



SYRACUSE UNIVERSITY

Consolidated Financial Statements

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)



KPMG LLP
One Financial Plaza
755 Main Street
Hartford, CT 06103

Independent Auditors' Report

The Board of Trustees
Syracuse University:

Opinion

We have audited the consolidated financial statements of Syracuse University and its subsidiaries (the University), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, 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 University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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 University 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 University'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 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University'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

Hartford, Connecticut
October 16, 2024

SYRACUSE UNIVERSITY

Consolidated Balance Sheets

June 30, 2024 and 2023

(Thousands of dollars)

Assets	2024	2023
Cash and cash equivalents	\$ 298,379	225,135
Receivables, net	143,695	157,263
Other assets	65,419	56,153
Investments	2,533,618	2,316,175
Right-of-use assets – operating leases	33,625	14,030
Property and equipment, net	1,596,211	1,494,786
Total assets	<u>\$ 4,670,947</u>	<u>4,263,542</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 223,062	157,855
Deposits and deferred revenues	120,725	109,402
Operating lease obligations	33,591	13,995
Finance lease obligations	2,296	2,663
Asset retirement obligations	26,337	25,551
Accrued postretirement benefit obligation	41,992	42,570
Long-term liability to concessionaire	163,179	133,898
Long-term debt	737,783	741,348
Total liabilities	<u>1,348,965</u>	<u>1,227,282</u>
Net assets:		
Without donor restrictions	2,079,675	1,902,078
With donor restrictions	1,242,307	1,134,182
Total net assets	<u>3,321,982</u>	<u>3,036,260</u>
Total liabilities and net assets	<u>\$ 4,670,947</u>	<u>4,263,542</u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2024

(With comparative totals for the year ended June 30, 2023)

(Thousands of dollars)

	Without donor restrictions	With donor restrictions	2024 Total	2023 Total
Operating revenues:				
Student services revenue net of financial aid of \$449,881 in 2024 and \$426,591 in 2023	\$ 890,815	—	890,815	849,036
Contributions, excluding contributions to endowments	68,653	17,648	86,301	67,409
Grants and contracts	105,344	—	105,344	111,453
Investment return, including distributions from endowments of \$66,380 in 2024 and \$61,029 in 2023	125,406	—	125,406	91,484
Auxiliaries, net of financial aid of \$1,841 in 2024 and \$2,095 in 2023	62,832	—	62,832	59,911
Other	107,469	—	107,469	107,805
Net assets released from restrictions	14,875	(14,875)		
Total operating revenues	1,375,394	2,773	1,378,167	1,287,098
Operating expenses:				
Instruction and departmental research	480,850	—	480,850	461,849
Student services	331,757	—	331,757	286,550
Academic support	159,176	—	159,176	144,565
Institutional support	165,891	—	165,891	149,608
Sponsored research and other programs	88,566	—	88,566	84,370
Auxiliaries	50,250	—	50,250	44,386
Total operating expenses	1,276,490	—	1,276,490	1,171,328
Increase in net assets from operating activities	98,904	2,773	101,677	115,770
Nonoperating activities:				
Contributions to endowments	—	18,557	18,557	27,933
Investment return, excluding distributions from endowments, and gains on other financial instruments	78,153	86,795	164,948	89,822
Postretirement benefit obligation changes other than service cost	540	—	540	647
Increase in net assets from nonoperating activities	78,693	105,352	184,045	118,402
Increase in net assets	177,597	108,125	285,722	234,172
Net assets at beginning of year	1,902,078	1,134,182	3,036,260	2,802,088
Net assets at end of year	\$ 2,079,675	1,242,307	3,321,982	3,036,260

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2023

(Thousands of dollars)

	Without donor restrictions	With donor restrictions	2023 Total
Operating revenues:			
Student services revenue net of financial aid of \$426,591	\$ 849,036	—	849,036
Contributions, excluding contributions to endowments	38,367	29,042	67,409
Grants and contracts	111,453	—	111,453
Investment return, including distributions from endowments of \$61,029	91,484	—	91,484
Auxiliaries, net of financial aid of \$2,095	59,911	—	59,911
Other	107,805	—	107,805
Net assets released from restrictions	14,192	(14,192)	—
Total operating revenues	<u>1,272,248</u>	<u>14,850</u>	<u>1,287,098</u>
Operating expenses:			
Instruction and departmental research	461,849	—	461,849
Student services	286,550	—	286,550
Academic support	144,565	—	144,565
Institutional support	149,608	—	149,608
Sponsored research and other programs	84,370	—	84,370
Auxiliaries	44,386	—	44,386
Total operating expenses	<u>1,171,328</u>	<u>—</u>	<u>1,171,328</u>
Increase in net assets from operating activities	<u>100,920</u>	<u>14,850</u>	<u>115,770</u>
Nonoperating activities:			
Contributions to endowments	—	27,933	27,933
Investment return, excluding distributions from endowments, and gains on other financial instruments	42,585	47,237	89,822
Postretirement benefit obligation changes other than service cost	647	—	647
Increase in net assets from nonoperating activities	<u>43,232</u>	<u>75,170</u>	<u>118,402</u>
Increase in net assets	144,152	90,020	234,172
Net assets at beginning of year	<u>1,757,926</u>	<u>1,044,162</u>	<u>2,802,088</u>
Net assets at end of year	<u>\$ 1,902,078</u>	<u>1,134,182</u>	<u>3,036,260</u>

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Consolidated Statements of Cash Flows

Years ended June 30, 2024 and 2023

(Thousands of dollars)

