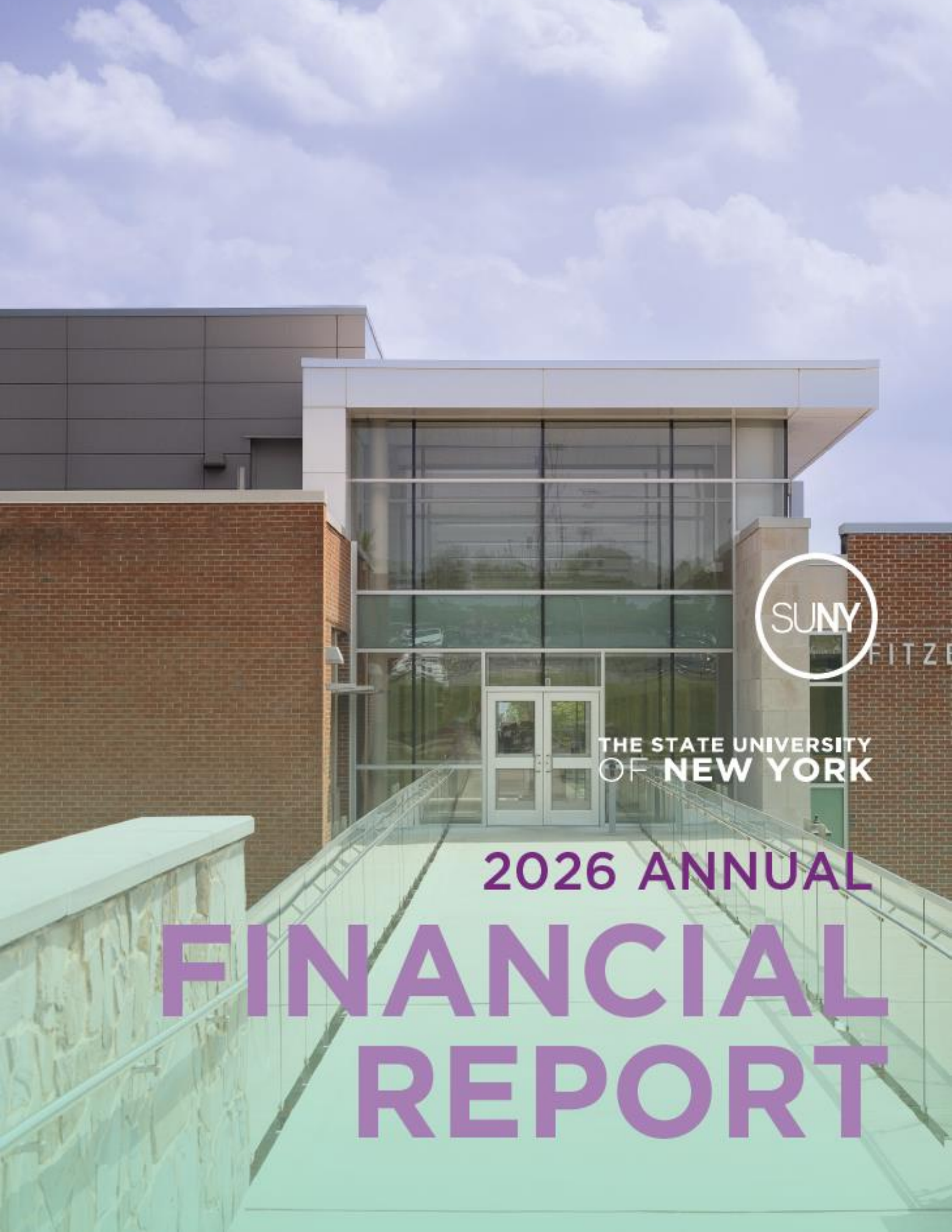


2026 ANNUAL FINANCIAL REPORT

STATE UNIVERSITY OF NEW YORK

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

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, 2026, 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 other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial positions of the business-type activities and aggregate discretely presented component units of the University, as of June 30, 2026, 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 83%, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2026 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, 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 are 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, 2026, 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.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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 2, 2026 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 2, 2026

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, 2026 and 2025, 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, 2026 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 being 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, 2026, the State University's net deficit is $4.12 billion, comprised of $28.82 billion in total assets and deferred outflows of resources, less $32.94 billion in total liabilities and deferred inflows of resources. The net position increased $314 million in 2026 as a result of this year's operations. The State University's total revenues increased $16 million and total expenses increased $1.16 billion in 2026 compared to 2025. The increase in revenues is primarily due to increases in hospitals and clinics revenue of $400 million, net realized and unrealized gains of $101 million, and net tuition and fees of $48 million. These increases were offset by decreases of $322 million in grants and contracts revenue and $276 million in transfers in - restricted for capital assets. The increase in expenses is driven by an overall increase in operating expenses of $1.04 billion, or 7 percent compared to the prior year, mainly due to increases of $443 million in hospital expenses, $275 million in support services expenses, and $246 million in instruction expenses. In addition, in 2026 the State University recognized a gain of $235 million for unusual or infrequent items relating to federal emergency funding and the sale of property.

Detailed Analysis

Statement of Net Position

The following table reflects the net position at June 30, 2026 and 2025 (in thousands):

	2026	2025	Change	% Change
Current assets	$ 6,820,745	7,087,897	(267,152)	(4%)
Capital and lease assets, net	15,463,382	15,114,892	348,490	2%
Other noncurrent assets	4,950,235	4,266,317	683,918	16%
Deferred outflows of resources	1,589,206	1,818,194	(228,988)	(13%)
Total assets and deferred outflows of resources	$28,823,568	28,287,300	536,268	2%
Current liabilities	3,318,716	3,247,415	71,301	2%
Noncurrent liabilities	27,007,616	27,761,671	(754,055)	(3%)
Deferred inflows of resources	2,616,481	1,711,798	904,683	53%
Total liabilities and deferred inflows of resources	32,942,813	32,720,884	221,929	1%
Net investment in capital assets	2,082,476	2,309,695	(227,219)	(10%)
Restricted - nonexpendable	896,055	851,488	44,567	5%
Restricted - expendable	1,038,091	806,397	231,694	29%
Unrestricted	(8,135,867)	(8,401,164)	265,297	(3%)
Total net position	$ (4,119,245)	(4,433,584)	314,339	(7%)

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, 2026 and 2025 consist primarily of cash and cash equivalents of $3.03 billion and $3.14 billion and receivables of $2.41 billion and $2.91 billion, respectively. The decrease in current assets during 2026 is primarily due to decreases of $498 million in receivables and $108 million in cash and cash equivalents, offset by an increase of $353 million in short-term investments. The decrease in receivables is primarily due to the reclassification of $702 million of Medicaid Disproportionate Share (DSH) receivables from current to noncurrent, to properly reflect the expected timing of receiving settlement payments.

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, 2026 and 2025 include long-term investments of $2.26 billion and $1.96 billion, the noncurrent portion of receivables of $1.08 billion and $441 million, deposits with trustees of $1.10 billion and $1.45 billion, restricted cash of $172 million and $174 million, and other noncurrent assets of $330 million and $240 million, respectively.

Current Liabilities

Current liabilities at June 30, 2026 and 2025 consist principally of accounts payable and accrued expenses of $1.32 billion and $1.66 billion, other liabilities of $716 million and $554 million, the current portion of long-term debt and long-term liabilities of $449 million and $483 million, and unearned revenue of $713 million and $424 million, respectively.

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. 74 and 75 was $12.31 billion and $12.47 billion at June 30, 2026 and 2025, respectively, and decreased $161 million in 2026 primarily due to updated medical claims information and an increase in the discount rate. 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 decreased $765 million in 2026 mainly due to an increase in the investment rate of return for the New York State and Local Employees' Retirement System (ERS) pension plan. The rate of return was 11.91 percent in 2026, compared to 5.74 percent in 2025.

The State University has recorded a long-term litigation liability and a corresponding appropriation receivable of $361 million and $420 million at June 30, 2026 and 2025, respectively, for unfavorable judgments, both probable and estimable.

Statement of Revenues, Expenses, and Changes in Net Position

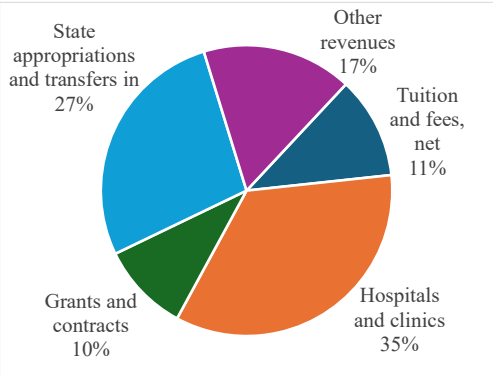
The statement of revenues, expenses, and changes in net position presents the State University's results of operations, as well as noncapital subsidies and nonoperating activities. Revenues, expenses, and changes in net position for the 2026 and 2025 fiscal years are summarized as follows (in thousands):

Management's Discussion and Analysis

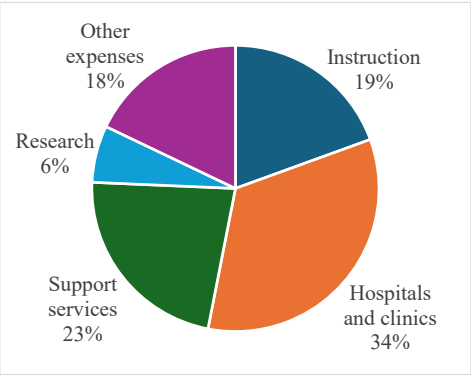
(Unaudited)

