



**UNIVERSITY AT BUFFALO FOUNDATION, INC.
AND AFFILIATES**

Consolidated Financial Statements

June 30, 2026 and 2025

(With Independent Auditors' Report Thereon)

**UNIVERSITY AT BUFFALO FOUNDATION, INC.
AND AFFILIATES**

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KPMG LLP
Suite 2900
1 Seneca Street
Buffalo, NY 14203

Independent Auditors' Report

The Board of Trustees
University at Buffalo Foundation, Inc.:

Opinion

We have audited the consolidated financial statements of University at Buffalo Foundation, Inc. and affiliates (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2026 and 2025, changes in its net assets, and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

Buffalo, New York
October 8, 2026

**UNIVERSITY AT BUFFALO FOUNDATION, INC.
AND AFFILIATES**

Consolidated Statements of Financial Position

June 30, 2026 and 2025

Assets	2026	2025
Cash and cash equivalents	\$ 10,982,991	—
Accounts receivable, net of allowance for uncollectible accounts of \$2,156,495 in 2026 and \$1,894,535 in 2025	2,764,910	2,624,896
Contributions receivable, net (note 3)	55,303,140	45,248,712
Investments (notes 4 and 5)	1,698,271,094	1,486,680,688
Right-of-use assets	985,544	1,408,453
Property, plant, and equipment, net (note 7)	119,773,064	120,844,999
Fine art collection	18,515,998	18,313,800
Other assets	287,167	243,881
Total assets	<u>\$ 1,906,883,908</u>	<u>1,675,365,429</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 9,106,316	6,983,908
Accrued interest expense	844,001	883,945
Other accrued liabilities	6,728,623	6,842,579
Fair value of interest rate swaps (notes 5 and 8)	1,401,457	1,836,869
Right-of-use liabilities (note 6)	825,785	1,280,361
Demand note payable (note 8)	4,728,728	5,092,576
Long-term debt, net (note 8)	83,233,284	87,428,476
Funds held in custody for others (notes 12 and 16)	6,279,507	6,532,427
Annuity and life income obligations	7,371,070	6,505,578
Total liabilities	<u>120,518,771</u>	<u>123,386,719</u>
Net assets (notes 9 and 10):		
Without donor restrictions	559,285,225	484,824,126
With donor restrictions:		
Time or purpose	239,761,992	225,528,219
Endowment returns subject to future appropriation	599,136,087	497,370,120
Perpetual	379,664,990	337,043,250
Split interest	8,516,843	7,212,995
Total with donor restrictions	<u>1,227,079,912</u>	<u>1,067,154,584</u>
Total net assets	<u>1,786,365,137</u>	<u>1,551,978,710</u>
Total liabilities and net assets	<u>\$ 1,906,883,908</u>	<u>1,675,365,429</u>

See accompanying notes to consolidated financial statements.

**UNIVERSITY AT BUFFALO FOUNDATION, INC.
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Consolidated Statement of Activities

Year ended June 30, 2026

	Without donor restrictions	With donor restrictions	Total
Revenues, gains and other support:			
Contributions of cash, grants and other financial assets	\$ 5,327,728	60,712,238	66,039,966
Contributions of nonfinancial assets (note 13)	1,580,367	—	1,580,367
Investment return, net	87,144,235	148,654,402	235,798,637
Rental (note 6)	33,534,606	—	33,534,606
Other support and gains:			
Faculty practice	13,190,415	—	13,190,415
Continuing education	1,993,239	—	1,993,239
Dental student training programs	7,351,428	—	7,351,428
Center for the Arts	1,890,588	—	1,890,588
Student orientation	63,057	—	63,057
Administrative support service revenue	1,474,906	—	1,474,906
Other activities and services	4,340,008	—	4,340,008
Change in value of split interest agreements	—	2,457,337	2,457,337
Gain (loss) on sale of property, plant, and equipment	30,614	—	30,614
Gain (loss) on interest rate swaps (note 8)	435,412	—	435,412
Net assets released from restrictions	51,898,649	(51,898,649)	—
Total revenues, gains and other support, net	<u>210,255,252</u>	<u>159,925,328</u>	<u>370,180,580</u>
Expenses (note 11):			
Program expenses:			
Program services	89,821,174	—	89,821,174
Real estate	28,385,857	—	28,385,857
Fundraising	11,045,109	—	11,045,109
Total program expenses	129,252,140	—	129,252,140
Business office administration	6,542,013	—	6,542,013
Total expenses	<u>135,794,153</u>	<u>—</u>	<u>135,794,153</u>
Total change in net assets	74,461,099	159,925,328	234,386,427
Net assets at beginning of year	484,824,126	1,067,154,584	1,551,978,710
Net assets at end of year	<u>\$ 559,285,225</u>	<u>1,227,079,912</u>	<u>1,786,365,137</u>

See accompanying notes to consolidated financial statements.

**UNIVERSITY AT BUFFALO FOUNDATION, INC.
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Consolidated Statement of Activities

Year ended June 30, 2025

	Without donor restrictions	With donor restrictions	Total
Revenues, gains and other support:			
Contributions of cash, grants and other financial assets	\$ 624,585	49,283,498	49,908,083
Contributions of nonfinancial assets (note 13)	18,303,265	—	18,303,265
Investment return, net	48,668,864	92,081,203	140,750,067
Rental (note 6)	31,367,497	—	31,367,497
Other support and gains:			
Faculty practice	13,557,208	—	13,557,208
Continuing education	1,844,013	—	1,844,013
Student health insurance	80,655	—	80,655
Dental student training programs	2,181,487	—	2,181,487
Center for the Arts	2,425,483	—	2,425,483
Student orientation	153,384	—	153,384
Administrative support service revenue	1,347,923	—	1,347,923
Other activities and services	4,469,657	—	4,469,657
Change in value of split interest agreements	—	1,846,160	1,846,160
Gain (loss) on sale of property, plant, and equipment	(360,188)	—	(360,188)
Gain (loss) on interest rate swaps (note 8)	(13,418)	—	(13,418)
Net assets released from restrictions	57,540,991	(57,540,991)	—
Total revenues, gains and other support, net	182,191,406	85,669,870	267,861,276
Expenses (note 11):			
Program expenses:			
Program services	87,335,300	—	87,335,300
Real estate	25,049,670	—	25,049,670
Fundraising	11,048,668	—	11,048,668
Total program expenses	123,433,638	—	123,433,638
Business office administration	6,028,425	—	6,028,425
Total expenses	129,462,063	—	129,462,063
Total change in net assets	52,729,343	85,669,870	138,399,213
Net assets at beginning of year	432,094,783	981,484,714	1,413,579,497
Net assets at end of year	\$ 484,824,126	1,067,154,584	1,551,978,710

See accompanying notes to consolidated financial statements.