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 285,722	234,172
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	92,017	91,199
Postretirement benefit obligation changes other than service cost	(540)	(647)
Changes in fair value of investments and financial instruments	(230,323)	(147,468)
Gifts of marketable securities, net of sales of unrestricted gifted securities	(2,577)	(3,741)
Gifts of property and equipment	(3,662)	(1,157)
Contributions restricted for investment and physical facilities	(33,667)	(38,271)
Changes in operating assets and liabilities:		
Receivables, net	9,774	(12,713)
Other assets	(11,159)	(12,459)
Accounts payable and accrued liabilities	40,853	(10,773)
Deposits and deferred revenues	11,323	10,073
Asset retirement obligations	786	211
Accrued postretirement benefit obligation	(38)	38
Net cash provided by operating activities	<u>158,509</u>	<u>108,464</u>
Cash flows from investing activities:		
Loans paid by students	3,794	4,709
Purchases of investments	(628,718)	(872,653)
Sales and maturities of investments	642,593	531,466
Purchases of property and equipment	<u>(134,370)</u>	<u>(116,472)</u>
Net cash used in investing activities	<u>(116,701)</u>	<u>(452,950)</u>
Cash flows from financing activities:		
Contributions restricted for investment and physical facilities	33,667	38,271
Proceeds from sales of gifted marketable securities restricted for investment	2,577	3,741
Proceeds from long-term debt	5,000	
Payments of long-term debt	(3,080)	(5,385)
Payments of finance lease obligations	(457)	(324)
Payments of long-term liability to concessionaire	(2,277)	(974)
Payment for swap termination	—	(49)
Change in refundable government student loan funds	<u>(3,994)</u>	<u>(5,280)</u>
Net cash provided by financing activities	<u>31,436</u>	<u>30,000</u>
Net increase (decrease) in cash and cash equivalents	73,244	(314,486)
Cash and cash equivalents at beginning of year	<u>225,135</u>	<u>539,621</u>
Cash and cash equivalents at end of year	\$ <u><u>298,379</u></u>	<u><u>225,135</u></u>
Supplemental disclosure:		
Interest paid	\$ 27,274	27,381
Right-of-use assets obtained in exchange for operating leases	24,695	7,826
Right-of-use assets obtained in exchange for finance leases	90	161
Increases in accounts payable and other long term liabilities for property and equipment	58,853	15,660

See accompanying notes to consolidated financial statements.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(1) Organization

Syracuse University (the University) is a private, not-for-profit, coeducational and residential university granted a charter by the State of New York in 1870. The University operates under the direction of an independent Board of Trustees as an education corporation under the New York Not-for-Profit Corporation Law. The University has a total enrollment of approximately 22,900 students, including approximately 15,100 full-time undergraduate students, approximately 440 law students, approximately 4,600 full-time master's and doctoral students, and approximately 2,800 part-time students. Geographically, the undergraduate student body represents 50 states and 85 foreign countries. The University offers approximately 600 degree and certificate programs in the following 13 schools and colleges: the School of Architecture; the College of Arts and Sciences; the School of Education; the College of Engineering and Computer Science; the Graduate School; the David B. Falk College of Sport and Human Dynamics; the School of Information Studies; the College of Law; the Martin J. Whitman School of Management; the Maxwell School of Citizenship and Public Affairs; the S.I. Newhouse School of Public Communications; the College of Visual and Performing Arts; and the College of Professional Studies.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), and include the accounts of Syracuse University, Syracuse University (USA) London Program, Syracuse University Madrid, Drumlins, Inc., Orange Insurance Company, LLC, 601 South Crouse Avenue, LLC, Syracuse Advance Holdings, LLC, Syracuse University Alumni Association, Inc. and Syracuse University Hotel and Conference Center LLC.

(b) Reclassifications

Certain reclassifications have been made to the 2023 information to conform to the 2024 presentation.

(c) Net Asset Classes

The accompanying consolidated financial statements present information regarding the University's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are not subject to donor stipulations restricting their use but may be designated for specific purposes by the University or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions are subject to donor stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or may be perpetual.

(d) Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services (i.e., the transaction price).

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Notes to Consolidated Financial Statements

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The University's student services revenue is comprised of total tuition revenue net of financial aid for all students, room and board revenue net of financial aid for the University's freshman and sophomore classes, and student ticket sales for athletic events. The University has a two-year residence requirement for undergraduate students with the primary purpose of contributing to the students' emotional and physical well-being and their intellectual, cultural, and social development outside the formal instruction program. This is accomplished through the interactions and growth opportunities on campus living provides. The University considers these activities to be vital to the overall well-being of the freshman and sophomore students and considers such activity core to student services functions.

The following table summarizes the components of student services revenue in the consolidated statements of activities for the years ended June 30, 2024 and 2023 (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Student services revenue:		
Tuition and fees	\$ 1,224,848	1,163,589
Less financial aid	<u>(444,308)</u>	<u>(420,501)</u>
Net tuition and fees	<u>780,540</u>	<u>743,088</u>
Room and board for freshman and sophomore residency requirement	114,848	110,870
Less financial aid	<u>(5,573)</u>	<u>(6,090)</u>
Net room and board for freshman and sophomore residency requirement	<u>109,275</u>	<u>104,780</u>
Student ticket sales to athletic events	<u>1,000</u>	<u>1,168</u>
Net student services revenue	<u>\$ 890,815</u>	<u>849,036</u>

Room and board associated with juniors, seniors, and post graduate students is recognized within auxiliaries revenue as there is not a residence requirement for these students to remain matriculated with the University. The room and board revenues related to juniors, seniors, and post graduate students totaled \$38.0 million and \$38.1 million for the years ended June 30, 2024 and 2023, respectively.

Revenue associated with student services and room and board for juniors, seniors, and post graduate students is recognized over the academic year, which generally aligns with the University's fiscal year, as services are provided. Revenues associated with academic programs that cross fiscal years are recognized based on the number of days the services are provided in each fiscal year. Revenues are presented at transaction prices, which are determined based on standard published rates for the services, less institutional aid awarded to qualifying students. Aid in excess of students' tuition and fees is reflected as a reduction of room and board charges. Amounts paid to students for living or other costs are reported as an expense.

