Retirement and Social Security Law (NYSRSSL) and Education Law and may only be amended by the Legislature with the Governor's approval. These plans offer a wide range of programs and benefits. ERS, PFRS and TRS benefits vary based on the date of membership, years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. Each plan provides a permanent annual cost-of-living increase to both current and future retired members meeting certain eligibility requirements. Participating employers are required under law to contribute to these plans at an actuarially determined rate. For ERS and PFRS this rate is determined annually by the State Comptroller. The average contribution rate for the fiscal year ended March 31, 2025 for ERS and PFRS was approximately 15.2 percent and 31.2 percent of payroll, respectively. For TRS, this rate is determined by the TRS Board on an annual basis and was 9.8 percent of payroll for the year ended June 30, 2024.

ERS, PFRS and TRS provide retirement benefits as well as death and disability benefits through a range of programs. Member benefits generally vest after five years of credited service. The NYRSSL provides that all participating employers in ERS, PFRS and TRS are jointly and severally liable for any actuarial unfunded amounts. Such amounts are collected through annual billings to all participating employers. Employees who joined ERS and TRS after July 27, 1976 and before January 1, 2010 (January 9, 2010 PFRS), and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after January 1, 2010 (January 9, 2010 PFRS) and before April 1, 2012 are required to contribute 3.5 percent of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employee contributions are deducted from their salaries and remitted to ERS, PFRS and TRS.

The State University administers a single-employer defined benefit pension plan, the Upstate Medical University Retirement Plan for Former Employees of Community General Hospital (CGH) (Upstate Plan). This plan provides for retirement benefits for former employees of CGH and can be amended subject to applicable collective bargaining and employment agreements. For those who opted out of this plan, benefit accruals were frozen. No new participants can enter this plan. The State University established a Pension Oversight Committee (Committee) which has the primary fiduciary responsibility and oversight of the Upstate Plan. The Committee is permitted to invest plan assets pursuant to various provisions of State law, including the NYRSSL.

The Upstate Plan provides retirement, disability, termination and death benefits to plan participants and their beneficiaries. Pension benefits are generally based on the highest five-year average compensation of the final ten years of employment, and years of credited service as outlined in the plan. Covered employees with five or more years of service are entitled to a pension benefit beginning at normal retirement age (65). Participants with less than five years of service are not vested. Participants become fully vested after five years of service. The funding policy is to contribute enough to the plan to satisfy the annual required contributions and the employer contributions. Employees do not contribute to the Plan.

For ERS, PFRS, TRS and the Upstate Plan, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. In addition, for each plan, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from participating employers, as applicable, will be made at statutorily required rates, actuarially determined. Based on these assumptions, the fiduciary net position for each plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each plan.

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June 30, 2025

9. Retirement Plans (continued)

ERS and PFRS used a discount rate of 5.9 percent in both 2025 and 2024. TRS used a discount rate of 6.95 percent in both 2024 and 2023. The Upstate Plan used a discount rate of 5.5 percent in both 2025 and 2024. The total contributions made to the ERS, PFRS, TRS and Upstate Plan during 2025 were \$279 million, \$20 million, \$19 million, and \$3 million, respectively. At June 30, 2025, there was a net pension liability, included in long-term liabilities, of \$1.21 billion, and a net pension asset, included in other noncurrent assets, of \$31 million. Additionally, at June 30, 2025, there were deferred outflows of resources of \$575 million and deferred inflows of resources of \$109 million. For the fiscal year ended June 30, 2025, the State University recognized pension expense of \$273 million.

ERS and PFRS – The State University recognized a net pension liability of \$1.12 billion for its proportionate share of the ERS net pension liability at June 30, 2025. The State University also recognized a net pension liability of \$77 million for its proportionate share of the PFRS net pension liability at June 30, 2025. The State University’s proportionate share of the net pension liability was determined consistent with the manner in which contributions to the pension plan are determined and was based on the ratio of the State University’s total projected long-term contribution effort to the total ERS and PFRS projected long-term contribution effort from all employers. The net pension liability at June 30, 2025 was measured as of March 31, 2025, and was determined by an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the net pension liability to March 31, 2025. The proportionate share of the net pension liability for ERS was 6.54 percent measured at March 31, 2025 compared to 6.22 percent measured at March 31, 2024. The proportionate share of the net pension liability for PFRS was 1.26 percent measured at March 31, 2025 compared to 1.39 percent measured at March 31, 2024.

For the fiscal year ended June 30, 2025, the State University recognized pension expense of \$239 million related to ERS and \$18 million related to PFRS. At June 30, 2025, the State University reported deferred outflows and deferred inflows of resources related to ERS and PFRS from the following sources (in thousands):

	<u>ERS</u>		<u>PFRS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 278,520	13,138	\$ 25,562	—
Changes of assumptions	47,060	—	11,524	—
Net difference between projected and actual earnings on pension plan investments	88,039	—	2,950	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,879	49,753	654	2,831
Total	<u>\$ 458,498</u>	<u>62,891</u>	<u>\$ 40,690</u>	<u>2,831</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:

	<u>ERS</u>	<u>PFRS</u>
2026	\$ 190,053	\$ 19,289
2027	285,623	11,615
2028	(92,654)	270
2029	12,585	4,664
2030	—	2,021
Total	<u>\$ 395,607</u>	<u>\$ 37,859</u>

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9. Retirement Plans (continued)

The actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025 included the following actuarial assumptions:

Assumptions	
Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.3 percent (ERS), 6.0 percent (PFRS)
Investment rate of return, including inflation	5.9 percent compounded annually, net of investment expenses
Cost of living adjustments	1.5 percent annually
Decrements	Developed from each Plan's 2020 experience study for the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries' Scale MP-2021
Discount rate	5.9 percent

Best estimates of arithmetic real rates of return for each major asset class included in the ERS and PFRS target asset allocation as of March 31, 2025 were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	25 %	3.54 %
International equity	14	6.57
Private equity	15	7.25
Real estate	12	4.95
Opportunistic/Absolute return	3	5.25
Credit	4	5.40
Real assets	4	5.55
Fixed income	22	2.00
Cash	1	0.25
Total	100 %	

*Real rates of return are net of a long-term inflation assumption of 2.9%.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the State University, calculated using the discount rate of 5.9 percent as well as what the State University's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) and 1 percentage point higher (6.9%) than the current year rate (in thousands):

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
ERS net pension liability (asset)	\$ 3,247,581	1,122,129	(652,626)
PFRS net pension liability	\$ 161,815	76,742	6,528

The ERS and PFRS retirement systems issue a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position. The report may be obtained at <https://www.osc.state.ny.us/retirement/resources/financial-statements-and-supplementary-information>.

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9. Retirement Plans (continued)

TRS – The State University recognized a net pension asset of \$31 million for its proportionate share of the TRS net pension asset at June 30, 2025. The net pension asset reported at June 30, 2025 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the net pension asset to June 30, 2024. The State University’s proportionate share of the net pension asset was based on the ratio of the State University’s actuarially determined employer contribution to the total TRS actuarially determined employer contribution. The proportionate share of the net pension asset for TRS was 1.04 percent measured at June 30, 2024 and 0.94 percent measured at June 30, 2023.

For the fiscal year ended June 30, 2025, the State University recognized a pension expense related to TRS of \$15 million. At June 30, 2025, the State University reported deferred outflows and deferred inflows of resources related to TRS from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,517	—
Changes in assumptions	18,619	3,132
Net difference between projected and actual earnings on pension plan investments	—	34,583
Changes in proportion and differences between employer contributions and proportionate share of contributions	293	5,997
Employer contributions subsequent to measurement date	22,292	—
Total	\$ 74,721	43,712

At June 30, 2025, \$22 million was reported as deferred outflows of resources related to pensions resulting from State University contributions subsequent to the measurement date that will be recognized as a reduction in the net pension liability in the year ended June 30, 2026. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:

2026	\$ (17,685)
2027	37,002
2028	(7,157)
2029	(7,876)
2030	3,322
Thereafter	1,111
Total	\$ 8,717

The actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension asset to June 30, 2024 included the following actuarial assumptions:

Assumptions	
Inflation	2.40 percent
Projected salary increase	Rates differ based on service. They have been calculated based upon recent TRS member experience and range from 1.95 percent to 5.18 percent
Investment rate of return, including inflation	6.95 percent compounded annually, net of expenses, including inflation
Cost of living adjustments	1.3 percent compounded annually
Actuarial assumptions	Based on results of an actuarial experience study for the period July 1, 2015 to June 30, 2020
Mortality improvement	Society of Actuaries' Scale MP-2021
Discount rate	6.95 percent

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9. Retirement Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in TRS target asset allocation as of the valuation date of June 30, 2024 for reporting at June 30, 2025 were as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	33 %	6.6 %
International equity	15	7.4
Global equity	4	6.9
Real estate	11	6.3
Private equity	9	10.0
Domestic fixed income bonds	16	2.6
Global bonds	2	2.5
Private debt	2	5.9
Real estate debt	6	3.9
High-yield bonds	1	4.8
Cash equivalents	1	0.5
Total	<u>100 %</u>	

*Real rates of return are net of pension plan investment expenses and long-term inflation expectations.

Sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the State University, calculated using the discount rate of 6.95 percent as well as what the State University's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.95%) and 1 percentage point higher (7.95%) than the current year rate (in thousands):

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Net pension liability (asset)	<u>\$ 143,772</u>	<u>(31,126)</u>	<u>(178,219)</u>

The TRS retirement system issues a publicly available financial report that includes financial statements and supplementary information and provides detailed information about the pension plan's fiduciary net position. The report may be obtained at: <https://www.nystrs.org/Library/Publications/Annual-Report>.

Upstate Plan – At June 30, 2025, the State University recognized a net pension liability of \$8 million, based on the net pension liability as reported by the plan as follows (in thousands):

Total pension liability	\$ 99,375
Plan fiduciary net position	91,297
Net pension liability	<u>\$ 8,078</u>
Ratio of plan fiduciary net position to total pension liability	91.9 %

The net pension liability at June 30, 2025 was measured as of December 31, 2024 and was determined by using an actuarial valuation as of January 1, 2025. For the year ended June 30, 2025, the State University recognized pension expense of \$236,000 related to the Upstate Plan.

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9. Retirement Plans (continued)

At June 30, 2025, the State University reported deferred outflows and deferred inflows of resources related to the Upstate Plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6	—
Net difference between projected and actual earnings on pension plan investments	1,076	—
Total	\$ 1,082	—

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ended June 30:		
2026	\$	1,032
2027		2,593
2028		(1,948)
2029		(595)
Total	\$	1,082

Membership of the Upstate Plan at January 1, 2025 totaled 1,072 members, comprised of 185 active members, 106 inactive vested members, and 781 retirees and beneficiaries currently receiving benefits. The actuarial assumptions included in the January 1, 2025 measurements included an inflation factor of 3.0 percent, projected salary increases of 3.5 percent and investment rate of return of 5.5 percent. Mortality rates in the January 1, 2025 measurement were based on the sex-distinct Pri-2012 Mortality Tables for employees and healthy annuitants with mortality improvements projected using scale MP-2021 on a fully generational basis.

Best estimates of arithmetic real rates of return for each major asset class included in the Upstate Plan's target asset allocation as of December 31, 2024 for reporting at June 30, 2025 were as follows:

<u>Asset Class</u>	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities	30 %	5.15 %
Non-U.S. equities	15	5.00
Fixed income	40	2.75
Short-term fixed income	10	1.75
Alternatives (real assets)	5	3.50
	100 %	

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9. Retirement Plans (continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the discount rate of 5.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.5%) or 1 percentage point higher (6.5%) than the current rate (in thousands):

	1% Decrease (4.5%)	Current Discount (5.5%)	1% Increase (6.5%)
Net pension liability	\$ 17,408	8,078	54

The Upstate Plan issues a stand-alone financial report on a calendar year basis (i.e., December 31) that includes disclosure about the elements of the pension plan's basic financial statements. These financial statements are prepared on the accrual basis of accounting in accordance with GAAP, with investments reported at fair value and benefits recognized when due and payable in accordance with the terms of the Upstate Plan. The pension plan fiduciary net position has been determined on the same basis used by the pension plan. The pension plan financial statements may be requested at FOIL@upstate.edu.

The Upstate Plan schedule of changes in the net pension liability at June 30, 2025 were as follows (in thousands):

Total pension liability:	
Service cost	\$ 307
Interest	5,372
Difference between expected and actual experience	64
Changes of assumptions	—
Benefit payments	(7,347)
Net change in total pension liability	(1,604)
Total pension liability, beginning	100,979
Total pension liability, ending (a)	99,375
Plan fiduciary net position:	
Employer contributions	2,800
Net investment income	7,705
Benefit payments	(7,347)
Administrative expenses	(136)
Net change in fiduciary net position	3,022
Fiduciary net position, beginning	88,275
Fiduciary net position, ending (b)	91,297
Net pension liability, ending (a) - (b)	\$ 8,078

ORP – State University employees may also participate in an Optional Retirement Program (ORP) under IRS Section 401(a), which is a multiple-employer, defined contribution pension plan administered by separate vendors – TIAA, Fidelity, Corebridge, and Voya. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP. State University employer contributions of \$226 million and employee contributions of \$48 million were made during fiscal year 2025.

Each retirement system issues a publicly available financial report that includes financial statements and supplementary information. The ORP financial reports can be obtained by requesting them from their respective corporate offices.

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9. Retirement Plans (continued)

The Research Foundation maintains a separate non-contributory plan through TIAA for substantially all nonstudent employees. Contributions are based on a percentage of earnings and range from 7 percent to 15 percent, depending on date of hire. Employees become fully vested after completing one year of service. Contributions are allocated to individual employee accounts. The payroll for Research Foundation employees covered by TIAA for its fiscal year ended June 30, 2025 was \$477 million. The Research Foundation contributions were \$36 million for 2025. These contributions are equal to 100 percent of the required contributions for the year.

Postemployment and Post-retirement Benefits

The State University provides health insurance coverage for eligible retired State University employees and their survivors through the New York State Health Insurance Program (NYSHIP). The State University, through NYSHIP, offers comprehensive benefits through various providers consisting of hospital, medical, mental health, substance abuse and prescription drug programs. The State administers NYSHIP and has the authority under Article XI of Civil Service Law to establish and amend the benefit provisions offered. The State University recognizes these OPEB expenses on an accrual basis. Employee and retiree contribution rates for NYSHIP are established by the State and are generally 12 percent for enrollee coverage and 27 percent for dependent coverage.

The State University campuses (excluding the hospitals and Construction Fund) provide these benefits through the State's Retiree Health Benefit Trust Fund (the Trust), a trust meeting the criteria of GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pensions*. The State University hospitals and Construction Fund also provide these benefits, but are not part of the Trust, and have no assets set aside to satisfy premiums. The Research Foundation sponsors its own single-employer defined benefit OPEB plan.

The following assumptions and provisions apply to the State University, including the campuses, hospitals, and Construction Fund, but excluding the Research Foundation:

The OPEB liability at June 30, 2025 was measured as of March 31, 2025, and was determined by an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the OPEB liability to March 31, 2025. The OPEB liability was calculated using the Entry Age Normal cost method. The actuarial valuation included the following actuarial assumptions:

Assumptions	
Inflation	2.5%
Projected salary increase:	
State University campuses	Starting at 4.0% and decreasing to 2.0% after 32 years of service
Hospitals	Starting at 6.75% and decreasing to 2.5% after 30 years of service
Construction Fund	Starting at 4.5% and decreasing to 3.0% after 18 years of service, before increasing to 3.25% after 30 years of service
Actuarial assumptions	Based on the results of an actuarial experience study for the period April 1, 2016 to March 31, 2021, except for disability and TRS retirement rates, which are based on experience studies provided by the New York State and Local Retirement System (ERS and PFRS) and TRS. These assumptions were last updated in 2020 for ERS and PFRS and 2021 for TRS.
Mortality improvement	Society of Actuaries' Scale MP-2021
Discount rate	4.34%

The discount rate is based on the Bond Buyer 20-year general obligation municipal bond index rate at March 31, 2025.

Changes of assumptions and other inputs include a change in the discount rate from 3.58 percent in fiscal year 2024 to 4.34 percent in fiscal year 2025. The medical trend assumptions were updated based on current anticipation of future costs and projected claim costs were updated based on the recent claims experience for the Preferred Provider Organization (PPO) plans and premium rates for the Health Maintenance Organization (HMO) plans.

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9. Retirement Plans (continued)

Health care trend rates were split to reflect separate trends for pre-65 and post-65 claims. The pre-65 trend assumption begins at 7.00 percent and decreases to a 4.50 percent long-term trend rate for all health care benefits after seven years. The trend assumption for post-65 begins at 5.50 percent and decreases to a 4.50 percent long-term trend rate after seven years. The drug assumption begins at 12.50 percent and decreases to a 4.50 percent long-term trend rate after seven years. Additionally, a first year trend rate of 22.37 percent has been assumed for the employer group waiver plan benefits, decreasing to 3.00 percent in years two and beyond. The first year rate was based on 2024 and 2025 revenue projections provided by CVS, which reflect their best estimates of the impact of the Inflation Reduction Act to date.

