

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**Research Foundation of The City University of  
New York and Related Entity**

June 30, 2025 and 2024

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of the  
Research Foundation of the City University of New York and Related Entity

**Opinion**

We have audited the consolidated financial statements of the Research Foundation of the City University of New York and Related Entity (collectively "RF CUNY"), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of RF CUNY as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RF CUNY and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the 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.

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 RF CUNY's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

**Auditor's responsibilities for the audit of the 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 auditor's 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 RF CUNY'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 RF CUNY'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.

#### **Supplementary information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2025 consolidating information included in pages 6 - 7 is presented for purposes of additional analysis and is not a required part of the 2025 consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2025 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the 2025 consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2025 consolidated financial statements or to the 2025 consolidated financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the 2025 consolidated financial statements as a whole.

*Grant Thornton LLP*

New York, New York  
September 26, 2025

Research Foundation of The City University of New York and Related Entity

CONSOLIDATED BALANCE SHEETS

June 30, 2025 and 2024  
(with consolidating information as of June 30, 2025)

	2025					
	Consolidating Information					
	Foundation	230 West 41st Street LLC	Eliminations	Total	2024	
ASSETS						
Cash and cash equivalents	\$ 247,574,217	\$ 18,986,724	\$ -	\$ 266,560,941	\$ 272,191,034	
Restricted cash (Notes 2 and 8)	-	12,144,201	-	12,144,201	11,968,820	
Grants, contracts, and accounts receivable (net of allowance of \$6,200,000 in 2025 and \$5,700,000 in 2024)	149,226,459	-	-	149,226,459	149,718,159	
Rent receivable	-	1,835,926	-	1,835,926	1,247,290	
Prepaid expenses and other assets	9,516,093	826,007	-	10,342,100	6,506,232	
Prepaid postretirement benefits asset (Note 4)	88,402,094	-	-	88,402,094	90,205,341	
Investments, at fair value (Note 3)	63,846,502	-	-	63,846,502	62,186,164	
Investment in 230 West 41st Street LLC	24,048,140	-	(24,048,140)	-	-	
Right-of-use asset	31,112,876	-	(31,112,876)	-	-	
Deferred rent receivable	-	22,555,608	(5,491,596)	17,064,012	17,759,308	
Deferred costs (net of accumulated amortization of \$6,371,196 in 2025 and \$6,128,634 in 2024)	-	1,063,877	-	1,063,877	1,284,486	
Fixed assets:						
Rental property, net (Note 7)	-	39,588,870	-	39,588,870	39,212,671	
Furniture, fixtures, and equipment (net of accumulated depreciation of \$2,565,892 in 2025 and \$2,559,250 in 2024)	24,157	-	-	24,157	9,657	
Total assets	\$ 613,750,538	\$ 97,001,213	\$ (60,652,612)	\$ 650,099,139	\$ 652,289,162	
LIABILITIES AND NET ASSETS						
Liabilities:						
Accounts payable and accrued expenses (Notes 4 and 6)	\$ 109,886,903	\$ 636,695	\$ -	\$ 110,523,598	\$ 118,875,135	
Deferred revenue (Note 5)	126,916,758	323,630	-	127,240,388	142,425,802	
Grants payable to CUNY (Note 10)	4,039,770	-	-	4,039,770	4,983,855	
Fair value of interest rate swap agreement (Note 9)	-	3,953,391	-	3,953,391	2,545,802	
Lease liability	36,604,472	-	(36,604,472)	-	-	
Tenant security deposits payable	-	529,134	-	529,134	613,419	
Deposits held in custody for CUNY colleges	162,658,975	-	-	162,658,975	144,396,061	
Mortgage loan payable, net (Note 8)	-	67,510,223	-	67,510,223	68,172,008	
Total liabilities	440,106,878	72,953,073	(36,604,472)	476,455,479	482,012,082	
Commitments and contingencies (Notes 2, 6 and 11)						
Net assets:						
Without donor restrictions:						
Postretirement benefits	88,402,094	-	-	88,402,094	90,205,341	
230 West 41st Street LLC	24,048,140	24,048,140	(24,048,140)	24,048,140	25,667,121	
Other	61,193,426	-	-	61,193,426	54,404,618	
Total net assets	173,643,660	24,048,140	(24,048,140)	173,643,660	170,277,080	
Total liabilities and net assets	\$ 613,750,538	\$ 97,001,213	\$ (60,652,612)	\$ 650,099,139	\$ 652,289,162	

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

**Research Foundation of The City University of New York and Related Entity**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**Years ended June 30, 2025 and 2024**  
**(with consolidating information for the year ended June 30, 2025)**

