CORNELL UNIVERSITY

Consolidated Financial Statements

June 30, 2026 and 2025

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Report of Independent Auditors

To the Board of Trustees of Cornell University

Opinion

We have audited the accompanying consolidated financial statements of Cornell University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities for the year ended June 30, 2026 and of cash flows for the years ended June 30, 2026 and 2025, including the related notes (collectively referred to as 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, 2026 and 2025, the changes in its net assets for the year ended June 30, 2026 and its cash flows for the years ended June 30, 2026 and 2025 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated October 27, 2025, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended June 30, 2025 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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.

PricewaterhouseCoopers LLP

New York, New York
October 20, 2026

CORNELL UNIVERSITY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2026 AND JUNE 30, 2025 (in thousands)

	2026	2025
Assets		
Cash and cash equivalents	$ 1,217,503	$ 1,155,192
Accounts receivable, net (note 3A)	731,282	863,332
Contributions receivable, net (note 3B)	545,329	583,894
Prepaid expenses and other assets	185,573	184,628
Investments (note 4)	14,237,436	12,412,567
Right of use assets-operating leases, net (note 10)	338,584	505,744
Right of use assets-finance leases, net (note 10)	3,409	45,556
Land, buildings, and equipment, net (note 5)	5,491,005	4,896,957
Funds held in trust by others (note 6)	164,234	165,203
Total assets	$ 22,914,355	$ 20,813,073
Liabilities		
Accounts payable and accrued expenses	475,156	$ 382,053
Deferred revenue and other liabilities	560,849	1,579,773
Obligations under split interest agreements (note 6)	138,203	138,141
Deferred benefits (note 7)	753,907	713,857
Funds held for others (note 8)	155,714	140,661
Operating lease liabilities (note 10)	399,127	551,157
Finance lease liabilities (note 10)	3,298	51,861
Bonds and notes payable (note 9)	3,810,582	2,563,536
Total liabilities	$ 6,296,836	$ 6,121,039
Net assets (note 12)		
Without donor restrictions	3,894,079	3,309,669
With donor restrictions	12,723,440	11,382,365
Total net assets	16,617,519	14,692,034
Total liabilities and net assets	$ 22,914,355	$ 20,813,073

The accompanying notes are an integral part of the consolidated financial statements.

CORNELL UNIVERSITY

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEAR-ENDED JUNE 30, 2026 (in thousands)

(WITH SUMMARIZED INFORMATION FOR THE YEAR-ENDED JUNE 30, 2025)

	Without Donor Restrictions	With Donor Restrictions	**2026** Total	**2025** Total
Operating revenues and other support				
Tuition and fees (scholarship allowance $569,040 and $574,660)	$ 1,078,199	$ -	$ 1,078,199	$ 1,012,288
State and federal appropriations	155,180	-	155,180	158,877
Grants, contracts and similar agreements				
Direct	911,811	-	911,811	960,025
Indirect cost recoveries	249,184	-	249,184	268,579
Contributions	9,234	414,485	423,719	396,892
Investment return, distributed	145,765	395,622	541,387	498,306
Medical Physician Organization	1,865,707	-	1,865,707	1,713,310
Auxiliary enterprises (housing and dining allowance $23,685 and $21,993)	240,952	-	240,952	212,828
Educational activities and other sales and services	1,130,670	-	1,130,670	1,027,580
Net assets released from restrictions	743,690	(743,690)	-	-
Total operating revenues and other support	6,530,392	66,417	6,596,809	6,248,685
Operating expenses (note 11)				
Compensation and benefits	4,311,419	-	4,311,419	4,250,291
Supplies, services and other	1,384,022	-	1,384,022	1,410,142
Maintenance and facilities	221,511	-	221,511	231,055
Interest (note 9)	119,975	-	119,975	56,973
Depreciation	346,363	-	346,363	312,548
Total operating expenses	6,383,290	-	6,383,290	6,261,009
Change in net assets from operating activities	147,102	66,417	213,519	(12,324)
Non-operating revenues and (expenses)				
State appropriations for capital acquisitions	45,604	-	45,604	41,640
Contributions for capital acquisitions, trusts and endowments	-	362,690	362,690	273,602
Investment return, net of amount distributed	319,278	1,179,047	1,498,325	900,320
Change in value of split interest agreements	2,338	18,297	20,635	1,837
Pension and postretirement changes	(46,360)	-	(46,360)	(154,203)
Other	(160,089)	(8,839)	(168,928)	(885,104)
Net assets released for capital acquisitions and reclassifications	276,537	(276,537)	-	-
Change in net assets from non-operating activities	437,308	1,274,658	1,711,966	178,092
Change in net assets	584,410	1,341,075	1,925,485	165,768
Net assets, beginning of the year	3,309,669	11,382,365	14,692,034	14,526,266
Net assets, end of the year	$ 3,894,079	$ 12,723,440	$ 16,617,519	$ 14,692,034

The accompanying notes are an integral part of the consolidated financial statements.

CORNELL UNIVERSITY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS-ENDED JUNE 30, 2026 AND JUNE 30, 2025 (in thousands)

	2026	2025
Cash flows from operating activities		
Change in net assets	$ 1,925,485	$ 165,768
Adjustments to reconcile change in net assets		
to net cash provided/(used) by operating activities		
Proceeds from contributions for capital acquisitions, trusts and endowments	(404,031)	(352,516)
Depreciation and amortization	325,205	280,555
Net realized and unrealized (gain)/loss on investments	(1,776,836)	(1,227,038)
Pension and postretirement changes	46,360	154,203
(Gain)/loss on disposals of land, building, and equipment	(785)	8,018
Non-cash lease expense	16,680	22,183
State appropriations for capital acquisitions	(45,604)	(41,640)
Other adjustments	(38,659)	(18,674)
Change in assets and liabilities		
Accounts receivable, net, other than student loans	126,703	(54,165)
Contributions receivable, net	31,422	93,211
Prepaid expenses and other assets	562	(9,563)
Accounts payable and accrued expenses	98,734	(25,658)
Deferred revenue and other liabilities	(1,015,422)	876,024
Funds held in trust by others	2,194	(3,813)
Obligations under split interest agreements	62	4,130
Deferred benefits	(6,540)	(4,194)
Net cash provided/(used) by operating activities	(714,470)	(133,169)
Cash flows from investing activities		
Proceeds from the sale and maturities of investments	11,279,058	7,643,755
Purchase of investments	(11,170,403)	(7,292,509)
Acquisition of land, buildings, and equipment	(936,623)	(523,436)
Student loans granted	(3,631)	(3,299)
Student loans repaid	10,289	8,609
Change in funds held for others, net of unrealized (gain)/loss on investments	34,313	15,232
Net cash provided/(used) by investing activities	(786,997)	(151,648)
Cash flows from financing activities		
Proceeds from contributions for capital acquisitions, trusts and endowments	404,031	352,516
Proceeds from state appropriations for capital acquisitions	45,604	41,640
Principal payments of bonds, notes payable and finance leases	(773,832)	(28,615)
Proceeds from issuance of bonds and notes payable	1,734,484	-
Net borrowings under commercial paper program	305,122	123,200
Government advances for student loans	(3,502)	(1,985)
Net cash provided/(used) by financing activities	1,711,907	486,756
Net change in cash and cash equivalents	210,440	201,939
Cash and cash equivalents, beginning of year	1,195,711	993,772
Cash and cash equivalents, end of year	$ 1,406,151	$ 1,195,711
Reconciliation to consolidated statements of financial position		
Cash and cash equivalents, consolidated statements of financial position	$ 1,217,503	$ 1,155,192
Cash included in investments	188,648	40,519
Cash and cash equivalents, end of year	$ 1,406,151	$ 1,195,711
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 141,132	$ 88,965
Increase/(decrease) in construction payables, non-cash activity	$ (5,631)	$ (26,803)
Right-of-use assets acquired or terminated under finance leases	$ (39,686)	$ 443
Right-of-use assets acquired or terminated under operating leases	$ (125,210)	$ 76,978
Gifts-in-kind	$ 6,172	$ 6,780

The accompanying notes are an integral part of the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Organization

Founded in 1865, Cornell University ("the University") is dedicated to a mission of learning, discovery, and engagement. Cornell is a private university, the federal land-grant institution of New York State, and a member of the Ivy League. Cornell administers four contract colleges, which the University operates on behalf of the State University of New York and the results of their operations are included in the consolidated financial statements. Described as the first truly American university because of its founders' revolutionary egalitarian and practical vision of higher education, the University is dedicated to its land-grant mission of outreach and public engagement. Cornell's community includes nearly 28,000 students, over 4,900 faculty, and approximately 332,000 alumni who live and work across the globe.

The University comprises nine undergraduate units and four graduate and professional colleges and schools in Ithaca, New York; two medical graduate and professional units, together with its physician organization, collectively referred to as "Weill Cornell Medicine" or "WCM", in New York City, and "Weill Cornell Medicine - Qatar" in Doha, Qatar. The Cornell Tech campus, also in New York City, offers graduate programs in applied sciences, including three programs offered jointly with the Technion - Israel Institute of Technology under the auspices of the Joan and Irwin Jacobs Technion-Cornell Institute. In December 2011, in partnership with Technion-Israel Institute of Technology, the University won the Applied Sciences NYC competition to build and operate a new applied sciences and engineering campus in New York City. The city committed, through the New York City Economic Development Corporation ("NYCEDC"), a location and seed funding for the initial construction of the new campus.

The University is subject to the common administrative authority and control of the Cornell University Board of Trustees. The University is prohibited from using funds attributable to the contract colleges (i.e., those colleges operated by the University on behalf of New York State) for other units of the University. Except as specifically required by law, the contract and endowed colleges at Ithaca, Cornell Tech, and WCM are, to the extent practicable, governed by common management principles and policies determined at the private discretion of the University. In addition to the activities of the endowed and contract colleges, the activities of the University's subsidiaries and certain affiliated organizations are included in the consolidated financial statements. All significant intercompany transactions and balances are eliminated in the accompanying consolidated financial statements.

B. Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP"). The University classifies net assets into two categories based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are free of explicit donor-imposed restrictions. All revenues, gains, and losses that are not restricted by donors are included in this classification. All operating expenses are reported as decreases in net assets without donor restrictions.

Net assets with donor restrictions are subject to explicit donor-imposed restrictions that will be met either by actions of the University or the passage of time. These net assets include gifts and appropriations from the endowment that can be expended, but for which the donors' purpose restrictions have not yet been met, as well as net assets with explicit or implied time restrictions, such as pledges and split-interest agreements. Expiration of donor restrictions is reported in the consolidated statements of activities as a reclassification from net assets with donor restrictions to net assets without donor restrictions on the net assets released from restriction lines.

The University's measure of operations as presented in the consolidated statements of activities includes revenue and expenses related primarily to educational and training programs, research activities, contributions for operating programs, allocation of endowment spending for operations, medical services, and other revenues.

The University's non-operating activity within the consolidated statements of activities includes grants, contracts and appropriations for capital acquisition; contributions to the endowment and for building construction and renovation; investment returns net of endowment spending for operations and other activities related to the endowment; changes in benefit plan obligations, excluding benefits earned during the period; and certain other nonrecurring items.