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The amount of revenue per student varies based on the specific program or class in which the student enrolls as well as whether the student resides in University housing. In addition, students who adjust their course load, residence assignment, board assignment, or withdraw completely within the specified period published in the University's academic calendar may receive a full or partial refund in accordance with the University's refund policy. Refunds issued reduce the amount of revenue recognized. Payments are generally due prior to the start of the academic term.

Revenues from students received in advance of services provided, which primarily consist of summer session revenues, are included in deposits and deferred revenues in the consolidated balance sheets and totaled \$23.1 million and \$24.8 million at June 30, 2024 and 2023, respectively.

(e) Revenue from Grants and Contracts

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Grants and contracts whose restrictions are met in the same year as their revenue is recognized are reported as grants and contracts without donor restrictions.

Revenues received in advance of services provided are included in deposits and deferred revenues in the consolidated balance sheets, and totaled \$39.5 million and \$37.5 million at June 30, 2024 and 2023, respectively.

Conditional awards from federal and other sponsors outstanding as of June 30, 2024 were \$89.2 million.

(f) Contributions

Contributions, including unconditional pledges, are recognized at their fair values as revenues when donors' commitments are received. Conditional pledges become unconditional and are recognized as revenues when the conditions are substantially met. Unconditional pledges, net of an allowance for doubtful amounts, are reported at their estimated net present values, and are classified as with donor restrictions. Gifts whose restrictions are met in the same year as their receipt are reported as contributions without donor restrictions. Similarly, purpose-restricted investment returns earned during the same year in which those restrictions are met are reported as investment return without donor restrictions for the purposes of the consolidated statements of activities.

(g) Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, investments acquired with an original maturity date of three months or less are reported as cash equivalents unless they are part of funds held by bond trustee, included in other assets on the accompanying consolidated balance sheets or long-term investment funds.

(h) Investments

Investments are reported at estimated fair value. The values of publicly traded fixed income and equity securities are based on quoted market prices and exchange rates. Nonmarketable securities include alternative investments in hedge funds and private partnership funds. In the absence of readily

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

determinable public market values, alternative investments are valued using current net asset values (NAV) or the equivalent as a practical expedient to approximate fair values. The University believes the carrying amounts of these financial instruments are reasonable estimates of fair value. The estimates, because of the inherent uncertainty of valuations for these investments, may differ from the values that would have been used had ready markets existed.

(i) Property and Equipment

Land, land improvements, buildings, equipment, and the library collections are stated at cost or fair value at date of donation. The art collection is recorded at appraised value adjusted for accessions and deaccessions. Depreciation is recognized using the straight-line method with useful lives of twenty or forty years for buildings, five years for equipment, ten years for library collections, excluding special collections, and one hundred years for art and library special collections. Depreciation expense for buildings and land improvements is allocated to functional classifications based on square footage. Depreciation expense for equipment is allocated to functional classifications based on the functional classifications of the departments in which equipment is located, and depreciation expense for collections is allocated to the academic support functional classification.

(j) Leases

The University determines if an arrangement is or contains a lease at inception of the contract and classifies leases as either operating or finance depending upon the terms and conditions set forth in the contract. The University uses an incremental borrowing rate to determine the present value of lease payments. At the time of recognition of a lease liability and corresponding right-of-use asset the incremental borrowing rate is determined using interest rates applicable to the University.

The University recognizes operating lease expense within operation and maintenance of plant costs on the consolidated statements of activities on a straight-line basis over the lease term. On the consolidated balance sheets, right-of-use assets represent the University's right to use the underlying assets for the lease term and lease obligations represent the University's obligation to make lease payments arising from the lease agreements. Right-of-use assets and lease obligations are recognized at the lease commencement date based on the present value of lease payments over the lease term.

(k) Fair Value

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the fair value hierarchy are:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.

Level 2 – inputs are other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 – inputs are unobservable and are derived from valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and are not based on market, exchange, dealer, or broker-traded transactions.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Investments reported at NAV or its equivalent as a practical expedient to estimate fair value are not classified in the fair value hierarchy.

(l) Operations

The consolidated statements of activities present expenses by functional classification and reflect a subtotal for the change in net assets from operations. This subtotal reflects all transactions increasing or decreasing net assets without donor restrictions except those items associated with certain long-term investment returns, actuarial adjustments to self-insurance liabilities, changes in postretirement benefit obligations other than service cost and gains and losses on other financial instruments. Student services expenses include allocated costs associated with providing housing and dining services to undergraduate freshmen and sophomores. The remaining costs associated with providing housing and dining to undergraduate juniors, seniors, and post graduate students is recognized in auxiliaries expenses. Operation and maintenance of plant and depreciation are allocated to the functional expense line items based on relative square footage of facilities used for such functions and interest expense is allocated based on the functional purpose for which the debt proceeds were used.

(m) Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates made in the preparation of these consolidated financial statements include valuation of certain investments at fair value, estimated net realizable value of receivables, asset retirement obligations, and actuarially determined employee benefit and self-insurance liabilities. Actual results could differ from estimates.