**UNIVERSITY AT BUFFALO FOUNDATION, INC.
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Consolidated Statements of Cash Flows

Years ended June 30, 2026 and 2025

	<u>2026</u>	<u>2025</u>
Cash flows from operating activities:		
Change in net assets	\$ 234,386,428	138,399,213
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,246,193	6,938,607
Lease and debt related amortization	(19,624)	(56,093)
Net realized and unrealized gains on investments	(220,794,338)	(128,290,272)
Change in value of split interest arrangements	(2,457,337)	(1,846,160)
(Gain) loss on interest rate swaps	(435,412)	13,418
(Gain) loss on sale of property, plant and equipment	(30,614)	330,438
Gifts of real estate property	—	(15,050,000)
Gifts of fine art	(198,000)	(4,200)
Contributions and other revenues restricted for long-term purposes	(43,707,364)	(43,914,116)
Receipt of funds held in custody for others	8,372,895	9,096,150
Disbursements of funds held in custody for others	(8,826,351)	(8,486,085)
Changes in operating assets and liabilities:		
Contribution receivables	(21,661,336)	20,969,901
Accounts receivable, net	(140,014)	(517,881)
Other assets	(43,286)	212,085
Accounts payable	1,255,606	(638,088)
Accrued liabilities	(153,900)	59,390
Right-of use liabilities	(454,576)	(434,161)
Net cash used in operating activities	<u>(47,661,030)</u>	<u>(23,217,854)</u>
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment and fine arts	367,233	—
Purchase of property, plant and equipment and fine arts	(5,648,273)	(10,794,152)
Proceeds from sale of investments	1,002,822,739	805,957,900
Purchase of investments	(991,398,425)	(804,431,570)
Net cash provided by (used in) investing activities	<u>6,143,274</u>	<u>(9,267,822)</u>
Cash flow from financing activities:		
Principal payments of long term debt	(3,752,659)	(4,922,616)
Repayments of demand note payable	(363,848)	(365,720)
Investments subject to annuity agreements	2,290,391	1,358,726
Payments and maturities of annuity obligations	(987,408)	(835,847)
Collections of contributions restricted for long-term purposes	55,314,271	37,251,133
Net cash provided by financing activities	<u>52,500,747</u>	<u>32,485,676</u>
Net change in cash and cash equivalents	10,982,991	—
Cash and cash equivalents at beginning of year	<u>—</u>	<u>—</u>
Cash and cash equivalents at end of year	<u>\$ 10,982,991</u>	<u>—</u>
Supplemental disclosure of cash flow information:		
Interest paid during the year	\$ 3,319,819	3,587,613
Noncash investing activities:		
Lease liabilities arising from obtaining right-of-use assets	—	218,841
Gifts of real estate property	—	16,625,050
Gifts of fine art	198,000	4,200
Property, plant, and equipment acquired by assuming accounts payable	873,519	6,717

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

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(1) Organization and Summary of Significant Accounting Policies

(a) Organization

University at Buffalo Foundation, Inc. (UBF) was granted a charter as an education corporation in 1962 by the Board of Regents of the State of New York to promote the education, research, and public service mission of the State University of New York (SUNY) at Buffalo (University).

UBF and each of its six affiliates perform an important role in supporting and promoting the mission of the University. The following summarizes the most important roles and responsibilities of each affiliate entity:

UBF – Supports the University’s fundraising initiatives by providing advice and counsel regarding philanthropy. UBF also processes and manages gift revenues for the betterment of the University and manages long term investments.

UB Foundation Activities, Inc. (UBFA) – Processes program service revenue and other support for the betterment of all units of the University. UBFA is also responsible for expenditures of gift, program services and investment revenues to support operations of the University in accordance with donor restrictions where applicable. UBFA also provides payroll administration for certain employees of the University as well as the staff of UBF.

UB Foundation Services, Inc. (UBFS) – Administers sponsored program and other agency activity for the University, to the extent there is such activity.

UBF Corporation – Leases, develops, and operates on-campus real estate for the betterment of the University.

FNUB, Inc. – Owns and operates a variety of off-campus real estate for the betterment of the University.

University at Buffalo Foundation Incubator, Inc. (UBFI) – Owns and provides administrative support to a subsidiary technology incubator facility aimed at increasing interaction between the University and start-up businesses.

UBF Faculty – Student Housing Corp. (UBFFSH) – Constructs and operates housing for students of the University, which currently consists of six complexes totaling 2,798 beds.

(b) Principles of Consolidation

UBF consolidates, and in some cases combines, its financial statements with those of its affiliated entities to reflect all activities supporting UBF. The accompanying consolidated financial statements include the accounts of: UBF; UBFA; UBFS; UBF Corporation; FNUB, Inc.; UBFI; and UBFFSH, collectively referred to herein as the “Foundation.” All significant intercompany balances and transactions have been eliminated in consolidation.

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(c) Use of Estimates

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period.

(d) Basis of Accounting

The accompanying consolidated financial statements of the Foundation are presented consistent with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, which addresses the presentation of financial statements for not-for-profit organizations. Further, given the Foundation's mission to support the University through its fundraising and related activities, the Foundation and University are considered financially interrelated for accounting purposes. In accordance with the provisions of ASC 958, net assets and revenues, other support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

The Foundation classifies its net assets and changes into two categories of net assets: without donor restrictions and with donor restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the nature of the Foundation, the environment in which it operates and the purposes specified in its articles of incorporation or bylaws. These two net asset categories are further defined as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Included in this net asset category are program service revenues and other support net of related expenses as well as property revenues net of related expenses.

In addition to these exchange transactions, this category of net assets includes philanthropic support received without restrictions as well as funds designated by the Board of Trustees (the Board) to function as endowment and the related investment return from these funds functioning as endowment.

With Donor Restrictions – Net assets that are subject to donor-imposed restrictions are the resources to be used for particular programs or services or by a specified date. Included in this net asset category are gifts and pledges for which a time or purpose restriction exists that has not been satisfied.

Also included in this category are net assets subject to donor-imposed restrictions that are to be maintained permanently by the Foundation, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and related investment return subject to future appropriation. Other restricted items in this net asset category include split interest agreements for which the ultimate purpose of the proceeds has perpetual donor restrictions. Expiration of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA or Act) provides standards of fund management for those charged with governance of institutional or endowment funds. Among its various provisions, it requires that those responsible for managing institutional funds adopt a written investment policy; requires diversification of investments; and provides institutions with a process by

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which donor restrictions can be lifted. The Act allows an institution to determine the appropriate level of endowment expenditure, subject to donor-imposed restrictions expressed in the gift instrument. However, it establishes a rebuttable presumption of imprudence if such expenditure in any year is greater than 7% of the five year average fair market value of an endowment fund.

(e) *Investment and Spending Policies*

The Foundation has adopted investment and spending policies for endowment and certain spendable reserves whose purpose is to provide a predictable stream of funding to programs supported by these assets, while seeking to maintain the purchasing power of these assets. The Foundation's investment and spending policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current objective is to earn an average annual total return, net of investment fees, equal to inflation plus 5.0% to 5.5%. Actual returns in any given year may vary significantly from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total investment return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk parameters.

The Foundation's spending policy calculates the amount of funds annually distributed from the Foundation's various endowed funds and certain spendable reserves. The spending rate is determined and approved annually by the Foundation's Investment Committee. The desired result is to achieve a year to year spending increase for individual endowment funds that approximates the inflation rate, not to exceed 3%. This is consistent with the Foundation's objective to maintain the purchasing power of endowment and certain spendable reserves, as well as to provide additional growth through new gifts and investment return. The application of the formula for the year ended June 30, 2026 was subject to legal restrictions relating to endowed funds where the fair value is less than their original donated value. Per the Foundation's policy, absent of donor direction to the contrary, a fund will receive a full spending distribution provided its value is at least 90% of historic dollar value. The fund will receive one-half spending distribution if its value is below 90% but at least 80% of historic dollar value and will receive no distribution if the fund's value is below 80%.

(f) *Contributions*

Contributions received, including unconditional promises to give, are generally recognized as revenues in the period received at their fair values. Conditional promises to give, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments), are not recognized until they become unconditional. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the periods in which the promises are received. An allowance for uncollectible contributions receivable is recorded as deemed necessary by management based upon economic factors and historical losses associated with pledges received.