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Management's assumptions are related primarily to the appropriate inputs and discount rate for fair-value calculations, the discount rate for pension and postretirement benefit obligations, allowances for doubtful accounts and implicit price concessions, self-insured risks, investments valued using net asset value as the practical expedient, measurement and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

C. Income Taxes

The University is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. It is generally exempt from income taxes on related income under the appropriate sections of the Internal Revenue Code. The University is subject to excise taxes on net investment income and executive compensation. In accordance with the accounting standards, the University evaluates its income tax position each fiscal year to determine whether the position is more likely than not to be sustained if examined by the applicable taxing authority. Based on this review, the University does not believe there would be any material impact on the consolidated financial statements for uncertain tax positions.

D. Fair-Value Hierarchy

The University values certain financial assets and liabilities, on a recurring basis, following a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This fair-value hierarchy is categorized into three levels based on inputs that market participants would use in valuing the financial instruments, which is based on market data obtained from sources independent of the University. The hierarchy of inputs used to measure fair value, and the

primary valuation methodologies used by the University for assets and liabilities measured at fair value, are disclosed below.

The fair value of Level 1 securities is based upon quoted prices in accessible active markets for identical assets and liabilities. Fair value is readily determinable based on quoted prices in active markets. Market price data is generally obtained from exchange or dealer markets. The University does not adjust the quoted price for such assets and liabilities, even when it holds a significant position and the sale of all its holdings could reasonably impact the quoted price. Level 1 investments consist of short-term investments, equity, and fixed-income securities with observable market prices. Unsettled trade receivable and payable valuations reflect cash settlements after the fiscal year end and are also categorized as Level 1.

The fair value of Level 2 securities is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data. Inputs are obtained from various sources, including market participants, dealers, and brokers. The University's custodian secures pricing for these assets. In determining the fair value of financial instruments, the University considers such factors as interest-rate yield curves, duration of the instrument, and counterparty credit risk. Investments classified as Level 2 include short-term investments, domestic and foreign equities, and fixed income securities that trade in markets that are not considered to be active. The fair value of derivative investments is based on market prices from the financial institution that is the counterparty to the derivative.

The fair value of Level 3 securities is based upon valuation techniques that use significant unobservable inputs because they trade infrequently or not at all. The inputs into determining fair value are based upon the best information in the circumstance and may require significant management judgment. Investments included in Level 3 consist primarily of the University's ownership in real estate, oil and mineral rights, limited partnerships, and equity positions in private companies.

Inputs used in applying the various valuation techniques refer to the assumptions that are used to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors. A financial instrument's level within the fair-value hierarchy is based on the lowest level of any input that is significant to the fair-value measurement. The University considers observable data to be market data that is readily available, reliable, and provided by independent sources. The categorization of a financial instrument within the fair-value hierarchy is, therefore, based upon the pricing transparency of the instrument and does not correspond to the University's perceived risk of that instrument.

The University uses net asset value ("NAV") per share, or its equivalent, to estimate the fair values of certain investments. As a practical expedient, the University uses its ownership interest in the NAV to determine the fair value of all alternative investments that do not have a readily determinable fair value and that have financial statements consistent with the measurement principles of an investment company or the attributes of an investment company. The NAV of these investments is determined by the general partner or external investment manager (as applicable) of the alternative investment fund. It is based on appraisals or other estimates that

require varying degrees of judgment. If no public market exists for the investment securities, the general partner or external investment manager (as applicable) will take into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The University has performed significant due diligence around these investments to determine that the NAV is an appropriate measure of fair value as of June 30. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy and are shown as a separate column in the fair value leveling table.

Equity method investments include certain other investments that are accounted for using the equity method. These investments are structured as joint ventures where the University holds a percent ownership and are not classified in the fair value hierarchy. Instead, they are reported separately below the fair value hierarchy table to reconcile total investments to the Consolidated Statements of Financial Position.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank accounts, money market funds, and other temporary investments held for working capital purposes with an original maturity term of ninety days or less. The carrying amount of cash equivalents approximates fair value because of their short terms of maturity. Short-term highly liquid investments held within the University's investment portfolio are classified as short-term investments rather than cash equivalents and restricted cash, which is defined as legally restricted to withdrawal and usage.

F. Investments

The University’s investments are recorded in the consolidated financial statements at fair value. The values of publicly traded securities are based on quoted market prices and exchange rates, if applicable. The fair value of non-marketable securities is generally based on valuations provided by general partners and external investment managers (as applicable). These investments are generally less liquid than other investments.

Investment income is recorded on an accrual basis. Purchases and sales of investment securities are reflected on a trade date basis. Realized gains and losses are calculated using either the average cost methodology or the specific identification cost method for securities sold.

Investment return, distributed included in operating revenues and other support consists of amounts appropriated by the Board of Trustees from the pooled endowment, as well as income and realized gains and losses on investments from working capital and non-pooled endowments and similar funds. Any difference between total return and amounts appropriated from the pooled endowment, and income and realized gains reinvested per donor restrictions is reported as non-operating activities.

G. Derivative Instruments

The University has approved the use of derivatives by outside investment managers, based on investment guidelines negotiated when an investment manager is appointed. The derivatives are used to adjust fixed-income durations and rates, create synthetic exposures to certain types of

investments, hedge foreign currency fluctuations as well as adjust or hedge equity exposures. The value of these derivative positions is reflected in the net asset value of the respective fund. The change in the fair value of a derivative instrument held for investment is included in the non-operating investment return in the consolidated statements of activities.

In addition, the University has held other derivatives to manage its exposure to interest-rate risk related to its current or future long-term debt. These instruments are recorded at fair value as prepaid or accrued expenses in the consolidated statements of financial position. Swap interest and change in fair value are recorded as non-operating activities in the consolidated statements of activities.

Derivatives involve counterparty credit exposure. The University minimizes this exposure and manages counterparty risks by limiting swap exposure for each counterparty and monitoring the financial health of swap counterparties. The University has structured swap documents to limit maximum loss in the event of counterparty default.

H. Endowments

The responsibility for accepting, preserving, and managing those funds entrusted to the University rests, by law, with the Board of Trustees; however, the Trustees have delegated authority for investment decisions to the Investment Committee of the Board of Trustees. The Investment Committee determines investment policy, objectives, and guidelines, including allocation of assets between classes of investments.

The University's investment objective for its endowment assets is to maximize total return within reasonable risk parameters, specifically to achieve a total return, net of expenses, of at least five percent above inflation, as measured by the Consumer Price Index over a full market cycle (typically five to ten years) for all current assets and any future contributions. The achievement of favorable investment returns enables the University to distribute over time increasing amounts from the endowment, so that present and future needs can be treated equitably in inflation-adjusted terms. Diversification is a key component of the University's standard for managing and investing endowment funds, and asset allocation targets are subject to ongoing reviews by the Investment Committee.

The University applies the "prudent person" standard when deciding whether to appropriate or accumulate endowment funds and considers the following factors: the duration and preservation of the endowment fund; the purposes of the institution and the endowment fund; the general economic conditions, including the potential effect of inflation or deflation; the expected total return of the fund; other resources of the University; the needs of the University and the fund to make distributions and preserve capital; and the University's investment policy.

The Board authorizes a total annual payout distribution from endowment funds within a target range of 4.4 percent of a twenty-quarter rolling average of the unit fair value, plus or minus 0.75 percent. The Trustees may occasionally make step adjustments, either incremental or decremental, based on prior investment performance, current market conditions, or any of the factors for prudent judgment described above. Total distributions, or spending, are presented as investment return, distributed, on the consolidated statements of activities, and includes

endowment payout and an administrative fee that supports the investment and stewardship costs of the University endowment.

The New York Prudent Management of Institutional Funds Act ("NYPMIFA") established a requirement related to appropriations from endowments for which the fair value falls below the historic dollar value ("underwater"). In compliance with NYPMIFA, the University notified available donors, who had established endowments before September 17, 2010, of the new law. It offered these donors the option of requiring the University to maintain historical dollar value for their endowment funds. A minority of donors requested this option; for those who did, the University has designed procedures to ensure that the University maintains historical dollar value by not expending the payout on any underwater fund.

I. Split-Interest Agreements and Funds Held in Trust by Others

The University's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and charitable trusts for which the University serves as trustee. Assets held in trust are either separately invested or included in the University's investment pools in accordance with the agreements. Contributions of split-interest agreements, net of related liabilities, increase net assets with donor restrictions. Liabilities associated with charitable gift annuities and charitable trusts represent the present value of the expected payments to the beneficiaries based on the terms of the agreements. Pooled income funds are recognized at the net present value of the net assets expected at a future date. Gains or losses resulting from changes in fair value, changes in assumptions, and amortization of discount are recorded as changes in value of split-interest agreements in the appropriate restriction categories in the non-operating section of the consolidated statements of activities.

Funds held in trust by others represent resources that are not in the possession or under the control of the University. These funds are administered by outside trustees, with the University receiving income or residual interest. Funds held in trust by others are recognized when the irrevocable trust is established or the University is notified of its existence at the estimated fair value of assets or the present value of future cash flows due to the University. Gains or losses resulting from changes in fair value are recorded as non-operating activities in the consolidated statements of activities.

J. Land, Buildings, and Equipment, Net

Land, buildings, and equipment are stated in the consolidated statements of financial position at cost on the date of acquisition or at fair value on the date of donation, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the asset and is reflected as an operating expense. Useful lives range from three to fifteen years for equipment and ten to one hundred years for buildings and improvements. Expenditures associated with the construction of new facilities are recorded as construction in progress until the projects are completed.

The University's collections of art, books, and other property have been acquired through purchases and contributions since the University's inception. They are recognized as capital assets and are reflected, net of accumulated depreciation, in the consolidated statements of

financial position. A collection received as a gift is recorded at fair value as an increase in net assets in the year in which it is received.

K. Leases

The University determines if an arrangement is a lease or contains a lease at a contract's inception. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The University determines these assets are leased because the University has the right to obtain substantially all of the economic benefits from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability, the right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease, because the University determines it does not have the right to control and direct the use of the identified asset. The University's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, the University separately identifies lease and non-lease components, such as common area and other maintenance costs, for its office buildings, apartments, and vehicles. The University has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in recognition of right of use ("ROU") assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term. Lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The University determines lease classification as operating or finance at the lease commencement date. ROU assets and lease liabilities for operating and finance leases are included in the consolidated statements of financial position and presented separately based on the classification of the underlying lease arrangement.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of all lease liabilities, the discount rate is based on the rate implied within the lease or on the University's incremental borrowing rate using a period comparable with the lease term.

The lease term may include options to extend or terminate the lease that the University is reasonably certain to exercise. Operating lease expense is generally recognized on a straight-line basis over the lease term.

L. Revenue

Tuition and fees

Tuition and mandatory fees revenue is recognized as the educational services are provided, which is generally within the fiscal year. Institutional financial aid (i.e., scholarship allowance) reduces the published price of tuition for students receiving such aid. Payments received in advance for summer session courses for credit toward a degree are recorded as deferred revenue.