	2025				
	Consolidating Information				
	Foundation	230 West 41st Street LLC	Eliminations	Total	2024
Operating activities					
Grants and contracts administered for others:					
Revenue:					
Governmental	\$ 430,043,902	\$ -	\$ -	\$ 430,043,902	\$ 444,386,858
Private	191,601,478	-	-	191,601,478	181,976,837
Total grants and contracts revenue	621,645,380	-	-	621,645,380	626,363,695
Expenses:					
Research	(233,724,003)	-	-	(233,724,003)	(213,927,016)
Training	(159,861,708)	-	-	(159,861,708)	(164,116,776)
Other sponsored activity	(174,824,074)	-	-	(174,824,074)	(191,955,388)
Other institutional activity	(53,235,595)	-	-	(53,235,595)	(56,364,515)
Total grants and contracts expenses	(621,645,380)	-	-	(621,645,380)	(626,363,695)
Administrative services:					
Revenue:					
Administrative fees	42,377,870	-	-	42,377,870	42,324,435
Investment return	6,560,450	542,223	-	7,102,673	7,088,443
Rental income (Notes 6 and 10)	-	14,352,290	(4,095,439)	10,256,851	10,508,249
Other	14,401	350,300	-	364,701	475,954
Total administrative revenue	48,952,721	15,244,813	(4,095,439)	60,102,095	60,397,081
Expenses:					
Management and general	(40,371,269)	-	4,095,439	(36,275,830)	(32,068,174)
Postretirement service cost (Note 4)	(3,670,030)	-	-	(3,670,030)	(3,444,681)
Grants to CUNY for central research initiatives (Note 10)	(3,286,000)	-	-	(3,286,000)	(3,186,650)
Operating expenses of 230 West 41st Street LLC (Note 11)	-	(6,120,248)	-	(6,120,248)	(7,350,403)
Interest expense	-	(4,457,810)	-	(4,457,810)	(2,973,561)
Real estate taxes (Note 12)	-	(1,429,454)	-	(1,429,454)	(1,395,247)
Depreciation and amortization	(6,643)	(1,948,693)	-	(1,955,336)	(1,793,993)
Total administrative expenses	(47,333,942)	(13,956,205)	4,095,439	(57,194,708)	(52,212,709)
Excess of operating revenue over operating expenses	1,618,779	1,288,608	-	2,907,387	8,184,372
Nonoperating activities (Note 2)					
Change in Foundation investment in 230 West 41st Street LLC	(1,618,981)	-	1,618,981	-	-
230 West 41st Street LLC distribution to Foundation	1,500,000	(1,500,000)	-	-	-
Change in fair value of interest rate swap agreement (Note 9)	-	(1,407,589)	-	(1,407,589)	(2,545,802)
Net periodic benefit cost other than service cost (Note 4)	11,788,845	-	-	11,788,845	10,093,234
Postretirement benefits changes other than net periodic benefit cost (Note 4)	(9,922,063)	-	-	(9,922,063)	17,679,060
INCREASE (DECREASE) IN NET ASSETS	3,366,580	(1,618,981)	1,618,981	3,366,580	33,410,864
Net assets at beginning of year	170,277,080	25,667,121	(25,667,121)	170,277,080	136,866,216
Net assets at end of year	\$ 173,643,660	\$ 24,048,140	\$ (24,048,140)	\$ 173,643,660	\$ 170,277,080

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

**Research Foundation of The City University of New York and Related Entity**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the years ended June 30,**

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Increase in net assets without donor restrictions	\$ 3,366,580	\$ 33,410,864
Adjustments to reconcile increase in net assets without donor restrictions to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,955,336	1,793,993
Provision for bad debts	(500,000)	(800,000)
Postretirement benefits changes other than net periodic benefit cost	9,922,063	(17,679,060)
Net appreciation in fair value of investments	(298,484)	(480,595)
Change in fair value of interest rate swap agreement	1,407,589	2,545,802
Changes in assets and liabilities:		
Grants, contracts, accounts, and rents receivable	403,064	(19,961,790)
Prepaid expenses and other assets	(3,835,868)	(1,962,393)
Deferred rent receivable	695,296	18,011
Accounts payable and accrued expenses, and security deposit payable	(8,435,821)	22,322,634
Deferred revenue	(15,185,414)	(2,972,953)
Grants payable to CUNY	(944,085)	(252,684)
Postretirement benefits payable	(8,118,815)	(6,648,553)
Deposits held in custody for CUNY colleges	18,262,914	5,721,974
Net cash (used in) provided by operating activities	<u>(1,305,645)</u>	<u>15,055,250</u>
<b>Cash flows from investing activities:</b>		
Expenditures for rental property improvements	(1,939,113)	(1,056,695)
Purchase of fixed assets	(21,144)	(12,071)
Purchases of investments	(106,222,331)	(136,452,809)
Sales and maturity of investments	104,860,476	123,836,551
Net cash used in investing activities	<u>(3,322,112)</u>	<u>(13,685,024)</u>
<b>Cash flows from financing activities:</b>		
Principal payments on mortgage loan	(796,393)	(58,364,941)
Proceeds from refinancing of mortgage loan	-	70,000,000
Refinancing of prior loan	-	909,011
Refinancing of new loan	(30,562)	(1,651,128)
Proceeds from line of credit	-	5,000,000
Payment on line of credit	-	(5,000,000)
Net cash (used in) provided by financing activities	<u>(826,955)</u>	<u>10,892,942</u>
<b>NET (DECREASE) INCREASE IN CASH, EQUIVALENTS, AND RESTRICTED CASH</b>	<b>(5,454,712)</b>	<b>12,263,168</b>
<b>Cash, cash equivalents, and restricted cash at beginning of year</b>	<u>284,159,854</u>	<u>271,896,686</u>
<b>Cash, cash equivalents, and restricted cash at end of year</b>	<u><u>\$ 278,705,142</u></u>	<u><u>\$ 284,159,854</u></u>
<b>Supplemental cash flow disclosure</b>		
Cash paid for interest	<u>\$ 4,457,810</u>	<u>\$ 2,834,444</u>
Additions for rental property improvements included in accounts payable and accrued expenses	<u>\$ 134,623</u>	<u>\$ 271,801</u>