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(g) Contributed Assets and Services

Donations of securities, land, buildings, and other non-monetary assets, which can be objectively measured, are recorded at fair value on the date of contribution. Assets that cannot be objectively measured are not included in the accompanying financial statements. Assets that are subsequently transferred to the University are recognized as program services. Donated services of volunteers are not recorded in the accompanying consolidated financial statements since they do not meet the recognition criteria and cannot be quantified.

(h) Cash and Cash Equivalents

The Foundation generally considers short-term, highly liquid financial instruments to be cash equivalents. Cash equivalents consist of money market funds with an initial maturity of 90 days or less, except those included in investments. Temporary cash and money market accounts held in the investment portfolio, before making targeted investments or reinvestments, are considered a component of the Foundation's overall investment strategy and are included in investments on the consolidated statement of financial position. Cash held for operating purposes is recorded in cash and cash equivalents on the consolidated statement of financial position.

(i) Investments

Investments in marketable securities are recorded at fair value based on exchange or third-party quoted market prices where available or at readily determinable fair value published prices, with realized and unrealized gains and losses included in the consolidated statements of activities. In addition to traditional equity securities and fixed-income securities, the Foundation may also hold shares or units in commingled institutional funds as well as in alternative investment structures involving hedged strategies, private equity and real assets strategies that are valued using current net asset value (NAV) as a practical expedient to approximate fair values.

Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges and other instruments, and are valued accordingly. Private equity investments employ buyout and venture capital strategies as well as special situation investments. Real asset investments generally hold interests in commercial real estate, infrastructure, and other hard assets. Private equity and real assets strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values.

Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and such differences could be material. These valuations generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

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(j) Right of Use Assets and Liabilities

The Foundation determines if an arrangement is a lease at inception. The Foundation has both leases under which it is obligated as a lessee and leases for which it is a lessor. Operating leases in which the Foundation is a lessee are included in right-of-use (ROU) assets and ROU liabilities on the consolidated statements of financial position. ROU assets represent the Foundation's right to use an underlying asset for the lease term. ROU liabilities represent the Foundation's contractual obligation to make payments arising from the operating lease. These assets and liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date discounted using an appropriate risk-free borrowing rate. An option to extend or terminate a lease is reflected to the extent the Foundation is reasonably certain the Foundation will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. For operating leases in which the Foundation is the lessor, which primarily are residential buildings owned by UBFFSH, rental revenue is recognized ratably over the term of the lease.

(k) Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is recorded using the straight-line method over estimated useful lives of 20 to 35 years for real property and 3 to 15 years for furniture, fixtures and equipment.

The Foundation reports gifts of property, plant, and equipment as without donor restriction unless an explicit donor stipulation exists. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(l) Fine Art Collection

Fine art has been capitalized from inception at fair value at the date of donation or the purchase price. Fair value is generally determined by appraisal or a written opinion of value from an expert in the field. When a disposition occurs, a decision as to use of proceeds will be determined at the time of deaccessioning in accordance with donor restrictions. The fine art collection is not depreciated.

(m) Debt Issuance Costs

Debt issuance costs in connection with issuances of long-term debt are capitalized and are amortized using the effective interest method over the life of the related debt obligation and are presented as a deduction of long-term debt.

(n) Split Interest Agreements

The Foundation's split interest agreements with donors consist of gift annuities, charitable remainder unitrusts and annuity trusts. Assets held under these agreements are included in investments. Generally, contribution revenues are recognized on the dates of donation to the annuities or trusts and are established after recording liabilities for the present value of the estimated future payments to be made to the third-party beneficiaries. The discount rate utilized was 5.0% at both June 30, 2026 and 2025. The liabilities, reflected as annuity and life income obligations on the consolidated statements of

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financial position, are adjusted during the term of the trusts and annuities for changes in the value of the assets and other changes in the estimates of future benefits. Upon termination of the income obligation, the residual value of the annuities or trusts is held by the Foundation in accordance with the donor's annuity or trust agreement.

(o) *Derivatives*

UBF has adopted an interest rate swap policy which provides guidance and authorization levels for entering into interest rate swaps and other derivative arrangements. The policy determines derivatives objectives and limitations, potential instruments, and a standard of prudence.

UBF records interest rate swaps at fair value in the consolidated statements of financial position in accordance with ASC Topic 815-10, *Derivatives and Hedging*. The change in fair value of the swap is reported in the consolidated statements of activities as gain or loss on interest rate swaps.

(p) *Other Support and Gains*

Other support and gains reflect resources generated from authorized activities enumerated in the agreement between the Foundation and SUNY and the University. Such activities generate support and gains and include educational and training programs, various student activities, laboratory testing and other educational, research and public service related initiatives supported by the University and provided in conjunction with the Foundation. Support provided to the Foundation for these activities is recognized as received from the University or other resource providers.

(q) *Program Expenses*

Program expenses consist of expenses related to the academic divisions, administrative divisions, real estate management and fundraising expenses paid to support the mission of the University. All expenses are directly attributable to a specific functional program and no allocation of expenses are made.

(r) *Risks and Uncertainties*

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

(s) *Reclassifications*

Certain reclassifications were made to the 2025 consolidated financial statements to conform to the 2026 presentation.

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(2) Financial Assets and Liquidity Resources

The Foundation's financial assets and liquidity resources available within one year for general and university unit expenditures including operating expenditures and principal payments on debt included the following as of June 30, 2026 and 2025, respectively:

	<u>2026</u>	<u>2025</u>
Total assets at year end	\$ 1,906,883,908	1,675,365,429
Less:		
Contributions due in more than one year	(33,221,221)	(24,447,094)
Donor-restricted endowment funds	(667,617,684)	(564,249,322)
Board-designated endowment funds	(610,462,374)	(560,868,579)
Property, plant and equipment	(119,773,064)	(120,844,999)
Fine art collection	(18,515,998)	(18,313,800)
Right-of-use assets	(985,544)	(1,408,453)
Other assets	(287,167)	(243,881)
Capital reserves	(8,470,000)	(8,470,000)
Pledged assets	(708,000)	(1,326,000)
Funds held for others	(6,279,507)	(6,532,427)
Annuity and life income obligations	<u>(7,371,070)</u>	<u>(6,505,578)</u>
Total financial assets available within one year	433,192,279	362,155,296
Liquidity resources:		
Unused bank lines of credit	<u>20,271,272</u>	<u>19,907,424</u>
Total financial assets and liquidity resources available within one year	<u>\$ 453,463,551</u>	<u>382,062,720</u>

As part of the Foundation's liquidity management, there is a policy to structure financial assets to be available as its general expenditures, liabilities and other obligations come due. The Foundation maintains sufficient liquidity in its investment portfolio to meet anticipated spending needs (see note 5). To assist in managing liquidity needs, the Foundation maintains a \$25,000,000 line of credit of which \$20,271,272 and \$19,907,424 is available at June 30, 2026 and 2025, respectively.

The Foundation's endowment consists of donor-restricted and board-designated endowment funds. Donor and board-designated amounts above are reported in the table net of the amounts allocated to be spent in the next year. The board-designated endowment is valued at \$654,970,124 and \$584,462,615 as of June 30, 2026 and 2025, respectively. While the Foundation does not intend to liquidate board-designated endowment funds in excess of the annual spending allocation, amounts could be made available within one year if necessary in accordance with the policy on board-designated endowments. Further details regarding investments are included in notes 4 and 5.

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(3) Contributions Receivable

Contributions receivable, representing unconditional promises to give, as of June 30, 2026 and 2025, are summarized below:

	<u>2026</u>	<u>2025</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 23,282,340	25,552,489
One year to five years	33,134,607	24,589,619
Greater than five years	<u>6,220,962</u>	<u>3,774,334</u>
	62,637,909	53,916,442
Less:		
Discount	(4,105,201)	(2,528,358)
Allowance for uncollectible contributions receivable	<u>(3,229,568)</u>	<u>(6,139,372)</u>
	<u>\$ 55,303,140</u>	<u>45,248,712</u>

Discount rates utilized ranged from 0.29% to 4.52% based upon the rates reflected at the time of the gift.