State and Federal Appropriations

Revenue primarily consists of annual New York State appropriations through the legislative process and federal funding to Land Grant institutions via the Hatch, Smith-Lever, and other Acts in support of the contract colleges, and it is recognized over the fiscal year. This funding is considered a nonreciprocal conditional transaction with donor-imposed restrictions. Condition(s) and restrictions are met in the same year and revenue is recorded within net assets without donor restrictions.

Grants and Contracts

Revenue under grants, contracts, and similar agreements comprise federal and non-federal (e.g., state, private foundation) grants and contracts. The funding may represent a reciprocal transaction in exchange for a commensurate benefit in return, or it may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large. All federal grants and non-federal grants with similar restrictions on spending are conditional, and revenue is recognized when expenditures are incurred. When the condition(s) and restrictions are met within the same year, revenue is recorded within net assets without donor restrictions. Unconditional non-exchange revenue is recognized in full when the contribution is received or a qualifying promise to give has been made, generally when the agreement is finalized. Revenues from exchange transactions are recognized as performance obligations are satisfied, whether milestones are achieved or related costs are incurred. Amounts received in advance for which revenue recognition criteria have not been met are recorded as deferred revenues.

Grants, contracts, and similar agreements typically provide for reimbursement of indirect costs based on predetermined rates negotiated with the University's cognizant federal agency or separately negotiated with a non-federal sponsor. Indirect cost recoveries on federally sponsored programs, such as the recovery of indirect costs (IDC), are normally at reimbursement rates negotiated with the University's cognizant agency, the Department of Health and Human Services. The University has entered into agreements with the federal government that define the predetermined rates at which the University can be reimbursed for IDC applicable to federal awards through June 30, 2026 (Ithaca campus) and June 30, 2027 (Weill Cornell Medicine). Although the Ithaca campus rate has expired, in accordance with federal regulations the agreement remains in effect, using provisional rates, until such time a new agreement is reached.

Additional information regarding grant and contract revenue is presented below.

GRANTS, CONTRACTS AND SIMILAR AGREEMENTS

	Exchange	Non-Exchange	2026 Total
Federal	$ 27,390	$ 740,514	$ 767,904
State and local	51,093	20,404	71,497
Private	235,401	86,193	321,594
Total Grants, contracts and similar agreements	$ 313,884	$ 847,111	$ 1,160,995

	Exchange	Non-Exchange	2025 Total
Federal	$ 28,076	$ 808,401	$ 836,477
State and local	50,576	24,855	75,431
Private	239,869	76,827	316,696
Total Grants, contracts and similar agreements	$ 318,521	$ 910,083	$ 1,228,604

Federal revenue is primarily nonreciprocal and conditional. A significant portion of private revenue is received for the benefit of Weill Cornell Medicine - Qatar, which operates under an agreement between Cornell University and the Qatar Foundation. On June 30, 2026, the University has unrecorded conditional agreements of $1,754,086.

Contributions

Contributions, including unconditional promises to give (pledges), are recognized as revenues in the appropriate category of net assets in the period received. A pledge is recorded at the present value of estimated future cash flows, based on an appropriate discount rate determined by management at the time of the contribution. Amortization of this discount in subsequent years is included in contribution revenue. A contribution of assets other than cash is recorded at its estimated fair value on the contribution date. Contributions for capital projects, endowments, and similar funds are reported as non-operating revenues.

The presence of both a barrier and a right of return make a contribution conditional. Conditional promises to give to the University are not recognized until the conditions are satisfied. Net assets with donor restrictions include contributions to the University and to the Cornell University Foundation (the “Foundation”), an affiliated entity that is included in the consolidated financial statements. The Foundation maintains a donor-advised fund for which the donors can make recommendations to the fund’s trustees regarding distributions to the University or other charitable organizations. Distributions from the Foundation to external charitable organizations are recorded as non-operating expenses.

Medical Physician Organization

The Medical Physician Organization (“MPO”) provides the management structure for the practice of medicine for all WCM physicians at the academic medical center and various clinical practice sites throughout New York City and surrounding areas. MPO revenue represents patient

care and management service agreement fees. In addition to generating clinical practice revenue, MPO members may provide instruction and conduct research activities.

MPO patient care revenue is consideration received in exchange for clinical health care services provided to patients. The patient is the customer, regardless of the payor. The contract with the patient exists when the parties have approved the contract for clinical health care services either in writing, verbally or implicitly, based on the MPO's customary business practice. Outpatient revenues are recognized as the service is provided.

For Medicare, Medicaid, and commercial payors, the transaction price is reduced by explicit price concessions and is the amount the MPO expects to be entitled to under the contract. For self-pay, deductibles, and co-payments, the transaction price is reduced by implicit price concessions and is the amount the MPO expects to collect in exchange for providing patient care. These estimates are based on policies and customary business practices of providing service regardless of the ability to pay, combined with historical collection rates.

The MPO uses a portfolio approach to account for categories of patient contracts rather than recognizing revenue on an individual contract basis. The contracts are categorized and grouped based on the service provided, the payor, and the service location. Based on historical collection trends and other analyses, the MPO believes that revenue recognized using the portfolio approach approximates the revenue that would have been recognized had an individual contract approach been used.

Revenue from management service agreement fees is consideration received in exchange for services provided to external healthcare providers. Under terms of these contractual arrangements, WCM physicians provide services such as patient care or supervision and teaching of medical staff. The agreements are typically for a one-year term, and consideration is a fixed amount. Revenue is recognized throughout the fiscal year as services are rendered.

Additional information regarding MPO revenue is presented below.

MEDICAL PHYSICIAN ORGANIZATION REVENUE

	2026	2025
Outpatient Services		
Commercial	$1,181,134	$1,076,304
Government	148,578	145,120
Patient	83,905	88,343
	1,413,617	1,309,767
Management Service Agreements	452,090	403,543
Total	$1,865,707	$1,713,310

Auxiliary enterprises

Auxiliary enterprises support the educational experience of students, and include housing, dining, conference services, and the campus store. Housing and dining revenues are recognized

over the course of the academic year and campus store and conference services revenue is recognized at the time of the transaction.

Educational Activities and Other Sales and Services

Educational activities and other sales and services represent revenue from operations related to the University's mission. These activities are managed like commercial entities. The largest component of this category is consideration received by WCM from New York-Presbyterian Hospital ("NYPH") in exchange for providing personnel, space, and other services. The revenue is billed based upon an approved annual joint budget and actual costs incurred. WCM recognizes revenue throughout the fiscal year as services are rendered to NYPH and accrues for any unbilled services as of June 30.

Educational activities and other sales and services also include activities such as royalties, transportation, parking, testing labs, teaching hotel, non-degree/non-credit course revenue, and athletics. These activities comprise exchange transactions with customers, which may be recognized at a specific point in time or over the period of the contract, depending on when the customer derives the benefit. Amounts received in advance are recorded as deferred revenues.

M. Comparative Financial Information

The consolidated statements of activities include prior-year information in summary form rather than by restriction class. Such information does not include sufficient detail to constitute a presentation of prior-year data in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the University's consolidated financial statements for the prior fiscal year from which the summarized information was derived.

N. Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-08, Intangibles – Goodwill and Other – Crypto Assets, which provides an update to existing crypto asset guidance and requires an entity to measure certain crypto assets at fair value with fair value changes recorded in change in net assets in each reporting period. In addition, this guidance requires additional disclosures related to crypto assets once it is adopted. The University adopted ASU 2023-08 in fiscal year 2026, and there was no material impact on the University's consolidated financial statements.

O. Reclassifications

Certain June 30, 2025 balances and amounts previously reported have been reclassified to conform to the June 30, 2026 presentation.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure within one year of June 30 are as follows:

LIQUIDITY AND AVAILABILITY

	2026	2025
Cash and cash equivalents	$ 1,217,503	$ 1,155,192
Accounts receivable, net, due within one year	581,934	632,220
Contributions receivable available for operations, net, due within one year	134,857	132,078
Endowment payout for subsequent year	423,191	385,015
Financial assets available within one year	$ 2,357,485	$ 2,304,505

In addition, the University had $2,030,400 and $1,825,491 in funds functioning as endowment (FFE) as of June 30, 2026, and 2025, respectively. These represent unrestricted operating funds that the University has internally designated. These could be liquidated over time, if necessary, to support operations.

The University manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. The University's cash flows have seasonal variations during the year primarily attributable to tuition billing and a concentration of contributions received at the calendar and fiscal year-end.

As of June 30, 2026, the University maintained eight lines of credit totaling $800 million: $100 million expiring in August 2026, $100 million expiring September 2026, $25 million expiring January 2027, $100 million expiring July 2027, $100 million expiring October 2027, $150 million expiring September 2028, $100 million expiring September 2028, and $125 million expiring February 2029. There were no outstanding borrowings under these agreements at June 30, 2026.

As of June 30, 2025, the University maintained five lines of credit totaling $450 million with $100 million expiring July 2025, $125 million expiring February 2026, $100 million expiring in August 2026, $25 million expiring January 2027, and $100 million expiring June 2027. There were no outstanding borrowings under these agreements at June 30, 2025.

In addition, the University has a taxable commercial paper program with an undrawn available balance of $473.4 million and $778.5 million as of June 30, 2026, and 2025, respectively.

3. RECEIVABLES

A. Accounts Receivable

Accounts receivable from the following sources were outstanding as of June 30:

SUMMARY OF ACCOUNTS RECEIVABLE

	2026	2025
Grants and contracts	$ 194,399	$ 255,763
New York-Presbyterian Hospital and other affiliates	157,091	129,319
Patients and payors	128,840	126,766
Reinsurance receivable	124,488	200,905
Federal revolving student loans	2,501	5,128
Institutional student loans	22,359	25,079
Student accounts	19,525	34,120
Other	82,079	86,252
Net accounts receivable	$ 731,282	$ 863,332

The University's receivables are reviewed and monitored for aging and other factors that affect collectability. Receivables are reduced by an allowance of $38,863 and $40,756 at June 30, 2026, and 2025, respectively. The University measures the expected credit losses on a collective (pool) basis, separating the accounts receivable by type based on similar risk characteristics. Management quantifies the loss rate based on historical collection experience, adjusted for management's expectations about current and future economic conditions.

The accounts receivable from patients and payors for medical services comprises the following on June 30, 2026, and 2025, respectively: commercial third parties 78.0 percent and 79.0 percent; federal and state government 16.6 percent and 16.5 percent; and patients 5.4 percent and 4.5 percent. Note 13 provides additional information related to the reinsurance receivable.

Other accounts receivable include receivables from other government agencies, matured bequests, and other operating activities.

B. Contributions Receivable

Unconditional promises to give, or pledges, are recorded in the consolidated financial statements at the present value using discount rates ranging from 1.2 percent to 5.0 percent. The methodology for estimating uncollectible amounts is based on an analysis of the historical collectability of contributions receivable. Contributions are expected to be realized as follows:

SUMMARY OF CONTRIBUTIONS RECEIVABLE

	2026	2025
Less than one year	$ 262,286	$ 280,667
Between one and five years	326,152	325,276
More than five years	20,358	47,165
Gross contributions receivable	$ 608,796	$ 653,108
Less: unamortized discount	(46,601)	(51,155)
Less: allowance for uncollectible amounts	(16,866)	(18,059)
Net contributions receivable	$ 545,329	$ 583,894

Contributions receivable as of June 30 are intended for the following purposes:

EXPECTED PURPOSE OF CONTRIBUTIONS RECEIVABLE

	2026	2025
Program support	$ 278,114	$ 271,306
Capital purposes	24,979	35,477
Long-term support	242,236	277,111
Net contributions receivable	$ 545,329	$ 583,894

On June 30, 2026, conditional promises not reflected in the consolidated financial statements, which consist primarily of bequest intentions and conditional promises with unfulfilled requirements, were $1,423,097. When conditional promises to give or bequests become unconditional, they are recorded and generally will be restricted for long-term support, program support, and capital projects as stipulated by the donors.