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



**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2025 and 2024**

**NOTE 1 - ORGANIZATION AND PURPOSE**

The Research Foundation of The City University of New York (the "Foundation") was chartered in 1963 to further the purposes of The City University of New York (the "University" or "CUNY") through the pursuit, acquisition, and administration of grants and gifts. The Foundation is a separate legal entity and is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the "Code") and similar state provisions.

230 West 41st Street LLC (the "LLC") was established on May 7, 2004 as a Delaware limited liability company and organized pursuant to the Limited Liability Operating Agreement (the "Agreement") dated July 14, 2004 between the Foundation (the Sole Member with a 100% interest in the LLC) and the LLC. The LLC was formed to acquire, own, and operate an approximately 300,000 square-foot office building located at 230 West 41st Street in New York, New York (the "Property"). The LLC is a single member limited liability company and, accordingly, is treated as a disregarded entity for federal, state, and local income tax purposes.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying consolidated financial statements, which consolidate the accounts of the Foundation and the LLC (collectively, "RF CUNY"), are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for external financial reporting by not-for-profit organizations. All intercompany accounts and transactions have been eliminated in consolidation.

Net assets and changes in net assets are classified based on the existence or absence of donor-imposed restrictions, if any. Accordingly, net assets are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions represent resources that are not restricted by donors and, therefore, are fully available at the discretion of the Foundation's Board of Directors and management in meeting its organizational mission and operational objectives. Net assets without donor restrictions may be designated for specific purposes by the Foundation's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

**Net Assets With Donor Restrictions**

Net assets with donor restrictions represent resources that are subject to donor-imposed stipulations whose use is restricted by time and/or purpose. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

At June 30, 2025 and 2024, none of RF CUNY's net assets or changes therein were subject to donor-imposed restrictions and, accordingly, were classified and reported as net assets without donor restrictions.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Grants and Contracts Revenue Recognition***

RF CUNY recognizes government and private grants and contracts as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, grant and contract agreements contain a right of return or right of release from the respective obligation provision on the part of the grantor and RF CUNY has limited discretion over how funds transferred should be spent. As such, RF CUNY recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome.

Revenue from grants and contracts is awarded to and accepted by the Foundation and various units of the University, as joint grantees, primarily for research, training, other sponsored activity and other institutional activity. Included in private grants and contracts revenue are grants sponsored by CUNY, totaling approximately \$31,852,000 and \$29,986,000 for the years ended June 30, 2025 and 2024, respectively.

Facilities and administrative costs recovered on grants and contracts are recorded at rates negotiated by the Foundation with its federal cognizant agency or predetermined by the nonfederal sponsor. Facilities and administrative cost rates for government grants and contracts are subject to audit, and subsequent final settlements, if any, are recorded as current period adjustments. Management believes the impact of any future settlements to be immaterial to the accompanying consolidated financial statements.

The cost of operating the Foundation is covered by a fee charged on the activity it administers. Sponsored projects and all recovery account activity are included in the fee calculation. The current fee structure recognizes that services vary widely, depending on the requirements of each sponsored research project, and that there are varying costs associated with each service, driven largely by workload. The Foundation has identified six distinct areas of cost - construction, personnel services, other than personnel services, independent contractor agreements/MOUs, subawards and equipment grants. The fee is assessed based on actual project expenditures, not award amounts, and is generally paid with college overhead funds.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts such estimates when facts and circumstances dictate. In the preparation of RF CUNY's consolidated financial statements, management uses significant accounting estimates with respect to the valuation of accounts receivable, accruals related to grant and contracts revenues and expenses, deferred revenue and grants and contracts receivables, the useful lives assigned to fixed assets, the fair value of the interest rate swap agreement, and postretirement benefit obligations.

***Cash Equivalents***

Highly liquid debt instruments with maturities at date of purchase of three months or less are classified as cash equivalents, except for those short-term investments that are managed by an external investment manager for long-term investment purposes.

***Investments***

Investments are reported at fair value based upon quoted market prices. Realized and unrealized gains and losses on investments are reflected in the accompanying consolidated statements of activities.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The fair value of debt and equity securities with a readily determinable fair value is based on quotations obtained from national security exchanges. The fair value of non-U.S. Treasury debt securities is determined by a nationally recognized independent pricing service.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the consolidated statements of activities in the period in which the securities are sold. Dividends are accrued based on the ex-dividend date. Interest is recognized as earned.

Common trust funds are carried at net asset values ("NAV") as provided by the investment managers as of the reporting date.