As of June 30, 2026, UBF has also received bequest intentions and revocable trusts that management estimates will approximate \$282,952,018. These intentions and conditional promises to give are not recognized as assets in the accompanying consolidated financial statements. Amounts received under these conditional promises to give will generally be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, and operating support of particular departments and divisions of the University.

The UBF allowance for uncollectible contributions is estimated by using collections of contributions receivable as an indication of future collections. At June 30, 2026 and 2025, the five largest outstanding pledge balances represented 30.4% and 49.6%, respectively, of UBF's gross contribution receivable.

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(4) Investments

Investments at June 30, 2026 and 2025 are comprised of the following:

	<u>2026</u>	<u>Percentage</u>	<u>2025</u>	<u>Percentage</u>
Cash and cash equivalents	\$ 37,036,162	2%	\$ 49,230,247	3%
Investments receivable	3,827,627	0%	28,598,294	2%
Fixed income securities	169,993,089	10%	149,546,279	10%
Equity securities	521,124,695	31%	480,205,179	32%
Alternative investments:				
International equity	144,327,513	9%	132,123,375	9%
Fixed income securities	7,199	0%	14,174	0%
Real assets	29,689,920	2%	35,794,176	3%
Private equity partnerships	511,090,862	30%	383,105,782	26%
Private debt	21,951,559	1%	20,650,336	1%
Hedge funds	258,597,857	15%	206,786,228	14%
Other	624,612	0%	626,618	0%
	<u>\$ 1,698,271,094</u>	<u>100%</u>	<u>\$ 1,486,680,688</u>	<u>100%</u>

The investments receivable represents cash to be released to UBF from private equity fund managers where UBF has completed an investment.

Investments held under split interest agreements, included above, were 15,486,488 and \$13,309,814 at June 30, 2026 and 2025, respectively.

Included in investments presented in the statement of financial position as of June 30, 2026 and 2025, respectively, is \$2,224 and \$4,862,225 of cash and cash equivalents that are available for use in the Foundation's operations. The remaining portion of cash and cash equivalents are designated as part of the Foundation's investment program.

Certain investment assets have been pledged as security for a bank line of credit for the specific use of a University department. The value of the pledged assets was approximately \$708,000 and \$1,326,000 at June 30, 2026 and 2025, respectively. Also, the South Lake Village swap agreement (see note 8) requires assets to be pledged to the counterparty to serve as collateral in an amount equal to or greater than the outstanding market value swap. At June 30, 2026 and 2025, pledged assets were valued at approximately \$9,426,000 and \$9,089,000, respectively.

(5) Fair Value Measurements

According to ASC 820, fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

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ASC 820 also establishes a fair value hierarchy that distinguishes between (1) inputs that reflect the assumptions market participants would use in pricing assets or liabilities based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about what other market participants would use in pricing assets or liabilities that are based on the best information available in the circumstances (unobservable inputs). ASC 820 prioritizes these inputs into the following fair value hierarchy:

Level 1 Inputs – Unadjusted quoted or published prices in active markets for identical assets or liabilities that are available at the measurement date or at determinable fair value published prices.

Level 2 Inputs – Inputs other than quoted or published prices in active markets that are observable for the assets or liabilities, either directly or indirectly. These might include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities, or inputs that are derived principally from or corroborated by market data by correlation or other means.

Level 3 Inputs – Unobservable inputs for determining the fair value of the assets or liabilities and are based on the entity's own assumptions about what market participants would use to price the assets or liabilities.

As provided by ASC 820, the Foundation also measures certain investments, including certain alternative and private equity investments using NAV per share (or its equivalent), as reported by the investment managers, as a practical expedient to measure the fair value of an investment. Such investments are not categorized in the fair value hierarchy. In addition, under this approach, certain attributes for the investment, such as restrictions on redemption and transaction prices from principal-to-principal or brokered transactions, are not considered in measuring the fair value of an investment.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy may be based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment.

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The following table summarizes the valuation of the Foundation's financial assets and liabilities within the ASC 820 fair value hierarchy as of June 30, 2026 and 2025 that are measured at fair value on a recurring basis along with a summary of investment redemption/liquidation terms and days notice for redemption/liquidation unless not applicable (N/A):

	June 30, 2026				
	Level 1	Level 2	Total	Redemption/ liquidation	Days notice
Financial assets:					
Cash and cash equivalents	\$ 37,036,162	—	37,036,162	Daily	One
Investments receivable	3,827,627	—	3,827,627	N/A	N/A
Fixed income securities:					
U.S. fixed income	169,723,494	244,074	169,967,568	Daily/monthly	One
Global fixed income	25,521	—	25,521	Daily	One
	169,749,015	244,074	169,993,089		
Domestic equity:					
U.S. large blend	2,352,599	—	2,352,599	Daily	One
Total Market	371,123,899	—	371,123,899	Daily	One
U.S. large quality	7,246,905	—	7,246,905	Daily	One
U.S. mid/small	258,845	—	258,845	Daily	One
	380,982,248	—	380,982,248		
International equity:					
International large	139,717,904	—	139,717,904	Daily	One
International emerging	424,543	—	424,543	Daily	One
	140,142,447	—	140,142,447		
Other	223,187	401,425	624,612	Daily/illiquid	One/N/A
	<u>\$ 731,960,686</u>	<u>645,499</u>	<u>732,606,185</u>		
Investments measured at net asset value:					
International equity:					
International large			117,186,970	Monthly/Quarterly	6/30
International emerging markets			27,140,543	Quarterly/illiquid	60/N/A
			144,327,513		
Growth fixed income:					
Insurance linked strategies			7,199	Quarterly	90
Real assets:					
Global energy			12,331,478	Illiquid	N/A
Infrastructure			7,200,788	Quarterly/illiquid	90/N/A
Natural resources			623,056	Illiquid	N/A
Real estate – debt			9,534,598	Illiquid	N/A
			29,689,920		
Private equity:					
Buyout			158,621,803	Illiquid	N/A
Distress Control Orientated			1,421,888	Illiquid	N/A
Special situations			11,289,593	Illiquid	N/A
Venture capital			318,324,423	Illiquid	N/A
Growth Equity			14,732,340	Illiquid	N/A
Secondaries			6,700,815	Illiquid	N/A
			511,090,862		
Private debt:					
Tactical Opportunities			17,560,915	Semi-Annual	90
Opportunistic debt			4,390,644	Illiquid	N/A
			21,951,559		
Hedge funds:					
Multi-strategy			78,340,281	Quarterly/annual/bi-annual	45/60/65/90
Long/short credit			25,964,537	Monthly/quarterly/semi/bi-annual	45/65/90
Long/short equity			65,027,767	Monthly/quarterly/semi-annual	45/60/180
Long credit only			49,458,867	Bi-annual	N/A
Market Neutral			28,144,021	Monthly/quarterly/semi/bi-annual	One
Relative Value			11,657,249	Monthly/quarterly/semi/bi-annual	45/65/90
Global macro			5,135	Quarterly	90
			258,597,857		
Total investments			<u>\$ 1,698,271,095</u>		
Financial liabilities:					
Interest rate swaps	\$ —	1,401,457			