	2026	2025	Change	% Change
Revenues:				
Tuition and fees, net	$ 1,846,063	1,797,631	48,432	3%
Hospitals and clinics	5,631,851	5,231,759	400,092	8%
Grants and contracts	1,617,042	1,939,409	(322,367)	(17%)
Auxiliary enterprises	737,493	715,683	21,810	3%
Federal and State financial aid grants	741,173	729,897	11,276	2%
Other operating	278,047	285,535	(7,488)	(3%)
Operating revenues	10,851,669	10,699,914	151,755	1%
State appropriations	3,852,654	3,839,398	13,256	0%
Transfers in - restricted for capital assets	606,343	882,788	(276,445)	(31%)
Other nonoperating and noncapital subsidies	957,133	830,100	127,033	15%
Nonoperating and noncapital subsidies	5,416,130	5,552,286	(136,156)	(2%)
Total revenues	**16,267,799**	**16,252,200**	**15,599**	**0%**
Expenses:				
Instruction	3,147,506	2,901,063	246,443	8%
Research	1,041,375	1,049,611	(8,236)	(1%)
Public service	355,825	356,074	(249)	(0%)
Support services	3,661,426	3,386,139	275,287	8%
Scholarships and fellowships	363,082	322,287	40,795	13%
Hospitals and clinics	5,443,284	5,000,009	443,275	9%
Auxiliary enterprises	715,211	678,365	36,846	5%
Depreciation and amortization	915,314	884,433	30,881	3%
Other operating expenses	15,852	43,155	(27,303)	(63%)
Operating expenses	15,658,875	14,621,136	1,037,739	7%
Nonoperating expenses	529,116	409,615	119,501	29%
Total expenses	**16,187,991**	**15,030,751**	**1,157,240**	**8%**
Unusual or infrequent items	234,531	308,907	(74,376)	(24%)
Increase in net position	**314,339**	**1,530,356**	**(1,216,017)**	**(79%)**
Net position at the beginning of the year	**(4,433,584)**	**(5,963,940)**	**1,530,356**	**(26%)**
Net position at the end of the year	**$(4,119,245)**	**(4,433,584)**	**314,339**	**(7%)**

2026 Revenues



2026 Expenses



Tuition and Fees, Net

Tuition and fee revenue, net of scholarship allowances, totaled $1.85 billion and increased $48 million in 2026 compared to 2025. 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 191,100 and 189,000 for the fiscal years ended June 30, 2026 and 2025, 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 2026 fiscal year was $5.63 billion, an increase of $400 million over the prior year, mainly due to increases of $319 million in net patient revenue (due to increases in rates and volume) and $102 million in Medicaid DSH revenue.

Grants and Contracts

Grants and contracts revenue decreased $322 million in 2026, driven by decreases in state grants of $198 million and federal grants of $116 million. The decrease in state grants was due to funding in the prior year for the Albany Nanotech Complex expansion. The decrease in federal grants was mainly due to decreases of $59 million at the Research Foundation and $33 million at the Cornell statutory colleges.

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 $737 million, an increase of $22 million compared to 2025 due to increased occupancy levels and room rental rates 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 60,498 for the fall of 2025, an increase of 455 students compared to the previous year. The overall revenue producing utilization rate for the fall of 2025 was reported at 89 percent.

Federal and State Financial Aid Grants

Major scholarships and grants revenue includes the federal Pell Program revenue of $395 million and $407 million during fiscal years 2026 and 2025, respectively, and the State Tuition Assistance and Excelsior Programs of $278 million and $270 million during fiscal years 2026 and 2025, 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 $3.85 billion and $3.84 billion for fiscal years 2026 and 2025, 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 $13 million in 2026 compared to the prior year. In 2026, State support for operating expenses increased $99 million. Indirect State support for fringe benefits decreased $101 million and indirect State support for litigation accruals increased $14 million.

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 2026, transfers in - restricted for capital assets totaled $606 million and decreased $276 million from the prior year due to a decrease 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 $957 million and increased $127 million in 2026 compared to the prior year, mainly due to increases in net realized and unrealized gains of $101 million as a result of improved investment returns.

Operating Expenses

Total operating expenses were $15.66 billion in 2026 and increased $1.04 billion compared to the prior year. The table below shows the total operating expenses by natural classification for fiscal years 2026 and 2025, as well as the change in operating expenses by functional classification (in thousands):

	Personal Service	Fringe Benefits	Contractual Services	Other*	Depreciation	**Total**
2026 operating expenses	$6,556,774	3,435,161	2,892,665	1,858,961	915,314	**15,658,875**
2025 operating expenses	6,256,662	2,927,827	2,882,067	1,670,147	884,433	**14,621,136**
Total change	$ 300,112	507,334	10,598	188,814	30,881	**1,037,739**
Instruction	67,310	162,822	12,695	3,616	-	**246,443**
Research	8,577	4,516	(18,520)	(2,809)	-	**(8,236)**
Public service	4,013	6,273	(11,024)	489	-	**(249)**
Support services**	90,388	161,049	(45,989)	69,839	-	**275,287**
Scholarships and fellowships	(385)	(608)	41,794	(6)	-	**40,795**
Hospitals and clinics	115,379	149,609	46,411	131,876	-	**443,275**
Auxiliary enterprises	14,830	23,673	(14,769)	13,112	-	**36,846**
Depreciation and other	-	-	-	(27,303)	30,881	**3,578**
Total change	$ 300,112	507,334	10,598	188,814	30,881	**1,037,739**

*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 $438 million and pension expense accruals of $109 million, offset by a decrease of $39 million in other fringe benefits. The increase in contractual services was mainly due to increases in hospital contracted medical services and institutional student scholarships. 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 four to eight 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 65.81 percent in 2025 to 60.26 percent in 2026, and as a result fringe benefit expenses excluding OPEB, pensions, and the hospitals decreased $113 million. Hospital fringe benefit expenses (excluding OPEB and pensions) increased $73 million.

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 2026 fiscal year, capital and lease assets (net of depreciation) increased $348 million. The majority of the increase occurred at the State University campuses due to the completion of new building construction, renovations, and rehabilitation totaling $668 million for the 2026 fiscal year. Equipment additions during 2026 of $169 million also contributed to the increase.

Significant projects completed and capitalized during the 2026 fiscal year included rehabilitation of Mohonk, Awosting, Esopus, and Lenape Residence Halls and renovations to Central Heating Plant at SUNY New Paltz, renovation of Foster Hall and Student Union at University at Buffalo, infrastructure and land improvements at SUNY Brockport, renovation of Cafeteria Server and Dining area and replacement of air handling units and critical care units at the University Hospital at SUNY Downstate Health Sciences University, and renovations to Cornish-Van Hoesen Hall, Casey and Smith Towers, and Alger Residence Halls at SUNY Cortland.

Other significant projects included rehabilitation of MacKenzie North Residence Halls at Alfred State College, construction of an indoor multi-sport Fieldhouse Facility at Binghamton University, improvements to electrical distribution infrastructure for a new ship and renovation of Marvin Tode Science and Engineering building at Maritime College, rehabilitation of Colonial and Dutch Quad Residence Halls at University at Albany, and capital improvements to Turf Field and Track, Field Press Box, and HPE Storage athletics buildings at SUNY Fredonia.

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 2026, PIT bonds were issued with a par amount of $1.11 billion at a premium of $98 million for the purpose of financing capital construction and major rehabilitation for educational facilities as well as to refund $662 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, 2026 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.

The credit ratings assigned to these bonds at June 30, 2026 were as follows: Moody's (Aa3), S&P (A+), and Fitch (A+). These ratings were unchanged from the prior year.

Currently Known Facts, Decisions, or Conditions

The State University is one of the largest public universities in the nation, with headcount enrollment of approximately 213,400 for Fall 2025 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, 2026 is approximately 191,100, an increase of 2,000 FTE compared to June 30, 2025. 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 $3.85 billion in State appropriation revenues for fiscal year 2026. 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 $557 million in 2026. The State University's continued operational viability is substantially dependent upon a consistent and proportionate level of ongoing State support.

The 2026-27 Enacted State Budget provided for the fourth year of historic investments made by the State in the State University. This included an additional $54 million of direct State tax support – bringing the four-year total to $445 million – 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 an additional $8 million, bringing the two-year total to $20 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 more flexible infrastructure purposes 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 just over $1.0 billion for the State University, including $795 million in critical maintenance funding for existing facilities, $150 million for hospitals, and $100 million for research facilities. 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 DSH Programs.

New York State limits the funds it will contribute towards DSH funding for the State's public hospitals. Additionally, the Federal Consolidated Appropriations Act of 2026 modified prior restrictions on how hospital-specific Medicaid DSH funding caps (the maximum amount of Medicaid DSH funding a hospital can receive) are calculated. This policy allows Medicaid dual-eligible enrollees (individuals eligible for both Medicaid and Medicare or other third-party payor coverage) to be included in DSH reimbursement cap calculations, which may result in an increase in the hospitals' DSH reimbursement. However, the ultimate financial impact remains subject to the State implementation and audit outcomes.

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, which would have 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, 2026

In thousands

Assets and Deferred Outflows of Resources	
Current Assets:	
Cash and cash equivalents	$ 3,033,467
Deposits with bond trustees	138,382
Short-term investments	1,063,908
Accounts, notes, and loans receivable, net	1,804,279
Appropriations receivable	208,033
Grants receivable	396,121
Other assets	176,555
Total current assets	6,820,745
Noncurrent Assets:	
Restricted cash and cash equivalents	172,494
Deposits with bond trustees	1,102,133
Long-term investments	2,263,769
Accounts, notes, and loans receivable, net	719,084
Appropriations receivable	362,769
Other noncurrent assets	329,986
Lease and subscription IT assets, net	491,666
Capital assets, net	14,971,716
Total noncurrent assets	20,413,617
Total assets	**27,234,362**
Deferred outflows of resources	1,589,206
Total assets and deferred outflows of resources	**$ 28,823,568**
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)	
Current Liabilities:	
Accounts payable and accrued liabilities	1,318,373
Unearned revenue	713,172
Long-term debt - current portion	176,163
Long-term liabilities - current portion	272,897
Lease and subscription IT liabilities - current portion	121,955
Other liabilities	716,156
Total current liabilities	3,318,716
Noncurrent Liabilities:	
Long-term debt	9,677,947
Long-term liabilities	15,403,358
Lease and subscription IT liabilities	421,467
Other noncurrent liabilities	1,504,844
Total noncurrent liabilities	27,007,616
Total liabilities	**30,326,332**
Deferred inflows of resources	2,616,481
Total liabilities and deferred inflows of resources	**32,942,813**
Net Position (Deficit):	
Net investment in capital assets	2,082,476
Restricted - nonexpendable:	
Instruction and departmental research	446,457
Scholarships and fellowships	238,202
General operations and other	211,396
Restricted - expendable:	
Instruction and departmental research	406,059
Scholarships and fellowships	206,139
General operations and other	425,893
Unrestricted	(8,135,867)
Total net position (deficit)	**$ (4,119,245)**