All investment securities are exposed to various risks, such as interest risk, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

***Rental Revenue Recognition***

Base rental income relating to the LLC is recognized on a straight-line basis, rather than in accordance with lease payment schedules. Accordingly, scheduled base rent increases and the effects of rent abatements are spread evenly over the terms of the respective leases. Differences between the straight-line rents recorded and the amounts actually received are reported as deferred rent receivable in the accompanying consolidated balance sheets. Allowances are provided for uncollectible amounts, as appropriate.

***Rental Property***

Building and building improvements of the LLC are carried at cost and are depreciated, using the straight-line method, over their estimated useful lives of 39 years or the life of the improvements, whichever is shorter. Significant renovations or improvements that extend the economic life of the Property are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

The LLC reviews the carrying amount of the Property for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment adjustments have been made as a result of this review process during 2025 or 2024.

***Furniture, Fixtures, and Equipment***

Furniture, fixtures, and equipment and leasehold improvements are stated at cost. Depreciation of furniture, fixtures, and equipment is computed on a straight-line basis over the estimated useful lives of the assets, ranging from five to seven years. Amortization of leasehold improvements is computed on a straight-line basis over the estimated useful lives of the assets, not to exceed the remaining life of the lease.

Equipment purchased by the Foundation on behalf of various units of the University from grant and contract funds is to be used in the project for which it was purchased and is not included in the Foundation's fixed assets in the accompanying consolidated balance sheets as it is subject to return to those respective grantors.

***Purchase Accounting for Acquisition of Real Estate***

The fair value of the LLC's acquired rental property was allocated to the acquired tangible assets, consisting of land and building; and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, and value of tenant relationships, based in each case on their respective fair values.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Deferred Costs***

Deferred financing costs were incurred in obtaining long-term financing for the LLC's Property acquisition. Such costs are being amortized on a straight-line basis over the term of the related debt and are recorded as a component of interest expense.

***Restricted Cash***

Restricted cash of the LLC includes amounts for capital improvements, as required by the LLC's current loan agreement, and tenant security deposits as of June 30, 2025 and 2024.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported in the consolidated balance sheets that sum to the same such totals shown in the consolidated statements of cash flows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 266,560,941	\$ 272,191,034
Restricted cash	<u>12,144,201</u>	<u>11,968,820</u>
Total cash, cash equivalents and restricted cash	<u>\$ 278,705,142</u>	<u>\$ 284,159,854</u>

***Deposits Held in Custody for CUNY Colleges***

Deposits held in custody for CUNY colleges reflect those resources held on behalf of the individual colleges of the University. These accounts are credited with recoveries related to facilities and administrative costs, released time and summer salary recoveries, as well as CUNY Charitable Gift Trust Annuity Funds of the respective colleges.

***Fair Value Measurements***

Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. RF CUNY measures the fair value of its financial assets using a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

RF CUNY's interests in common trust funds are generally reported at NAV per share by the fund managers, which is used as a practical expedient to estimate the fair value of such investments. Those funds that use NAV as a practical expedient to estimate fair value are not categorized in the fair value hierarchy.

***Income Taxes***

RF CUNY is exempt from federal income tax under Section 501(a) of the Code as an organization described in section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

RF CUNY follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is more likely than not to be sustained if the position were

Research Foundation of The City University of New York and Related Entity

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

**Leases**

RF CUNY determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether RF CUNY controls the use of the identified asset throughout the period of use. RF CUNY classifies leases as either financing or operating, which is determined at the commencement of the lease. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent RF CUNY's right to use an underlying asset for the lease term and lease liabilities represent RF CUNY's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. The present value of lease payments is discounted based on a risk-free rate.

**Interest Rate Swap Agreement**

RF CUNY uses an interest rate swap agreement as part of its risk management strategy to manage exposure to fluctuations in interest rates and to manage the overall cost of its variable rate debt. The interest rate swap agreement was not entered into for trading or speculative purposes and does not qualify as a hedge for financial reporting purposes. In accordance with U.S. GAAP, the interest rate swap agreement is measured at fair value and recognized as either an asset or liability on the consolidated balance sheets as of the measurement date. Changes in fair value are recorded as nonoperating activities on the consolidated statements of activities.

**Measure of Operations**

RF CUNY includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Changes in the Foundation's investment in the LLC, the LLC's distribution to the Foundation, the change in fair value of the interest rate swap agreement, postretirement benefit changes other than net periodic and service costs, and other items that are considered to be unusual or non-recurring in nature are recognized as part of nonoperating activities.

**NOTE 3 - INVESTMENTS**

Investments held by the Foundation consisted of the following at June 30, 2025 and 2024:

	Fair Value	
	2025	2024
U.S. money market	\$ 822,550	\$ 3,942,539
U.S. treasury bills	41,911,660	42,008,098
U.S. government agency obligations	316,750	311,631
U.S. equity securities	1,145,882	1,055,219
U.S. corporate bonds	19,649,660	14,868,677
Total	<u>\$ 63,846,502</u>	<u>\$ 62,186,164</u>

At June 30, 2025 and 2024, the Foundation's investments were categorized as Level 1, except for U.S. corporate bonds, which were categorized as Level 2.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 4 - PENSION AND OTHER RETIREMENT BENEFITS**

Eligible employees of the Foundation and certain project personnel are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association. The Foundation's contribution to the pension plan is based on specified percentages, ranging from 8% to 14% of each employee's annual salary. Total pension expense for the years ended June 30, 2025 and 2024 was \$15,038,568 and \$13,252,756, respectively. There are no unfunded past service costs.