4. INVESTMENTS

A. General Information

The University's investments are overseen by the Investment Committee of the Board of Trustees. The University's investment strategy incorporates a diversified asset allocation approach and maintains, within defined limits, exposure to the movements of the world equity, fixed income, commodities, real estate, and private equity markets. Based on guidelines established by the Investment Committee, the University's Investment Office directs the investment of endowment and trust assets and temporarily invested expendable funds.

The University maintains a number of investment pools or categories for specific purposes as follows:

INVESTMENT POOLS/CATEGORIES AT FAIR VALUE

	2026	2025
Long-term investments (LTI)		
Long-term investment pool (LTIP)	$ 12,602,379	$ 10,935,526
Other LTI	952,155	815,766
Total LTI	$ 13,554,534	$ 11,751,292
Separately invested and other assets	682,902	661,275
Total investments	$ 14,237,436	$ 12,412,567

The Long-term investments (LTI) portfolio is overseen by the University Investment Office. The LTI primarily consists of the long-term investment pool (LTIP), which is the University's unitized endowment pool and holds the majority of endowment funds. Additional information on the LTIP is disclosed within Note 12B. Other LTI represents invested long-term working capital and certain gift funds. Separately invested and other assets reflect investments managed outside of the LTI.

Total earnings on the University's investment portfolio for the fiscal years ended June 30 is presented in the following table:

SUMMARY OF INVESTMENT RETURN

	2026	2025
Interest and dividends, net of investment fees	$ 262,876	$ 171,588
Net realized gain/(loss)	1,707,999	793,810
Net unrealized gain/(loss)	68,837	433,228
Total investment return	$ 2,039,712	$ 1,398,626

Total investment return equals investment return, distributed plus investment return, net of amount distributed recorded on the consolidated statements of activities.

B. Fair Value

The University's investment holdings as of June 30, categorized in accordance with the fair-value hierarchy, are summarized in the following tables:

INVESTMENTS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	Net asset value	**2026** Total
Short-term investments	$1,381,786	$ 2,571	$ -	$ -	$ 1,384,357
Derivatives	-	(9,274)	-	-	(9,274)
Equity					
Domestic equity	626,092	313,087	151	-	939,330
Foreign equity	968,463	201,956	6,436	518,522	1,695,377
Hedged equity	-	-	1,257	-	1,257
Private equity	-	-	130,744	3,701,725	3,832,469
Fixed income					
Asset backed fixed income	-	15,462	-	-	15,462
Corporate bonds	-	25,923	-	-	25,923
Equity partnership	-	-	-	1,035,359	1,035,359
International	-	3,652	-	-	3,652
Municipals	-	1,891	-	-	1,891
Mutual funds (non-equity)	5,099	13,261	-	-	18,360
Preferred/convertible	-	-	1,022	-	1,022
US government	679,120	34,767	-	-	713,887
Marketable alternatives	-	-	-	2,537,029	2,537,029
Diversifying assets	-	-	-	291,768	291,768
Real assets	50,952	41,800	12,482	1,469,774	1,575,008
Receivable for investments sold	26,515	-	-	-	26,515
Payable for investments purchased	(20,582)	-	-	-	(20,582)
Other	-	-	26,054	10,674	36,728
Total	$3,717,445	$ 645,096	$ 178,146	$ 9,564,851	$14,105,538
				Equity method	131,898
				Total investments	$14,237,436

INVESTMENTS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	Net asset value	**2025** Total
Short-term investments	$ 800,116	$ 4,486	$ -	$ -	$ 804,602
Derivatives	-	24,061	-	-	24,061
Equity					
Domestic equity	633,752	460,556	151	-	1,094,459
Foreign equity	628,293	371,927	5,597	532,306	1,538,123
Hedged equity	-	-	675	-	675
Private equity	-	-	125,738	3,121,566	3,247,304
Fixed income					
Asset backed fixed income	-	8,476	-	-	8,476
Corporate bonds	-	23,491	-	-	23,491
Equity partnership	-	-	-	901,775	901,775
International	-	4,612	-	-	4,612
Municipals	-	1,919	-	-	1,919
Mutual funds (non-equity)	6,227	3,362	-	-	9,589
Preferred/convertible	17	-	1,059	-	1,076
US government	508,650	37,405	-	-	546,055
Marketable alternatives	-	-	-	2,268,752	2,268,752
Diversifying assets	-	-	-	295,445	295,445
Real assets	32,464	34,003	11,947	1,458,303	1,536,717
Receivable for investments sold	22,781	-	-	-	22,781
Payable for investments purchased	(56,358)	-	-	-	(56,358)
Other	-	-	21,585	9,400	30,985
Total	$2,575,942	$ 974,298	$ 166,752	$ 8,587,547	$12,304,539
				Equity method	108,028
				Total investments	$12,412,567

C. Investments Using Net Asset Value

The following tables provide additional information about alternative investments measured at NAV as of June 30, 2026, and 2025, respectively:

SUMMARY OF ALTERNATIVE INVESTMENTS MEASURED USING NET ASSET VALUE

2026

Asset class	NAV in funds	Unfunded commitments	Timing to draw commitments	Redemption terms*
Private equity	$ 3,701,725	$ 1,011,865	1 to 10 years	Unknown - These funds are in private structures, with no ability to be redeemed
Real assets	1,469,774	506,501	1 to 10 years	Unknown - These funds are in private structures, with no ability to be redeemed
Fixed income	1,035,359	357,688	1 to 10 years	No redemptions available for funds in a private equity structure; balance includes 2.9% available daily, 4.3% within 7 to 15 days, 8.9% monthly with 15-90 days notice, 17.1% quarterly with 45-90 days notice, 1.4% 1-year to biannual with 90-days notice, 3.3% available within 2-5 years
Foreign equity	518,522	None	N.A.	Ranges between thrice-monthly redemption with 2-days notice, to rolling 3-year redemption with 90-days notice
Marketable alternatives	2,537,029	17,197	1 to 10 years	Ranges between quarterly redemption with 30 days notice to annual redemptions with 60-90 days notice
Diversifying assets	291,768	85,593	1 to 10 years	No redemptions available for funds in a private equity structure; balance includes 20.0% available within 7 to 15 days, 13.0% monthly with 30 days notice, 26.1% quarterly with 90 days notice
Other	10,674	None	N.A.	Unknown - These funds are in private structures, with no ability to be redeemed
Total	$ 9,564,851	$ 1,978,844		

* Represents initial investment lock up restriction. No other material redemption restrictions, such as redemption gates, were in place at year end.

SUMMARY OF ALTERNATIVE INVESTMENTS MEASURED USING NET ASSET VALUE

2025

Asset class	NAV in funds	Unfunded commitments	Timing to draw commitments	Redemption terms*
Private equity	$ 3,121,566	$ 766,165	1 to 10 years	Unknown - These funds are in private structures, with no ability to be redeemed
Real assets	1,458,303	447,186	1 to 10 years	Unknown - These funds are in private structures, with no ability to be redeemed
Fixed income	901,775	278,217	1 to 10 years	No redemptions available for funds in a private equity structure; balance includes 3.7% available daily, 10.6% within 7 to 15 days, 1.4% monthly with 30 days notice, 9.1% 1-year redemptions with 90-days notice, 4.1% available within 2-5 years
Foreign equity	532,306	None	N.A.	Ranges between thrice-monthly redemption with 2-days notice, to rolling 3-year redemption with 90-days notice
Marketable alternatives	2,268,752	20,000	1 to 10 years	Ranges between quarterly redemption with 30 days notice to annual redemptions with 60-90 days notice
Diversifying assets	295,445	79,635	1 to 10 years	No redemptions available for funds in a private equity structure; balance includes 16.3% available within 7 to 15 days, 14.6% monthly with 30 days notice, 32.2% quarterly with 90 days notice
Other	9,400	None	N.A.	Unknown - These funds are in private structures, with no ability to be redeemed
Total	$ 8,587,547	$ 1,591,203		

* Represents initial investment lock up restriction. No other material redemption restrictions, such as redemption gates, were in place at year end.

D. Level 3 Investments

The tables below present a summary of Level 3 investment activity. All net realized and unrealized gains/(losses) in the tables are reflected in the accompanying consolidated statements of activities. During the fiscal year ended June 30, 2026 transfers into Level 3 and out of Level 1 include $258 of foreign equity. The transfers were a result of a change in observable inputs used in the pricing methodology. During the fiscal year ended June 30, 2025, transfers into Level 3 and out of Level 1 include $1,995 of foreign equity. The transfers were a result of a change in observable inputs used in the pricing methodology.

SUMMARY OF LEVEL 3 INVESTMENT ACTIVITY

	Fair value at June 30, **2025**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, **2026**
Equity							
Domestic equity	$ 151	$ -	$ -	$ -	$ -	$ -	$ 151
Foreign equity	5,597	411	1,028	5,655	(6,513)	258	6,436
Hedged equity	675	-	582	-	-	-	1,257
Private equity	125,738	2,756	(94)	5,434	(3,090)	-	130,744
Fixed income							
Preferred/convertible	1,059	2	(35)	-	(4)	-	1,022
Real assets	11,947	-	535	750	(750)	-	12,482
Other	21,585	(141)	945	3,665	-	-	26,054
Total level 3 investments	$ 166,752	$ 3,028	$ 2,961	$ 15,504	$ (10,357)	$ 258	$ 178,146

SUMMARY OF LEVEL 3 INVESTMENT ACTIVITY

	Fair value at June 30, **2024**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, **2025**
Equity							
Domestic equity	$ 149	$ -	$ 2	$ -	$ -	$ -	$ 151
Foreign equity	1,219	2,063	(184)	2,566	(2,062)	1,995	5,597
Hedged equity	538	-	137	-	-	-	675
Private equity	123,026	438	(2,520)	5,278	(484)	-	125,738
Fixed income							
Preferred/convertible	1,067	-	(4)	-	(4)	-	1,059
Real assets	17,502	319	(3,670)	-	(2,204)	-	11,947
Other	25,699	4,576	(4,040)	3,526	(8,176)	-	21,585
Total level 3 investments	$ 169,200	$ 7,396	$ (10,279)	$ 11,370	$ (12,930)	$ 1,995	$ 166,752

Level 3 equities not priced by qualified third parties (e.g., brokers, pricing services) are valued using discounted cash flows, considering various factors including nonperformance risk, counterparty risk, and marketability. Investment value is also derived using a market approach through comparison to recent and relevant market multiples of comparable companies. Start-up assets, held by the University's student-run venture fund or other similar programs, are maintained at or near initial investment amounts due to the nature of the activity.