Retiree Health Benefit Trust Fund - The State enacted legislation in 2017 establishing the Trust in the joint custody of the Commissioner of the Department of Civil Service and the State Comptroller. The Trust is reported by the State as a single-employer, defined benefit plan that provides health care and insurance benefits to participating retirees and beneficiaries. The State University, as required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, accounts for and reports its participation in the single-employer OPEB plan as if it were a cost-sharing employer.

The contribution requirements of the Trust are established and may be amended by the State legislature. Contributions are to be made at the request of the Director of the Budget. Current legislation does not require contributions to be made to the Trust, but limits the maximum contributions. As of March 31, 2025 contributions in excess of PAYGO (paying the costs as they become due) contributions were limited to 1.5% of the total actuarial accrued liability included in the State's Annual Comprehensive Financial Report. For the year ended March 31, 2025, the State contributed \$45 million in excess of PAYGO amounts to the Trust on behalf of the State University.

The Commissioner of the Department of Civil Service is the trustee of the Trust, and the responsibility for management of the Trust's investments has been delegated to the State Comptroller. Investments must be consistent with State Finance Law Section 98. The State funded the Trust for the first time during its 2022 fiscal year. As of March 31, 2025, the Trust had \$1.90 billion in cash deposits held by the State Treasury, which were invested in the STIP. Cash is invested in repurchase agreements involving United States Treasury obligations, United States Treasury bills, commercial paper, government-sponsored agency bonds, and certificates of deposit.

All Trust assets are irrevocably dedicated to, and are used for the exclusive purpose of, making payments of benefits to or for the benefit of the OPEB plan and the Trust and will not be available to any creditors of the State. The Trust does not issue a stand-alone financial report and its financial statements are reported as a fiduciary fund in the State's financial report.

The money-weighted rate of return is calculated as the internal rate of return on Trust investments, net of Trust investment expense. The annual money-weighted rate of return, net of investment expense calculated in accordance with the provisions of GASB Statement No. 74, was 5.10 percent for the State fiscal year ended March 31, 2025.

The number of State University employees and participants covered by the benefit terms were:

<u>Health care participants</u>	
Active employees	34,593
Inactive participants entitled to but not yet receiving benefits	51
Retirees and surviving spouses receiving benefit payments	<u>26,330</u>
Total participants	<u><u>60,974</u></u>

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June 30, 2025

9. Retirement Plans (continued)

The State University's proportionate share of the collective net OPEB liability for the Trust was \$9.62 billion measured at March 31, 2025, compared to \$9.12 billion measured at March 31, 2024. The State University's proportion of the total OPEB liability was determined based on the sum of each individual participant's liability within the given entity (i.e., the State or the State University), and the State University's proportion of the plan fiduciary net position was determined based on the headcount as of the valuation date. The State University's proportion of the net OPEB liability was 15.87 percent at March 31, 2025 and 15.65 percent at March 31, 2024.

The Trust is expected to remain invested in the STIP for the foreseeable future. As such, the beginning of year discount rate of 3.58% was used as the expected rate of return on assets for the year ended March 31, 2025. The end of year discount rate of 4.34% was applied to all periods of projected benefit payments to determine the State University's share of the Trust's total OPEB liability, pursuant to GASB Statement No. 74.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the State University as of June 30, 2025, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current year rate (in thousands):

	1% Decrease (3.34%)	Current Rate (4.34%)	1% Increase (5.34%)
Total OPEB liability	\$ 11,674,839	9,958,001	8,596,975
Plan fiduciary net position	(341,752)	(341,752)	(341,752)
Net OPEB liability	<u>\$ 11,333,087</u>	<u>9,616,249</u>	<u>8,255,223</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the State University at June 30, 2025, as well as what the net OPEB liability would be if calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current year rate (in thousands):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ 8,472,040	9,958,001	11,859,652
Plan fiduciary net position	(341,752)	(341,752)	(341,752)
Net OPEB liability	<u>\$ 8,130,288</u>	<u>9,616,249</u>	<u>11,517,900</u>

The State University recognized expense related to OPEB of \$226 million at June 30, 2025. At June 30, 2025, the State University reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 577,429	12,162
Net difference between expected and actual earnings on OPEB plan investments	—	6,022
Change in proportion	1,280	—
Changes of assumptions	281,154	625,088
Benefit payments subsequent to measurement date	118,636	—
Total	<u>\$ 978,499</u>	<u>643,272</u>

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9. Retirement Plans (continued)

At June 30, 2025, \$119 million was reported as deferred outflows of resources related to OPEB resulting from State University benefit payments subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows (in thousands):

Year Ended June 30:

2026	\$	64,634
2027		(11,138)
2028		64,370
2029		96,199
2030		2,526
Total	<u>\$</u>	<u>216,591</u>

State University Hospitals and Construction Fund - The State University hospitals and Construction Fund provide health insurance coverage for eligible retired employees and their survivors through NYSHIP. However, the State University hospitals and Construction Fund are not part of the Trust, and no assets are accumulated to satisfy premiums.

The number of State University hospital and Construction Fund employees and participants covered by the benefit terms were:

Health care participants

Active employees	13,337
Inactive participants entitled to but not yet receiving benefits	25
Retirees and surviving spouses receiving benefit payments	<u>4,954</u>
Total participants	<u>18,316</u>

The total OPEB liability for the State University hospitals and Construction Fund was \$2.86 billion for the fiscal year ended June 30, 2025. The changes in the total OPEB liability at June 30, 2025 for the State University hospitals and Construction Fund were as follows (in thousands):

Total OPEB liability beginning balance	\$	2,678,091
Service cost		90,977
Interest		97,584
Differences between expected and actual experience		76,162
Changes in assumptions		2,351
Benefit payments		<u>(87,310)</u>
Net changes		<u>179,764</u>
Total OPEB liability ending balance	<u>\$</u>	<u>2,857,855</u>

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9. Retirement Plans (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State University hospitals and Construction Fund at June 30, 2025, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current year rate (in thousands):

	1% Decrease (3.34%)	Current Rate (4.34%)	1% Increase (5.34%)
Total OPEB liability	\$ 3,427,952	2,857,855	2,416,540

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State University hospitals and Construction Fund at June 30, 2025, as well as what the total OPEB liability would be if calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current year rate (in thousands):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	\$ 2,383,729	2,857,855	3,477,730

The State University hospitals and Construction Fund recognized expense related to OPEB of \$53 million at June 30, 2025. At June 30, 2025, the State University hospitals and Construction Fund reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 121,965	28,820
Changes of assumptions	35,271	349,971
Benefit payments subsequent to measurement date	21,599	
Total	\$ 178,835	378,791

At June 30, 2025, \$22 million was reported as deferred outflows of resources related to OPEB resulting from the State University hospitals and Construction Fund benefit payments subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows (in thousands):

Year Ended June 30:

2026	\$	(122,616)
2027		(82,598)
2028		(33,938)
2029		5,740
2030		10,821
Thereafter		1,036
Total	\$	(221,555)

Research Foundation - The Research Foundation sponsors a separate single-employer defined benefit post-retirement plan that covers substantially all nonstudent employees. The plan provides post-retirement medical benefits and is contributory for employees hired after 1985.

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9. Retirement Plans (continued)

In fiscal years 2011 and 2013, the Research Foundation amended the plan to increase the participant contribution rates for those hired after 1985 with the specific rates to be determined based on an employee's years of service.

Contributions by the Research Foundation are made pursuant to a funding policy established by its Board of Directors. Assets are held in a Voluntary Employee Benefit Association (VEBA) trust and are considered plan assets in determining the funded status or funding progress of the plan under GASB reporting and measurement standards. The plan issued stand-alone financial statements for the 2024 calendar year.

Participants covered by benefit terms	
Actives	3,842
Retirees	1,967
Surviving spouses	86
Disabled participants	3
Covered spouses	692
Total participants	<u>6,590</u>

The Research Foundation's net OPEB asset was \$101 million for the fiscal year ended June 30, 2025. The Research Foundation's net OPEB asset at June 30, 2025 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024, with update procedures used to roll forward the net OPEB asset to June 30, 2025. The net OPEB asset was calculated using the Entry Age Normal cost method. The actuarial valuation included the following actuarial assumptions:

Assumptions	
Salary scale	3.0%
Mortality rates	Dollar-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2021 as of June 30, 2025
Discount rate	7.60%

Discount rate. At June 30, 2025, the Research Foundation's OPEB plan fiduciary net position was projected to be sufficient to cover all projected future benefit payments. Therefore, the long-term expected rate of return on OPEB plan investments of 7.60 percent was applied to all periods of projected benefit payments to determine the net OPEB asset.