In addition to providing pension benefits, the Foundation also provides postemployment benefits, including salary continuance, to certain employees. The cost of these benefits is accrued over the employees' years of service. Postemployment benefits liability included in accounts payable and accrued expenses was \$4,068,786 and \$3,754,244 as of June 30, 2025 and 2024, respectively.

The Foundation also provides certain healthcare benefits to retired employees (including eligible dependents) who have a combination of age and years of service equal to 70 with a minimum age of 62 and at least 10 years of continuous service. The Foundation accounts for postretirement medical and other non-pension benefits provided to retirees on an accrual basis during the period of their employment.

The Foundation charges grants and contracts, as well as the administrative services department for postretirement benefit costs through the application of a fringe benefit rate, an element of which is based upon the estimated amount of such costs. In addition, a charge or credit is recognized in administrative services expenses for the difference between the actuarially determined net periodic postretirement benefit cost and the amount funded (claims paid and contributions to the trust).

Information with respect to the postretirement plan follows:

	2025	2024
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 155,502,627	\$ 152,722,793
Service cost	3,670,030	3,444,681
Interest cost	7,449,287	7,324,469
Actuarial loss (gain)	24,202,324	(1,501,639)
Benefits paid and administrative expenses	<u>(6,952,734)</u>	<u>(6,487,677)</u>
Benefit obligation at end of year	<u>183,871,534</u>	<u>155,502,627</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	245,707,968	218,600,521
Actual return on plan assets	26,565,660	27,107,447
Employer contributions	6,952,734	6,487,677
Benefits paid and administrative expenses	<u>(6,952,734)</u>	<u>(6,487,677)</u>
Fair value of plan assets at end of year	<u>272,273,628</u>	<u>245,707,968</u>
Funded status, recorded as an asset in the accompanying consolidated balance sheets	<u>\$ (88,402,094)</u>	<u>\$ (90,205,341)</u>

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Components of net periodic cost:		
Service cost	\$ 3,670,030	\$ 3,444,681
Interest cost	7,449,287	7,324,469
Expected return on plan assets	(12,285,398)	(10,930,026)
Recognized prior service credit	<u>-</u>	<u>-</u>
Net periodic (credit) benefit cost	<u>\$ (1,166,081)</u>	<u>\$ (160,876)</u>

	<u>2025</u>	<u>2024</u>
Weighted average assumptions for the years ended June 30:		
Discount rate used to determine benefit obligation	5.45%	5.30%
Discount rate used to determine net periodic benefit cost	5.30%	4.90%
Expected return on plan assets	5.00%	5.00%

For measurement purposes, increase in healthcare costs (7.00% in 2025) were assumed to decrease by 0.25% per year in years 2026 through 2038 to an ultimate rate of 3.50% in 2039 and after.

Assumed healthcare trend rates have a significant effect on the amounts reported for postretirement plans. A one percentage point change in assumed healthcare cost trend rates would have the following effects for 2025:

	<u>1% Increase</u>	<u>1% Decrease</u>
Effect on total of service and interest cost components	\$ 2,405,325	\$ (1,076,171)
Effect on postretirement benefit obligation	23,439,890	(22,819,301)

The Foundation made contributions and paid claims of \$6,952,734 and \$6,487,677 to the postretirement plan for the years ended June 30, 2025 and June 30, 2024, respectively. The Foundation expects to contribute or pay claims and expenses aggregating to approximately \$7,000,000 in fiscal 2026.

The benefits expected to be paid in each fiscal year from 2026 through 2030 and the five subsequent years are:

<u>Year Ending June 30,</u>	
2026	\$ 6,986,139
2027	7,882,504
2028	8,665,596
2029	9,598,465
2030	10,458,652
2031 - 2035	<u>63,126,489</u>
Total	<u>\$ 106,717,845</u>

At June 30, 2025 and 2024, the items not yet recognized as a component of net periodic benefit cost follow:

	<u>2025</u>	<u>2024</u>
Net gain	\$ 4,427,069	\$ 14,349,132

The actuarial (gain) loss that is expected to be amortized into net periodic cost in fiscal year 2026 is \$0.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Investment allocation and strategy decisions are generally made by management and the Foundation's Board of Directors. The postretirement plan's weighted average asset allocations at June 30, 2025 and 2024, by asset category, follow:

	Target Allocation 2025	Actual Allocation 2025	Target Allocation 2024	Actual Allocation 2024
Growth portfolio:				
Domestic equity securities	24%-70%	65%	24%-70%	67%
Debt securities	13%-42%	27%	13%-42%	26%
Commodities	0%-7%	0%	0%-7%	0%
International equity securities	9%-34%	6%	9%-34%	5%
Cash equivalents	0%-5%	2%	0%-5%	2%
		<u>100%</u>		<u>100%</u>
	Target Allocation 2025	Actual Allocation 2025	Target Allocation 2024	Actual Allocation 2024
Immunized fixed income:				
Debt securities	100%	95%	100%	95%
Cash equivalents	0%	5%	0%	5%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The Foundation's plan assets are measured at fair value. Investments in equity securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices.