Level 3 asset-backed fixed-income investments are valued using discounted cash flows. Preferred or convertible fixed-income investments are valued using discounted cash flows or a market approach using a dividend multiplier.

Level 3 real assets represent directly owned real estate and oil or mineral rights. To the extent feasible, third-party appraisals are used to value real estate directly owned by the University. If current appraisals are not available, fair value is based on the capitalization rate valuation model or discounted cash flows, corroborated by local market data, if available. Oil and mineral rights are valued based on industry-standard revenue multiplier methodologies or discounted cash flows.

The following table provides additional information related to the valuation of the investments classified by the University as Level 3.

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENT

2026

	Level 3 fair value [a]	Valuation technique(s)	Unobservable inputs	Range (weighted average)[b]
Equity	$ 45,559	Discounted cash flows	Discount rate	7.1% - 7.5% (7.2%)
			Discount for lack of marketability	0%-20% (5.5%)
Fixed income	920	Market comparable	Dividend multiple	14.5x - 15.1x (14.7x)
Real assets	507	Sales comparison approach	Recent transactions	
	5,651	Cap rate valuation model	Capitalization rate	6.8%
	1,764	Income approach	Annual multiple	5.0x
Other	2,324	Discounted cash flows	Discount rate	4.5% - 4.7% (4.6%)
			Years to maturity	4.6 - 5.4 (5.3)
Total	$ 56,725			

(a) Certain Level 3 assets totaling $121,421 as of June 30, 2026, have been valued using unadjusted third party quotations or other means and thus have been excluded from this table.

(b) Unobservable inputs were weighted by the relative fair value of the instruments

QUANTITATIVE INFORMATION ABOUT LEVEL 3 FAIR VALUE MEASUREMENT

2025

	Level 3 fair value [a]	Valuation technique(s)	Unobservable inputs	Range (weighted average)[b]
Equity	$ 42,279	Discounted cash flows	Discount rate	6.8% - 7.7% (7.0%)
			Discount for lack of marketability	0%-20% (5.9%)
Fixed income	957	Market comparable	Dividend multiple	15.1x - 15.7x (15.3x)
Real assets	511	Sales comparison approach	Recent transactions	
	6,133	Cap rate valuation model	Capitalization rate	6.2%
	1,619	Income approach	Annual multiple	5.0x
Other	2,240	Discounted cash flows	Discount rate	4.3% - 5.3% (4.5%)
			Years to maturity	4.9 - 14 (5.7)
Total	$ 53,739			

(a) Certain Level 3 assets totaling $113,013 as of June 30, 2025, have been valued using unadjusted third party quotations or other means and thus have been excluded from this table.

(b) Unobservable inputs were weighted by the relative fair value of the instruments

The methods described above may produce a fair-value calculation that is not indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, using different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

E. Derivative Holdings

The use of certain financial derivative instruments is governed by either the University's written investment policy, specific manager guidelines, or partnership or fund agreement documents. Specifically, financial derivative instruments may be used to manage foreign currency exposure, obtain commodity exposure, create synthetic exposure, or obtain protection against increases in interest rates. These derivatives, based on definitions in U.S. GAAP, are not designated as hedging instruments.

The following table provides detailed information on the derivatives included in the investment portfolio as of June 30.

FAIR VALUE OF DERIVATIVE HOLDINGS IN STATEMENT OF FINANCIAL POSITION

		2026			2025		
Location	Derivative type	Notional amount	# of Contracts	Fair value	Notional amount	# of Contracts	Fair value
Investments							
	Foreign currency	$ -	10	$ (5)	$ -	21	$ (146)
	Commodity	421,092	76	(36,951)	210,065	63	(868)
	Synthetic	2,844,346	10	27,682	1,472,202	10	25,075
Total fair value		$ 3,265,438	96	$ (9,274)	$ 1,682,267	94	$ 24,061

5. LAND, BUILDINGS, AND EQUIPMENT, NET

A. General Information

Land, buildings, and equipment are detailed as follows:

LAND, BUILDINGS, AND EQUIPMENT

	Book value at June 30, **2026**	Book value at June 30, **2025**
Land, buildings, and equipment	$ 9,127,727	$ 7,753,084
Furniture, equipment, books, and collections	1,841,510	1,781,593
Construction in progress	337,084	861,401
Total before accumulated depreciation	$11,306,321	$ 10,396,078
Accumulated depreciation	(5,815,316)	(5,499,121)
Net land, buildings, and equipment	$ 5,491,005	$ 4,896,957

Certain properties, for which the University has possession and beneficial use for an indefinite period and which other entities may also record as assets, are included in the consolidated statements of financial position, as follows: (1) land, buildings, and equipment of the contract colleges aggregating $787,141 and $763,137 on June 30, 2026, and 2025, respectively, the acquisition cost of which was borne primarily by New York State, and (2) land, buildings, and equipment for which titles rest with government and corporate agencies aggregating $3,037 and $1,158 on June 30, 2026, and 2025, respectively.

The future commitments on capital projects in progress, excluding projects funded by New York State, are approximately $155,735 on June 30, 2026.

In October 2025, the University purchased an office building in New York City for $514.4 million in which the University had previously leased a portion of the floors contained in the building. As a result of the purchase, the $114.8 million operating lease liability and the $104.3 million right of use asset - operating lease were eliminated as of the date of purchase.

6. OBLIGATIONS UNDER SPLIT-INTEREST AGREEMENTS AND FUNDS HELD IN TRUST BY OTHERS

The University reports its obligations under split-interest agreements at fair value. The fair value of the obligations is calculated annually and considered Level 3 in the fair-value hierarchy. The discount rate is based on average return of investment-grade corporate bonds, weighted using a schedule of actuarial estimates of the lives of the income beneficiaries and the relative value of the agreements.

The University's interest in funds held in trust by others is considered Level 3 in the fair-value hierarchy. Trusts in which the University has an income interest are valued annually using estimated cash flows based on average actual income over three years. Remainder interests are determined using present value calculations based on annual valuation reports received from the funds' trustees. The discount rates used to estimate present value are based on the average return of investment-grade corporate bonds, weighted according to a schedule of actuarial estimates.

The following tables summarize the fair values and activity of funds held in trust by others and obligations under split interest agreements.

SPLIT-INTEREST AGREEMENTS AT FAIR VALUE AND LEVEL 3 QUANTITATIVE INFORMATION

	2026 Total	Valuation methodologies	Unobservable inputs	Range (weighted average)
Funds held in trust by others				
Remainder	$ 101,849	Present value calculation	Discount rate	4.82%
			Years to maturity	0-47 (8)
Lead and perpetual	62,385	Discounted cash flow	Discount rate	5.68%
Total funds held in trust by others	$ 164,234			
Obligations under split-interest agreements	$ 138,203	Discounted cash flow	Discount rate	6.05%
			Years to maturity	0-58 (16)

	2025 Total	Valuation methodologies	Unobservable inputs	Range (weighted average)
Funds held in trust by others				
Remainder	$ 100,981	Present value calculation	Discount rate	4.66%
			Years to maturity	0-48 (9)
Lead and perpetual	64,222	Discounted cash flow	Discount rate	5.57%
Total funds held in trust by others	$ 165,203			
Obligations under split-interest agreements	$ 138,141	Discounted cash flow	Discount rate	6.04%
			Years to maturity	0-59 (15)

SUMMARY OF LEVEL 3 SPLIT-INTEREST AGREEMENT ACTIVITY

	Fair value at June 30, **2025**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, **2026**
Funds held in trust by others							
Remainder	$ 100,981	$ (2,100)	$ 2,968	$ -	$ -		$ 101,849
Lead and perpetual	64,222	(94)	(1,743)				62,385
Total funds held in trust by others	$ 165,203	$ (2,194)	$ 1,225	$ -	$ -	$ -	$ 164,234
Obligations under split-interest agreements	$ 138,141	$ -	$ 62	$ -	$ -	$ -	$ 138,203

	Fair value at June 30, **2024**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value at June 30, **2025**
Funds held in trust by others							
Remainder	$ 93,710	$ 3,826	$ 3,445	$ -	$ -	$ -	$ 100,981
Lead and perpetual	64,208	(12)	26	-	-	-	64,222
Total funds held in trust by others	$ 157,918	$ 3,814	$ 3,471	$ -	$ -	$ -	$ 165,203
Obligations under split-interest agreements	$ 134,011	$ -	$ 4,130	$ -	$ -	$ -	$ 138,141

7. DEFERRED BENEFITS

A. General Information

Accrued employee benefit obligations as of June 30 include the following:

SUMMARY OF DEFERRED BENEFITS

	2026	2025
Postemployment benefits	$ 29,779	$ 31,780
Pension and other postretirement benefits	475,344	438,390
Other deferred benefits	248,784	243,687
Total deferred benefits	$ 753,907	$ 713,857

Accrued postemployment benefits include workers' compensation and medical continuation benefits for those on long-term disability. Other deferred benefits include primarily vacation accruals, deferred compensation, and medical benefit claims incurred-but-not-reported ("IBNR"). Additionally, the University provides various benefits to former or inactive employees after employment, but before retirement, that are recognized when they are earned.

B. Pension and Postretirement Plans

The University's employee retirement plan coverage is provided by two basic types of plans: one based on a predetermined level of funding (defined contribution), and the other based on a years-of-service calculation to determine the level of benefit to be provided (defined benefit).

The defined contribution plans for endowed colleges and exempt employees (those not subject to the overtime provisions of the Fair Labor Standards Act) at WCM are funded either by employer contributions based on a percentage of salary or by voluntary employee contributions. The contributions to the defined contribution plans are held on investment platforms with record keeping services performed by the Teachers Insurance and Annuity Association and Fidelity Investments (endowed colleges only). Total contributions of the endowed colleges and WCM plans for the fiscal years ended June 30, 2026, and 2025 amounted to $168,480 and $166,307, respectively.

WCM maintains the University's only defined benefit pension plan. The participants include non-exempt employees at WCM who meet the eligibility requirements for participation. The plan was frozen in 1976 for exempt employees at WCM, and the accrued benefits were merged with the active non-exempt retirement plan in 1989. In accordance with the funding requirements applicable to defined benefit plans under the Employee Retirement Income Security Act of 1974 ("ERISA"), the University must contribute to the plan's trust an actuarially determined amount that represents current year benefits plus an amount to fund any shortfall in trust assets needed to satisfy plan benefit obligations.

Additionally, the University provides health and life insurance benefits for eligible retired employees and their dependents, based on the attainment of a set of defined service and age requirements. The cost of providing these benefits is accrued during the service lives of employees.