Health care trend rates range from initial health care cost trend rates of 6.50 percent (HMO) and 6.25 percent (PPO) grading down to 4.50 percent in 2035 and later. The drug assumption begins at 7.50 percent and decreases to 4.50 percent after ten years.

The Research Foundation's changes in the net OPEB asset at June 30, 2025 were as follows (in thousands):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (c) = (a) - (b)
Beginning balances	\$ 244,395	320,133	(75,738)
Service cost	2,114	—	2,114
Interest	18,121	—	18,121
Differences between expected and actual experience	2,631	—	2,631
Changes in assumptions	(12,380)	—	(12,380)
Benefit payments	(16,446)	(16,446)	—
Contributions from the employer	—	5,970	(5,970)
Net investment income	—	30,259	(30,259)
Net changes	<u>(5,960)</u>	<u>19,783</u>	<u>(25,743)</u>
Ending balances	<u>\$ 238,435</u>	<u>339,916</u>	<u>(101,481)</u>

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9. Retirement Plans (continued)

The long-term expected rate of return on the Research Foundation's OPEB plan investments was determined using a building block approach in which risk premium is calculated for each asset class and adjusted for current market conditions, including but not limited to current market valuations, yield, inflation, and various economic indicators. Best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equities	32.0 %	6.8 %
Hedged equities	7.0	6.8
Absolute return	10.0	6.8
Private equity	17.0	10.6
Private equity real estate	9.0	9.5
Government bonds	5.0	4.2
Core property	1.0	6.0
Liquid credit	4.0	6.5
Private debt	9.0	9.0
Inflation linked bonds	5.0	4.2
Cash	1.0	3.6
Total	<u>100 %</u>	

Sensitivity of the net OPEB asset to changes in the discount rate. The following presents the net OPEB asset of the Research Foundation at June 30, 2025, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current year rate (in thousands):

	<u>1% Decrease (6.60%)</u>	<u>Current Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Total OPEB liability	\$ 261,811	238,435	218,541
Plan fiduciary net position	(339,916)	(339,916)	(339,916)
Net OPEB asset	<u>\$ (78,105)</u>	<u>(101,481)</u>	<u>(121,375)</u>

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates. The following presents the net OPEB asset of the Research Foundation at June 30, 2025, as well as what the Research Foundation's net OPEB asset would be if calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current year rate (in thousands):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 215,756	238,435	265,025
Plan fiduciary net position	(339,916)	(339,916)	(339,916)
Net OPEB asset	<u>\$ (124,160)</u>	<u>(101,481)</u>	<u>(74,891)</u>

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9. Retirement Plans (continued)

The Research Foundation recognized a credit related to OPEB of \$15 million at June 30, 2025. At June 30, 2025, the Research Foundation reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,710	—
Net difference between expected and actual earnings on OPEB plan investments	—	942
Changes of assumptions	—	7,680
Total	\$ 1,710	8,622

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in expense as follows (in thousands):

Year Ended June 30:		
2026	\$	(581)
2027		(2,325)
2028		(2,742)
2029		(1,264)
Total	\$	(6,912)

10. Commitments and Contingencies

The State University has entered into contracts for the construction and improvement of various projects. At June 30, 2025, these outstanding contract commitments totaled approximately \$1.41 billion.

In prior years a separate entity, StaffCo of Brooklyn, LLC (StaffCo), was created as a single member Limited Liability Company of the Health Science Center at Brooklyn Foundation, Inc. to provide staffing to the State University. StaffCo is also the employer of the former staff of Southampton Hospital and Eastern Long Island Hospital in support of Stony Brook's expansion of its hospital operations to those hospitals. The State University is responsible for reimbursing StaffCo for its direct and indirect costs relating to its staffing obligations.

The State is contingently liable in connection with claims and other legal actions involving the State University, including those currently in litigation, arising in the normal course of State University activities. The State University does not carry malpractice insurance and, instead, administers these types of cases in the same manner as all other claims against the State involving State University activities in that any settlements of judgments and claims are paid by the State from an account established for this purpose. With respect to pending and threatened litigation, the medical malpractice liability includes incurred but not reported (IBNR) loss estimates. The estimate of IBNR losses is actuarially determined based on historical experience using a discount rate of 4.38 percent to calculate the present value of estimated future cash payments. The State University has recorded a liability and a corresponding appropriation receivable of approximately \$432 million at June 30, 2025.

The State University is exposed to various risks of loss related to damage and destruction of assets, injuries to employees, damage to the environment or noncompliance with environmental requirements, and natural and other unforeseen disasters. The State University has insurance coverage for its residence hall facilities. However, in general, the State University does not insure its educational buildings, contents or related risks and does not insure its vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by the State University are covered by the State on a self-insured basis. The State does have fidelity insurance on State employees.

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11. Related Parties

The State University's largest single source of revenue is from State support. State appropriations take the form of direct assistance, fringe benefits for State University employees, and litigation expenses for which the State is responsible. The State University reported \$3.84 billion in State appropriation revenues for fiscal year 2025. The State also pays the State University's debt service on its educational facilities, which is reported as transfers in - restricted for capital assets, and totaled \$832 million in 2025. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

12. Federal Grants and Contracts and Third-Party Reimbursement

Grants and contracts awarded by federal and other sponsors, which are generally considered non-exchange transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreement are met.

Substantially all federal grants and contracts are subject to financial and compliance audits by the grantor agencies of the federal government. Disallowances, if any, as a result of these audits may become liabilities of the State University. State University management believes that no material disallowances will result from audits by the grantor agencies.

The State University hospitals have agreements with third-party payors, which provide for reimbursement to the hospitals at amounts different from the hospitals' established charges. Contractual service allowances and discounts (reflected through State University hospitals and clinics sales and services) represent the difference between the hospitals' established rates and amounts reimbursed by third-party payors. The State University has made provision in the accompanying financial statements for estimated retroactive adjustments relating to third-party payor cost reimbursement items.

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13. Condensed Financial Statement Information of the Research Foundation

The condensed financial statement information of the Research Foundation as of and for the fiscal year ended June 30, 2025, contained in the combined totals of the State University reporting entity, is shown below (in thousands):

Condensed Statement of Net Position

Assets and Deferred Outflows of Resources:

Current assets	\$ 1,026,740
Capital assets	642,194
Other assets	303,372
Deferred outflows of resources	1,710
Total assets and deferred outflows of resources	\$ 1,974,016

Liabilities and Deferred Inflows of Resources:

Total current liabilities	573,069
Total noncurrent liabilities	189,336
Deferred inflows of resources	39,135
Total liabilities and deferred inflows of resources	801,540

Net Position:

Invested in capital assets, net	441,651
Restricted nonexpendable	34,393
Unrestricted	696,432
Total net position	\$ 1,172,476

Condensed Statement of Revenues, Expenses and Changes in Net Position

Operating revenues:

Federal grants and contracts	\$ 804,874
State grants and contracts	305,503
Private grants and contracts	422,129
Other operating revenues	86,949
Total operating revenues	1,619,455

Operating expenses:

Instruction	116,688
Research	856,685
Public service	118,841
Institutional support	161,915
Other operating expenses	86,281
Depreciation and amortization expense	100,173
Total operating expenses	1,440,583
Operating income	178,872
Net nonoperating revenues	77,517
Change in net position	256,389
Net position at the beginning of the year	916,087
Net position at the end of the year	\$ 1,172,476

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13. Condensed Financial Statement Information of the Research Foundation (continued)

Condensed Statement of Cash Flows

Cash flows from operating activities	\$ 222,263
Cash flows from noncapital financing activities	8,948
Cash flows used by capital and related financing activities	(269,522)
Cash flows from investing activities	37,122
Net change in cash	(1,189)
Cash - beginning of year	1,298
Cash - end of year	<u>\$ 109</u>

14. Subsequent Events

During September 2025, Sales Tax Revenue Bonds were issued with a par amount of \$659 million at a premium of \$44 million for the purpose of financing capital construction and major rehabilitation for educational facilities as well as to refund \$177 million of the State University's existing educational facilities obligations.

The State University considers events or transactions that occur after the statement of net position date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements covering the year ended June 30, 2025 were available to be issued on November 4, 2025 and subsequent events have been evaluated through that date.

