

Celebrating 175 years | 



2025

ANNUAL
FINANCIAL
REPORT

THE UNIVERSITY OF UTAH
A COMPONENT UNIT OF
THE STATE OF UTAH







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**MESSAGE FROM
THE PRESIDENT**

Taylor R. Randall



DEAR COLLEAGUES,

The landscape for higher education has changed dramatically and that presents us with the opportunity and the obligation to reaffirm our role in society. We must reestablish our social-compact with students, parents, patients, government leaders and alumni to deliver value and results.

As we take on this challenge, I remain fiercely optimistic about the future of this institution and its ability to be a force for positive change. I have engaged with state lawmakers this year, seeking to understand their perspectives on higher education in Utah and conveying what we believe the U's role should be. Our vision is encapsulated in Impact 2030, a strategic plan for designing a university that improves the life of every Utahn and advances a new national higher education model for delivering societal impact.

As the state's flagship institution of higher learning, the University of Utah is positioned to drive monumental change through launching students into successful futures, igniting innovation, advancing knowledge, providing excellence in health care and elevating the quality of life in the communities we serve. The financial data in this report showcases how we are carrying out that mission.

Thank you for all you do and remember that each of you plays a critical role in achieving our 2030 goals.

Sincerely,

Taylor R. Randall
President



OFFICE OF THE
STATE AUDITOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees, Audit Committee
and
Dr. Taylor R. Randall, President
University of Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the University of Utah (University), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the University's business-type activities and fiduciary activities as of June 30, 2025, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Utah Health (Hospitals and Clinics) (UUHC), a department of the University, and the University's blended component units ARUP Laboratories, Inc. (ARUP), University of Utah Research Foundation (UURF), University of Utah Health Insurance Plans (UUHIP), Community Nursing Service (CNS), and George S. and Dolores Doré Eccles Endowment for Medical School Excellence (EMSE), as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for UUHC, ARUP, UURF, UUHIP, CNS, and EMSE, are based solely on the reports of the other auditors. These reports represent 40 percent, 33 percent, and 62 percent, respectively, of the total assets, net position, and total revenues of the University's business-type activities.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of ARUP and EMSE were not audited in accordance with *Government Auditing Standards*.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Emphasis of Matter

As described in Note 1.G, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 101 *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the University's Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Defined Pension Contributions, included in the Required Supplementary Information listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from the President and the listing of Governing Boards and Officers but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



Office of the Utah State Auditor
Salt Lake City, Utah
November 21, 2025



MANAGEMENT'S DISCUSSION & ANALYSIS



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The following discussion and analysis have been prepared by management and provides an overview of the financial position and activities of the University of Utah and its component units as of and for the year ended June 30, 2025, with comparative information from the prior fiscal year. This discussion and analysis are intended to be read alongside the *Financial Statements and Notes to the Financial Statements* which follow this section.

ABOUT THE UNIVERSITY

Founded in 1850, the University of Utah is the state’s oldest and most comprehensive institution of higher education and is the flagship institution of the Utah System of Higher Education. The university offers over 100 major subjects at both the undergraduate and graduate levels, including law and medicine, to approximately 38,300 students from across the United States and around the world, preparing students to live and compete in the global workplace. The university is a member of the prestigious grouping of research-intensive universities known as the American Association of Universities (AAU).

The university is home to the only academic medical center in the state, providing patient care for residents of Utah and the surrounding Intermountain West, and was ranked as the No. 1 hospital in the state for the past 12 years by U.S. News & World Report. They are currently ranked No. 3 in the country for ambulatory care and have been in the top 10 for the last 10 years.