C. Obligations and Funded Status

The following table sets forth the defined benefit pension and postretirement plans' obligations and funded status as of June 30:

SUMMARY OF OBLIGATIONS AND FUNDED STATUS

	Pension benefits		Other postretirement	
	2026	**2025**	**2026**	**2025**
Change in plan assets				
Fair value of plan assets at beginning of year	$ 213,258	$ 196,349	$ 500,218	$ 451,187
Actual return on plan assets	31,781	19,617	86,198	49,031
Employer contribution	16,080	15,706	46,635	40,592
Benefits paid	(10,313)	(18,414)	(46,635)	(40,592)
Fair value of plan assets at end of year	$ 250,806	$ 213,258	$ 586,416	$ 500,218
Change in benefit obligation				
Benefit obligation at beginning of year	$ 225,994	$ 222,115	$ 925,872	$ 720,357
Service cost (benefits earned during the period)	11,764	12,374	34,737	27,578
Interest cost	14,332	13,731	55,374	42,295
Actuarial (gain)/loss	8,749	(3,812)	85,884	170,638
Benefits paid net of participant contributions	(10,313)	(18,414)	(41,376)	(35,918)
Less: federal subsidy on benefits paid	-	-	1,549	922
Projected benefit obligation at end of year	$ 250,526	$ 225,994	$ 1,062,040	$ 925,872
Funded status	$ 280	$ (12,736)	$ (475,624)	$ (425,654)
Amounts recognized in the consolidated statements of financial position	$ 280	$ (12,736)	$ (475,624)	$ (425,654)
Amounts recorded in net assets without donor restrictions not yet amortized as components of net periodic benefit cost				
Net actuarial (gain)/loss	$ (54,612)	$ (49,289)	$ 198,678	$ 170,403
Amounts recorded in non-operating pension and postretirement changes				
Change in amounts not yet amortized as components of net periodic benefit cost	$ 5,323	$ 7,911	$ (28,275)	$ (161,580)
Other components of net periodic benefit cost	3,376	1,787	(26,784)	(2,321)
Total non-operating pension and postretirement changes	$ 8,699	$ 9,698	$ (55,059)	$ (163,901)

The accumulated benefit obligation for the pension plan was $223,357 and $199,493 on June 30, 2026, and 2025, respectively. The accumulated benefit obligation differs from the projected benefit obligation in the table above in that it includes no assumptions about future compensation levels. It represents the actuarial present value of future payments to plan participants using current and past compensation levels.

The accumulated benefit obligation for the Ithaca postretirement plan was $843,686 on June 30, 2026 and $736,617 on June 30, 2025. All postretirement plan assets in the table above related to this plan. The accumulated benefit obligation for the WCM postretirement plan was $218,354

on June 30, 2026 and $189,255 on June 30, 2025. This plan is unfunded. The accumulated benefit obligations are the same as the projected benefit obligations because the liabilities are not compensation related.

During the fiscal year ended June 30, 2026, discount rates were substantially unchanged from the prior year. Actuarial losses were mainly driven by updated healthcare claims costs and healthcare trend for both the Ithaca and WCM post retirement plans along with updated census data for all plans.

During the fiscal year ended June 30, 2025, an increase in discount rates for the WCM pension and Ithaca postretirement plans contributed to actuarial gains. These gains were more than offset by actuarial losses associated with the postretirement plans mainly driven by updated healthcare claims costs and healthcare trend, along with updated census data.

D. Net Periodic Benefit Cost

Net benefit expense related to the pension and postretirement plans for the fiscal years ended June 30 includes the following components:

NET PERIODIC BENEFIT COST

	Pension benefits		Other postretirement	
	2026	**2025**	**2026**	**2025**
Service cost (benefits earned during the period)	$ 11,764	$ 12,374	$ 34,737	$ 27,578
Interest cost	14,332	13,731	55,374	42,295
Expected return on plan assets	(15,947)	(14,622)	(36,516)	(32,936)
Amortization of prior service cost	-	-	-	(6,621)
Amortization of net (gain)/loss	(1,761)	(896)	7,926	(417)
Net periodic benefit cost	$ 8,388	$ 10,587	$ 61,521	$ 29,899

E. Actuarial Assumptions

Assumptions used in determining the pension and postretirement plans' benefit obligations and net periodic costs are as follows:

SUMMARY OF ACTUARIAL ASSUMPTIONS

	Pension benefits		Other postretirement	
	2026	**2025**	**2026**	**2025**
Used to calculate benefit obligations at June 30				
Discount rate	5.96%	6.02%	5.87% / 5.58%	5.89% / 5.56%
Rate of compensation increase	2.25%-3.00%	3.00%	n/a	n/a
Used to calculate net periodic cost at July 1				
Discount rate	6.02%	5.81%	5.89% / 5.56%	5.74% / 5.61%
Expected return on plan assets	7.30%	7.30%	7.30%	7.30%
Rate of compensation increase	3.00%	3.00%	n/a	n/a
Assumed health care cost trend rates				
Health care cost trend rate assumed for next year	n/a	n/a	7.50%	7.00%
Ultimate trend rate	n/a	n/a	4.50%	4.50%
Years to reach ultimate trend rate	n/a	n/a	13	10

F. Plan Assets

The University's Retirement Plan Oversight Committee ("RPOC") is chaired by the Vice President and Chief Human Resources Officer, with committee members selected from across multiple disciplines at the University. Its primary purpose is to assist the University in fulfilling its fiduciary responsibilities by providing guidance and oversight for the University's retirement plans, including oversight of the custodial bank. The RPOC, in accordance with an Investment Policy Statement and in conjunction with its outside consultant, regularly reviews the investment strategies, along with evolving institutional objectives, and will make recommendations regarding possible changes to asset allocation and investment managers accordingly.

The University's overall investment objectives for pension and postretirement healthcare plan assets are broadly defined to include an inflation-adjusted rate of return that seeks growth commensurate with a prudent level of risk. To achieve this objective, the University has established fully discretionary trusts with a custodial bank as trustee and an investment manager for WCM's defined benefit pension plan as well as the postretirement medical benefit plan for the University's endowed employees on the Ithaca campus. Under those trust agreements, the custodial bank implements investment allocations through various investment funds to carry out the investment objectives established by the RPOC.

Risk mitigation is achieved by diversifying investments across multiple asset classes, investing in high-quality securities, and permitting flexibility in the balance of investments in the recommended asset classes. Market risk is inherent in any portfolio, but the investment policies and strategies are designed to avoid concentration of risk in any one entity, industry, country, or commodity. The funds in which the plan assets are invested are well-diversified and managed to avoid concentration of risk. The expected rate of return assumptions are based on the expertise provided by investment managers at the custodial bank. The factors impacting the expected rates

of return for various asset types include assumptions about inflation, historically based real returns, anticipated value added by investment managers, and expected average asset allocations.

The fair values of the pension plan assets and postretirement medical benefit plan assets are categorized according to the fair-value hierarchy. Both the pension plan and postretirement medical benefit plans invest in funds to meet their investment objectives. The asset allocation is based on the underlying assets of the various funds. The fair-value level is based upon each fund as the unit of measure. The fair value of the plans' assets as of June 30 and the roll-forward for Level 3 assets are disclosed in the tables below.

SUMMARY OF PLAN ASSETS

	Target allocation	Pension benefits		Other postretirement	
		2026	**2025**	**2026**	**2025**
Percentage of plan assets					
Equity securities	39-85%	64%	64%	66%	63%
Fixed income securities	15-55%	31%	30%	34%	37%
Real estate	0-10%	5%	6%	0%	0%
Total		100%	100%	100%	100%

PENSION PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	**2026** Total
Cash and cash equivalents				
Money market	$ 930	$ -	$ -	$ 930
Equity securities				
U.S. small cap	-	11,584	-	11,584
U.S. large cap	-	61,276	-	61,276
U.S. multi cap	-	9,057	-	9,057
U.S. REITS	-	6,227	-	6,227
Emerging markets	-	16,384	-	16,384
International equity	-	56,086	-	56,086
Fixed income securities				
U.S. high yield bonds	-	17,563	-	17,563
Corporate bonds	-	53,149	-	53,149
International fixed income	-	5,073	-	5,073
Other types of investments				
Real estate	-	-	13,473	13,473
Receivable for investments sold	4	-	-	4
Total assets	$ 934	$ 236,399	$ 13,473	$ 250,806

PENSION PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	**2025** Total
Cash and cash equivalents				
Money market	$ 464	$ -	$ -	$ 464
Equity securities				
U.S. small cap	-	9,934	-	9,934
U.S. large cap	-	45,596	-	45,596
U.S. multi cap	-	7,410	-	7,410
U.S. REITS	-	5,140	-	5,140
Emerging markets	-	13,102	-	13,102
International equity	-	55,786	-	55,786
Fixed income securities				
U.S. high yield bonds	-	14,696	-	14,696
Corporate bonds	-	44,210	-	44,210
International fixed income	-	4,148	-	4,148
Other types of investments				
Real estate	-	-	12,770	12,770
Receivable for investments sold	2	-	-	2
Total assets	$ 466	$ 200,022	$ 12,770	$ 213,258

SUMMARY OF LEVEL 3 PENSION PLAN ACTIVITY

	Fair value, June 30, **2025**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value, June 30, **2026**
Real estate	$ 12,770	$ -	$ 703	$ -	$ -	$ -	$ 13,473
Total Level 3 assets	$ 12,770	$ -	$ 703	$ -	$ -	$ -	$ 13,473

SUMMARY OF LEVEL 3 PENSION PLAN ACTIVITY

	Fair value, June 30, **2024**	Realized gain/(loss)	Unrealized gain/(loss)	Purchases	Sales	Transfers in/(out) of Level 3	Fair value, June 30, **2025**
Real estate	$ 9,370	$ 231	$ 259	$ 3,700	$(790)	$ -	$ 12,770
Total Level 3 assets	$ 9,370	$ 231	$ 259	$ 3,700	$(790)	$ -	$ 12,770

POSTRETIREMENT PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	**2026** Total
Cash and cash equivalents				
Money market	$ 8,823	$ -	$ -	$ 8,823
Equity securities				
U.S. small cap	-	33,604	-	33,604
U.S. large cap	-	234,364	-	234,364
U.S. multi cap	-	-	-	-
Emerging markets	-	38,072	-	38,072
International equity	-	79,147	-	79,147
Fixed income securities				
U.S. high yield bonds	-	72,366	-	72,366
Corporate bonds	-	102,914	-	102,914
Emerging markets debt	-	17,126	-	17,126
Total assets	$ 8,823	$ 577,593	$ -	$ 586,416

POSTRETIREMENT PLAN ASSETS AT FAIR VALUE

	Level 1 fair value	Level 2 fair value	Level 3 fair value	**2025** Total
Cash and cash equivalents				
Money market	$ 9,896	$ -	$ -	$ 9,896
Equity securities				
U.S. small cap	-	26,149	-	26,149
U.S. large cap	-	198,824	-	198,824
U.S. multi cap	-	9,149	-	9,149
Emerging markets	-	25,190	-	25,190
International equity	-	53,767	-	53,767
Fixed income securities				
U.S. high yield bonds	-	68,430	-	68,430
Corporate bonds	-	94,917	-	94,917
Emerging markets debt	-	13,896	-	13,896
Total assets	$ 9,896	$ 490,322	$ -	$ 500,218

G. Expected Contributions and Benefit Payments

The expected annual contributions and benefit payments that reflect anticipated service are as follows:

EXPECTED CONTRIBUTIONS AND BENEFIT PAYMENTS

		Other postretirement	
	Pension benefits	Employer paid	Government subsidy
University contributions			
2027	$ 13,500	$ 45,250	n/a
Future benefit payments			
2027	10,515	47,028	1,778
2028	11,129	50,122	1,921
2029	12,224	53,281	2,076
2030	13,401	57,471	2,228
2031	14,587	61,854	2,392
2032-2036	87,850	384,665	14,548

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 established a prescription drug benefit known as “Medicare Part D” that also established a federal subsidy to sponsors of retiree healthcare benefit plans. The estimated future government subsidy amounts are reflected in the table above.