15. Component Units

The reported totals of the discretely presented component units include campus-related foundations, auxiliary services corporations, and student housing corporations. These related entities are campus-based, legally separate, nonprofit organizations. The campus-related foundations are responsible for the fiscal administration of revenues and support received for the promotion, development and advancement of the welfare of campuses, the State University and its students, faculty, staff and alumni. The foundations receive the majority of their support and revenues through contributions, gifts and grants and provide benefits to their campus, students, faculty, staff and alumni. The auxiliary services corporations act as independent contractors, operate, manage, and promote educationally related services for the benefit of the campus community. In addition, the reported amounts include student housing corporations, nonprofit organizations that operate and administer certain housing and related services for students.

All these organizations are exempt from federal income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code. All of the financial data for these organizations was derived from each entity's individual audited financial statements, reported in accordance with generally accepted accounting principles promulgated by FASB, the majority of which have a May 31 or June 30 fiscal year end. The financial statements of the discretely presented component units were not audited in accordance with Government Auditing Standards.

Separately issued financial statements of the component unit entities may be obtained by writing to:

The State University of New York
Office of the University Controller
H. Carl McCall SUNY Building, 353 Broadway
Albany, New York 12246

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15. Component Units (continued)

Net Asset Classifications

Net assets without donor restrictions represent resources whose uses are not restricted by donor-imposed stipulations and are generally available for the support of the State University and affiliated entity programs and activities. Net assets with donor restrictions represent resources whose use is subject to donor-imposed restrictions. Some of these restrictions are temporary in nature, such as those that will be met with the passage of time or are removed by specific actions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The income derived from net assets with donor restrictions that are permanent in nature is permitted to be spent in part or in whole, restricted only by the donor's wishes.

Net assets with donor restrictions by purpose comprised the following as of June 30, 2025 (in thousands):

Scholarships and fellowships	\$ 1,121,112
Campus programs	1,311,783
Research, general operations and other	<u>1,591,634</u>
Total net assets with donor restrictions	<u><u>\$ 4,024,529</u></u>

Investments

All investments with readily determinable fair values have been reported in the financial statements at fair value. Realized and unrealized gains and losses are recognized in the statement of activities. Gains or losses on investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investments of the State University discretely presented component units were \$4.72 billion as of June 30, 2025.

The composition of investments is as follows (in thousands):

Equities- domestic	\$ 1,244,823
Equities- international	715,538
Non-equities	1,349,855
Equity partnerships	772,881
Hedge funds	263,397
Multi-strategy funds	259,777
Real assets/real estate	94,039
Other investments	<u>17,311</u>
Total investments	<u><u>\$ 4,717,621</u></u>

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15. Component Units (continued)

Capital Assets

Capital assets are stated at cost, if purchased, or fair value at date of receipt, if acquired by gift. Land improvements, buildings, and equipment are depreciated over their estimated useful lives using the straight-line method. Capital assets, net of accumulated depreciation, totaled \$532 million at fiscal year end 2025. Capital asset classifications are summarized as follows (in thousands):

Land	\$	67,169
Land improvements		4,574
Buildings		785,962
Equipment		147,628
Artwork and library books		39,742
Construction in progress		11,877
Total capital assets		1,056,952
Less accumulated depreciation		524,853
Capital assets, net	\$	532,099

Long-term Debt

The component units have entered into various financing arrangements, principally through the issuance of Industrial Development Agency, Local Development Corporation, and Housing Authority bonds, for the construction of student residence hall facilities. The following is a summary of the future minimum annual debt service requirements for the next five years and thereafter (in thousands):

Year ending June 30:		
2026	\$	17,086
2027		13,513
2028		12,785
2029		13,003
2030		13,584
Thereafter		184,924
		254,895
Less: unamortized debt issuance costs		4,671
	\$	250,224

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15. Component Units (continued)

Condensed Financial Statement Information

The table below displays the combined totals of the foundations (including student housing corporations) and auxiliary services corporations (ASC) as of and for the fiscal year ended June 30, 2025 (in thousands):

Combined Statement of Financial Position

	<u>Foundations</u>	<u>ASC</u>	<u>Total</u>
Assets:			
Investments	\$ 4,543,355	174,266	4,717,621
Capital assets, net	470,797	61,302	532,099
Other assets	918,674	204,167	1,122,841
Total assets	<u>\$ 5,932,826</u>	<u>439,735</u>	<u>6,372,561</u>
Liabilities:			
Other liabilities	449,012	109,974	558,986
Long-term debt, net	245,931	4,293	250,224
Total liabilities	<u>694,943</u>	<u>114,267</u>	<u>809,210</u>
Net Assets:			
Without donor restrictions	1,213,668	325,154	1,538,822
With donor restrictions	4,024,215	314	4,024,529
Total net assets	<u>5,237,883</u>	<u>325,468</u>	<u>5,563,351</u>
Total liabilities and net assets	<u>\$ 5,932,826</u>	<u>439,735</u>	<u>6,372,561</u>

Combined Statement of Activities

	<u>Foundations</u>	<u>ASC</u>	<u>Total</u>
Revenues:			
Contributions, gifts and grants	\$ 402,869	—	402,869
Food and auxiliary services	—	462,860	462,860
Other revenue	942,335	22,077	964,412
Total revenues	<u>1,345,204</u>	<u>484,937</u>	<u>1,830,141</u>
Expenses:			
Food and auxiliary services	—	425,538	425,538
Program expenses	430,083	—	430,083
Other expenses	311,766	51,866	363,632
Total expenses	<u>741,849</u>	<u>477,404</u>	<u>1,219,253</u>
Total change in net assets	603,355	7,533	610,888
Net assets at the beginning of year	<u>4,634,528</u>	<u>317,935</u>	<u>4,952,463</u>
Net assets at the end of year	<u>\$ 5,237,883</u>	<u>325,468</u>	<u>5,563,351</u>

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15. Component Units (continued)

Functional Expenses

Expenses are presented by functional classification in accordance with the overall service missions of the component units. Each functional classification displays all expenses related to the underlying operations by natural classification.

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

	Food Service	Other Auxiliary Services	Program Expenses	Real Estate	Management and General	Fundraising	Other	Total
Salaries and wages	\$ 56,719	26,381	256,934	4,771	30,102	18,685	—	393,592
Employee benefits	17,334	11,572	86,941	98	9,396	4,710	—	130,051
Cost of goods sold	143,983	30,024	—	—	—	—	—	174,007
In-kind expenses	148	—	8,973	12,724	3,709	2,303	—	27,857
Supplies and materials	4,239	3,367	8,813	199	1,581	1,386	—	19,585
Printing and postage	21	171	831	38	158	914	—	2,133
Travel and conferences	164	2,787	17,103	27	635	2,206	—	22,922
Rent and equipment	5,457	1,540	4,561	7,785	1,809	296	—	21,448
Maintenance and upgrades	8,537	1,777	1,795	3,238	766	36	—	16,149
Insurance	980	813	1,836	1,546	2,596	—	—	7,771
Utilities	4,354	1,404	10	3,441	298	22	—	9,529
Contractual services	59,709	2,480	11,585	5,250	3,222	1,709	—	83,955
Professional and service fees	568	2,699	8,385	3,147	4,582	4,131	—	23,512
Depreciation expense	7,600	2,208	965	20,038	2,486	15	—	33,312
Interest expense	22	15	16	9,796	267	—	—	10,116
Activity and program support	371	925	13,381	192	1,736	2,029	—	18,634
Other expenses	24,327	2,842	7,954	2,397	4,442	2,531	3,413	47,906
Expenses	<u>\$ 334,533</u>	<u>91,005</u>	<u>430,083</u>	<u>74,687</u>	<u>67,785</u>	<u>40,973</u>	<u>3,413</u>	1,042,479
Support to the State University:								
Scholarships and fellowships								98,248
Other								<u>78,526</u>
Total expenses								<u>\$1,219,253</u>

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15. Component Units (continued)

The reported amounts for the combined totals of the component units in the discretely presented financial statements include the following entities for the fiscal years indicated:

<u>Entities Audited by KPMG LLP:</u>	<u>Fiscal Year-End</u>
University at Buffalo Foundation, Inc. and Affiliates	June 30, 2025
<u>Entities Audited by Other Auditors:</u>	<u>Fiscal Year-End</u>
Alfred State College Development Fund, Inc.	June 30, 2025
Auxiliary Campus Enterprises and Services, State University College at Alfred, Inc.	May 31, 2025
Auxiliary Service Corporation of the Agricultural and Technical College at Farmingdale	June 30, 2025
Auxiliary Service Corporation of the College at Old Westbury, Inc.	May 31, 2025
Auxiliary Services Corporation of SUNY Cortland	June 30, 2025
Auxiliary Services, State University College at Oswego, Inc.	May 31, 2025
Binghamton Auxiliary Services Corporation and Subsidiaries	June 30, 2025
Brockport Auxiliary Service Corporation and Subsidiaries	May 31, 2025
Buffalo State College Foundation, Inc.	June 30, 2025
Campus Auxiliary Services, Inc.	May 31, 2025
Campus Auxiliary Services, Inc. at State University College, Geneseo, New York	May 31, 2025
Canton College Foundation, Inc. and Subsidiaries	June 30, 2025
College Association at Delhi, Inc.	May 31, 2025
College Association, Inc. State University of New York Auxiliary Services Corporation College of Technology at Canton	May 31, 2025
College Auxiliary Services of the State University College at Plattsburgh, Inc.	June 30, 2025
College Foundation at Delhi, Inc. and Subsidiary	June 30, 2025
Cortland College Foundation, Inc. and Cortland College Foundation Properties, Inc.	June 30, 2025
Empire Commons Student Housing, Inc.	June 30, 2025
Empire State University Foundation, Inc.	June 30, 2025
ESF College Foundation, Inc. and Subsidiaries	June 30, 2025
Faculty Student Association of Downstate Medical Center, Inc.	May 31, 2025
Faculty Student Association of the State University of New York at Stony Brook, Inc. and Affiliate	June 30, 2025
Faculty-Student Association of State University College at Buffalo, Inc.	June 30, 2025
Faculty-Student Association of State University College at Fredonia, New York, Inc.	May 31, 2025
Faculty-Student Association of State University of New York at Buffalo, Inc. dba Campus Dining & Shops and Subsidiary	May 31, 2025
Faculty-Student Association of State University of New York Upstate Medical University	May 31, 2025
Faculty-Student Association of the State University of New York Maritime College, Inc.	June 30, 2025
Fredonia College Foundation of State University of New York, Inc.	December 31, 2024
Farmingdale College Foundation	June 30, 2025
Morrisville Auxiliary of State University College of Agriculture and Technology at Morrisville, N.Y. Incorporated	May 31, 2025
Morrisville College Foundation, Inc. and Subsidiary	June 30, 2025

STATE UNIVERSITY OF NEW YORK
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15. Component Units (continued)

<u>Entities Audited by Other Auditors (continued):</u>	<u>Fiscal Year-End</u>
Old Westbury College Foundation, Inc.....	June 30, 2025
Oneonta Auxiliary Services SUNY Oneonta.....	May 31, 2025
Oswego University Foundation, Inc. and Subsidiary.....	June 30, 2025
Plattsburgh College Foundation, Inc. and Subsidiary.....	June 30, 2025
Potsdam College Foundation, Inc.	June 30, 2025
Purchase College Association, Inc.	June 30, 2025
Purchase College Foundation Housing Corporation.....	June 30, 2025
Purchase Housing Corporation II.....	June 30, 2025
State University of New York at Oneonta Foundation Corporation.....	June 30, 2025
State University of New York Auxiliary Services Corporation Campus: Potsdam.....	May 31, 2025
State University of New York Polytechnic Institute Foundation, Inc.....	June 30, 2025
Stony Brook Foundation, Inc. and Affiliate.....	June 30, 2025
SUNY Cobleskill Auxiliary Services, Inc.....	May 31, 2025
SUNY College of Agriculture and Technology at Cobleskill Foundation, Inc.....	June 30, 2025
SUNY College of Optometry Foundation.....	June 30, 2025
SUNY Maritime Foundation, Inc.....	June 30, 2025
SUNY New Paltz Foundation, Inc. and Subsidiary.....	June 30, 2025
SUNY Polytechnic Institute Auxiliary Services Corporation.....	June 30, 2025
Syracuse Pulp and Paper Foundation, Inc.....	June 30, 2025
The Educational Foundation of Alfred, Inc.....	June 30, 2025
The Foundation of the State University of New York at Binghamton, Inc. and Affiliates.....	June 30, 2025
The Geneseo Foundation, Inc.....	June 30, 2025
The Health Science Center at Brooklyn Foundation, Inc. and Affiliates.....	July 31, 2024
The Purchase College Foundation.....	June 30, 2025
The State University College at Brockport Foundation, Inc. and Alumni Association of the State University College at Brockport, Inc., D/B/A Brockport College Fund.....	June 30, 2025
The University at Albany Foundation.....	June 30, 2025
The Upstate Foundation, Inc. and Affiliates.....	December 31, 2024
University Auxiliary Services at Albany, Inc.....	May 31, 2025

Required Supplementary Information

(Unaudited)

Schedule of the State University's Proportionate Share of the Net OPEB Liability for the New York State Retiree Health Benefit Trust Fund

(Amounts in millions)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Proportion of the net OPEB liability	15.87%	15.65%	15.48%	15.27%
Proportionate share of the net OPEB liability	\$9,616.2	9,119.3	8,774.0	9,540.1
Covered-employee payroll for plan year	\$2,992.0	2,762.2	2,713.5	2,654.4
Proportionate share of the net OPEB liability as a percentage of covered-employee payroll	321.4%	330.1%	323.3%	359.4%
OPEB plan's fiduciary net position as a percentage of the total OPEB liability	3.4%	3.0%	2.5%	0.6%

Schedule of Employer Contributions for the New York State Retiree Health Benefit Trust Fund

(Amounts in millions)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually determined contribution*	N/A	N/A	N/A	N/A
Contributions in relation to the contractually determined contribution*	N/A	N/A	N/A	N/A
Contribution deficiency	N/A	N/A	N/A	N/A
Covered-employee payroll for plan year	\$2,992.0	2,762.2	2,713.5	2,654.4
Contribution as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

*There is no specified funding policy or agreed upon actuarially determined contribution

*Schedules are intended to show information for 10 years.
Additional years will be displayed as they become available.*

Required Supplementary Information

*(Unaudited)***Schedule of Changes in the Total OPEB Liability
and Related Ratios for the State University Hospitals and Construction Fund***(Amounts in millions)*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:									
Service cost	\$ 91.0	88.0	109.4	119.2	121.4	90.6	91.0	95.3	106.7
Interest	97.6	91.1	77.2	69.0	94.7	101.1	102.4	105.3	96.4
Difference between expected and actual experience	76.2	31.9	11.6	68.2	(93.5)	17.3	46.9	(236.5)	—
Changes in assumptions	2.3	(7.4)	(329.8)	(299.8)	(452.6)	479.2	(158.8)	(12.1)	(280.2)
Benefit payments	<u>(87.3)</u>	<u>(78.1)</u>	<u>(70.0)</u>	<u>(59.2)</u>	<u>(53.0)</u>	<u>(48.5)</u>	<u>(44.7)</u>	<u>(39.8)</u>	<u>(35.3)</u>
Net change in total OPEB liability	179.8	125.5	(201.6)	(102.6)	(383.0)	639.7	36.8	(87.8)	(112.4)
Total OPEB liability, beginning	<u>2,678.1</u>	<u>2,552.6</u>	<u>2,754.2</u>	<u>2,856.8</u>	<u>3,239.8</u>	<u>2,600.1</u>	<u>2,563.3</u>	<u>2,651.1</u>	<u>2,763.5</u>
Total OPEB liability, ending	<u>\$2,857.9</u>	<u>2,678.1</u>	<u>2,552.6</u>	<u>2,754.2</u>	<u>2,856.8</u>	<u>3,239.8</u>	<u>2,600.1</u>	<u>2,563.3</u>	<u>2,651.1</u>
Net position as a percentage of total OPEB liability	—%	—%	—%	—%	—%	—%	—%	—%	—%
Covered-employee payroll	\$1,102.6	988.3	923.9	914.4	899.9	872.9	843.3	806.3	767.8
Total OPEB liability as a percentage of covered-employee payroll	259.2%	271.0%	276.3%	301.2%	317.5%	371.2%	308.3%	317.9%	345.3%
Changes in assumptions: Discount rate	4.34%	3.58%	3.50%	2.73%	2.34%	2.84%	3.79%	3.89%	3.86%

Changes in assumptions. The discount rate was changed as detailed in the table above. The medical trend assumptions were updated based on current anticipation of future costs and projected claim costs were updated based on the recent claims experience for the PPO plans and premium rates for the HMO plans.