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June 30, 2025					
	Level 1	Level 2	Total	Redemption/ liquidation	Days notice
Financial assets:					
Cash and cash equivalents	\$ 49,230,247	—	49,230,247	Daily	One
Investments receivable	28,598,294	—	28,598,294	N/A	N/A
Fixed income securities:					
U.S. fixed income	149,290,101	236,139	149,526,240	Daily/monthly	One
Global fixed income	20,039	—	20,039	Daily	One
	<u>149,310,140</u>	<u>236,139</u>	<u>149,546,279</u>		
Domestic equity:					
U.S. large blend	2,692,581	—	2,692,581	Daily	One
U.S. large quality	352,115,317	—	352,115,317	Daily	One
U.S. mid/small	506,759	—	506,759	Daily	One
	<u>355,314,657</u>	<u>—</u>	<u>355,314,657</u>		
International equity:					
International large	124,548,178	—	124,548,178	Daily	One
International emerging	342,344	—	342,344	Daily	One
	<u>124,890,522</u>	<u>—</u>	<u>124,890,522</u>		
Other	217,468	409,150	626,618	Daily/Illiquid	One/N/A
	<u>\$ 707,561,328</u>	<u>645,289</u>	<u>708,206,617</u>		
Investments measured at net asset value:					
International equity:					
International large			132,123,375	Monthly/Quarterly	6/30
Growth fixed income:					
Insurance linked strategies			14,174	Quarterly	90
Real assets:					
Global energy			16,112,028	Illiquid	N/A
Infrastructure			9,025,121	Quarterly/Illiquid	90/N/A
Natural resources			793,548	Illiquid	N/A
Real estate – debt			9,863,479	Illiquid	N/A
			<u>35,794,176</u>		
Private equity:					
Buyout			169,469,749	Illiquid	N/A
Special situations			8,813,073	Illiquid	N/A
Venture capital			192,100,358	Illiquid	N/A
Growth Equity			8,095,261	Illiquid	N/A
Secondaries			4,627,341	Illiquid	N/A
			<u>383,105,782</u>		
Private debt:					
Tactical Opportunities			16,884,084	Semi-Annual	90
Opportunistic debt			3,766,252	Illiquid	N/A
			<u>20,650,336</u>		
Hedge funds:					
Multi-strategy			84,922,289	Quarterly/annual/bi-annual	45/60/65/90
Long/short credit			22,938,622	Monthly/quarterly/semi/bi-annual	45/65/90
Long/short equity			60,518,767	Monthly/quarterly/semi-annual	45/60/180
Long credit only			12,035,999	Bi-annual	N/A
Relative Value			26,368,351	Monthly/quarterly/semi/bi-annual	45/65/90
Global macro			2,200	Quarterly	90
			<u>206,786,228</u>		
Total investments			<u>\$ 1,486,680,688</u>		
Financial liabilities:					
Interest rate swaps	\$ —	1,836,869			

The Foundation does not have any investments classified as Level 3.

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The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value:

Cash and Cash Equivalents – The fair value of cash and cash equivalents, consisting primarily of cash and money market funds, is classified as Level 1, as these financial instruments are highly liquid.

Fixed Income Securities – Investments in certain fixed income securities represent investments in commingled funds consisting primarily of fixed income securities. These investments are classified as Level 1 if they are traded in an active market for which daily closing prices are available and are classified as Level 2 if the observable inputs are from other than quoted prices in active markets or otherwise have readily determinable fair values.

Equity Securities – Equity securities include both domestic equity and international equity asset classes. Investments in certain equity securities represent investments in commingled funds consisting primarily of equity securities. These investments are classified as Level 1 if they are traded in an active market for which daily closing prices are available or otherwise have readily determinable fair values.

Investments in other equity securities that are not considered commingled funds are measured at fair value using quoted market prices on active exchanges. They are classified as Level 1 if they are traded in an active market for which closing stock prices are readily available.

Alternative Investments – The alternative investment portion of the portfolio is comprised of the following:

- Real assets include investments in commingled funds, limited partnerships and limited liability companies. These investments are estimated using the NAV basis. At June 30, 2026 and 2025, notice periods for real assets generally range from one day to being illiquid, according to the provisions of the respective investment agreements. At June 30, 2026, the Foundation has not committed to investing anything additional in such investments. The remaining lives of the Foundation's investments in illiquid real asset partnerships range from one to ten years at June 30, 2026.
- Investments in private equity, private debt and hedge funds are estimated using current information obtained from the general partner or investment manager for the respective funds. Typically investees provide a NAV per share or partner capital balances that have been calculated in accordance with the measurement principles of ASC 946 *Financial Service Investment Companies*. The Foundation has estimated its fair value by using the NAV provided by the investee as of June 30.

Investments in private equity are generally made through limited partnerships. Under the terms of such agreements, the Foundation may be required to provide additional funding when capital or liquidity calls are made by fund managers. These partnerships have a limited existence, and they may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. However, depending on market conditions, the inability to execute the fund's strategy, or other factors, a manager may extend the terms of a fund beyond its originally anticipated existence or may wind the fund down prematurely. The Foundation cannot anticipate such changes because they generally arise from unforeseeable events, but should they occur they could reduce liquidity or originally anticipated investment returns. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. Such investments generally do not provide redemption options for investors and, subsequent to final closing, do not permit subscriptions by new or existing investors. At

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June 30, 2026, the Foundation has committed to incrementally invest approximately \$56,600,000 in such investments. The remaining lives of the Foundation's investments in venture capital/private equity partnerships range from one to ten years at June 30, 2026.

Investments in private debt are generally made through limited partnerships. The Foundation is currently invested in two private debt partnerships. For one of the partnerships, the partners' capital for this limited partnership is calculated by the administrator on the last business day of each calendar month. The partners' capital may also be calculated on a more frequent basis as required. The fund allows for semi-annual redemption with 90 days' notice. As of June 30, 2021, the Foundation fulfilled its commitment to such investment. The other partnership has a limited existence and may provide for annual extensions for the purpose of disposing portfolio positions and returning capital to investors. Like other limited partnership investments, a manager may extend the terms of the fund beyond the originally anticipated existence or may wind the fund down prematurely, which may reduce liquidity or originally anticipated investment returns, for which the Foundation cannot anticipate. Accordingly, the timing and amount of future capital or liquidity calls in any particular future year are uncertain. This particular private debt fund generally does provide redemption options for investors and, subsequent to final closing, does not permit subscriptions by new or existing investors. At June 30, 2025, the Foundation had committed to incrementally invest approximately \$10,000,000 in such investment. As of June 30, 2026 the outstanding commitment to this investment is approximately \$5,800,000. The remaining life of the Foundation's investment in this particular private debt partnership is two years at June 30, 2026.

Investments in hedge funds have numerous provisions which may restrict the redemptive nature of the investment. Certain of the hedge funds are subject to initial "lock-up" provisions, ranging up to three years. Subject to the expiration of the "lock-up" period, the investor has the ability to liquidate its investments periodically from monthly to tri-annually, accompanied by notice periods ranging from thirty to one hundred eighty days at June 30, 2026 and 2025, according to the provisions of the respective investment fund agreements. A portion or all of the hedge funds investment may be held as "side-pocket" investments, as determined by such investment fund's investment manager. The investor's ability to redeem its interest in the side-pocket investments is restricted until the occurrence of a realization event with respect to the underlying investment positions in such side-pockets per the terms of the respective investment fund's agreement.

In addition, certain investments in hedge funds are subject to redemption "gate" or redemption suspension provisions as defined in the respective investment funds' agreements. The investment manager of the investment funds may restrict or suspend redemption requests for various reasons, including, but not limited to, insufficient liquidity at the investment fund to satisfy redemption requests or to preserve the interests of the shareholders not redeeming from the investment funds. At June 30, 2026 and 2025, no redemption gates or suspension provisions have been imposed on the Foundation's investments in hedge funds.