(n) Income Taxes

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. Orange Insurance Company, LLC, Syracuse Advance Holdings, LLC, 601 South Crouse Avenue, LLC, and Syracuse University Hotel and Conference Center, LLC, are wholly owned by the University and are reported in the University's income tax filings. Syracuse University Alumni Association Inc., of which the University is the sole member, is a tax-exempt organization that files its own tax return. Drumlins, Inc. is a taxable subsidiary of the University and files its own tax returns. Syracuse University Madrid is a delegation of the University in Spain and is exempt from Spain's corporate taxes. The Syracuse University (USA) London Program, created for the advancement of education, is a registered charity under the laws of England. The income tax consequences, if any, from these entities are reflected in the consolidated financial statements, and do not have a material effect, individually or in the aggregate, on the University's consolidated financial statements. The University believes it has taken no significant uncertain tax positions.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(3) Financial Assets and Liquidity Resources

At June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt, are as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Financial assets, at year-end	\$ 2,975,692	2,698,573
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment	(1,073,014)	(969,852)
Pledges receivable, net, due in greater than one year	(68,365)	(74,829)
Student loans, net, due in greater than one year	(7,581)	(11,375)
Funds held by bond trustee		
Board designations:		
Quasi-endowment fund, primarily for long-term investing	(1,001,818)	(906,586)
Board-approved endowment spending distribution:		
Fiscal year 2024 appropriation		65,622
Fiscal year 2025 appropriation	<u>69,684</u>	
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>894,598</u>	<u>801,553</u>

The University's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year end. To manage liquidity the University has a taxable commercial paper note program as described in footnote 8. In addition, the quasi endowment of \$1,001.8 million and \$906.6 million at June 30, 2024 and 2023, respectively, can be made available for general expenditure with approval from the University's Board of Trustees, subject to investment liquidity provisions.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(4) Receivables

The following is a summary of accounts receivable, pledges receivable, and matured bequests receivable at June 30, 2024 and 2023 (in thousands of dollars):

	2024	2023
Accounts receivable	\$ 76,128	81,918
Pledges receivable, net of present value discount	73,314	86,435
Matured bequests receivable	3,949	1,531
	<u>153,391</u>	<u>169,884</u>
Allowance for doubtful accounts	<u>(9,696)</u>	<u>(12,621)</u>
Total	\$ <u><u>143,695</u></u>	<u><u>157,263</u></u>

Accounts receivable include student loans receivable of \$7.6 million and \$11.4 million at June 30, 2024 and 2023, respectively, net of allowances for doubtful accounts of approximately \$0.9 million at June 30, 2024 and 2023.

Unconditional pledges and matured bequests at June 30, 2024 and 2023 are restricted by donors predominantly for scholarships, other operating, and capital expenditure purposes. They are expected to be realized in the following periods (in thousands of dollars):

	2024	2023
Less than one year	\$ 8,845	12,033
One year to five years	59,470	64,348
More than five years	16,713	19,572
	<u>85,028</u>	<u>95,953</u>
Allowance for doubtful accounts	<u>(6,257)</u>	<u>(9,447)</u>
Present value discount	<u>(7,765)</u>	<u>(7,987)</u>
Total	\$ <u><u>71,006</u></u>	<u><u>78,519</u></u>

The discount rates used to present value the pledges range from 0.87% to 4.33% at June 30, 2024 and 2023.

Conditional promises, which depend on the occurrence of a specified future or uncertain event, are recognized when the conditions are substantially met. Total unrecognized conditional pledges for the University were approximately \$69.1 million as of June 30, 2024.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(5) Investments

The investment objective of the University is to invest its assets in a prudent manner to achieve a long-term rate of return sufficient to fund a portion of its spending and to increase investment value after inflation. The University diversifies its investments among asset classes by incorporating several strategies and managers. Major investment decisions are authorized by the Investment and Endowment Committee (IEC) of the University's Board of Trustees.

In addition to equity and fixed income investments, the University may also hold shares or units in institutional funds and alternative investment funds involving hedged, private partnerships, and real assets strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments. Private partnership funds generally employ buyout, venture capital, and debt related strategies and often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Real asset funds include investments in companies whose businesses are typically related to natural resources and real estate.

Fair values for shares in registered mutual funds are based on share prices reported by the funds as of the last business day of the fiscal year and are classified in Level 1 of the fair value hierarchy. The University's interests in alternative investment funds are generally reported at the NAV reported by the fund managers. NAV is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2024 and 2023, the University had no specific plans or intentions to sell investments at amounts different than NAV.

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Notes to Consolidated Financial Statements

June 30, 2024 and 2023

The University's investments at June 30, 2024 are summarized in the following table (in thousands of dollars):

	Redemption availability		Level 1	Level 2	Total
Investments measured at fair value:					
Marketable securities:					
U.S. equity	Daily	\$	433,662	—	433,662
International equity	Daily		127,068	—	127,068
Fixed income	Daily		360,726	146,097	506,823
Real asset	Daily		18,705	—	18,705
Total marketable securities			940,161	146,097	1,086,258
Funds held or administered by others	Not applicable		2,877	24,584	27,461
Subtotal			943,038	170,681	1,113,719
Investments measured at net asset value:					
Commingled funds:					
U.S. equity	Monthly		—	—	3,245
International equity	Monthly		—	—	1,462
Fixed income	Monthly		—	—	2,579
Hedge funds:					
Long/short	Quarterly to illiquid		—	—	179,546
Multi-strategy	Monthly to illiquid		—	—	218,143
Global and other	Monthly to illiquid		—	—	435,532
Private partnerships:					
Buyout	Illiquid		—	—	314,805
Venture capital	Illiquid		—	—	126,704
Debt related	Illiquid		—	—	40,118
Real asset	Illiquid		—	—	97,765
Subtotal			—	—	1,419,899
Total		\$	943,038	170,681	2,533,618

The days' notice that is required to be given to investment managers to redeem the specific asset classes above are: 1 to 4 days for U.S. equity; 1 to 10 days for international equity; 1 to 15 days for fixed income; 1 to 4 days for real asset; and 1 to 125 days for hedge funds.