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

*(Unaudited)***Schedule of Changes in the Net OPEB Liability (Asset)
and Related Ratios for the Research Foundation Plan***(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:									
Service cost	\$ 2.1	2.1	2.1	2.4	3.2	4.7	4.2	5.8	10.0
Interest	18.1	17.7	16.8	16.1	17.6	18.2	16.7	16.3	32.4
Changes of benefit terms	—	—	—	—	—	—	—	—	(234.9)
Difference between expected and actual experience	2.6	2.0	4.6	3.5	11.2	(16.4)	10.5	(17.7)	(1.4)
Changes in assumptions	(12.3)	(7.3)	(6.0)	(11.9)	(39.7)	(23.2)	21.6	(28.0)	27.0
Benefit payments	(16.4)	(15.0)	(14.6)	(12.5)	(11.8)	(10.9)	(10.0)	(7.9)	(11.2)
Net change in total OPEB liability	(5.9)	(0.5)	2.9	(2.4)	(19.5)	(27.6)	43.0	(31.5)	(178.1)
Total OPEB liability, beginning	244.3	244.8	241.9	244.3	263.8	291.4	248.4	279.9	458.0
Total OPEB liability, ending	238.4	244.3	244.8	241.9	244.3	263.8	291.4	248.4	279.9
Plan fiduciary net position:									
Contributions - employer	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5	30.1
Net investment income (loss)	30.3	29.2	17.1	(15.5)	64.9	10.9	17.3	19.9	22.2
Benefit payments	(16.4)	(15.0)	(14.6)	(12.5)	(11.8)	(10.9)	(10.0)	(7.9)	(11.2)
Net change in fiduciary net position	19.9	20.2	8.5	(22.0)	59.1	6.0	13.3	17.5	41.1
Fiduciary net position, beginning	320.0	299.8	291.3	313.3	254.2	248.2	234.9	217.4	176.3
Fiduciary net position, ending	339.9	320.0	299.8	291.3	313.3	254.2	248.2	234.9	217.4
Net OPEB liability (asset), ending	\$ (101.5)	(75.7)	(55.0)	(49.4)	(69.0)	9.6	43.2	13.5	62.5
Net position as a percentage of total OPEB liability	142.6%	131.0%	122.5%	120.4%	128.2%	96.4%	85.2%	94.6%	77.7%
Covered-employee payroll	\$ 342.8	313.4	281.1	253.1	242.8	238.7	232.4	236.2	238.0
Net OPEB liability (asset) as a percentage of covered-employee payroll	(29.6)%	(24.2)%	(19.6)%	(19.5)%	(28.4)%	4.0%	18.6%	5.7%	26.3%
Changes in assumptions:									
Discount rate	7.60%	7.60%	7.40%	7.10%	6.70%	6.75%	6.26%	6.75%	5.77%

Changes in assumptions. The discount rate was changed as detailed in the table above.

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

*(Unaudited)***Schedule of Employer Contributions for the Research Foundation OPEB Plan***(Amounts in millions)*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 0.3	1.2	1.4	—	4.7	4.3	6.0	6.3	8.4
Contributions in relation to the actuarially determined contribution	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.5	30.1
Contribution (deficiency) excess	\$ 5.7	4.8	4.6	6.0	1.3	1.7	—	(0.8)	21.7
Covered-employee payroll	\$ 342.8	313.4	281.1	253.1	242.8	238.7	232.4	236.2	238.0
Contribution as a percentage of covered-employee payroll	1.8%	1.9%	2.1%	2.4%	2.5%	2.5%	2.6%	2.3%	12.6%

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Annual contributions to fund the plan are made by the Research Foundation pursuant to a funding policy established by the Research Foundation's board of directors. Effective for fiscal years 2018 - 2025, the annual funding contribution amount will equal the contribution level negotiated between the Research Foundation and its cognizant federal agency for setting the fringe benefit rates.

Methods and assumptions used to determine contribution rates:

Actuarial cost method - Projected Unit Credit with 30-year closed amortization period for initial unfunded and subsequent actuarial gains/losses.

Valuation discount rate - 7.60%

Salary increases - 3.00%

Health care trend rates - range from initial health care cost trend rates of 6.50% (HMO) and 6.25% (PPO) grading down to 4.50% in 2035 and later. The drug assumption begins at 7.50% and decreases to 4.50% after ten years.

Mortality - the dollar-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2021 as of June 30, 2025.

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

*(Unaudited)****Schedule of the State University's Proportionate Share of the New York State and Local Employees' Retirement System (ERS) Net Pension Liability (Asset)****(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	6.54%	6.22%	6.01%	6.17%	5.79%	5.75%	5.58%	5.45%	5.43%	5.35%
Proportionate share of the net pension liability (asset)	\$1,122.1	916.4	1,288.7	(504.2)	5.8	1,523.1	395.3	175.8	510.4	859.3
Covered payroll plan year	\$2,209.6	1,958.4	1,798.9	1,774.5	1,618.8	1,620.2	1,527.4	1,453.9	1,423.2	1,373.0
Proportionate share of the net pension liability (asset) as a % of its covered payroll	50.8%	46.8%	71.6%	(28.4)%	0.4%	94.0%	25.9%	12.1%	35.9%	62.6%
Pension plan's fiduciary net position as a % of the total pension liability	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%

Schedule of Employer Contributions for the ERS Plan*(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually determined contribution	\$ 279.1	215.8	189.7	241.9	216.9	198.6	194.4	200.3	197.9	214.8
Contributions in relation to the contractually determined contribution	279.1	215.8	189.7	241.9	216.9	198.6	194.4	200.3	197.9	214.8
Contribution deficiency	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll for fiscal year ended June 30th	\$2,256.9	1,984.1	1,858.7	1,791.2	1,634.6	1,635.7	1,552.7	1,472.2	1,442.3	1,385.9
Contribution as a percentage of covered payroll	12.4%	10.9%	10.2%	13.5%	13.3%	12.1%	12.5%	13.6%	13.7%	15.5%

Required Supplementary Information

(Unaudited)

Schedule of the State University's Proportionate Share of the New York State and Local Police and Fire Retirement System (PFRS) Net Pension Liability

(Amounts in millions)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability	1.26%	1.39%	1.34%	1.12%	1.17%	1.15%	1.17%	1.10%	1.05%
Proportionate share of the net pension liability	\$ 76.7	66.1	74.0	6.4	20.3	61.4	19.7	11.2	21.8
Covered payroll plan year	\$ 56.6	61.3	56.2	45.4	45.2	46.2	43.8	40.6	38.2
Proportionate share of the net pension liability as a % of its covered payroll	135.5%	107.8%	131.7%	14.1%	45.0%	132.8%	45.0%	27.4%	57.1%
Pension plan's fiduciary net position as a % of the total pension liability	87.5%	89.7%	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%

Schedule of Employer Contributions for the PFRS Plan

(Amounts in millions)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually determined contribution	\$ 19.6	15.4	9.1	12.8	9.4	9.0	8.7	8.0	2.5
Contributions in relation to the contractually determined contribution	19.6	15.4	9.1	12.8	9.4	9.0	8.7	8.0	2.5
Contribution deficiency	\$ —	—	—	—	—	—	—	—	—
Covered payroll for fiscal year ended June 30th	\$ 57.7	62.2	57.9	46.3	45.8	46.2	43.9	41.0	39.1
Contribution as a percentage of covered payroll	34.0%	24.8%	15.7%	27.6%	20.5%	19.5%	19.8%	19.5%	6.4%

Schedules are intended to show information for 10 years.

Additional years will be displayed as they become available.

Required Supplementary Information

*(Unaudited)***Schedule of the State University's Proportionate Share of the New York State Teachers' Retirement System (TRS) Net Pension Liability (Asset)***(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.04%	0.94%	0.93%	0.89%	0.89%	0.87%	0.81%	0.81%	0.82%	0.74%
Proportionate share of the net pension liability (asset)	\$ (31.1)	10.7	17.8	(153.6)	24.7	(22.6)	(14.7)	(6.1)	8.7	(77.2)
Covered payroll	\$ 199.2	173.3	164.7	150.4	151.8	145.1	132.1	128.2	126.0	111.6
Proportionate share of the net pension liability (asset) as a % of its covered payroll	(15.6)%	6.2%	10.8%	(102.1)%	16.3%	(15.6)%	(11.1)%	(4.8)%	6.9%	(69.2)%
Pension plan's fiduciary net position as a % of the total pension liability	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

Schedule of Employer Contributions for the TRS Plan*(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 19.4	17.8	16.1	14.3	13.5	15.4	12.9	15.0	16.7	19.6
Contributions in relation to the actuarially determined contribution	19.4	17.8	16.1	14.3	13.5	15.4	12.9	15.0	16.7	19.6
Contribution deficiency	\$ —	—	—	—	—	—	—	—	—	—
Covered payroll for fiscal year ended June 30th	\$ 220.5	199.2	173.3	164.7	150.4	151.8	145.1	132.1	128.2	126.0
Contribution as a percentage of covered payroll	8.8%	8.9%	9.3%	8.7%	9.0%	10.1%	8.9%	11.4%	13.0%	15.6%