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Liquidity

The following presents the fair value of the Foundation's investments as of June 30, 2026 and 2025 by redemption period.

	<u>2026</u>	<u>2025</u>
Daily	\$ 738,758,569	686,473,451
Monthly	134,182,103	95,381,640
Quarterly	184,810,607	166,988,697
Semi-annual	17,560,915	16,884,084
Annual	29,638,645	27,968,136
Bi-annual	30,584,087	2,668,903
Tri-annual	—	759,272
Illiquid	562,736,169	489,556,505
	<u>\$ 1,698,271,094</u>	<u>1,486,680,688</u>

The limitation on the Foundation's ability to redeem or sell these investment positions vary by each individual investment and may be subject to notice periods and redemption restrictions.

Interest Rate Swaps – The fair value of the Foundation's swap was estimated using primarily Level 2 inputs via netting discounted future fixed cash payments and the discounted expected variable cash payments. Variable cash payments are based on an expectation of future interest rates derived from observable market interest rate curves. However, Level 3 inputs were used to determine credit valuation adjustments, such as estimates of current credit spreads to evaluate the likelihood of default. The Foundation has determined that the impact of these credit valuation adjustments are not a significant input to the overall valuation of the swap, and has therefore determined the swap is most appropriately classified as Level 2.

(6) Leases

The Foundation is the lessee on several operating leases primarily for real estate and office space through fiscal 2037. Lease cost recorded under all operating leases was \$555,322 and \$489,721 in 2026 and 2025, respectively.

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Maturities of lease liabilities as of June 30, 2026 are as follows:

Year ending June 30:		
2027	\$	342,841
2028		51,903
2029		51,903
2030		51,903
2031		51,903
Thereafter		<u>484,264</u>
Total undiscounted lease payments		
(weighted average term 11 years)		1,034,717
Less impact of present value discount		
(weighted average discount rate 0.75%)		<u>(208,932)</u>
Total right of use liabilities	\$	<u><u>825,785</u></u>

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities was \$463,575 and \$434,161 in 2026 and 2025, respectively.

The Foundation leases substantially all of the carrying value of its property, plant and equipment through several real estate operating leases. These leases are generally twelve months or less. Revenue earned under these leases was \$33,534,606 and \$31,367,497 in 2026 and 2025, respectively. Future minimum rental revenues due under these leases as of June 30, 2026 are as follows:

Year ending June 30:		
2027	\$	1,509,834
2028		754,489
2029		483,544
2030		455,669
2031		222,533
Thereafter		<u>237,599</u>
Total	\$	<u><u>3,663,668</u></u>

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(7) Property, Plant, and Equipment

Property, plant, and equipment at June 30, 2026 and 2025 is comprised of the following:

	<u>2026</u>	<u>2025</u>
Real property, principally rental property	\$ 207,245,657	205,595,153
Furniture, fixtures and equipment	24,799,031	24,931,091
Less accumulated depreciation	<u>(120,563,102)</u>	<u>(114,511,674)</u>
	111,481,586	116,014,570
Work in process	<u>8,291,478</u>	<u>4,830,429</u>
	<u><u>\$ 119,773,064</u></u>	<u><u>120,844,999</u></u>

At June 30, 2026 and 2025, the Foundation held replacement reserve funds and cash flow reserve funds for the purposes of capital replacement for the student housing complexes owned and operated by UBFFSH of \$42,627,254 and \$39,439,943, respectively. The reserve funds are included in investments in the consolidated statements of financial position.

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(8) Debt Financing

A summary of long-term debt as of June 30, 2026 and 2025 is as follows:

	<u>2026</u>	<u>2025</u>
Village of Kenmore Housing Authority bonds payable in monthly installments of \$47,516 through 2028 including interest at 4.95%. Outstanding principal is \$866,083 and \$1,378,742 at June 30, 2026 and 2025, respectively, net of unamortized debt issuance costs of \$33,222 in 2026 and \$46,509 in 2025. (Flickinger Bonds)	\$ 832,861	1,332,233
Town of Amherst Development Corporation bonds payable in annual principal installments that escalate through maturity in October 2035 plus variable rate interest. Outstanding principal is \$13,640,000 and \$14,630,000 at June 30, 2026 and 2025, respectively, net of unamortized debt issuance costs of \$365,351 in 2026 and \$403,475 in 2025. (South Lake Village Replacement Bonds)	13,274,649	14,226,525
Town of Amherst Development Corporation bonds payable in annual principal installments that escalate through maturity in October 2045 plus interest ranging from 3.00% to 5.00% adjusted annually. Outstanding principal is \$46,430,000 and \$47,965,000 at June 30, 2026 and 2025, respectively, net of unamortized debt issuance costs of \$1,045,743 and \$1,100,067 in 2026 and 2025, respectively, and inclusive of unamortized premium of \$2,605,539 and \$2,869,279 in 2026 and 2025, respectively. (Greiner Hall and Hadley Village Refunding Bonds)	\$ 47,989,796	49,734,212
Town of Amherst Development Corporation bond payable in annual principal installments that escalate through maturity in October 2042 plus interest ranging from 4.00% to 5.00% adjusted annually. Outstanding principal is \$18,955,000 and \$19,670,000 at June 30, 2026 and 2025, respectively, net of unamortized debt issuance costs of \$584,160 and \$622,257 in 2026 and 2025, respectively, and inclusive of unamortized premium of \$2,765,135 and \$3,087,762 in 2026 and 2025, respectively. (Flint Village and Creekside Village 2021 Refunding Bonds).	21,135,978	22,135,506
	<u>\$ 83,233,284</u>	<u>87,428,476</u>

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Interest expense was \$3,279,875 and \$3,352,700 in 2026 and 2025, respectively.

In August 2010, UBFA obtained a \$25,000,000 operating line of credit. The outstanding balance amounted to \$4,728,728 and \$5,092,576 at June 30, 2026 and June 30, 2025, respectively, and was used to acquire an interest in a downtown area parking garage and to assist with construction of the athletics field house. Borrowings under the line of credit are payable on demand and bear interest at 5.25% and 6.00% at June 30, 2026 and 2025, respectively, which are 1.5% below the bank's prime rate.

In December 1997, UBFFSH issued \$8,700,000 Village of Kenmore Housing Authority Corporation Bonds (Flickinger Bonds). The Flickinger bonds were issued to provide funds for permanent financing on the project in the Town of Amherst. The Flickinger Bonds are secured by first mortgage interests in the property and the assignment of all related leases, subleases and rentals. Each bond issuance is secured by a first mortgage lien on UBFFSH's ground leasehold interest for such project and by assignment of all leases, subleases and rentals related to such project. UBFFSH is required to make payments under leasing arrangements with the bond issuers sufficient to service the bonds.

In August 2010, UBFFSH issued \$23,975,000 Town of Amherst Development Corporation Bonds. The South Lake Village Replacement Bonds (Replacement Bonds) were issued to provide funds for the refunding of the outstanding principal of the South Lake Village Original Bonds and to provide payment of a portion of the costs incidental to their issuance. Concurrent with the issuance of the Replacement Bonds, UBFFSH entered into an interest rate swap agreement. Under the swap agreement, UBFFSH is obligated to pay the counterparty a fixed rate per annum equal to 4.7755% on a notional amount approximately equal to the outstanding principal amount of the Replacement Bonds, subject to certain conditions. The counterparty, in turn, is obligated to pay to UBFFSH a variable rate per annum on an equal notional amount, which rate is defined as 67% of one-month SOFR, also subject to certain conditions. The rate transitioned to SOFR effective July 1, 2023. The swap agreement matures on October 1, 2035. If the swap agreement is terminated prior to the maturity of the Replacement Bonds, UBFFSH may be required to make a termination payment. The amount of any termination payment would depend upon prevailing market conditions, and such amount could be substantial. The interest rate swap agreement does not relieve UBFFSH of its obligations under the Replacement Bonds. The mark to market value of the swap was a liability of \$1,401,457 and \$1,836,869 at June 30, 2026 and 2025, respectively.