See accompanying notes to the financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2026

In thousands

Operating revenues:	
Tuition and fees	$ 2,780,902
Less: scholarship allowances	(934,839)
Net tuition and fees	1,846,063
Federal and State financial aid grants	741,173
Federal grants and contracts	840,365
State and local grants and contracts	194,688
Private grants and contracts	581,989
Hospitals and clinics	5,631,851
Sales and services of auxiliary enterprises:	
Residence halls, net	544,182
Food service and other, net	193,311
Other sources	278,047
Total operating revenues	**10,851,669**
Operating expenses:	
Instruction	3,147,506
Research	1,041,375
Public service	355,825
Academic support	751,647
Student services	650,968
Institutional support	1,434,171
Operation and maintenance of plant	824,640
Scholarships and fellowships	363,082
Hospitals and clinics	5,443,284
Auxiliary enterprises:	
Residence halls	469,099
Food service and other	246,112
Depreciation and amortization expense	915,314
Other operating expenses	15,852
Total operating expenses	**15,658,875**
Operating loss	**(4,807,206)**
Noncapital subsidies:	
State appropriations	3,852,654
Federal appropriations	19,148
Private gifts	218,028
Total noncapital subsidies	**4,089,830**
Operating loss and noncapital subsidies	**(717,376)**
Other nonoperating revenues (expenses):	
Investment income, net	293,192
Net realized and unrealized gains	286,441
Interest expense on capital related debt	(428,410)
Other income (expense), net	(94,628)
Loss on disposal of plant assets	(6,078)
Transfers in - restricted for capital assets	606,343
Capital contributions	97,032
Additions to permanent endowments	43,292
Total other nonoperating revenues (expenses)	**797,184**
Income before unusual or infrequent items	**79,808**
Unusual or infrequent items:	
Federal emergency funding	136,450
Gain on sale of property	98,081
Increase in net position	**314,339**
Net position (deficit) at the beginning of year	**(4,433,584)**
Net position (deficit) at the end of year	**$ (4,119,245)**

See accompanying notes to the financial statements.

Statement of Cash Flows

Year Ended June 30, 2026

In thousands

Cash flows from operating activities:	
Tuition and fees	$ 1,816,281
Grants and contracts:	
Federal	889,959
State and local	454,869
Private	628,149
Hospitals and clinics	4,987,524
Personal service payments	(6,533,250)
Other than personal service payments	(4,262,153)
Payments for fringe benefits	(1,111,163)
Payments for scholarships and fellowships	(344,759)
Loans issued to students	(3,776)
Collection of loans to students	9,300
Auxiliary enterprise charges:	
Residence halls	528,829
Food service and other	186,580
Other receipts	257,380
Net cash used by operating activities	**(2,496,230)**
Cash flows from noncapital financing activities:	
State appropriations	1,651,289
Federal appropriations	19,148
Federal and State financial aid grants	747,949
Private gifts and grants	209,439
Proceeds from short-term loans	71,107
Repayment of short-term loans	(75,005)
Direct loan receipts	996,485
Direct loan disbursements	(996,485)
Other receipts	183,012
Net cash provided by noncapital financing activities	**2,806,939**
Cash flows from capital and related financing activities:	
Proceeds from capital debt	1,243,747
Transfers in - restricted for capital assets	603,469
Capital contributions	61,634
Proceeds from sale of capital assets	98,558
Purchases of capital assets	(1,120,198)
Principal paid on capital debt and leases	(1,116,748)
Interest paid on capital debt and leases	(495,757)
Capital funds advanced from State	41,658
Deposits with bond trustees	364,168
Net cash used by capital and related financing activities	**(319,469)**
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	626,436
Interest, dividends, and realized gains on investments	304,702
Purchases of investments	(1,032,619)
Net cash used by investing activities	**(101,481)**
Net change in cash	**(110,241)**
Cash - beginning of year	**3,316,202**
Cash - end of year	**$ 3,205,961**
End of year cash comprised of:	
Cash and cash equivalents	**3,033,467**
Restricted cash and cash equivalents	**172,494**
Total cash and cash equivalents	**$ 3,205,961**

Statement of Cash Flows (continued)

Year Ended June 30, 2026

In thousands

Reconciliation of net operating loss to net cash used by operating activities:	
Operating loss	$(4,807,206)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	915,314
State appropriations for fringe benefits and litigation	2,243,741
Federal and State financial aid grants	(741,173)
Change in assets and liabilities:	
Receivables, net	(327,489)
Other assets	196,717
Accounts payable and accrued liabilities	(202,523)
Unearned revenue	288,877
Other liabilities	(62,488)
Net cash used by operating activities	**$(2,496,230)**
Supplemental disclosures for noncash transactions:	
Noncash gifts	$ 37,743
Unrealized losses on investments	$ (28,598)
Accounts payable attributable to capital assets	$ 1,900,196
Initiation of leases	$ 32,299
Initiation of subscription IT arrangements	$ 58,445

See accompanying notes to the financial statements.

Component Units Statement of Financial Position

June 30, 2026

In thousands

Assets		
Cash and cash equivalents	$	312,237
Accounts and notes receivable, net		102,164
Pledges receivable, net		563,783
Investments		5,527,195
Assets held for others		47,592
Other assets		120,749
Capital assets, net		548,672
Total assets	**$**	**7,222,392**
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities		139,662
Deferred revenue		11,063
Deposits held in custody for others		258,287
Other liabilities		138,166
Long-term debt, net		238,865
Total liabilities		**786,043**
Net Assets:		
Net assets without donor restrictions:		
Board designated for:		
Fixed assets		261,294
Campus programs		103,445
Investments		260,390
General operations and other		487,095
Undesignated		591,240
Total net assets without donor restrictions		1,703,464
Net assets with donor restrictions:		
Time and purpose		2,081,296
Perpetual and endowment funds		2,641,967
Plant and fixed assets		9,622
Total net assets with donor restrictions		4,732,885
Total net assets		**6,436,349**
Total liabilities and net assets	**$**	**7,222,392**

See accompanying notes to the financial statements.

Component Units Statement of Activities

Year Ended June 30, 2026

In thousands

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:			
Contributions, gifts and grants	$ 22,968	435,243	458,211
In-kind contributions	34,227	542	34,769
Food service	382,546	-	382,546
Other auxiliary services	100,441	-	100,441
Rental income	86,558	25	86,583
Sales and services	334,885	1,595	336,480
Program income and special events	37,946	1,789	39,735
Investment income, net	210,967	480,316	691,283
Change in value of split interest agreements	87	5,590	5,677
Other sources	12,134	2,930	15,064
Net assets released from restrictions	243,081	(243,081)	-
Total revenues	**1,465,840**	**684,949**	**2,150,789**
Expenses:			
Food service	331,793	-	331,793
Other auxiliary services	94,070	-	94,070
Program expenses	453,729	-	453,729
Support to the State University:			
Scholarships and fellowships	105,739	-	105,739
Other	99,398	-	99,398
Real estate	77,623	-	77,623
Management and general	71,472	-	71,472
Fundraising	41,739	-	41,739
Other expenses	2,228	-	2,228
Total expenses	**1,277,791**	**-**	**1,277,791**
Change in net assets	**188,049**	**684,949**	**872,998**
Net asset transfer/reclassification	**(23,407)**	**23,407**	-
Total change in net assets	**164,642**	**708,356**	**872,998**
Net assets at the beginning of year	**1,538,822**	**4,024,529**	**5,563,351**
Net assets at the end of year	**$ 1,703,464**	**4,732,885**	**6,436,349**

See accompanying notes to the financial statements.

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, 2026.

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 2026 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

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

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 2026 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 20 and 21 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.

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 (GAAP) 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.

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

During 2026, the State University adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of financial statements with essential information about certain capital assets that is consistent and comparable across governments. This Statement did not have a significant impact on the State University's reporting.

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.

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,

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

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 2026 were reported net of scholarship discount and allowance amounts of $117 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, 2026, the State University had $911 million available for authorization for expenditure, including $663 million from restricted funds and $248 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

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

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 $10,000 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 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 two 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.

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

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's 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, Construction Fund, 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

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

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 outflows of resources and deferred inflows of resources include foreign currency forward contract fair value changes.

The composition of deferred outflows and deferred inflows of resources at June 30, 2026 is as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB activities	$ 1,036,541	1,188,772
Pension activities	450,192	843,317
Deferred loss / gain on refunding	85,091	494,813
Other	17,382	89,579
Total	$ 1,589,206	2,616,481

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

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

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. The State University recognized revenue of approximately $136 million in fiscal year 2026 for amounts received from FEMA.

The State University is the sole member of the Downstate at LICH Holding Company, Inc. (the Company). On September 16, 2025, the Company entered into a purchase and sale agreement for the sale of the remaining Long Island College Hospital properties. The transaction was approved by the Company's Board of Directors and by the State University. The New York State Attorney General approved the transaction in January 2026, and the transaction closed on February 13, 2026. The State University recognized a gain on the sale of approximately $98 million.

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

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

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, 2026, the State University had a book and bank balance of $2.97 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, 2026, are as follows (in thousands):

	Category (a)	Category (b)	Category (c)
$	51,523	170,733	-

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 $163 million at June 30, 2026.

The market value of investments held and maturity period at June 30, 2026 are as follows (in thousands):

Type of Investments	Fair Value	Level 1	Level 2	Less than 1 year	1-5 years
U.S. Treasuries	$1,000,342	-	1,000,342	$ 495,900	504,442
Federal Agencies*	76,886	-	76,886	76,886	-
Total	$1,077,228	-	1,077,228	$ 572,786	504,442

**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, 2026.

4. Investments (continued)

	Unit Value	Fair Value
Cornell Statutory Colleges:		
Endowments:		
Long-term investment pool	$ 89.67	1,915,717
Charitable gift annuities master trust units	4.09	11,556
Charitable trusts:		
Endowment strategy	87.94	36,102
Common trust fund - growth	89.51	7,657
Common trust fund - income	11.06	3,142
Pooled life income funds:		
PLIF A	1.44	333
PLIF B	3.13	483
Alfred Ceramics:		
Endowment long-term investment pool	11.18	45,588
Total external investment pools		$2,020,578

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.