H. Contract College Employees

Employees of the contract colleges are covered under the New York State pension plans. Contributions to the state retirement system and other fringe benefit costs are paid directly by the state. The amount of contributions made by the state to these plans applicable to the University is not currently determinable and is not included in the consolidated financial statements as revenues and expenditures. The University reimburses the state for fringe benefit costs on certain salaries, principally those associated with externally sponsored programs. The amounts reimbursed to the state as of June 30, 2026, and 2025 were $17,379 and $19,951, respectively, and are included in operating expenses.

8. RELATED PARTIES AND FUNDS HELD FOR OTHERS

Transactions between the University and any of its trustees, officers or employees are subject to the University’s conflict of interest policies, which require disclosure of conflicting interests and abstention by the conflicted persons from associated University decision making. The University assesses related party transactions, including those with external organizations.

The University, in limited instances, invests funds on behalf of related parties. Independent trustees are responsible for the designation of income distribution. The value of the funds held for others included in investments in the consolidated statements of financial position was $355,548 and $317,807 for the fiscal years ended June 30, 2026, and 2025, respectively. The University recognizes an offsetting liability for funds held for others, with one adjustment described below.

The New York Hospital-Cornell Medical Center Fund, Inc. ("Center Fund"), which benefits WCM and NYPH, is the major external organization invested in the University's long-term investment portfolio with assets of $305,408 and $270,145 for the fiscal years ended June 30, 2026, and 2025, respectively. WCM holds a significant beneficial interest in the assets of the Center Fund of $199,834 and $177,146, for the fiscal years ended June 30, 2026, and 2025, respectively. The liability related to NYPH's interest is $105,574 and $92,999 as of June 30, 2026, and 2025, respectively.

9. BONDS AND NOTES PAYABLE

A. General Information

Bonds and notes payable are reported at carrying value, which is the par amount net of unamortized issuance costs, premiums, and discounts. Bonds and notes payable as of June 30 are summarized as follows:

SUMMARY OF BONDS AND NOTES PAYABLE

	2026	2025	Interest rates (%)	Final maturity (fiscal year)
Dormitory Authority of the State of New York (DASNY)				
Revenue Bond Series				
2016A-fixed rate	$ 71,770	$ 77,960	4.00 to 5.00	2035
2019A-fixed rate	40,520	52,760	5.00	2029
2019D-fixed rate	90,320	97,160	5.00	2036
2020A-fixed rate	181,800	233,000	4.00 to 5.00	2050
2020A2-fixed rate	77,840	77,840	5.00	2031
2024A-fixed rate	600,000	600,000	5.50	2054
Tax-exempt commercial paper	61,700	10,500	2.36 to 2.65	2056
Empire State Development	375	500	-	2029
2018A-fixed rate	150,000	150,000	3.85	2049
2007A Taxable commercial paper	464,922	211,000	3.65 to 3.96	-
2020E-fixed rate	75,000	75,000	2.85	2053
2022A-fixed rate	345,000	345,000	3.41	2042
2024B-fixed rate	500,000	500,000	4.84	2034
2025-fixed rate	1,000,000	-	4.17 to 4.73	2035
Other	46,602	4,639	2.75 to 5.50	2050
Outstanding bonds and notes payable	$ 3,705,849	$ 2,435,359		
Unamortized premium and issuance costs	104,733	128,177		
Total bonds and notes payable	$ 3,810,582	$ 2,563,536		

Debt and related debt service for borrowings by New York State for the construction and renovation of facilities of the contract colleges are not included in the consolidated financial statements because they are not liabilities of the University.

In fiscal year 2026, the University directly issued $1.0 billion of taxable Series 2025 bonds for general corporate purposes. In addition, the University issued net $253.9 million of taxable commercial paper to fund capital acquisitions. The University also issued net $51.2 million of tax-exempt commercial paper to refund the July 1, 2026 bullet maturity of DASNY Series 2020A. During fiscal year 2026, the University converted a finance lease obligation associated with an academic building into a $43.0 million mortgage obligation.

In fiscal year 2025, the University increased the authorized amount of the taxable and tax-exempt commercial paper programs from $300 million and $200 million, respectively, to $1 billion each, with no more than $1 billion outstanding for the combined programs at any one time.

Additionally, during the year ended June 30, 2025, the University issued $112.7 million of taxable commercial paper for capital and deferred maintenance projects and $10.5 million of tax-exempt commercial paper.

Scheduled principal payments on bonds and notes for the next five fiscal years and thereafter are shown below:

ANNUAL DEBT SERVICE REQUIREMENTS

Year		Principal
2027	$	28,198
2028		29,632
2029		31,099
2030		597,448
2031		98,311
Thereafter		2,921,161
Total	$	3,705,849

B. Variable Rate Debt Subject to Remarketing or Tender

The University maintains tax-exempt and taxable commercial paper programs. Tax-exempt commercial paper is used to finance qualified capital projects and equipment purchases. Taxable commercial paper is also used for these purposes and can also finance short-term working capital needs.

As of June 30, 2026 and 2025, the maximum authorized amount for the taxable commercial paper program is $1 billion. The maximum authorized amount for the tax-exempt commercial paper program is $1 billion. The aggregate amount of taxable and tax-exempt commercial paper outstanding at any time cannot exceed $1 billion.

The amount of taxable commercial paper notes outstanding was $464.9 million and $211.0 million as of June 30, 2026 and 2025, respectively. The amount of tax-exempt commercial paper notes outstanding was $61.7 million and $10.5 million as of June 30, 2026 and 2025, respectively. If maturing commercial paper notes are not resold, the University maintains sufficient liquidity to provide for the full and timely purchase of any notes.

C. Lines of Credit

In fiscal year 2026, the University increased the lines of credit from $450 million to $800 million. The University executed three new $100 million credit agreements and renewed three existing agreements, including one renewal that increased the available line of credit by $50 million.

As of June 30, 2026, the University maintained eight lines of credit totaling $800 million: $100 million expiring in August 2026, $100 million expiring September 2026, $25 million expiring January 2027, $100 million expiring July 2027, $100 million expiring October 2027, $150 million expiring September 2028, $100 million expiring September 2028, and $125 million expiring February 2029.

The lines are used to support the University's liquidity. The University records the short-term working capital lines of credit activity and outstanding balances as deferred revenue and other liabilities and the long-term line of credit activity in bonds and notes payable in the consolidated statements of financial position. As of June 30, 2026, and 2025 the University had no outstanding balances.

10. LEASES

A. Nature of Leases

The University has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of various equipment leases. The University previously held a lease for the Breazzano Center for Business Education in Ithaca, however, the University purchased the building in November 2025.

Operating Leases

The University has various real estate leases for office and instructional space, housing, land and storage space that expire in various years through 2069. These leases generally contain renewal options for periods ranging from two to ten years and require the University to pay all executory costs (i.e., property taxes, maintenance, and insurance). Some leases have an escalating fee schedule, which ranges up to a 3 percent increase each year. A portion of the leased space is subleased under leases expiring over the next 11 years.

Short-Term Leases

The University has certain leases for a period of 12 months or less or that contain renewals for periods of 12 months or less. The University does not include short-term leases within the consolidated statements of financial position because it has elected the practical expedient to exclude these leases from operating right of use asset and lease liabilities.

B. Quantitative Disclosures

The lease cost and other required information as of June 30, are as follows:

QUANTITATIVE DISCLOSURES

	2026	2025
Lease cost		
Finance lease cost		
Amortization of right of use asset	$ 2,435	$ 3,539
Interest on lease liabilities	913	2,121
Operating lease cost	56,210	76,191
Short-term lease cost	1,823	1,665
Variable lease cost	165	89
Sublease income	(47)	(8)
Total lease cost	$ 61,499	$ 83,597

	2026	2025
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	$ 913	$ 2,121
Financing cash flows from finance leases	2,429	3,508
Operating cash flows from operating leases	41,469	55,754
Net noncash changes in finance lease right of use assets and lease liabilities, including right of use assets obtained in exchange for new lease liabilities and amounts derecognized in connection with early lease terminations	(39,686)	443
Net noncash changes in operating lease right of use assets and lease liabilities, including right of use assets obtained in exchange for new lease liabilities and amounts derecognized in connection with early lease terminations	(125,210)	76,978
Weighted-average remaining lease term		
Finance leases	2.7 years	21.5 years
Operating leases	16.7 years	19.8 years
Weighted-average discount rate		
Finance leases	5.1%	3.9%
Operating leases	4.3%	4.4%

C. Future Minimum Lease Payments

Future minimum lease payments and reconciliation to the consolidated statements of financial position on June 30, 2026, are as follows:

ANNUAL MINIMUM LEASE PAYMENTS

	Finance	Operating
2027	$ 1,655	$ 56,976
2028	1,035	50,251
2029	483	42,113
2030	262	37,056
2031	102	32,549
Thereafter	-	394,494
Total minimum lease payments	$ 3,537	$ 613,439
Less: Amount representing interest	(239)	(214,312)
Present value of net minimum lease payments	$ 3,298	$ 399,127

11. FUNCTIONAL EXPENSES AND STUDENT AID

Total expenses by functional categories for the fiscal years ended June 30 are as follows:

FUNCTIONAL EXPENSES

	Instruction, student services and academic support	Research	Public service	Healthcare services	Institutional support	Enterprises and subsidiaries	**2026** Total
Compensation and benefits	$ 1,409,363	$ 482,423	$ 115,823	$ 1,561,076	$ 584,856	$ 157,878	$ 4,311,419
Supplies, services and other	423,517	283,801	49,051	377,080	125,088	125,485	1,384,022
Maintenance and facilities	34,168	22,965	8,541	51,735	54,599	49,503	221,511
Interest	29,176	3,567	299	30,230	38,058	18,645	119,975
Depreciation	167,202	57,823	5,711	17,949	25,745	71,933	346,363
Total operating expenses	$ 2,063,426	$ 850,579	$ 179,425	$ 2,038,070	$ 828,346	$ 423,444	$ 6,383,290
Non-operating expenses	15,158	2,609	419	55,325	44,284	41,472	159,267
Total	$ 2,078,584	$ 853,188	$ 179,844	$ 2,093,395	$ 872,630	$ 464,916	$ 6,542,557

FUNCTIONAL EXPENSES

	Instruction, student services and academic support	Research	Public service	Healthcare services	Institutional support	Enterprises and subsidiaries	**2025** Total
Compensation and benefits	$ 1,412,168	$ 504,736	$ 117,456	$ 1,446,804	$ 613,701	$ 155,426	$ 4,250,291
Supplies, services and other	438,286	305,443	49,862	359,282	139,732	117,537	1,410,142
Maintenance and facilities	35,072	27,072	7,791	58,587	57,668	44,865	231,055
Interest	11,273	1,014	49	69	31,541	13,027	56,973
Depreciation	150,602	52,006	5,582	15,558	23,893	64,907	312,548
Total operating expenses	$ 2,047,401	$ 890,271	$ 180,740	$ 1,880,300	$ 866,535	$ 395,762	$ 6,261,009
Non-operating expenses	3,917	623	69	878,223	920	11,465	895,217
Total	$ 2,051,318	$ 890,894	$ 180,809	$ 2,758,523	$ 867,455	$ 407,227	$ 7,156,226

The expenses for operations and maintenance of facilities, depreciation, and interest related to capital projects are allocated to functional categories based on square footage. The amounts allocated for operations and maintenance were approximately $256,454 and $250,245 for the fiscal years ended June 30, 2026, and 2025, respectively.