Required Supplementary Information

*(Unaudited)***Schedule of Changes in the Net Pension Liability (Asset)
and Related Ratios for the Upstate Plan***(Amounts in millions)*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.8
Interest	5.4	5.4	5.4	6.0	6.6	6.6	6.7	6.6	6.6	6.5
Difference between expected and actual experience	—	0.7	1.0	8.4	0.1	1.0	0.6	1.8	0.3	1.0
Changes of assumptions	—	—	—	9.0	(0.5)	(0.4)	(0.3)	(0.6)	(1.4)	—
Benefit payments	(7.3)	(7.0)	(6.8)	(27.8)	(6.2)	(9.6)	(5.8)	(9.2)	(4.9)	(7.0)
Net change in total pension liability	(1.6)	(0.5)	—	(4.0)	0.5	(1.9)	1.8	(0.8)	1.3	1.3
Total pension liability, beginning	101.0	101.5	101.5	105.5	105.0	106.9	105.1	105.9	104.6	103.3
Total pension liability, ending (a)	99.4	101.0	101.5	101.5	105.5	105.0	106.9	105.1	105.9	104.6
Plan fiduciary net position:										
Employer contributions	2.8	3.8	—	—	0.5	2.4	1.1	2.0	2.8	2.0
Net investment income (loss)	7.6	11.1	(17.1)	14.6	16.8	20.8	(5.1)	15.6	7.4	(0.7)
Benefit payments	(7.3)	(7.0)	(6.8)	(27.8)	(6.2)	(9.6)	(5.8)	(9.2)	(4.9)	(7.0)
Administrative expenses	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)
Net change in fiduciary net position	3.0	7.8	(24.1)	(13.4)	11.0	13.4	(10.0)	8.2	5.2	(5.9)
Fiduciary net position, beginning	88.3	80.5	104.6	118.0	107.0	93.6	103.6	95.4	90.2	96.1
Fiduciary net position, ending (b)	91.3	88.3	80.5	104.6	118.0	107.0	93.6	103.6	95.4	90.2
Net pension liability (asset), ending (a) - (b)	\$ 8.1	12.7	21.0	(3.1)	(12.5)	(2.0)	13.3	1.5	10.5	14.4
Ratio of fiduciary net position to total pension liability	91.9%	87.4%	79.3%	103.0%	111.8%	101.9%	87.6%	98.6%	90.1%	86.3%
Covered payroll	\$ 16.7	16.7	18.9	18.7	22.9	23.3	24.3	25.5	27.3	29.9
Net pension liability (asset) as a percentage of covered payroll	48.4%	75.9%	111.0%	(16.3)%	(54.4)%	(8.8)%	54.8%	5.7%	38.4%	48.0%

Required Supplementary Information

(Unaudited)

Schedule of Employer Contributions for the Upstate Plan

(Amounts in millions)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 2.6	3.8	0.2	—	0.5	2.4	1.1	2.0	2.6	1.9
Contributions in relation to the actuarially determined contribution	2.8	3.8	—	—	0.5	2.4	1.1	2.0	2.8	2.0
Contribution excess (deficiency)	\$ 0.2	—	(0.2)	—	—	—	—	—	0.2	0.1
Covered payroll*	\$ 16.7	16.7	18.9	18.7	22.9	23.3	24.2	25.5	27.3	29.9
Contribution as a percentage of covered payroll	16.7%	22.7%	—%	—%	2.4%	10.5%	4.7%	7.9%	10.2%	6.8%

*Covered payroll represents pensionable payroll at the end of each Plan year. It is not practicable to obtain covered payroll amounts at the end of each fiscal year.

Notes for the Plan

Methods and assumptions used in calculations of actuarially determined contributions. The January 1, 2024 actuarial valuation determines the employer rates for contributions payable in 2024, for reporting for the fiscal year ended June 30, 2025. The following actuarial methods and assumptions were used:

Investment rate of return - 5.5%

Amortization method - Level dollar, 20 year closed

Remaining amortization period - 7.5 years

Asset valuation method - Market value

Inflation - 3.0%

Compensation - 3.5% increases, limited to a maximum of \$345,000

Termination - 1992 Vaughn Select and Ultimate Table



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

The Board of Trustees
State University of New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the State University of New York (the University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 4, 2025.

Our report includes a reference to other auditors who audited the financial statements of the University's discretely presented component units, as described in our report on the University's financial statements. The financial statements of the University's discretely presented components units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the University's discretely presented components units or that are reported on separately by those auditors who audited the financial statements of the discretely presented components units.

Report on Internal Control Over Financial Reporting

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

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

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



Report on Compliance and Other Matters

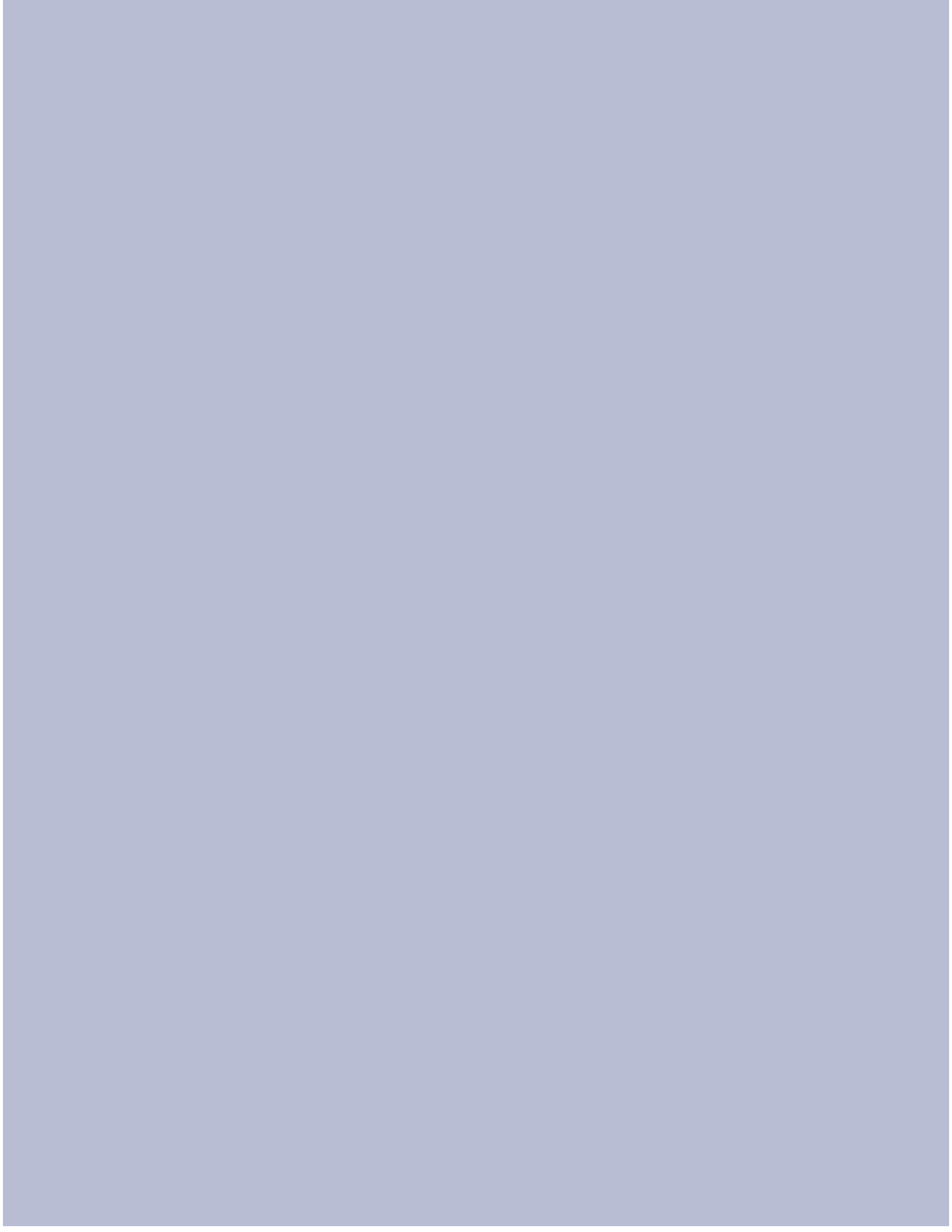
As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of This Report

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

KPMG LLP

Albany, New York
November 4, 2025





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suny.edu