4. Investments (continued)

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 five 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, 2026 of approximately $135 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.

4. Investments (continued)

Investment income is reported net of investment fees of approximately $13 million at June 30, 2026. The State University did not have any exposure to foreign currency risk for investments held at June 30, 2026.

The composition of investments at June 30, 2026 is as follows (in thousands):

	Total	Level 1	Level 2	Level 3
Investments by fair value level:				
Cash and money market funds	$ 529,557	529,557	-	-
U.S. Treasuries	35,303	-	35,303	-
Mutual funds - non-equities	17,480	17,480	-	-
U.S. equities	38,338	38,338	-	-
Real estate	44,530	44,530	-	-
Equity partnership	7,602	-	-	7,602
Other	1,058	-	-	1,058
Total investments by fair value level	673,868	629,905	35,303	8,660
Investments measured at NAV:				
External investment pools	$2,020,578			
Global equities	205,932			
Private equity	178,441			
Hedged equities	73,479			
Multi-strategy funds	114,110			
Credit securities	25,643			
Other	35,626			
Total investments measured at NAV	2,653,809			
Total investments	$3,327,677			

4. Investments (continued)

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

	Fair Value	Redemption Frequency (if currently eligible)	Redemption Notice Period
External investment pools	$2,020,578	Monthly for funds functioning as endowments only	Two months
Global equities	205,932	Monthly/Quarterly/Annually	10 to 90 days
Private equity	178,441	N/A	N/A
Hedged equities	73,479	Quarterly	90 days
Multi-strategy funds	114,110	Quarterly	95 days
Credit securities	25,643	Monthly/Quarterly	20 to 60 days
Other	35,626	N/A	N/A
Total investments measured at NAV	$2,653,809		

At June 30, 2026, the State University had non-equity investments and maturities as summarized in Table A.

Table A *(in thousands)*

Investment Type	Market Value	Less than 1 yr	1-5 yrs	6-10 yrs	More than 10 yrs
U.S. Treasuries	$35,303	35,303	-	-	-
Mutual funds - non-equities	17,480	-	-	17,480	-
Total investments	$52,783	35,303	-	17,480	-

Credit quality ratings of the State University's investments in mutual funds, as described by Moody's, S&P, and Fitch at June 30, 2026 are summarized in Table B.

Table B *(in thousands)*

Credit Rating	AAA	AA	A	BBB	BB	B	Not Rated
Investment Type							
Mutual funds - non-equities*	$ -	17,480	-	-	-	-	-
Total	$ -	17,480	-	-	-	-	-

**based on average credit quality of holdings*

5. Accounts, Notes, and Loans Receivable, net

Receivables consist of the following at June 30, 2026 (in thousands):

Tuition and fees	$ 31,532
Allowance for uncollectible	(26,068)
Net tuition and fees	5,464
Room rent	28,181
Allowance for uncollectible	(8,667)
Net room rent	19,514
Patient fees, net of contractual allowances	2,894,551
Allowance for uncollectible	(679,452)
Net patient fees	2,215,099
Other	273,060
Allowance for uncollectible	(19,453)
Net other	253,607
Total accounts and notes receivable	2,493,684
Student loans	43,867
Allowance for uncollectible	(14,188)
Total student loans receivable	29,679
Total, net	$2,523,363

6. Capital Assets

Capital assets, net of accumulated depreciation, totaled $14.97 billion at fiscal year-end 2026. 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.

6. Capital Assets (continued)

Table C *(in thousands)*

	July 1, 2025	Additions	Closed Projects & Retirements	June 30, 2026
Capital assets:				
Land	$ 843,529	6,324	318	849,535
Infrastructure and land improvements	1,960,992	142,015	-	2,103,007
Buildings	18,380,118	667,512	5,666	19,041,964
Equipment, library books and other	3,636,790	177,641	83,329	3,731,102
Construction in progress	1,793,930	992,320	826,725	1,959,525
Total capital assets	26,615,359	1,985,812	916,038	27,685,133
Less accumulated depreciation:				
Infrastructure and land improvements	1,103,856	83,377	-	1,187,233
Buildings	8,055,701	529,021	5,562	8,579,160
Equipment, library books and other	2,837,136	188,337	78,449	2,947,024
Total accumulated depreciation	11,996,693	800,735	84,011	12,713,417
Capital assets, net	$14,618,666	1,185,077	832,027	14,971,716

Note: Lease and subscription-based information technology assets are disclosed separately in Note 8.

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 $6 million was outstanding at June 30, 2026. During the year ended June 30, 2026, the borrowing rates ranged between 4.75 percent and 5.975 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.

7. Long-term Liabilities (continued)

Total obligations at June 30, 2026 are summarized in Table D.

Table D *(in thousands)*

	July 1, 2025	Additions	Reductions	June 30, 2026	Current Portion
Long-term debt:					
Educational facilities	$ 8,505,572	1,106,685	850,826	8,761,431	110,519
Unamortized bond premium - educational facilities	940,651	97,590	71,871	966,370	54,248
Other long-term debt	137,939	660	12,290	126,309	11,396
Total long-term debt	9,584,162	1,204,935	934,987	9,854,110	176,163
Other long-term liabilities:					
Postemployment benefits other than pensions	12,474,104	468,165	628,744	12,313,525	-
Residence hall facilities collateralized borrowing	1,915,247	-	94,320	1,820,927	100,385
Unamortized bond premium - collateralized borrowing	134,267	-	7,051	127,216	7,051
Litigation	432,237	-	58,801	373,436	12,078
Compensated absences*	503,204	15,960	-	519,164	127,562
Pension	1,206,949	445,633	1,210,823	441,759	-
Other long-term liabilities	74,974	6,486	1,232	80,228	25,821
Total other long-term liabilities	16,740,982	936,244	2,000,971	15,676,255	272,897
Total long-term debt and long-term liabilities	$26,325,144	2,141,179	2,935,958	25,530,365	449,060

*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. These agreements have a maximum 30-year life. Debt service is paid by, or from specific appropriations of, the State.

During 2026, Personal Income Tax Bonds were issued with a par amount of $1.11 billion at a premium of $98 million for the purpose of financing capital construction and major rehabilitation for educational facilities as well as to refund $662 million of the State University's existing educational facilities obligations. The result will produce an estimated savings of $48 million in future cash flow, with an estimated present value gain of $32 million.

7. Long-term Liabilities (continued)

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, 2026, $729 million of outstanding educational facilities obligations were considered defeased.

Requirements of the long-term debt obligations at June 30, 2026 are as follows (in thousands):

Fiscal Year(s)	Educational Facilities		Other		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 110,519	408,241	65,644	3,293	176,163	411,534
2028	115,402	402,683	65,251	3,003	180,653	405,686
2029	122,200	396,589	63,986	2,757	186,186	399,346
2030	415,980	390,048	63,445	2,509	479,425	392,557
2031	387,360	366,156	62,998	2,253	450,358	368,409
2032-36	1,905,310	1,571,980	296,415	8,083	2,201,725	1,580,063
2037-41	1,795,065	1,121,127	259,219	3,396	2,054,284	1,124,523
2042-46	2,021,180	677,146	148,987	469	2,170,167	677,615
2047-51	1,557,650	237,839	56,139	10	1,613,789	237,849
2052-56	330,765	34,791	10,595	-	341,360	34,791
Total	$8,761,431	5,606,600	1,092,679	25,773	9,854,110	5,632,373
	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)	$ 5,062,496	(1)	(3)	(4)	(5)
Educational Facilities (Sales Tax)	3,698,935	(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

7. Long-term Liabilities (continued)

the New York State Employer Compensation Expense Program receipts and 50 percent of the New York State Pass-Through Entity Tax receipts as additional revenue sources. Annual State appropriations are required prior to any payments out of the account.

(2) A statutory allocation of two percent of New York State sales tax receipts is 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. 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.

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.

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 issues 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.

7. Long-term Liabilities (continued)

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, 2026 amounted to $647 million. There were principal payments of $94 million and interest payments of $67 million during fiscal year 2026. Total principal and interest outstanding on the bonds at June 30, 2026 were $1.82 billion and $709 million, respectively, payable through July 1, 2055.

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, 2026, $38 million of residence hall obligations were considered defeased.

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, 2026 is as follows:

Table E (in thousands)

	July 1, 2025	Additions	Remeasurements	Reductions	June 30, 2026
Lease assets:					
Land	$ 12,939	1,157	147	-	14,243
Buildings	787,711	29,665	4,159	47,236	774,299
Equipment	287,719	29,332	-	18,348	298,703
Total lease assets	1,088,369	60,154	4,306	65,584	1,087,245
Less accumulated amortization:					
Land	3,500	1,097	-	-	4,597
Buildings	456,835	64,897	(83)	44,435	477,214
Equipment	204,144	23,425	-	17,952	209,617
Total accumulated amortization	664,479	89,419	(83)	62,387	691,428
Total lease assets, net	$ 423,890	(29,265)	4,389	3,197	395,817

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

Lease Liabilities

A summary of changes in the total lease liabilities during the year ended June 30, 2026 is as follows (in thousands):

	July 1, 2025	Additions	Remeasurements	Reductions	June 30, 2026	Current Portion
Right-to-use leases	$ 268,602	32,299	7,832	50,766	257,967	41,302
Finance leases	230,502	38,813	-	66,624	202,691	59,864
Total lease liabilities	$ 499,104	71,112	7,832	117,390	460,658	101,166

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

	Right-to-use leases		Finance leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending June 30:						
2027	$ 41,302	5,344	59,864	9,904	101,166	15,248
2028	38,245	4,390	58,459	6,355	96,704	10,745
2029	34,633	3,518	43,647	2,748	78,280	6,266
2030	31,925	2,718	18,114	1,310	50,039	4,028
2031	25,127	2,082	9,210	750	34,337	2,832
2032-36	70,150	4,995	6,458	1,988	76,608	6,983
2037-41	9,899	1,217	5,433	879	15,332	2,096
2042-46	5,359	450	1,506	44	6,865	494
2047-51	1,327	64	-	-	1,327	64
	$257,967	24,778	202,691	23,978	460,658	48,756

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 (expense) for variable lease payments not included in the measurement of the lease liabilities were $6 million during the year ended June 30, 2026.