The swap agreement also requires that assets be pledged to the counterparty to serve as collateral in an amount equal to or greater than the outstanding swap liability. At June 30, 2026 and 2025, UBF pledged the assets held with one of its fixed asset managers valued in excess of the swap liability.

In October 2017, UBFFSH issued \$65,305,000 Town of Amherst Development Corporation Bonds (Greiner and Hadley Refunding Bonds). The Greiner and Hadley Refunding Bonds were issued to provide funds for the refunding of the outstanding principal on the Greiner Hall and Hadley Village debt obligation. Interest on the borrowing ranges from 3% to 5%.

In December 2021, UBFFSH issued \$21,490,000 Town of Amherst Development Corporation Bonds (Flint Village and Creekside Village 2021 Refunding Bonds). The Flint Village and Creekside Village 2021 Refunding Bonds were issued to provide funds for the refunding of the outstanding principal on the Flint Village and Creekside Village Refunding Bonds issued on June 12, 2012. Interest on the borrowing ranges from 4% to 5%.

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A surplus cash flow reserve fund is maintained related to the South Lake Village and Greiner Hall projects as required by the letter of credit provider and bond insurer, respectively. The requirement provides that the reserve will be maintained by setting aside 50% of the net cash flow from each project to a maximum aggregate amount of 10% of the par amount of the bonds financing that project. The surplus cash flow reserve fund will continue as long as the letter of credit or the bond insurance policy is in full force and effect. The surplus cash flow reserve fund is designated for capital expenditures with the prior consent of the letter of credit provider or the bond insurer. The amounts, included in investments, designated as surplus cash flow reserve was \$8,470,000 at both June 30, 2026 and 2025.

Aggregate annual maturities of long-term debt at June 30, 2026 are as follows:

2027	\$ 3,953,988
2028	3,917,098
2029	3,780,000
2030	3,975,000
2031	4,185,000
Thereafter	<u>60,080,000</u>
Aggregate annual maturities	79,891,086
Less unamortized debt issuance costs	(2,028,476)
Plus: Unamortized bond premium	<u>5,370,674</u>
	<u><u>\$ 83,233,284</u></u>

(9) Endowment Net Assets

At June 30, 2026 and 2025, UBF's endowment consists of 1,758 and 1,568 individual funds, respectively, established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the UBF board of trustees to function as endowments. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor contribution amounts (deficit). When donor-restricted endowment fund deficits exist, they are classified as a reduction of donor-restricted net assets. At June 30, 2026, and 2025, no funds were "underwater".

UBF applies the provisions of NYPMIFA, which requires prudent spending regarding the original gift of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, UBF classifies as donor-restricted endowment funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) accumulated gains (losses) on the permanent endowment.

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June 30, 2026 and 2025

The following is a summary of UBF's endowment net asset composition by type of fund as of June 30, 2026 and 2025:

2026				
With donor restrictions				
	Without donor restrictions	Original gift	Accumulated gains	Total
Donor-restricted endowment funds	\$ —	341,133,085	353,073,332	694,206,417
Board-designated endowment funds	235,908,059	145,681,227	273,380,838	654,970,124
Total endowment net assets	<u>\$ 235,908,059</u>	<u>486,814,312</u>	<u>626,454,170</u>	<u>1,349,176,541</u>

2025				
With donor restrictions				
	Without donor restrictions	Original gift	Accumulated gains	Total
Donor-restricted endowment funds	\$ —	305,528,855	282,395,347	587,924,202
Board-designated endowment funds	211,276,844	141,113,735	232,072,036	584,462,615
Total endowment net assets	<u>\$ 211,276,844</u>	<u>446,642,590</u>	<u>514,467,383</u>	<u>1,172,386,817</u>

Board-designated endowment funds include contributions from donors restricted to support a University unit or program that are subsequently designated by the Board to be treated as endowment.

Changes in UBF's endowment net assets for the years ended June 30, 2026 and 2025 are as follows:

2026			
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 211,276,844	961,109,973	1,172,386,817
Investment return, net	31,376,624	151,069,522	182,446,146
Contributions	132	39,039,934	39,040,066
Appropriation of endowment assets for expenditure	(8,800,183)	(39,564,732)	(48,364,915)
Other additions	2,054,642	1,613,785	3,668,427
Endowment net assets, end of year	<u>\$ 235,908,059</u>	<u>1,113,268,482</u>	<u>1,349,176,541</u>

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	2025		
	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$ 200,823,906	858,665,491	1,059,489,397
Investment return, net	19,257,926	88,806,044	108,063,970
Contributions	138,800	47,394,351	47,533,151
Appropriation of endowment assets for expenditure	(9,767,975)	(35,560,232)	(45,328,207)
Other additions	824,187	1,804,319	2,628,506
Endowment net assets, end of year	\$ <u>211,276,844</u>	<u>961,109,973</u>	<u>1,172,386,817</u>

Appropriation of endowment assets for expenditure includes administrative expenses incurred in connection with the support and management of the endowment funds.

(10) Net Assets

Net assets with donor restrictions represent resources whose use is limited by donor imposed stipulations of time or purpose that either expire by the passage of time or are met by specific actions of the Foundation or the University. Specific actions most often involve completion of expenditures for purposes consistent with donor stipulations. When such donor-imposed stipulations are met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Net assets with donor restrictions that are classified as endowment returns subject to future appropriation represent investment returns retained in order to maintain the purchasing power of the Foundation's resources. Investment and spending policies govern when these resources might be reclassified to net assets without donor restrictions.

Net assets with donor restrictions that are perpetual represent resources that donors have stipulated must be maintained permanently as endowment net assets.

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Net assets with donor restrictions comprised the following at June 30, 2026 and 2025:

	2026	2025
Amounts with time or purpose restrictions:		
Student financial aid	\$ 24,357,901	21,030,022
Chairs and professorships	17,083,974	16,493,711
Capital and capital improvements	36,650,930	36,924,553
Research	33,772,853	33,053,289
Lectures	1,521,475	1,619,563
Libraries	1,475,169	1,495,344
Specified University support	124,899,690	114,911,737
	<u>239,761,992</u>	<u>225,528,219</u>
Endowment returns subject to future appropriation:		
Student financial aid	121,057,675	96,337,785
Chairs and professorships	88,073,254	72,260,290
Capital and capital improvements	947,542	1,529,225
Research	138,051,168	120,509,328
Lectures	7,472,967	6,285,761
Libraries	5,921,229	4,892,112
Specified University support	237,612,252	195,555,619
	<u>599,136,087</u>	<u>497,370,120</u>
Amounts with perpetual restrictions:		
Student financial aid	131,535,049	119,297,444
Chairs and professorships	58,257,519	54,473,039
Capital and capital improvements	37,030	36,530
Research	12,932,446	11,790,944
Lectures	4,713,475	4,458,534
Libraries	3,987,609	3,859,333
Specified University support	168,201,862	143,127,426
	<u>379,664,990</u>	<u>337,043,250</u>
Total net assets with perpetual restrictions	<u>379,664,990</u>	<u>337,043,250</u>
Remainder interest in trusts	<u>8,516,843</u>	<u>7,212,995</u>
Total net assets with donor restrictions	<u>\$ 1,227,079,912</u>	<u>1,067,154,584</u>

Included in Specified University support with perpetual restrictions is contributions receivable of \$38,531,984 and \$31,467,930, at June 30, 2026 and 2025, respectively.