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The University's investments at June 30, 2023 are summarized in the following (in thousands of dollars):

	Redemption availability	Level 1	Level 2	Total
Investments measured at fair value:				
Marketable securities:				
U.S. equity	Daily	\$ 350,061	3	350,064
International equity	Daily	110,565	—	110,565
Fixed income	Daily	279,916	142,466	422,382
Real asset	Daily	30,635	—	30,635
Total marketable securities		771,177	142,469	913,646
Funds held or administered by others	Not applicable	1,059	24,770	25,829
Subtotal		772,236	167,239	939,475
Investments measured at net asset value:				
Commingled funds:				
U.S. equity	Monthly	—	—	2,990
International equity	Monthly	—	—	1,391
Fixed income	Monthly	—	—	2,367
Hedge funds:				
Long/short	Quarterly to illiquid	—	—	169,796
Multi-strategy	Monthly to illiquid	—	—	252,508
Global and other	Monthly to illiquid	—	—	391,621
Private partnerships:				
Buyout	Illiquid	—	—	269,809
Venture capital	Illiquid	—	—	131,295
Debt related	Illiquid	—	—	56,026
Real asset	Illiquid	—	—	98,897
Subtotal		—	—	1,376,700
Total		\$ 772,236	167,239	2,316,175

The days' notice that is required to be given to investment managers to redeem the specific asset classes above are: 1 to 4 days for U.S. equity; 1 to 10 days for international equity; 1 to 15 days for fixed income; 1 to 4 days for real asset; and 1 to 100 days for hedge funds.

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The private partnerships have initial terms of 10 years with extensions of one to four years and have an average remaining expected life of 4.9 years and 4.5 years as of June 30, 2024 and 2023, respectively. At June 30, 2024, the University's outstanding commitments to private partnerships totaled \$356.6 million. Private partnerships are considered to be illiquid because distributions are made upon the liquidation of underlying investments.

Certain of the University's hedge fund investments are illiquid as a result of restrictions that include contractual lock up provisions, redemption notification requirements, and other restrictions. Restrictions on hedge fund investments totaling \$95.5 million expire in the year ending June 30, 2025 and \$17.0 million of hedge fund investments are illiquid until certain contractually defined special liquidity events occur. All other hedge funds are considered liquid, with monthly to semi-annual redemption availability.

The following table summarizes the components of investment return in the consolidated statements of activities for the years ended June 30, 2024 and 2023 (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Interest and dividends, net	\$ 59,448	33,107
Realized gains, net	77,513	46,756
Unrealized gains (losses), net	<u>152,354</u>	<u>97,815</u>
Total investment return	<u>\$ 289,315</u>	<u>177,678</u>

Netted in the interest and dividends component of investment return were investment management expenses of \$5.9 million and \$5.3 million for the years ended June 30, 2024 and 2023, respectively.

(6) Endowment Funds

The University's endowment consists of approximately 2,600 individual funds which include both donor restricted endowment funds and funds designated by the University to function as quasi endowments. These individual funds have been established for a variety of purposes, with the majority of them established for scholarships and endowed chairs.

The University employs asset allocation models having multi-year investment horizons, and it manages its long-term investments in accordance with the total return concept and the goal of maximizing long-term return within acceptable levels of risk. The University's spending policy is aligned with the asset allocation model and is designed to provide a stable level of financial support and to preserve the real value of its endowment. The University compares the performance of its investments against several benchmarks, including its asset allocation model policy indexes.

The trustee IEC approves the annual distribution rates and spending amount for the University's investment funds. Per unit distributions are calculated by multiplying the average of the monthly unit market values during the previous three calendar years by the percentage approved by the Committee each year. The percentage approved for the years ended June 30, 2024 and 2023 was 3.79%.

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The University adheres to the New York State Prudent Management of Institutional Funds Act (NYPMIFA). The University has interpreted NYPMIFA as allowing the University to spend or accumulate the amount of an endowment fund that the University determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The University classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by NYPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

In accordance with NYPMIFA, the IEC considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund
- The purposes of the University and the endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the University
- Where appropriate and where circumstances would otherwise warrant, alternatives to expenditure of an endowment fund, giving due consideration to the effect that such alternatives may have on the University
- The investment policies of the University

Endowment funds are considered to be underwater when their fair value is less than their historical gift amounts. In accordance with the Prudent Management standards contained in NYPMIFA, the University has the ability to spend from individual endowments that are underwater, if it considers such action to be prudent for that particular endowment. In addition, in accordance with the implementation of NYPMIFA in 2011, the University was required to ask certain existing donors if they wished to prevent spending from their endowment if underwater. If the donor had requested spending not occur if their endowment is underwater, the University is required to comply with this request. As of June 30, 2024 and 2023, there were no endowment funds underwater where the donor had requested that spending not occur if the endowment was underwater.

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June 30, 2024 and 2023

At June 30, 2024 and 2023, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and consisted of the following (in thousands of dollars):

	Without donor restrictions	With donor restrictions			Total funds 2024
		Original gift	Accumulated gains (losses)	Total	
Quasi	\$ 1,001,818	—	—	—	1,001,818
Donor restricted:	—	—	—	—	—
Underwater					
Other	—	615,963	457,051	1,073,014	1,073,014
	<u>\$ 1,001,818</u>	<u>615,963</u>	<u>457,051</u>	<u>1,073,014</u>	<u>2,074,832</u>

	Without donor restrictions	With donor restrictions			Total funds 2023
		Original gift	Accumulated gains (losses)	Total	
Quasi	\$ 906,586	—	—	—	906,586
Donor restricted:					
Underwater	—	55,932	(2,980)	52,952	52,952
Other	—	542,523	374,377	916,900	916,900
	<u>\$ 906,586</u>	<u>598,455</u>	<u>371,397</u>	<u>969,852</u>	<u>1,876,438</u>

Changes in net assets associated with endowment funds for the years ended June 30, 2024 and 2023 were (in thousands of dollars):