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

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, 2026 is as follows (in thousands):

	July 1, 2025	Additions	Remeasurements	Reductions	June 30, 2026
SBITA assets	$ 120,335	59,704	-	19,997	160,042
Less accumulated amortization	47,999	25,858	-	9,664	64,193
Total SBITA assets, net	$ 72,336	33,846	-	10,333	95,849

A summary of changes in the total SBITA liabilities during the year ended June 30, 2026 is as follows (in thousands):

	July 1, 2025	Additions	Remeasurements	Reductions	June 30, 2026	Current Portion
SBITA liabilities	$ 78,309	58,445	-	53,990	82,764	20,789

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

	Principal	Interest	Total
Year ending June 30:			
2027	$20,789	2,002	22,791
2028	19,846	1,629	21,475
2029	17,214	1,104	18,318
2030	16,742	644	17,386
2031	8,173	198	8,371
	$82,764	5,577	88,341

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 $32 million for variable payments related to SBITAs. As of June 30, 2026, the State University had no losses reported from impairments of SBITAs or payments for arrangements that have not yet commenced.

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, 2026 for ERS and PFRS was approximately 15.8 percent and 32.1 percent of payroll, respectively. For TRS, this rate is determined by the TRS Board on an annual basis and was 10.1 percent of payroll for the year ended June 30, 2025.

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 NYSRSSL 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

9. Retirement Plans (continued)

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 NYSRSSL.

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.

ERS and PFRS used a discount rate of 5.9 percent in both 2026 and 2025. TRS used a discount rate of 6.95 percent in both 2025 and 2024. The Upstate Plan used a discount rate of 5.5 percent in both 2026 and 2025. The total contributions made to the ERS, PFRS, TRS and Upstate Plan during 2026 were $337 million, $20 million, $22 million, and $2 million, respectively. At June 30, 2026, there was a net pension liability, included in long-term liabilities, of $442 million, and a net pension asset, included in other noncurrent assets, of $66 million. Additionally, at June 30, 2026, there were deferred outflows of resources of $450 million and deferred inflows of resources of $843 million. For the fiscal year ended June 30, 2026, the State University recognized pension expense of $440 million.

ERS and PFRS – The State University recognized a net pension liability of $387 million for its proportionate share of the ERS net pension liability at June 30, 2026. The State University also recognized a net pension liability of $54 million for its proportionate share of the PFRS net pension liability at June 30,

9. Retirement Plans (continued)

2026. 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, 2026 was measured as of March 31, 2026, and was determined by an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the net pension liability to March 31, 2026. The proportionate share of the net pension liability for ERS was 6.87 percent measured at March 31, 2026, compared to 6.54 percent measured at March 31, 2025. The proportionate share of the net pension liability for PFRS was 1.31 percent measured at March 31, 2026, compared to 1.26 percent measured at March 31, 2025.

For the fiscal year ended June 30, 2026, the State University recognized pension expense of $411 million related to ERS and $34 million related to PFRS. At June 30, 2026, the State University reported deferred outflows and deferred inflows of resources related to ERS and PFRS from the following sources (in thousands):

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 221,720	-	21,424	-
Changes of assumptions	66,507	-	4,623	-
Net difference between projected and actual earnings on pension plan investments	-	694,714	-	24,658
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,911	56,338	1,497	2,156
Total	$ 338,138	751,052	27,544	26,814

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:	ERS	PFRS
2027	$ 142,630	$7,123
2028	(254,422)	(4,666)
2029	(144,011)	(103)
2030	(157,111)	(2,848)
2031	-	1,224
Total	$(412,914)	$ 730

9. Retirement Plans (continued)

The actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to March 31, 2026 included the following actuarial assumptions:

Assumptions	
Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	5.2 percent (ERS), 6.1 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 2025 experience study for the period April 1, 2020 through March 31, 2025
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, 2026 were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	25 %	3.29 %
International equity	14	5.85
Private equity	15	7.00
Real estate	12	5.20
Opportunistic/Absolute return	3	5.13
Credit	4	5.10
Real assets	4	5.54
Fixed income	22	1.75
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):

9. Retirement Plans (continued)

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
ERS net pension liability (asset)	$ 2,646,157	387,447	(1,500,935)
PFRS net pension liability (asset)	$ 144,818	54,022	(20,915)

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.

TRS – The State University recognized a net pension asset of $66 million for its proportionate share of the TRS net pension asset at June 30, 2026. The net pension asset reported at June 30, 2026 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the net pension asset to June 30, 2025. 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 1.12 percent measured at June 30, 2025 and 1.04 percent measured at June 30, 2024.

For the fiscal year ended June 30, 2026, the State University recognized a credit related to TRS of $6 million. At June 30, 2026, 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	$ 34,856	-
Changes in assumptions	26,322	717
Net difference between projected and actual earnings on pension plan investments	-	51,929
Changes in proportion and differences between employer contributions and proportionate share of contributions	223	7,185
Employer contributions subsequent to measurement date	23,109	-
Total	$ 84,510	59,831

9. Retirement Plans (continued)

At June 30, 2026, $23 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, 2027. 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:	
2027	$31,965
2028	(15,586)
2029	(16,365)
2030	(4,322)
2031	4,805
Thereafter	1,073
Total	$ 1,570

The actuarial valuation as of June 30, 2024, with update procedures used to roll forward the total pension asset to June 30, 2025, included the following actuarial assumptions:

Assumptions	
Inflation	2.50 percent
Projected salary increase	Rates differ based on service. They have been calculated based upon recent TRS member experience and range from 2.04 percent to 5.80 percent
Investment rate of return, including inflation	6.95 percent compounded annually, net of expenses, including inflation
Cost of living adjustments	1.4 percent compounded annually
Actuarial assumptions	Based on results of an actuarial experience study for the period July 1, 2019 to June 30, 2024
Mortality improvement	Society of Actuaries' Scale MP-2021
Discount rate	6.95 percent

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 June 30, 2025, for reporting at June 30, 2026, were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33 %	6.7 %
International equity	15	7.4
Global equity	4	7.0
Real estate	11	6.5
Private equity	9	9.8
Domestic fixed income bonds	16	2.6
Global bonds	2	2.4
Private debt	2	6.1
Real estate debt	6	3.8
High-yield bonds	1	4.7
Cash equivalents	1	0.6
Total	100 %	

*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):

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Net pension liability (asset)	$127,763	(66,491)	(229,945)

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.

9. Retirement Plans (continued)

Upstate Plan – At June 30, 2026, the State University recognized a net pension liability of $290,000 based on the net pension liability as reported by the plan as follows (in thousands):

Total pension liability	$95,820
Plan fiduciary net position	95,530
Net pension liability	$ 290
Ratio of plan fiduciary net position to total pension liability	99.7%

The net pension liability at June 30, 2026 was measured as of December 31, 2025, and was determined by using an actuarial valuation as of January 1, 2026. For the year ended June 30, 2026, the State University recognized pension expense of $857,000 related to the Upstate Plan.

At June 30, 2026, 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
Net difference between projected and actual earnings on pension plan investments	$ -	5,620
Total	$ -	5,620

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:	
2027	$ 1,175
2028	(3,365)
2029	(2,013)
2030	(1,417)
Total	$(5,620)

Membership of the Upstate Plan at January 1, 2026 totaled 1,029 members, comprised of 174 active members, 77 inactive vested members, and 778 retirees and beneficiaries currently receiving benefits. The actuarial assumptions included in the January 1, 2026 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, 2026 measurement were based on the sex-distinct Pri-2012 Mortality Tables for

9. Retirement Plans (continued)

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, 2025, for reporting at June 30, 2026, were as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities	30 %	4.85 %
Non-U.S. equities	15	4.75
Fixed income	40	2.25
Short-term fixed income	10	1.50
Alternatives (real assets)	5	3.75
	100 %	

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability (asset) calculated using the discount rate of 5.5 percent, as well as what the net pension liability (asset) 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 (asset)	$ 8,965	290	(7,199)

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.

9. Retirement Plans (continued)

The Upstate Plan schedule of changes in the net pension liability at June 30, 2026 was as follows (in thousands):

Total pension liability:	
Service cost	$ 276
Interest	5,223
Difference between expected and actual experience	441
Changes of assumptions	-
Benefit payments	(9,495)
Net change in total pension liability	(3,555)
Total pension liability, beginning	99,375
Total pension liability, ending (a)	95,820
Plan fiduciary net position:	
Employer contributions	1,943
Net investment income	11,900
Benefit payments	(9,495)
Administrative expenses	(115)
Net change in fiduciary net position	4,233
Fiduciary net position, beginning	91,297
Fiduciary net position, ending (b)	95,530
Net pension liability, ending (a) - (b)	$ 290

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 $231 million and employee contributions of $55 million were made during fiscal year 2026.

9. Retirement Plans (continued)

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.

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, 2026 was $501 million. The Research Foundation contributions were $38 million for 2026. 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, 2026 was measured as of March 31, 2026, and was determined by an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the OPEB liability to March 31, 2026. The OPEB liability was calculated using the Entry Age Normal cost method. The actuarial valuation included the following actuarial assumptions:

9. Retirement Plans (continued)

Assumptions	
Inflation	2.5 percent
Projected salary increase:	
State University campuses	Starting at 4.0 percent and decreasing to 2.0 percent after 32 years of service
Hospitals	Starting at 6.75 percent and decreasing to 2.5 percent after 30 years of service
Construction Fund	Starting at 4.5 percent and decreasing to 3.0 percent after 18 years of service, before increasing to 3.25 percent 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 2025.
Mortality improvement	Society of Actuaries' Scale MP-2021, modified to consider both near-term and long-term adjustments for the impact of COVID-19.
Discount rate	4.86 percent

The discount rate is based on the Bond Buyer 20-year general obligation municipal bond index rate at March 31, 2026.

Changes of assumptions and other inputs include a change in the discount rate from 4.34 percent in fiscal year 2025 to 4.86 percent in fiscal year 2026. 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.