**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following tables present the Foundation's fair value hierarchy for postretirement assets, which are measured at fair value on a recurring basis, as of June 30, 2025 and 2024:

	2025			
	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Fixed income mutual fund	\$ 8,869,470	\$ 8,869,470	\$ -	\$ -
Corporate bonds	86,000,495	-	86,000,495	-
U.S. government obligations	12,269,358	12,269,358	-	-
Foreign bonds	7,204,844	-	7,204,844	-
Total debt securities	114,344,167	21,138,828	93,205,339	-
Equity securities:				
Equity mutual funds	59,084,191	59,084,191	-	-
U.S. common stock	65,098,692	65,098,692	-	-
American depositary receipts	6,912,623	6,912,623	-	-
Foreign stock	5,902,346	5,902,346	-	-
Real estate investment trusts	672,833	672,833	-	-
Total equity securities	137,670,685	137,670,685	-	-
Short-term investments	8,493,743	8,493,743	-	-
Total	260,508,595	<u>\$ 167,303,256</u>	<u>\$ 93,205,339</u>	<u>\$ -</u>
Investments valued at NAV	11,765,033			
	<u>\$ 272,273,628</u>			

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

		2024		
	Fair Value	Level 1	Level 2	Level 3
Debt securities:				
Fixed income mutual fund	\$ 6,710,597	\$ 6,710,597	\$ -	\$ -
Corporate bonds	77,255,049	-	77,255,049	-
U.S. government obligations	10,865,252	10,865,252	-	-
Foreign bonds	7,062,543	-	7,062,543	-
Other	1,009,691	-	1,009,691	-
Total debt securities	102,903,132	17,575,849	85,327,283	-
Equity securities:				
Equity mutual funds	56,406,041	56,406,041	-	-
U.S. common stock	59,025,137	59,025,137	-	-
American depositary receipts	5,462,865	5,462,865	-	-
Foreign stock	3,794,083	3,794,083	-	-
Real estate investment trusts	631,191	631,191	-	-
Total equity securities	125,319,317	125,319,317	-	-
Short-term investments	6,954,889	6,954,889	-	-
Total	235,177,338	\$ 149,850,055	\$ 85,327,283	\$ -
Investments valued at NAV	10,530,630			
	<u>\$ 245,707,968</u>			

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of June 30, 2025 and 2024:

	2025 Fair Value	2024 Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	Redemption Restrictions
Common trust funds <sup>(a)</sup>	\$11,765,033	\$10,530,630	None	Daily	1 Day	None

<sup>(a)</sup> This category is comprised of investments in an equity fund, a fixed income fund and a short-term investment fund. The equity and fixed income funds are designed to provide investment results that correspond to the price and yield performance of publicly traded common stocks of large-sized and mid-sized domestic companies, respectively. The short-term investment fund is designed to invest and reinvest substantially all of its assets in short-term obligations having a stated maturity date of 365 days or less.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 5 - DEFERRED REVENUE**

At June 30, 2025 and 2024, cash advances for grants and contracts were for the following projects:

	2025	2024
Research	\$ 34,151,038	\$ 41,250,759
Training	24,794,296	37,052,285
Other sponsored activity	34,654,754	37,813,977
Other institutional activity	33,640,300	26,308,781
	<u>\$ 127,240,388</u>	<u>\$ 142,425,802</u>

**NOTE 6 - COMMITMENTS**

***Rental Income Under Operating Leases***

Future minimum rental receipts under the LLC's operating leases follow:

Year Ending June 30,	LLC	Less: Foundation Portion Eliminated in Consolidation	Total
2026	\$ 14,248,238	\$ 4,110,684	\$ 10,137,554
2027	13,718,078	4,213,451	9,504,627
2028	13,778,680	4,318,788	9,459,892
2029	14,035,885	4,426,757	9,609,128
2030	14,756,245	4,841,811	9,914,434
Thereafter	56,787,837	19,769,265	37,018,572
Total minimum rental receipts	<u>\$ 127,324,963</u>	<u>\$ 41,680,756</u>	<u>\$ 85,644,207</u>

Pursuant to the individual tenant leases, the tenants pay their proportionate share of operating the Property, including real estate taxes, certain insurance premiums, and other expenses that are not included above. CUNY's portion of the above future minimum rental receipts is approximately \$72,000,000.