	2024		
	Without donor restrictions	With donor restrictions	Total
Net assets at June 30, 2023	\$ 906,586	969,852	1,876,438
Investment return	110,774	119,514	230,288
Contributions	—	17,508	17,508
Distributions	(32,119)	(34,261)	(66,380)
Board designated and donor required transfers	16,577	401	16,978
Net assets at June 30, 2024	<u>\$ 1,001,818</u>	<u>1,073,014</u>	<u>2,074,832</u>

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		2023	
		Without donor restrictions	With donor restrictions
			Total
Net assets at June 30, 2022	\$	863,080	1,759,954
Investment return		71,583	147,231
Contributions		—	23,575
Distributions		(29,975)	(61,029)
Board designated and donor required transfers		1,898	6,707
Net assets at June 30, 2023	\$	<u>906,586</u>	<u>1,876,438</u>

(7) Property and Equipment

The following is a summary of property and equipment at June 30, 2024 and 2023 (in thousands of dollars):

	2024	2023
Land and land improvements	\$ 112,190	109,490
Buildings and related equipment	2,523,661	2,469,238
Equipment	157,760	148,117
Library and art collections	261,687	257,318
Construction in progress	207,647	87,607
	3,262,945	3,071,770
Accumulated depreciation	(1,666,734)	(1,576,984)
Total	<u>\$ 1,596,211</u>	<u>1,494,786</u>

Included in the amounts above are assets that have been acquired in connection with finance leases. These amounts are \$4.1 million, with accumulated amortization of \$2.8 million, and \$4.0 million, with accumulated amortization of \$2.5 million, at June 30, 2024 and 2023, respectively.

Depreciation expense was \$95.5 million and \$94.7 million, for the years ended June 30, 2024 and 2023, respectively.

The University has asset retirement obligations arising from regulatory requirements to perform certain asset retirement activities at the time of disposal of certain capital assets. The liability was initially recorded at fair value and is adjusted for accretion expense and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long-lived assets and depreciated over the useful lives of the assets.

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(8) Long-Term Debt

Long-term debt outstanding at June 30, 2024 and 2023 is set forth below (in thousands of dollars):

	<u>Fiscal years of maturity</u>	<u>2024</u>	<u>2023</u>
Trust for Cultural Resources of the County of Onondaga Revenue Bonds:			
Series 2013 (a)	2015–2024	\$ —	2,080
Series 2019 (b)	2039–2050	317,720	317,720
Onondaga Civic Development Corporation Revenue Bonds:			
Series 2020A (c)	2026–2036	114,945	114,945
Onondaga Civic Development Corporation Taxable Revenue Bonds:			
Series 2020B (d)	2036–2056	224,410	224,410
Other notes (e)	2028	4,000	—
Total principal debt		661,075	659,155
Unamortized premium		80,163	85,814
		741,238	744,969
Less bond issuance costs		3,455	3,621
Total long-term debt		\$ <u>737,783</u>	<u>741,348</u>

Additional details on the debt portfolio are as follows:

- (a) Fixed rate bonds with interest rates of 5.0%. These bonds were issued at a premium that is being amortized using the effective interest method over the remaining life of each of the terms of the bonds. The University is required to make semi-annual payments of interest and annual payments of principal to bondholders through the trustee through 2024.

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- (b) In 2020, the University issued \$317.7 million of Series 2019 bonds plus received additional premium in the amount of \$66.5 million. The proceeds of Series 2019 bonds and associated premium were used to redeem \$165.5 million of bonds maturing between December 1, 2020 through December 1, 2037, as well as to repay \$30.4 million of outstanding commercial paper. In connection with this transaction the University utilized \$48.1 million to terminate swaps associated with the debt series that were redeemed and used \$138.0 million to fund a portion of two renovation projects. The University recorded a loss of approximately \$1.5 million during the year ended June 30, 2020. The Series 2019 bonds are fixed rate tax-exempt bonds with interest rates at date of issuance ranging from 4.0% to 5.0% depending on the underlying principal maturity date. The bond premium is being amortized using the effective interest method over the remaining life of each of the terms of the bonds, resulting in an effective yield ranging from 1.91% to 2.36%. The University makes semi-annual payments of interest to the bondholders through the trustee. In addition, the University will make annual payments of principal to bondholders through the trustee on a portion of the bonds for the years ending June 30, 2039 through 2042. The other portions of the bonds maturing in the years ending June 30, 2044 through 2050 are subject to mandatory redemption on specific sinking fund redemption dates occurring in the years ending June 30, 2043 to 2050.
- (c) In 2020, the University issued \$114.9 million of Series 2020A tax-exempt bonds plus received additional premium in the amount of \$36.6 million. The Series 2020A bonds are fixed rate tax-exempt bonds with interest rates at date of issuance of 5.0% for all principal maturity dates. The bond premium is being amortized using the effective interest method over the remaining life of each of the terms of the bonds, resulting in an effective yield ranging from 0.55% to 1.58%. The University makes semi-annual payments of interest to the bondholders through the trustee. In addition, the University will make annual payments of principal to bondholders through the trustee on the bonds for the years ending June 30, 2026 through 2036.
- (d) In 2020, the University issued \$224.4 million of Series 2020B taxable bonds. The proceeds of the Series 2020B bonds along with the Series 2020A bonds in note 8(c), were used to redeem and partially advance refund \$208.0 million of bonds maturing December 1, 2022 through December 1, 2038. In connection with this transaction the University utilized \$47.6 million to terminate swaps associated with the debt series that were redeemed and the University received taxable proceeds of \$100.0 million. The University recorded a loss during the year ended June 30, 2020 of approximately \$10.7 million, included in investment return, excluding distributions from endowments, and gains (losses) on other financial instruments in the accompanying 2020 statement of activities. The Series 2020B bonds are fixed rate taxable term bonds with terms ending in the years ending June 30, 2038 and 2056, with effective yields of 2.768% and 3.068%, respectively. The University makes semi-annual payments of interest to the bondholders through the trustee. The bonds maturing in the year ending June 30, 2038 are subject to mandatory redemption on specific sinking fund redemption dates occurring in the years ending June 30, 2036 to 2038. The bonds maturing in the year ending June 30, 2056 are subject to mandatory redemption on specific sinking fund redemption dates occurring in the years ending June 30, 2051 to 2056.
- (e) In 2024, the University issued a note in connection with a property acquisition. The note bears interest at a fixed rate of 3.0%. The University is required to make semi-annual payments of interest and annual payments of principal through June 30, 2028.