Health care trend rates were split to reflect separate trends for pre-65 and post-65 claims. The pre-65 trend assumption begins at 7.50 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 6.00 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 8.61 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 2025 and 2026 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

9. Retirement Plans (continued)

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, 2026, contributions in excess of PAYGO (paying the costs as they become due) contributions were limited to 1.5 percent of the total actuarial accrued liability included in the State's Annual Comprehensive Financial Report. For the year ended March 31, 2026, the State contributed $48 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, 2026, the Trust had $2.23 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 4.23 percent for the State fiscal year ended March 31, 2026.

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

Health care participants	
Active employees	35,334
Inactive participants entitled to but not yet receiving benefits	44
Retirees and surviving spouses receiving benefit payments	26,716
Total participants	62,094

9. Retirement Plans (continued)

The State University's proportionate share of the collective net OPEB liability for the Trust was $9.46 billion measured at March 31, 2026, compared to $9.62 billion measured at March 31, 2025. 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 16.11 percent at March 31, 2026 and 15.87 percent at March 31, 2025.

The Trust is expected to remain invested in the STIP for the foreseeable future. As such, the beginning of year discount rate of 4.34 percent was used as the expected rate of return on assets for the year ended March 31, 2026. The end of year discount rate of 4.86 percent 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, 2026, 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 (3.86%)	Current Rate (4.86%)	1% Increase (5.86%)
Total OPEB liability	$ 11,529,782	9,885,117	8,575,605
Plan fiduciary net position	(423,542)	(423,542)	(423,542)
Net OPEB liability	$ 11,106,240	9,461,575	8,152,063

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, 2026, 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	$8,463,643	9,885,117	11,690,762
Plan fiduciary net position	(423,542)	(423,542)	(423,542)
Net OPEB liability	$8,040,101	9,461,575	11,267,220

9. Retirement Plans (continued)

The State University recognized expense related to OPEB of $686 million at June 30, 2026. At June 30, 2026, 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	$ 679,795	-
Net difference between expected and actual earnings on OPEB plan investments	-	4,600
Change in proportion	-	14,549
Changes of assumptions	39,377	788,083
Benefit payments subsequent to measurement date	131,172	-
Total	$ 850,344	807,232

At June 30, 2026, $131 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, 2027. 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:	
2027	$(72,729)
2028	2,778
2029	34,607
2030	(52,716)
Total	$(88,060)

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.

9. Retirement Plans (continued)

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

Health care participants	
Active employees	13,826
Inactive participants entitled to but not yet receiving benefits	26
Retirees and surviving spouses receiving benefit payments	5,121
Total participants	18,973

The total OPEB liability for the State University hospitals and Construction Fund was $2.85 billion for the fiscal year ended June 30, 2026. The changes in the total OPEB liability at June 30, 2026 for the State University hospitals and Construction Fund were as follows (in thousands):

Total OPEB liability beginning balance	$2,857,855
Service cost	93,075
Interest	126,078
Differences between expected and actual experience	80,108
Changes in assumptions	(212,386)
Benefit payments	(92,780)
Net changes	(5,905)
Total OPEB liability ending balance	$2,851,950

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, 2026, 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 (3.86%)	Current Rate (4.86%)	1% Increase (5.86%)
Total OPEB liability	$3,403,205	2,851,950	2,423,202

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, 2026, as well

9. Retirement Plans (continued)

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	$2,391,899	2,851,950	3,449,978

The State University hospitals and Construction Fund recognized expense related to OPEB of $70 million at June 30, 2026. At June 30, 2026, 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	$ 151,357	3,719
Changes of assumptions	3,129	355,926
Benefit payments subsequent to measurement date	24,677	-
Total	$ 179,163	359,645

At June 30, 2026, $25 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, 2027. 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:	
2027	$(108,656)
2028	(59,995)
2029	(13,475)
2030	(6,845)
2031	(14,506)
Thereafter	(1,682)
Total	$(205,159)

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. In fiscal years 2011 and 2013, the

9. Retirement Plans (continued)

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 2025 calendar year.

Participants covered by benefit terms	
Actives	4,053
Retirees	2,009
Surviving spouses	90
Disabled participants	3
Covered spouses	691
Total participants	6,846

The Research Foundation's net OPEB asset was $114 million for the fiscal year ended June 30, 2026. The Research Foundation's net OPEB asset at June 30, 2026 was measured as of June 30, 2026, and was determined by an actuarial valuation as of July 1, 2025, with update procedures used to roll forward the net OPEB asset to June 30, 2026. The net OPEB asset was calculated using the Entry Age Normal cost method. The actuarial valuation included the following actuarial assumptions:

Assumptions	
Salary scale	3.00 percent
Mortality rates	Dollar-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2021
Discount rate	7.60 percent

Discount rate. At June 30, 2026, 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 8.00 percent (HMO) and 7.75 percent (PPO) grading down to 4.50 percent in 2037 and later. The drug assumption begins at 9.00 percent and decreases to 4.50 percent after 11 years.

9. Retirement Plans (continued)

The Research Foundation's changes in the net OPEB asset at June 30, 2026 were as follows (in thousands):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Asset (c) = (a) - (b)
Beginning balances	$ 238,435	339,916	(101,481)
Service cost	1,858	-	1,858
Interest	17,601	-	17,601
Differences between expected and actual experience	(4,738)	-	(4,738)
Changes in assumptions	13,940	-	13,940
Benefit payments	(17,717)	(17,717)	-
Net investment income	-	41,586	(41,586)
Net changes	10,944	23,869	(12,925)
Ending balances	$ 249,379	363,785	(114,406)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equities	32 %	7.2 %
Hedged equities	7	7.0
Absolute return	10	7.0
Private equity	17	10.7
Private equity real estate	9	9.0
Government bonds	5	4.4
Core property	1	7.0
Liquid credit	4	6.2
Private debt	9	8.5
Inflation linked bonds	5	4.4
Cash	1	3.8
Total	100 %	

9. Retirement Plans (continued)

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, 2026, 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):

	1% Decrease (6.60%)	Current Rate (7.60%)	1% Increase (8.60%)
Total OPEB liability	$ 273,647	249,379	228,703
Plan fiduciary net position	(363,785)	(363,785)	(363,785)
Net OPEB asset	$ (90,138)	(114,406)	(135,082)

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, 2026, 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):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB liability	$ 225,792	249,379	277,014
Plan fiduciary net position	(363,785)	(363,785)	(363,785)
Net OPEB asset	$(137,993)	(114,406)	(86,771)

The Research Foundation recognized a credit related to OPEB of $5 million at June 30, 2026. At June 30, 2026, 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	$ 64	2,369
Net difference between expected and actual earnings on OPEB plan investments	-	19,224
Changes of assumptions	6,970	302
Total	$ 7,034	21,895

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

9. Retirement Plans (continued)

Year Ended June 30:	
2027	$ (1,007)
2028	(6,024)
2029	(4,547)
2030	(3,283)
Total	$(14,861)

10. Commitments and Contingencies

The State University has entered into contracts for the construction and improvement of various projects. At June 30, 2026, these outstanding contract commitments totaled approximately $1.8 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 3.73 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 $373 million at June 30, 2026.

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.

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 $3.85 billion in State appropriation revenues for fiscal year 2026. 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 $557 million in 2026. 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.

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, 2026, contained in the combined totals of the State University reporting entity, is shown below (in thousands):

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

Condensed Statement of Net Position	
Assets and Deferred Outflows of Resources:	
Current assets	$ 1,276,237
Capital assets	599,553
Other assets	367,269
Deferred outflows of resources	17,103
Total assets and deferred outflows of resources	2,260,162
Liabilities and Deferred Inflows of Resources:	
Total current liabilities	851,297
Total noncurrent liabilities	151,224
Deferred inflows of resources	47,448
Total liabilities and deferred inflows of resources	1,049,969
Net Position:	
Invested in capital assets, net	438,389
Restricted nonexpendable	37,626
Unrestricted	734,178
Total net position	$ 1,210,193

Condensed Statement of Revenues, Expenses and Changes in Net Position	
Operating revenues:	
Federal grants and contracts	$ 741,018
State grants and contracts	102,646
Private grants and contracts	414,404
Other operating revenues	62,972
Total operating revenues	1,321,040
Operating expenses:	
Instruction	110,416
Research	838,640
Public service	110,781
Institutional support	165,424
Other operating expenses	93,632
Depreciation and amortization expense	90,442
Total operating expenses	1,409,335
Operating loss	(88,295)
Net nonoperating revenues	126,012
Change in net position	37,717
Net position at the beginning of the year	1,172,476
Net position at the end of the year	$ 1,210,193

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

Condensed Statement of Cash Flows

Cash flows from operating activities	$	313,840
Cash flows used by noncapital financing activities		(3,048)
Cash flows used by capital and related financing activities		(66,813)
Cash flows used by investing activities		(242,449)
Net change in cash		1,530
Cash - beginning of year		109
Cash - end of year	$	1,639

14. Subsequent Events

During September 2026, Sales Tax Revenue Bonds were issued with a par amount of $659 million at a premium of $17 million for the purpose of financing capital construction and major rehabilitation for educational facilities.

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, 2026 were available to be issued on November 2, 2026, 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.

15. Component Units (continued)

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

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, 2026 (in thousands):

Scholarships and fellowships	$1,350,558
Campus programs	1,748,407
Research, general operations, and other	1,633,920
Total net assets with donor restrictions	$4,732,885

15. Component Units (continued)

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 $5.53 billion as of June 30, 2026.