Student financial assistance is shown as a component of instruction expense unless the assistance is for tuition and mandatory fees. If the assistance is for tuition and mandatory fees, the amounts are recorded as scholarship allowance, which reduces tuition revenue. If the assistance is for housing and dining, the amounts are recorded as a reduction of auxiliary enterprises revenue. Total financial assistance amounts classified as instruction expense were $61,826 and $63,376 for the fiscal years ended June 30, 2026, and 2025, respectively.

12. NET ASSETS

A. General Information

The University's net assets as of June 30 are as follows:

SUMMARY OF NET ASSETS

	Without donor restrictions	With donor restrictions	**2026** Total
Endowment			
True endowment	$ -	$ 9,947,364	$ 9,947,364
Funds functioning as endowment (FFE)	2,030,400	562,276	2,592,676
Total true endowment and FFE	$ 2,030,400	$ 10,509,640	$ 12,540,040
Perpetual beneficial interests	-	310,829	310,829
Total University endowment	$ 2,030,400	$ 10,820,469	$ 12,850,869
Other net assets			
Operations	$ (785,267)	$ 752,476	$ (32,791)
Student loans	11,594	56,516	68,110
Facilities and equipment	3,321,275	291,683	3,612,958
Annuity and other split-interest agreements	-	256,967	256,967
Contributions receivable, net	-	545,329	545,329
Long-term accruals	(683,923)	-	(683,923)
Total net assets	$ 3,894,079	$ 12,723,440	$ 16,617,519

SUMMARY OF NET ASSETS

	Without donor restrictions	With donor restrictions	**2025** Total
Endowment			
True endowment	$ -	$ 8,522,755	$ 8,522,755
Funds functioning as endowment (FFE)	1,825,491	532,432	2,357,923
Total true endowment and FFE	$ 1,825,491	$ 9,055,187	$ 10,880,678
Perpetual beneficial interests	-	274,646	274,646
Total University endowment	$ 1,825,491	$ 9,329,833	$ 11,155,324
Other net assets			
Operations	$ (855,017)	$ 703,880	$ (151,137)
Student loans	11,317	58,318	69,635
Facilities and equipment	2,951,834	472,735	3,424,569
Annuity and other split-interest agreements	-	233,705	233,705
Contributions receivable, net	-	583,894	583,894
Long-term accruals	(623,956)	-	(623,956)
Total net assets	$ 3,309,669	$ 11,382,365	$ 14,692,034

Net asset balances for operations (without donor restrictions) are affected primarily by operating activities and strategic decisions to invest expendable balances in funds functioning as endowment and capital projects. Long-term accruals represent longer-term liabilities including the unfunded amounts of pension and postretirement benefits, vacation accruals, and conditional asset retirement obligations for asbestos remediation.

The balance of net assets permanently restricted for the fiscal years ended June 30, 2026, and 2025 were $5,722,403 and $5,335,493, respectively, and included in net assets with donor restrictions.

B. Endowment

The University endowment net assets on June 30 were held in support of the following purposes:

SUMMARY OF ENDOWMENT PURPOSE

	2026	2025
Academic programs and research	$ 3,846,096	$ 3,187,967
Financial aid	3,622,191	3,158,748
General purpose and facilities support	2,349,694	2,104,379
Professorships	2,526,302	2,230,326
CU Foundation	195,757	199,258
Total true endowment and FFE, end of year	$ 12,540,040	$10,880,678

Of the endowment assets held at the University, 98 percent were invested in the long term investment pool (LTIP) at June 30, 2026, and 2025. The LTIP is a mutual-fund-like vehicle used for investing the University's true endowments, FFEs, and other funds that are not expected to be expended for at least five years. The University employs a unit method of accounting for the LTIP. Each participating fund enters into and withdraws from the pooled investment account based on monthly unit fair values. Participation in the LTIP using unrestricted funds requires a minimum investment of one hundred thousand dollars and a commitment of at least five years.

On June 30, 2026, zero of the 8,477 true endowment funds invested in the LTIP were underwater. On June 30, 2025, zero of the 8,327 true endowment funds invested in the LTIP were underwater.

Changes in the endowment net assets, exclusive of perpetual beneficial interests, for the fiscal years ended June 30 are presented below:

SUMMARY OF ENDOWMENT ACTIVITY

	Without donor restrictions	With donor restrictions	**2026** Total
True endowment and FFE, beginning of year	$1,825,491	$ 9,055,187	$ 10,880,678
Investment return			
Net investment income	28,645	152,177	180,822
Net realized and unrealized gain/(loss)	266,142	1,363,304	1,629,446
Total investment return	$ 294,787	$ 1,515,481	$ 1,810,268
New gifts	1,941	366,924	368,865
Amounts appropriated for expenditure/reinvestment	(73,027)	(392,381)	(465,408)
Other changes and reclassifications	(18,792)	(35,571)	(54,363)
Total true endowment and FFE, end of year	$2,030,400	$ 10,509,640	$ 12,540,040

SUMMARY OF ENDOWMENT ACTIVITY

	Without donor restrictions	With donor restrictions	**2025** Total
True endowment and FFE, beginning of year	$1,729,308	$ 8,196,426	$ 9,925,734
Investment return			
Net investment income	12,186	60,681	72,867
Net realized and unrealized gain/(loss)	187,169	933,143	1,120,312
Total investment return	$ 199,355	$ 993,824	$ 1,193,179
New gifts	8,946	216,737	225,683
Amounts appropriated for expenditure/reinvestment	(67,736)	(344,830)	(412,566)
Other changes and reclassifications	(44,382)	(6,970)	(51,352)
Total true endowment and FFE, end of year	$1,825,491	$ 9,055,187	$ 10,880,678

13. SELF-INSURANCE

The University has established a captive insurance program and retains some general liability and property risk through self-insured, deductible limits but purchases annual policies from third parties to provide coverage for the majority of those risks. In addition, the University has a self-funded student health plan and has an equity interest in a multi-provider captive insurance company for medical malpractice.

A. Medical Malpractice

The University obtains medical malpractice insurance through MCIC Vermont ("MCIC"). MCIC is a reciprocal risk retention group that provides medical malpractice insurance coverage and risk management services to its subscribers.

MCIC is owned by the University, NYPH, and four other higher education institutions and their respective teaching hospitals. All of WCM's faculty physicians are enrolled in MCIC. The medical malpractice incurred but not reported liability is calculated annually on an actuarial basis.

WCM has recorded medical malpractice liabilities of $239,398 and $1,290,530 on June 30, 2026, and 2025, respectively, as deferred revenue and other liabilities in the consolidated statements of financial position. In addition, WCM maintains a reinsurance program with MCIC with anticipated recoveries of $124,488 and $200,905, respectively, recorded as accounts receivable (Note 3A).

B. Student Health Plan

The University has a self-funded student health plan established under Section 1124 of the New York State Insurance Law ("NYSIL"). The Student Health Plan ("SHP") provides health insurance coverage to students at Cornell University. The table below summarizes SHP operations occurring during the University's fiscal years ended June 30.

SUMMARY OF STUDENT HEALTH PLAN OPERATIONS

	2026	2025
Total revenue	$ 62,862	$ 61,500
Expenses		
Medical and prescription drug expense	65,761	51,861
Administrative fees	5,512	5,603
Total expenses	$ 71,273	$ 57,464
Net (loss)/income from health plan operations	$ (8,411)	$ 4,036

The University has established reserves with the amounts necessary to satisfy obligations of the plan. Determined by analysis and recommendations of a qualified actuary, and with the approval of NYS DFS, the reserve for IBNR medical claims and claims reported-but-not-paid ("RBNP") is maintained at an amount not less than 14.5 percent of expected medical claims and 5 percent of expected pharmacy drug claims. In addition, a separate contingency reserve is in place to

satisfy unexpected obligations in the event of termination of the plan. The contingency reserve is maintained at an amount not less than 5 percent of the total current plan year premiums. NYS requires that the assets of the contingency reserve consist of certain investments of the types specified in Section 1404 of NYSIL. The cash value of the contingent reserve funds was $4,721 and $4,547 as of June 30, 2026, and 2025, respectively. The changes in SHP reserves during the fiscal years ended June 30 are presented below.

SUMMARY OF STUDENT HEALTH PLAN RESERVES

	IBNR/RBNP reserve		Contingency reserve	
	2026	**2025**	**2026**	**2025**
Balance as of July 1	$ 6,795	$ 5,825	$ 4,547	$ 4,345
Balance as of June 30	7,406	6,795	4,721	4,547
Net change	$ 611	$ 970	$ 174	$ 202

Premium revenue that is billed in advance of the plan year (unearned) is recognized as revenue monthly as coverage is provided. The changes in the unearned premiums during the fiscal years ended June 30 are presented below.

SUMMARY OF STUDENT HEALTH PLAN UNEARNED PREMIUMS

	2026	**2025**
Balance as of July 1	$ 338	$ 324
Balance as of June 30	296	338
Net change	$ (42)	$ 14

14. CONTINGENT LIABILITIES

The University is a defendant in various legal actions arising in the normal course of its operations, some of which involve substantial monetary claims, and is also subject to periodic audits, inquiries and investigations by various governmental agencies. The University evaluates these matters on an ongoing basis and records liabilities when losses are considered probable and reasonably estimable. The ultimate outcomes of these matters are subject to inherent uncertainties. Based on information currently available, management does not expect the resolution of these matters to have a material adverse effect on the University's financial position.

15. RISKS AND UNCERTAINTIES

The University receives significant funding from federal sources, including student financial aid, research grants, and other sponsored programs. Subsequent to federal action in January 2025, institutions receiving federal funding have been subject to policy and regulatory changes as well as other actions impacting the funding for various programs and compliance activities. These changes did not have a material impact to the consolidated financial statements for either year ended June 30, 2026, or 2025. Further changes to federal regulations governing grants and contracts, and federal agency priorities, have been proposed. The future impact on the availability, timing, and terms of federal programs cannot be predicted, and the impact on the University’s operations could be material in future periods.

16. SUBSEQUENT EVENTS

The University has evaluated subsequent events through October 20, 2026, the date on which the consolidated financial statements were issued.

In July and August 2026, the University paid off $255.0 million taxable commercial paper by issuing $255.0 million tax-exempt commercial paper.

In August 2026, the University combined two $100 million lines of credit into one singular $200 million line of credit extending the expiration date to August 2029. Additionally, in September 2026, the University extended one of its $100 million lines of credit, from an expiration date of September 2026 to September 2027.