***Letter of Credit***

In fiscal year 2008, the Foundation entered into an agreement with one of its health insurance carriers whereby the Foundation is required to pay the carrier, in advance, for claims incurred but not reported in the event of plan termination. The carrier has allowed the Foundation to retain this payment, which totals \$3,125,400, is included as a component of accounts payable and accrued expenses in the accompanying consolidated balance sheets as of June 30, 2025 and 2024, and is secured by an irrevocable letter of credit to the carrier for the same amount, which expires on December 31, 2025.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 7 - RENTAL PROPERTY**

Rental property (79% occupied as of June 30, 2025) consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land	\$ 9,037,040	\$ 9,037,040
Building	36,149,160	36,149,160
Building improvements	15,780,434	14,643,700
Tenant improvements	16,894,599	16,894,599
Construction-in-progress	<u>869,269</u>	<u>88,841</u>
Total	78,730,502	76,813,340
Accumulated depreciation	<u>(39,141,632)</u>	<u>(37,600,669)</u>
Rental property, net	<u>\$ 39,588,870</u>	<u>\$ 39,212,671</u>

**NOTE 8 - MORTGAGE LOAN PAYABLE, NET**

The outstanding mortgage loan payable as of June 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Mortgage loan payable	\$ 68,999,286	\$ 69,795,680
Less unamortized costs of issuance	<u>(1,489,063)</u>	<u>(1,623,672)</u>
Mortgage loan payable, net	<u>\$ 67,510,223</u>	<u>\$ 68,172,008</u>

The LLC entered into a mortgage loan (the "old loan") on May 12, 2014 with an original principal amount of \$70 million, which matures on June 1, 2044. The loan bears interest at a rate of 4.75%. The monthly principal and interest payments of \$365,153 began on July 1, 2014. The old loan had a call option, which the lender exercised and called on June 1, 2024. Prior to the old loan being called, the LLC entered into negotiations with a new lender and entered into a new mortgage loan (the "new loan") on May 13, 2024 with an original principal amount of \$70 million, which matures on May 13, 2034. The new loan bears a fixed interest rate of 6.35%. The monthly principal and interest payments of \$438,917 plus the varying swap payment, began on June 1, 2024. The mortgage is amortized over 30 years, with a 10-year term. The loan is collateralized by the Property and assignment of rents and other payments from the tenants and is guaranteed by the Foundation. The LLC incurred \$1,681,689 of financing costs in connection with obtaining the loan, which are being amortized over the life of the loan.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

At June 30, 2025, future minimum principal payments were as follows:

	<u>Amount</u>
2026	\$ 849,207
2027	905,523
2028	953,630
2029	1,028,815
2030	1,097,041
Thereafter	<u>64,165,070</u>
	<u>\$ 68,999,286</u>

Under the terms of the new loan, the LLC held cash for capital reserves of approximately \$11,585,000 as of June 30, 2025, including interest of approximately \$28,000. Under the terms of the new loan, the LLC held cash for capital reserves of approximately \$11,355,000 as of June 30, 2024, including interest of approximately \$30,000. These balances are included in restricted cash in the accompanying consolidated balance sheets and are described further in Note 2.

**NOTE 9 - INTEREST RATE SWAP**

In connection with the new loan entered into on May 13, 2024, the LLC entered into an interest rate swap agreement with a notional amount of \$70 million.

Under the terms of the agreement, the Foundation pays a fixed rate of 6.35%, and receives the prevailing Secured Overnight Financing Rate plus 200 bps on the notional principal amount, which was \$68,999,286 and \$69,795,680 at June 30, 2025 and 2024, respectively.

The liability of the interest rate swap agreement, reported at fair value and categorized as Level 2 in the fair value hierarchy, was \$3,953,391 and \$2,545,802 at June 30, 2025 and 2024, respectively. The Foundation was not obligated under the interest rate swap agreement to post any collateral at June 30, 2025.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

The Foundation has an agreement with the LLC to lease 66,867 square feet of space in the LLC's Property that expires in April 2034. To account for this lease, the Foundation recorded a ROU asset of \$31,112,876 and \$34,119,372, respectively, and a related lease liability of \$36,604,472 and \$39,513,633, respectively, for the years ended June 30, 2025 and 2024, on the accompanying consolidating balance sheets, both of which are eliminated in consolidation.

CUNY has an agreement with the LLC to lease 122,424 square feet of space in the Property of which 8,056 expires in March 2026 and 114,368 expires in April 2034. For the years ended June 30, 2025 and 2024, rental revenue from CUNY was \$7,271,639 and \$6,726,406, respectively.

In fiscal years 2025 and 2024, the Foundation approved grants to CUNY for central research initiatives of \$3,286,000 and \$3,186,650, respectively. Grants payable to CUNY at June 30, 2025 and 2024 were \$4,039,770 and \$4,983,855, respectively.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 11 - PROPERTY MANAGEMENT FEES**

The LLC has a management agreement with a third party to manage and provide leasing services to the Property that expired on July 1, 2024. Such expenses are included in operating expenses in the consolidated statements of activities. Additionally, the LLC pays the property manager a commission in accordance with the terms of the management agreement if the Property manager procures a new lease or an extension, renewal, or expansion of an existing lease for space in the Property during the term of this agreement; such costs are reported as deferred costs in the accompanying consolidated balance sheets and are amortized over the life of the lease. Although our agreement with the third party expired on July 1, 2024, we have continued operations under a month-to-month basis.

**NOTE 12 - REAL ESTATE TAX EXEMPTION**

During fiscal years 2025 and 2024, the LLC obtained a real estate tax reduction amounting to \$2,051,423 and \$1,996,437, respectively, relating to an exemption for the portions of the Property used by CUNY and the Foundation as not-for-profit, tax-exempt organizations.