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

Equities- domestic	$1,379,142
Equities- international	819,710
Non-equities	1,474,950
Equity partnerships	1,045,823
Multi-strategy funds	376,153
Hedge funds	285,103
Real assets/real estate	98,367
Other investments	47,947
Total investments	$5,527,195

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 $549 million at fiscal year-end 2026. Capital asset classifications are summarized as follows (in thousands):

Land	$ 71,726
Land improvements	4,861
Buildings	815,896
Equipment	151,595
Artwork and library books	42,213
Construction in progress	14,983
Total capital assets	1,101,274
Less accumulated depreciation	552,602
Capital assets, net	$ 548,672

15. Component Units (continued)

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:	
2027	$ 13,681
2028	12,985
2029	13,217
2030	13,813
2031	17,748
Thereafter	171,837
	243,281
Less: unamortized debt issuance costs	4,416
	$238,865

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, 2026 (in thousands):

Combined Statement of Financial Position

	Foundations	ASC	Total
Assets:			
Investments	$ 5,331,353	195,842	5,527,195
Capital assets, net	487,015	61,657	548,672
Other assets	941,759	204,766	1,146,525
Total assets	$ 6,760,127	462,265	7,222,392
Liabilities:			
Other liabilities	441,703	105,475	547,178
Long-term debt, net	235,848	3,017	238,865
Total liabilities	677,551	108,492	786,043
Net Assets:			
Without donor restrictions	1,350,005	353,459	1,703,464
With donor restrictions	4,732,571	314	4,732,885
Total net assets	6,082,576	353,773	6,436,349
Total liabilities and net assets	$ 6,760,127	462,265	7,222,392

Combined Statement of Activities

	Foundations	ASC	Total
Revenues:			
Contributions, gifts and grants	$ 458,211	-	458,211
Food and auxiliary services	-	482,987	482,987
Other revenue	1,179,189	30,402	1,209,591
Total revenues	1,637,400	513,389	2,150,789
Expenses:			
Food and auxiliary services	-	425,863	425,863
Program expenses	453,729	-	453,729
Other expenses	338,978	59,221	398,199
Total expenses	792,707	485,084	1,277,791
Total change in net assets	844,693	28,305	872,998
Net assets at the beginning of year	5,237,883	325,468	5,563,351
Net assets at the end of year	$ 6,082,576	353,773	6,436,349

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, 2026 consist of the following (in thousands):

	Food Service	Other Auxiliary Services	Program Expenses	Real Estate	Management and General	Fundraising	Other	Total
Salaries and wages	$ 59,253	27,393	275,185	4,617	31,673	19,008	-	417,129
Employee benefits	17,666	12,042	92,875	101	11,392	4,820	-	138,896
Cost of goods sold	156,560	30,592	-	-	-	-	-	187,152
In-kind expenses	199	-	8,488	12,425	2,878	3,512	-	27,502
Supplies and materials	4,433	3,623	10,001	445	1,740	1,252	-	21,494
Printing and postage	46	95	805	40	214	962	-	2,162
Travel and conferences	257	3,524	17,010	30	708	2,166	-	23,695
Rent and equipment	5,614	1,532	4,074	12,493	1,884	309	-	25,906
Maintenance and upgrades	7,067	2,235	2,185	2,558	729	63	-	14,837
Insurance	937	818	1,894	1,778	2,193	17	-	7,637
Utilities	5,525	1,494	82	3,667	288	10	-	11,066
Contractual services	58,505	2,806	12,279	5,372	3,359	1,356	-	83,677
Professional and service fees	858	1,877	9,966	3,335	6,092	3,032	-	25,160
Depreciation expense	7,592	2,203	1,034	20,257	2,490	15	-	33,591
Interest expense	12	13	-	8,982	312	-	-	9,319
Activity and program support	10	931	10,171	105	2,271	2,193	-	15,681
Other expenses	7,259	2,892	7,680	1,418	3,249	3,024	2,228	27,750
Expenses	$331,793	94,070	453,729	77,623	71,472	41,739	2,228	1,072,654
Support to the State University:								
Scholarships and fellowships								105,739
Other								99,398
Total expenses								$ 1,277,791

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:

Entities Audited by KPMG LLP:	Fiscal Year-End
University at Buffalo Foundation, Inc. and Affiliates	June 30, 2026

Entities Audited by Other Auditors:	Fiscal Year-End
Alfred State College Development Fund, Inc.	June 30, 2026
Auxiliary Campus Enterprises and Services, State University College at Alfred, Inc.	May 31, 2026
Auxiliary Service Corporation of the Agricultural and Technical College at Farmingdale	June 30, 2026
Auxiliary Service Corporation of the College at Old Westbury, Inc.	May 31, 2026
Auxiliary Services Corporation of SUNY Cortland	June 30, 2026
Auxiliary Services, State University College at Oswego, Inc.	May 31, 2026
Binghamton Auxiliary Services Corporation and Subsidiaries	June 30, 2026
Brockport Auxiliary Service Corporation and Subsidiaries	May 31, 2026
Buffalo State College Foundation, Inc.	June 30, 2026
Campus Auxiliary Services, Inc.	May 31, 2026
Campus Auxiliary Services, Inc. at State University College, Geneseo, New York	May 31, 2026
Canton College Foundation, Inc. and Subsidiaries	June 30, 2026
College Association at Delhi, Inc.	May 31, 2026
College Association, Inc. State University of New York Auxiliary Services Corporation College of Technology at Canton	May 31, 2026
College Auxiliary Services of the State University College at Plattsburgh, Inc.	June 30, 2026
College Foundation at Delhi, Inc. and Subsidiary	June 30, 2026
Cortland College Foundation, Inc. and Cortland College Foundation Properties, Inc.	June 30, 2026
Empire Commons Student Housing, Inc.	June 30, 2026
Empire State University Foundation, Inc.	June 30, 2026
ESF College Foundation, Inc. and Subsidiaries	June 30, 2026
Faculty Student Association of Downstate Medical Center, Inc.	May 31, 2026
Faculty Student Association of the State University of New York at Stony Brook, Inc. and Affiliate	June 30, 2026
Faculty-Student Association of State University College at Buffalo, Inc.	June 30, 2026
Faculty-Student Association of State University College at Fredonia, New York, Inc.	May 31, 2026
Faculty-Student Association of State University of New York at Buffalo, Inc. dba Campus Dining & Shops and Subsidiary	May 31, 2026
Faculty-Student Association of State University of New York Upstate Medical University	May 31, 2026
Faculty-Student Association of the State University of New York Maritime College, Inc.	June 30, 2026
Fredonia College Foundation of the State University of New York, Inc.	December 31, 2025

15. Component Units (continued)

Entities Audited by Other Auditors (continued):	Fiscal Year-End
Farmingdale College Foundation	June 30, 2026
Morrisville Auxiliary of State University College of Agriculture and Technology at Morrisville, N.Y. Incorporated	May 31, 2026
Morrisville College Foundation, Inc. and Subsidiary	June 30, 2026
Old Westbury College Foundation, Inc.	June 30, 2026
Oneonta Auxiliary Services SUNY Oneonta	May 31, 2026
Oswego University Foundation, Inc. and Subsidiary	June 30, 2026
Plattsburgh College Foundation, Inc. and Subsidiary	June 30, 2026
Potsdam College Foundation, Inc.	June 30, 2026
Purchase College Association, Inc.	June 30, 2026
Purchase College Foundation Housing Corporation	June 30, 2026
Purchase Housing Corporation II	June 30, 2026
State University of New York at Oneonta Foundation Corporation	June 30, 2026
State University of New York Auxiliary Services Corporation Campus: Potsdam	May 31, 2026
State University of New York Polytechnic Institute Foundation, Inc.	June 30, 2026
Stony Brook Foundation, Inc. and Affiliate	June 30, 2026
SUNY Cobleskill Auxiliary Services, Inc.	May 31, 2026
SUNY College of Agriculture and Technology at Cobleskill Foundation, Inc.	June 30, 2026
SUNY College of Optometry Foundation	June 30, 2026
SUNY Maritime Foundation, Inc.	June 30, 2026
SUNY New Paltz Foundation, Inc. and Subsidiary	June 30, 2026
SUNY Polytechnic Institute Auxiliary Services Corporation	June 30, 2026
Syracuse Pulp and Paper Foundation, Inc.	June 30, 2026
The Educational Foundation of Alfred, Inc.	June 30, 2026
The Foundation of the State University of New York at Binghamton, Inc. and Affiliates	June 30, 2026
The Geneseo Foundation, Inc.	June 30, 2026
The Health Science Center at Brooklyn Foundation, Inc. and Affiliates	July 31, 2025
The Purchase College Foundation	June 30, 2026
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, 2026
The University at Albany Foundation	June 30, 2026
The Upstate Foundation, Inc. and Affiliates	December 31, 2025
University Auxiliary Services at Albany, Inc.	May 31, 2026

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)

		2026	2025	2024	2023	2022
Proportion of the net OPEB liability		16.11%	15.87%	15.65%	15.48%	15.27%
Proportionate share of the net OPEB liability	$	9,461.6	9,616.2	9,119.3	8,774.0	9,540.1
Covered-employee payroll for plan year	$	3,110.3	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		304.2%	321.4%	330.1%	323.3%	359.4%
OPEB plan's fiduciary net position as a percentage of the total OPEB liability		4.3%	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)

		2026	2025	2024	2023	2022
Contractually determined contribution*		N/A	N/A	N/A	N/A	N/A
Contributions in relation to the contractually determined contribution*		N/A	N/A	N/A	N/A	N/A
Contribution deficiency		N/A	N/A	N/A	N/A	N/A
Covered-employee payroll for plan year	$	3,110.3	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	N/A

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

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 Total OPEB Liability and Related Ratios for the State University Hospitals and Construction Fund

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:										
Service cost	$ 93.1	91.0	88.0	109.4	119.2	121.4	90.6	91.0	95.3	106.7
Interest	126.1	97.6	91.1	77.2	69.0	94.7	101.1	102.4	105.3	96.4
Difference between expected and actual experience	80.1	76.2	31.9	11.6	68.2	(93.5)	17.3	46.9	(236.5)	-
Changes in assumptions	(212.4)	2.3	(7.4)	(329.8)	(299.8)	(452.6)	479.2	(158.8)	(12.1)	(280.2)
Benefit payments	(92.8)	(87.3)	(78.1)	(70.0)	(59.2)	(53.0)	(48.5)	(44.7)	(39.8)	(35.3)
Net change in total OPEB liability	(5.9)	179.8	125.5	(201.6)	(102.6)	(383.0)	639.7	36.8	(87.8)	(112.4)
Total OPEB liability, beginning	2,857.9	2,678.1	2,552.6	2,754.2	2,856.8	3,239.8	2,600.1	2,563.3	2,651.1	2,763.5
Total OPEB liability, ending	$ 2,852.0	2,857.9	2,678.1	2,552.6	2,754.2	2,856.8	3,239.8	2,600.1	2,563.3	2,651.1
Net position as a percentage of total OPEB liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Covered-employee payroll	$ 1,187.4	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	240.2%	259.2%	271.0%	276.3%	301.2%	317.5%	371.2%	308.3%	317.9%	345.3%
Changes in assumptions: Discount rate	4.86%	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. Disability and TRS retirement rate assumptions were updated for the 2025 valuation.