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Net assets without donor restrictions comprised the following at June 30, 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Board designated endowment	\$ 235,908,059	211,276,844
Academic unit resources	33,444,404	32,577,268
Academic support resources	23,702,773	23,451,981
Athletics	2,576,264	3,610,178
Property operations and reserves	80,902,684	73,638,935
Capital assets	20,398,649	20,229,825
Strategic reserves	162,352,392	120,039,095
	<u>\$ 559,285,225</u>	<u>484,824,126</u>

(11) Functional Expenses

Expenses are presented by functional classification in accordance with the overall service missions of the University. 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:

	<u>Program services</u>	<u>Real Estate</u>	<u>Fundraising</u>	<u>Business office administration</u>	<u>Total</u>
Salary and fringe:					
Paid to individuals	\$ 24,663,240	30,307	8,551,166	5,055,885	38,300,598
Reimbursed to University	5,573,939	5,669,616	—	—	11,243,555
Reimbursed to University related entities	2,091,383	—	—	—	2,091,383
Scholarships and awards	25,788,148	—	—	—	25,788,148
Contractual services	12,268,158	731,135	1,206,424	809,589	15,015,306
Rent and occupancy	508,344	10,303,134	9,746	340,289	11,161,513
Travel and meetings	8,126,415	14,791	734,872	46,395	8,922,473
Supplies	4,708,473	210,297	364,493	237,249	5,520,512
Grants in support of University mission	4,983,986	5,000	—	—	4,988,986
Interest	—	3,271,213	—	8,662	3,279,875
Depreciation/amortization	—	7,369,323	—	20,703	7,390,026
Other	1,109,088	781,041	178,408	23,241	2,091,778
Total	<u>\$ 89,821,174</u>	<u>28,385,857</u>	<u>11,045,109</u>	<u>6,542,013</u>	<u>135,794,153</u>

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

	Program services	Real Estate	Fundraising	Business office administration	Total
Salary and fringe:					
Paid to individuals	\$ 23,535,424	27,135	8,147,436	4,597,915	36,307,910
Reimbursed to University	6,095,675	5,969,560	—	—	12,065,235
Reimbursed to University related entities	1,549,453	—	—	—	1,549,453
Scholarships and awards	25,200,191	—	—	—	25,200,191
Contractual services	11,573,807	854,086	1,643,963	792,368	14,864,224
Rent and occupancy	1,072,371	6,978,667	18,631	292,214	8,361,883
Travel and meetings	9,035,131	13,854	790,055	33,270	9,872,310
Supplies	3,905,394	102,463	403,454	255,570	4,666,881
Grants in support of University mission	3,528,644	—	—	—	3,528,644
Interest	—	3,531,665	—	1,035	3,532,700
Depreciation/amortization	—	7,066,861	—	21,410	7,088,271
Other	1,839,210	505,379	45,129	34,643	2,424,361
Total	\$ 87,335,300	25,049,670	11,048,668	6,028,425	129,462,063

(12) Funds Held for Others

The Foundation manages certain funds for various purposes, including endowment administration for other SUNY and University affiliated campuses, and other charities or University related programs. Funds held at June 30, 2026 and 2025 were as follows:

	2026	2025
Other SUNY campuses	\$ 731,165	668,260
University affiliated campuses	3,175,094	2,876,123
Other charities and University related programs	2,373,248	2,988,044
	\$ 6,279,507	6,532,427

Funds maintained for others are included in the Foundation's investment portfolio and are segregated.

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(13) Contributed Nonfinancial Assets

For the years ended June 30, 2026 and 2025, respectively, contributed nonfinancial assets recognized within the accompanying Statement of Activities included:

	<u>2026</u>	<u>2025</u>
Fine art	\$ 198,000	4,200
Donated books	8,858	—
Equipment	254,399	360,676
Software	1,114,940	1,292,020
Supplies	570	8,940
Real estate	—	16,625,050
Other	3,600	12,379
Total contributed nonfinancial assets	<u>\$ 1,580,367</u>	<u>18,303,265</u>

On August 23, 2024, the Hauptman-Woodward Medical Research Institute (HWMRI) signed an asset transfer agreement with the UBF in partnership with the State University and RF to gift its building located at 700 Ellicott Street in Buffalo and endowment funds to UBF. Furniture, fixture and equipment located within the building at the date of transfer was transferred to the University

(a) Valuation Techniques

Each contribution of non-financial assets requires sufficient substantiation of the value. Adequate documentation may include qualified independent appraisals, a written opinion from a qualified expert in the field, actual receipts, and/or comparable fair market values of sales from independent transactions. In instances where the value of the gift cannot be substantiated, the Foundation may elect to decline the gift.

(b) Donor Restriction and Contributed Nonfinancial Assets Use

All gifts were recognized in accordance with donor restrictions, when applicable.

	<u>2026</u>	<u>2025</u>
Academic support	\$ 1,537,467	1,654,035
Real estate	—	16,625,050
Fine art	42,900	4,200
Other	—	19,980
Total contributed nonfinancial assets	<u>\$ 1,580,367</u>	<u>18,303,265</u>

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The Foundation's general practice is to utilize contributions of non-financial assets in accordance with donor-direction to advance the mission of the University and/or Foundation. Contributions of non-financial assets, with the exception of fine art and donated books, are usually granted to the University after receipt by the Foundation. The Foundation monetized two real estate properties that were gifted during the year ended June 30, 2025. From time to time, non-financial assets are given directly to the University and the University transfers the asset to the Foundation to maintain per the donor's intention, which may result in the Foundation transferring the non-financial asset back to the University for its intended use at some future point in time.

(14) Retirement Plan

UBFA has a defined contribution retirement plan covering all individuals meeting certain requirements. Benefits are provided by purchase of retirement annuity contracts based upon a percentage of the participant's salary. Expense under the plan was \$1,977,014 and \$1,838,785 in 2026 and 2025, respectively.

(15) Income Taxes

The Internal Revenue Service has ruled that UBF, FNUB Inc, UBFI, UBFFSH, UBFA and UBFS are qualified under Section 501(c)(3) of the Internal Revenue Code and are therefore, generally not subject to tax on related income under present Federal income tax laws, and are also not private foundations within the meaning of Section 509(a)(1), (a)(2), or (a)(3) of the Internal Revenue Code. UBF Corporation is qualified under Section 501(c)(2) of the Internal Revenue Code, and is, therefore, generally not subject to tax on related income under present Federal income tax laws as well. These entities follow the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*, whereby they recognize income tax positions when it is more-likely than-not that the position will be sustainable based on the merits of the position. Management has concluded that there are no material uncertain tax positions that need to be recorded at June 30, 2026 or 2025. UBF, UBF Corporation and UBFA have generated unrelated business income for the year ended June 30, 2026 but it is not material to the audited financial statements.

(16) Related-Party Transactions

UBFA provides certain accounting services to nonconsolidated affiliated entities. UBFA receives a fee for these services, which is included in other activities and services in the consolidated statements of activities. These fees amounted to \$82,014 and \$58,395 in 2026 and 2025, respectively.

The Foundation holds funds for certain research projects of the University and manages investments for certain other SUNY campuses. These funds are reflected as funds held in custody for others in the consolidated statements of financial position, which amounted to \$731,165 and \$668,260 at June 30, 2026 and 2025, respectively.

(17) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through October 8, 2026, the date that the consolidated financial statements were issued.