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 13 - NATURAL CLASSIFICATION OF EXPENSES**

The Foundation's principal program service is grants administration. Expenses reported in the accompanying consolidated statements of activities as research, training, other sponsored activity and other institutional activity are directly incurred in connection with its program service. Costs are allocated and reported on a functional basis using specific identification. Administrative expenses include fundraising expenses of \$8,000 and \$10,000 for the years ended June 30, 2025 and 2024, respectively. Expenses by natural classification for the year ended June 30, 2025 consisted of the following:

	<u>Program Services</u>	<u>Administrative Expenses</u>	<u>Total Expenses</u>
Salaries and fringe	\$ 362,133,537	\$ 27,041,263	\$ 389,174,800
Facilities and administrative costs	75,602,774	-	75,602,774
Subcontracts	43,947,251	-	43,947,251
Independent contractor	32,084,550	11,292	32,095,842
Stipends	34,083,973	-	34,083,973
Supplies	15,546,839	47,356	15,594,195
Laboratory fees	2,664,353	-	2,664,353
Occupancy	1,995,884	-	1,995,884
Travel	7,981,689	1,798	7,983,487
Insurance	185,745	2,021,796	2,207,541
Conference and meeting	3,972,335	113,405	4,085,740
Equipment and furniture	11,201,104	187,599	11,388,703
Postretirement service cost	-	3,670,030	3,670,030
Interest expense	-	4,457,810	4,457,810
Real estate taxes	-	1,429,454	1,429,454
Depreciation and amortization	-	1,955,336	1,955,336
All other expenses	<u>30,245,346</u>	<u>16,257,569</u>	<u>46,502,915</u>
 Total expenses	 <u>\$ 621,645,380</u>	 <u>\$ 57,194,708</u>	 <u>\$ 678,840,088</u>

**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Expenses by natural classification for the year ended June 30, 2024 consisted of the following:

	<u>Program Services</u>	<u>Administrative Expenses</u>	<u>Total Expenses</u>
Salaries and fringe	\$ 348,609,108	\$ 25,709,907	\$ 374,319,015
Facilities and administrative costs	73,727,804	-	73,727,804
Subcontracts	56,397,268	-	56,397,268
Independent contractor	33,130,850	22,902	33,153,752
Stipends	34,322,568	-	34,322,568
Supplies	24,409,908	55,806	24,465,714
Laboratory fees	2,382,381	-	2,382,381
Occupancy	1,802,139	-	1,802,139
Travel	7,459,858	3,548	7,463,406
Insurance	164,215	1,955,999	2,120,214
Conference and meeting	4,160,791	102,912	4,263,703
Equipment and furniture	15,073,069	122,533	15,195,602
Postretirement service cost	-	3,444,681	3,444,681
Interest expense	-	2,973,561	2,973,561
Real estate taxes	-	1,395,247	1,395,247
Depreciation and amortization	-	1,793,993	1,793,993
All other expenses	24,723,736	14,631,620	39,355,356
	<u>\$ 626,363,695</u>	<u>\$ 52,212,709</u>	<u>\$ 678,576,404</u>
Total expenses			

**NOTE 14 - LIQUIDITY**

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows:

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash and cash equivalents	\$ 266,560,941	\$ 272,191,034
Grants, contracts, and accounts receivable, net	149,226,459	149,718,159
Investments	63,846,502	62,186,164
Less:		
Accounts payable	(110,523,598)	(118,875,135)
Deferred revenue	(127,240,388)	(142,425,802)
Deposits held in custody for CUNY colleges	(162,658,975)	(144,396,061)
	<u>\$ 79,210,941</u>	<u>\$ 78,398,359</u>
Total financial assets available within one year		

RF CUNY maintains cash balances at a level designed to ensure short-term liquidity. In addition, a suitable portion of RF CUNY's investment balances are held in instruments that can readily be converted to cash, if needed. RF CUNY also has access to a \$15 million line of credit through a financial institution.



**Research Foundation of The City University of New York and Related Entity**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 15 - LINE OF CREDIT**

The Foundation entered into a line of credit agreement for \$15 million with First Republic Bank on January 6, 2021 which was amended and restated by successor JP Morgan Chase on December 31, 2024, to be used for general Foundation purposes. The interest rate on the line of credit shall be SOFR plus 0.10% or equal to the Index minus one-quarter percent (0.25%) per annum but should not be adjusted to less than three percent (3%) per annum. The line of credit is secured by RF CUNY's accounts receivable with a value at June 30, 2025 of approximately \$149 million. The outstanding balance at June 30, 2025 and 2024 was \$0.

The terms of the line of credit require the maintenance of covenants, including financial reporting requirements and liquidity ratio minimums, which the bank may waive or modify at any time at their discretion.

**NOTE 16 - SUBSEQUENT EVENTS**

RF CUNY evaluated events subsequent to June 30, 2025 and through September 26, 2025, the date on which the consolidated financial statements were available to be issued, the result of which required no adjustments or disclosures to the accompanying consolidated financial statements.