Required Supplementary Information

(Unaudited)

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

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:										
Service cost	$ 1.9	2.1	2.1	2.1	2.4	3.2	4.7	4.2	5.8	10.0
Interest	17.6	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	(4.7)	2.6	2.0	4.6	3.5	11.2	(16.4)	10.5	(17.7)	(1.4)
Changes in assumptions	13.9	(12.3)	(7.3)	(6.0)	(11.9)	(39.7)	(23.2)	21.6	(28.0)	27.0
Benefit payments	(17.7)	(16.4)	(15.0)	(14.6)	(12.5)	(11.8)	(10.9)	(10.0)	(7.9)	(11.2)
Net change in total OPEB liability	11.0	(5.9)	(0.5)	2.9	(2.4)	(19.5)	(27.6)	43.0	(31.5)	(178.1)
Total OPEB liability, beginning	238.4	244.3	244.8	241.9	244.3	263.8	291.4	248.4	279.9	458.0
Total OPEB liability, ending	249.4	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)	41.6	30.3	29.2	17.1	(15.5)	64.9	10.9	17.3	19.9	22.2
Benefit payments	(17.7)	(16.4)	(15.0)	(14.6)	(12.5)	(11.8)	(10.9)	(10.0)	(7.9)	(11.2)
Net change in fiduciary net position	23.9	19.9	20.2	8.5	(22.0)	59.1	6.0	13.3	17.5	41.1
Fiduciary net position, beginning	339.9	320.0	299.8	291.3	313.3	254.2	248.2	234.9	217.4	176.3
Fiduciary net position, ending	363.8	339.9	320.0	299.8	291.3	313.3	254.2	248.2	234.9	217.4
Net OPEB liability (asset), ending	$ (114.4)	(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	145.9%	142.6%	131.0%	122.5%	120.4%	128.2%	96.4%	85.2%	94.6%	77.7%
Covered-employee payroll	$ 367.6	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	(31.1%)	(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%	7.60%	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.

Required Supplementary Information

(Unaudited)

Schedule of Employer Contributions for the Research Foundation OPEB Plan

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
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	$ 367.6	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	0.0%	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 was equal to the contribution level negotiated between the Research Foundation and its cognizant federal agency for setting the fringe benefit rates.

Effective for fiscal year 2026 and following, the annual funding contribution amount will be determined according to the funding policy in effect prior to fiscal year 2018 and will reflect a cap equal to the lesser of the benefit cost determined under ASC 715-60 and 3 percent of the Research Foundation's regular employee salary from the prior year.

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 percent
Salary increases	3.00 percent
Health care trend rates	Range from initial health care cost trend rates of 8.00 percent (HMO) and 7.75 percent (PPO) grading down to 4.50 percent in 2037 and later. The drug assumption begins at 9.00 percent and decreases to 4.50 percent after 11 years.
Mortality	The dollar-weighted aggregate rates from the Pri-2012 mortality study projected generationally from 2012 with Scale MP-2021.

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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	6.87%	6.54%	6.22%	6.01%	6.17%	5.79%	5.75%	5.58%	5.45%	5.43%
Proportionate share of the net pension liability (asset)	$ 387.4	1,122.1	916.4	1,288.7	(504.2)	5.8	1,523.1	395.3	175.8	510.4
Covered payroll plan year	$ 2,445.8	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
Proportionate share of the net pension liability (asset) as a % of its covered payroll	15.8%	50.8%	46.8%	71.6%	(28.4%)	0.4%	94.0%	25.9%	12.1%	35.9%
Pension plan's fiduciary net position as a % of the total pension liability	97.8%	93.1%	93.9%	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%

Schedule of Employer Contributions for the ERS Plan

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually determined contribution	$ 337.0	279.1	215.8	189.7	241.9	216.9	198.6	194.4	200.3	197.9
Contributions in relation to the contractually determined contribution	337.0	279.1	215.8	189.7	241.9	216.9	198.6	194.4	200.3	197.9
Contribution deficiency	$ -	-	-	-	-	-	-	-	-	-
Covered payroll for fiscal year ended June 30th	$ 2,474.7	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
Contribution as a percentage of covered payroll	13.6%	12.4%	10.9%	10.2%	13.5%	13.3%	12.1%	12.5%	13.6%	13.7%

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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability	1.31%	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	$ 54.0	76.7	66.1	74.0	6.4	20.3	61.4	19.7	11.2	21.8
Covered payroll plan year	$ 62.1	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	87.0%	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	91.8%	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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually determined contribution	$ 19.5	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	19.5	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	$ 62.3	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	31.3%	34.0%	24.8%	15.7%	27.6%	20.5%	19.5%	19.8%	19.5%	6.4%

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)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	1.12%	1.04%	0.94%	0.93%	0.89%	0.89%	0.87%	0.81%	0.81%	0.82%
Proportionate share of the net pension liability (asset)	$ (66.5)	(31.1)	10.7	17.8	(153.6)	24.7	(22.6)	(14.7)	(6.1)	8.7
Covered payroll	$ 220.5	199.2	173.3	164.7	150.4	151.8	145.1	132.1	128.2	126.0
Proportionate share of the net pension liability (asset) as a % of its covered payroll	(30.2%)	(15.6%)	6.2%	10.8%	(102.1%)	16.3%	(15.6%)	(11.1%)	(4.8%)	6.9%
Pension plan's fiduciary net position as a % of the total pension liability	104.0%	102.1%	99.2%	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%

Schedule of Employer Contributions for the TRS Plan

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 22.3	19.4	17.8	16.1	14.3	13.5	15.4	12.9	15.0	16.7
Contributions in relation to the actuarially determined contribution	22.3	19.4	17.8	16.1	14.3	13.5	15.4	12.9	15.0	16.7
Contribution deficiency	$ -	-	-	-	-	-	-	-	-	-
Covered payroll for fiscal year ended June 30th	$ 241.0	220.5	199.2	173.3	164.7	150.4	151.8	145.1	132.1	128.2
Contribution as a percentage of covered payroll	9.3%	8.8%	8.9%	9.3%	8.7%	9.0%	10.1%	8.9%	11.4%	13.0%

Required Supplementary Information

(Unaudited)

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

(Amounts in millions)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability:										
Service cost	$ 0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7
Interest	5.2	5.4	5.4	5.4	6.0	6.6	6.6	6.7	6.6	6.6
Difference between expected and actual experience	0.4	-	0.7	1.0	8.4	0.1	1.0	0.6	1.8	0.3
Changes of assumptions	-	-	-	-	9.0	(0.5)	(0.4)	(0.3)	(0.6)	(1.4)
Benefit payments	(9.5)	(7.3)	(7.0)	(6.8)	(27.8)	(6.2)	(9.6)	(5.8)	(9.2)	(4.9)
Net change in total pension liability	(3.6)	(1.6)	(0.5)	-	(4.0)	0.5	(1.9)	1.8	(0.8)	1.3
Total pension liability, beginning	99.4	101.0	101.5	101.5	105.5	105.0	106.9	105.1	105.9	104.6
Total pension liability, ending (a)	95.8	99.4	101.0	101.5	101.5	105.5	105.0	106.9	105.1	105.9
Plan fiduciary net position:										
Employer contributions	1.9	2.8	3.8	-	-	0.5	2.4	1.1	2.0	2.8
Net investment income (loss)	11.9	7.6	11.1	(17.1)	14.6	16.8	20.8	(5.1)	15.6	7.4
Benefit payments	(9.5)	(7.3)	(7.0)	(6.8)	(27.8)	(6.2)	(9.6)	(5.8)	(9.2)	(4.9)
Administrative expenses	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)
Net change in fiduciary net position	4.2	3.0	7.8	(24.1)	(13.4)	11.0	13.4	(10.0)	8.2	5.2
Fiduciary net position, beginning	91.3	88.3	80.5	104.6	118.0	107.0	93.6	103.6	95.4	90.2
Fiduciary net position, ending (b)	95.5	91.3	88.3	80.5	104.6	118.0	107.0	93.6	103.6	95.4
Net pension liability (asset), ending (a) - (b)	$ 0.3	8.1	12.7	21.0	(3.1)	(12.5)	(2.0)	13.3	1.5	10.5
Ratio of fiduciary net position to total pension liability	99.7%	91.9%	87.4%	79.3%	103.1%	111.8%	101.9%	87.6%	98.6%	90.1%
Covered payroll	$ 16.2	16.7	16.7	18.9	18.7	22.9	23.3	24.3	25.5	27.3
Net pension liability (asset) as a percentage of covered payroll	1.8%	48.4%	75.9%	111.0%	(16.3%)	(54.4%)	(8.8%)	54.8%	5.7%	38.4%

Required Supplementary Information

(Unaudited)

Schedule of Employer Contributions for the Upstate Plan

(Amounts in millions)

		2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$	1.9	2.6	3.8	0.2	-	0.5	2.4	1.1	2.0	2.6
Contributions in relation to the actuarially determined contribution		1.9	2.8	3.8	-	-	0.5	2.4	1.1	2.0	2.8
Contribution excess (deficiency)	$	-	0.2	-	(0.2)	-	-	-	-	-	0.2
Covered payroll*	$	16.2	16.7	16.7	18.9	18.7	22.9	23.3	24.2	25.5	27.3
Contribution as a percentage of covered payroll		12.0%	16.8%	22.7%	0.0%	0.0%	2.4%	10.5%	4.7%	7.9%	10.2%

*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

The January 1, 2025 actuarial valuation determines the employer rates for contributions payable in 2025, for the fiscal year ended June 30, 2026. The following actuarial methods and assumptions were used:

Investment rate of return	5.5 percent
Amortization method	Level dollar, 20 year closed
Remaining amortization period	6.5 years
Asset valuation method	Market value
Inflation	3.0 percent
Compensation	3.5 percent increases, limited to a maximum of $350,000
Termination	1992 Vaughn Select and Ultimate Table

KPMG LLP
515 Broadway
Albany, NY 12207-2974

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, 2026, 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 2, 2026.

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.

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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 University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albany, New York
November 2, 2026



H. Carl McCall SUNY Building Albany, NY 12246
suny.edu