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Aggregate principal payments of long-term debt are summarized in the table below (in thousands of dollars):

<u>Fiscal year</u>	<u>Amount</u>
2025	\$ 1,000
2026	9,310
2027	9,735
2028	10,180
2029	9,655
Thereafter	<u>621,195</u>
Total	\$ <u><u>661,075</u></u>

The University had a surety bond aggregating approximately \$28.2 million at both June 30, 2024 and 2023 related to potential claims under the University's workers' compensation plan. The expiration date for the surety bond occurs in the year ending June 30, 2025 and there were no outstanding amounts against the surety bond.

In September 2017, the University instituted a taxable commercial paper notes program that allows the University to issue in aggregate up to \$75.0 million in commercial paper notes. Proceeds from the issuance of commercial paper may be used to provide bridge financing for capital projects and to finance general operations of the University. The notes bear a fixed rate of interest, established on the borrowing date, over their individual terms not to exceed 270 days. The program has an ultimate expiration of June 30, 2075. At June 30, 2024 and 2023, there was no commercial paper outstanding.

(9) Leases

The University is committed to minimum annual lease payments under several long-term non-cancellable operating and finance leases for educational and auxiliary facilities and equipment through the year ending June 30, 2037.

The components of lease expense for the year ended June 30, 2024 and 2023 are as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Lease cost:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 320	286
Interest on lease obligations	266	302
Operating lease expense	<u>5,091</u>	<u>5,261</u>
Total lease expense	\$ <u><u>5,677</u></u>	<u><u>5,849</u></u>

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Payments due and other information related to operating and finance leases are summarized below as of June 30, 2024 (in thousands of dollars):

Fiscal year	Operating	Finance
2025	\$ 7,378	726
2026	4,094	723
2027	4,152	705
2028	4,054	360
2029	3,239	30
Thereafter	18,019	263
	40,936	2,807
Less amount representing interest	7,345	511
Total obligation	\$ 33,591	2,296
Weighted average remaining lease term	8.72 years	4.00 years
Weighted average discount rate	4.15%	10.08%

Ground leases:

The University leases land to an outside developer of student housing complexes with lease agreement extensions available through 2059. Lease payments of \$0.7 million for the years ended June 30, 2024 and 2023 are recorded in the consolidated statements of activities when received from the developer.

(10) Long-Term Liability to Concessionaire

On September 30, 2020, the University completed the financial closing of its Long-Term Concession and Operating Agreement, pursuant to which the University transferred to CenTrio (f/k/a Enwave Energy) (the Concessionaire) the exclusive right to operate its utility system (generation and distribution) and provide utility services to the University's main campus, as well as other third-party customers. An upfront payment associated with the agreement of \$100.0 million was received by the University on August 26, 2021.

Under the agreement, the Concessionaire operates, manages, maintains, and makes capital investments in the utility system, including an initial modernization. In exchange, the Concessionaire will charge the University and other customers a monthly fee, which includes an operating and maintenance fee, a fixed fee for the upfront payment based upon a repayment period of 30 years, and a variable fee based on the capital improvements undertaken by the Concessionaire and related financing costs over repayment periods of 20 and 25 years. The total fees paid to the Concessionaire included in the statement of activities and allocated among the functional expenses totaled \$21.2 million and \$18.9 million for the years ended June 30, 2024 and 2023, respectively.

Capital investments in the utility system are recognized as property and equipment and a related long-term liability to the Concessionaire. At June 30, 2024 and 2023, the net book value of University assets in use by the Concessionaire totaled \$88.9 million and \$58.7 million, respectively, which includes \$71.0 million and

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\$39.1 million of Concessionaire capital investments at June 30, 2024 and 2023, respectively. Total utility system depreciation expense was \$2.3 million and \$2.2 million for the years ended June 30, 2024 and 2023, respectively.

The \$163.2 million and \$133.9 million balances of long-term liability to Concessionaire at June 30, 2024 and 2023, respectively, consist of the \$98.6 million and \$99.9 million upfront payment and \$66.2 million and \$35.6 million of outstanding capital related costs reduced by issuance costs of \$1.6 million at June 30, 2024 and 2023.

Aggregate principal payments of long-term liability to Concessionaire are summarized in the table below (in thousands of dollars):

Fiscal year	Amount
2025	\$ 3,409
2026	3,883
2027	4,730
2028	5,719
2029	5,824
Thereafter	<u>141,205</u>
Total principal	164,770
Less issuance costs	<u>1,591</u>
Total long-term liability to concessionaire	\$ <u><u>163,179</u></u>

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(11) Net Assets

At June 30, 2024 and 2023, net assets were comprised as follows (in thousands of dollars):

	2024		2023	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Undesignated	\$ 1,077,857	—	995,492	—
Pledges and matured bequests receivable	—	71,006	—	78,519
Other	—	22,341	—	20,833
Funding for facilities	—	44,755	—	35,542
Funding for student loans	—	2,343	—	2,297
Life income, annuity, and similar funds	—	28,848	—	27,139
Endowment funds:				
Scholarships	63,027	490,218	57,631	441,267
Endowed chairs	30,674	234,624	25,820	213,340
General purposes and other	908,117	348,172	823,135	315,245
Total net assets	\$ 2,079,675	1,242,307	1,902,078	1,134,182

(12) Natural Classification of Expenses

The University's primary program service is academic instruction and research. Expenses reported as student services, institutional support and auxiliaries are incurred in support of this primary program activity. Expenses presented by natural classification and function are as follows for the years ended June 30, 2024 and 2023 (in thousands of dollars):

	2024					
	Salaries and benefits	Supplies and services	Occupancy and related expenses	Depreciation and interest	Other operating expenses	Totals
Instruction and departmental research	\$ 316,247	76,722	26,135	36,525	25,221	480,850
Student services	156,673	63,580	25,415	45,236	40,853	331,757
Academic support	113,624	10,390	16,557	16,370	2,235	159,176
Institutional support	101,808	35,964	6,971	9,428	11,720	165,891
Sponsored research and other programs	43,658	25,712	3,193	6,281	9,722	88,566
Auxiliaries	18,490	10,418	6,068	8,934	6,340	50,250
Total expenses	\$ 750,500	222,786	84,339	122,774	96,091	1,276,490

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	2023					
	Salaries and benefits	Supplies and services	Occupancy and related expenses	Depreciation and interest	Other operating expenses	Totals
Instruction and departmental research	\$ 300,188	72,400	27,827	37,884	23,550	461,849
Student services	138,434	44,749	23,816	43,973	35,578	286,550
Academic support	103,894	7,847	15,223	15,804	1,797	144,565
Institutional support	95,485	29,985	6,976	9,279	7,883	149,608
Sponsored research and other programs	39,916	18,828	3,975	6,080	15,571	84,370
Auxiliaries	17,447	9,140	4,570	9,079	4,150	44,386
Total expenses	\$ 695,364	182,949	82,387	122,099	88,529	1,171,328

(13) Retirement Plans

Certain full-time and regular part-time employees of the University are eligible for the University's defined contribution plan. The amounts contributed by the University to the Teachers Insurance and Annuity Association Fund in the years ended June 30, 2024 and 2023 were approximately \$42.7 million and \$39.7 million, respectively.

The University also provides health and life insurance benefit plans for eligible employees upon retirement at the University's early or normal retirement ages. The plans are funded by the University as claims are paid. Information with respect to the plans is as follows (in thousands of dollars):

	2024	2023
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 42,570	43,179
Service cost	2,027	2,142
Interest cost	1,983	1,844
Plan participants' contributions	1,486	1,555
Actuarial gain	(2,523)	(2,491)
Benefits paid	(3,551)	(3,662)
Medicare Part D prescription drug federal subsidy	—	3
Benefit obligation at end of year	\$ 41,992	42,570

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Net periodic postretirement benefit cost included as expense in the consolidated statements of activities is as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Operating activities:		
Service cost	\$ 2,027	2,142
Nonoperating activities:		
Interest cost	1,983	1,844
Amortization of actuarial gain	(1,630)	(1,423)
Amortization of prior service credits	<u>(160)</u>	<u>(160)</u>
Net periodic postretirement benefit cost	\$ <u>2,220</u>	<u>2,403</u>
	<u>2024</u>	<u>2023</u>
Actuarial gain	\$ 2,523	2,491
Interest cost	<u>(1,983)</u>	<u>(1,844)</u>
Postretirement benefit obligation changes other than service cost	\$ <u>540</u>	<u>647</u>

For measurement purposes, annual rates of increase in the per capita cost of covered healthcare of 7.75% and 4.60% for pre-65 and post-65 retirees, respectively, were assumed as of June 30, 2024. An annual rate of increase in the per capita cost of covered prescription drug benefits of 7.75% and 7.00% for pre-65 and post-65 retirees, respectively were assumed as of June 30, 2024. The rates were assumed to decrease to 4.04% for both healthcare and prescription drug benefits by the year ending June 30, 2075 and remain at those levels thereafter.

As of June 30, 2024 and 2023, the discount rates used in determining the benefit obligations were 5.30% and 4.89%, respectively, and the discount rates used in determining the net periodic postretirement benefit costs were 4.89% and 4.40%, respectively.

Contributions to the postretirement benefit plans, net of employee contributions and the Medicare subsidy, were \$2.1 million in the year ended June 30, 2024 and are estimated to be \$2.2 million for the year ending June 30, 2025.

The net benefits expected to be paid in each year ending from June 30, 2025 through 2029 range from approximately \$2.2 million to \$2.8 million and the net aggregate expected payments including years through the year ending June 30, 2034 total approximately \$16.6 million. The expected benefits are based on the assumptions used to measure the University's benefit obligation at June 30, 2024 and include estimated future employees' service.

The unamortized prior service credits and unamortized net actuarial gains were \$0.5 million and \$18.1 million, respectively, at June 30, 2024.

SYRACUSE UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2024 and 2023

(14) Contingencies and Commitments

The University is involved in legal actions arising in the normal course of activities and is subject to periodic audits and inquiries by regulatory agencies. Although the ultimate outcome of such matters is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolutions of pending matters will not have a materially adverse effect, individually or in the aggregate, upon the University's consolidated financial statements.

At June 30, 2024, the University had approximately \$133.3 million of construction commitments.

(15) Related Party Transactions

Members of the University's Board of Trustees and Officers may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University requires an annual disclosure of significant financial interests in, family relationships, significant management function, or substantial business with entities doing business with the University by members of the University's Board of Trustees and Officers. When such relationships exist, measures are taken to assess potential conflicts of interest to protect the best interests of the University and ensure compliance with relevant conflict of interest laws and policy. The University's conflict of interest policy also requires, among other things, that no member of the Board of Trustees or Officer may participate in any decision in which they (or an immediate family member) has a material financial interest.

(16) Subsequent Events

The University evaluated subsequent events for potential recognition or disclosure through October 16, 2024, the date on which the consolidated financial statements were issued.