The three strategic goals of the university are key to understanding the financials of the university, and vice versa. Each initiative will be discussed separately in this section of the financial report, including highlights from the year, financial results pertaining to the initiative, capital projects and debt, if applicable, and an outlook for the future. Where appropriate, graphs and charts will convey information that highlights progress toward the goal. Additional metrics and dashboards relevant to the U are available [here](#). The goals, and their corresponding initiatives, are:

GOAL	INITIATIVE	MAJOR TARGET
Promote Student Success to Transform Lives	Inspire Student Success	Grow student body to 40,000
Develop and Transfer New Knowledge	Innovate and Generate Discoveries	Grow sponsored research spend to \$1 billion annually
Engage Communities to Improve Health and Quality of Life	Serve Our Communities	Have an impact on the lives of all 3.5 million Utahns across all 29 counties in Utah

INSPIRE STUDENT SUCCESS

The U believes that we must re-imagine how we inspire students by revolutionizing the student experience. We're creating a campus community that integrates living, learning, and belonging, and will put students right at the forefront of knowledge creation from day one with unparalleled first-year experiences. We're aligning our resources to provide proactive personalized pathways to education, offer experiential learning opportunities, and provide a single forum for students to make and expand connections with other students, the university, community engagement partners, and employment opportunities. This will bolster graduation rates, enhance the learning experience, and increase our students' earning potential.

COMMENTARY AND DISCUSSION OF FINANCIALS

Tuition and fee revenue is reported net of institutional aid in the university's financial statements. For the fiscal year ended June 30, 2025 (FY25), tuition and fees, net, were \$515.8 million. This represents an increase of 9.5% over FY24's revenues of \$471.1 million. Tuition and fee rates for FY25 increased on average 3.5%; thus, the increase in tuition and fees, net, was attributable to increases in both tuition and fee rates as well as enrollment.

Institutional aid for tuition, fees, housing, and other auxiliary costs went from \$123.2 million in FY24 to \$129.0 million in FY25, a 4.7% increase. Institutional aid helped offset tuition, fees, housing, and other auxiliary costs for about 13,100 students.

Auxiliary operations included self-sustaining operations that support visitors, students, parents, faculty, and staff. Auxiliary revenues include revenues from parking services, housing and residential education, food services, athletics revenues, stadium and arena revenues, and the campus store. These amounts are shown net of allowances. For FY25, auxiliary revenues, net, were \$248.9 million as compared to FY24's \$221.5 million; an increase of 12.4%. This \$27.4 million increase came from campus store sales, media revenue from athletics, and housing and residential education from rent and dining services.

Scholarships and fellowships expenses were \$65.6 million in FY25, an increase from the \$60.8 million in FY24 due to additional institutional aid.

As discussed in Note 17 of the *Notes to the Financial Statements*, functional classification of expenses directly applicable to students include: instruction (\$569.0 million), academic support (\$326.0 million), student services (\$118.2 million), and scholarships (\$58.8 million). These expenses combined are approximately \$1.1 billion in FY25, an increase of 4.6% over FY24.



INSPIRE STUDENT SUCCESS

GOAL

Grow student body to 40K within 10 years

58%

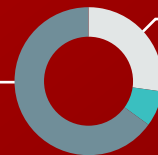
Of students are Utah residents

21%

Increase in freshman enrollment from 2021

Student Demographics

65%
White & Other



27%
Students of Color

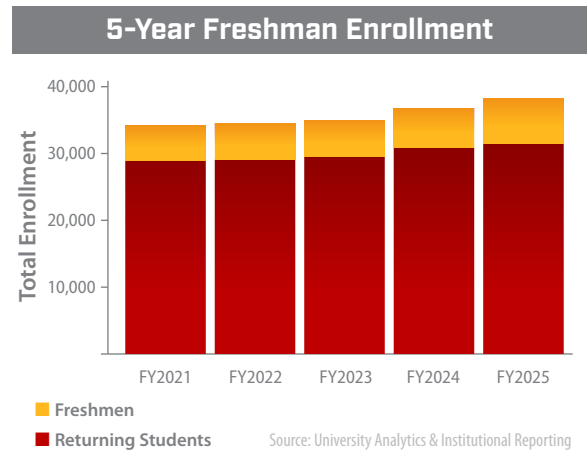
8%
International Students

Source: University Analytics & Institutional Reporting

INITIATIVE HIGHLIGHTS FOR THE YEAR

Progress made toward the Inspire Student Success initiative includes:

- **Five years of enrollment growth:** Enrollment at the U has continued to defy national trends by increasing five years in a row. In fall 2025, a record 38,300 students attended the university. Since fall 2021, undergraduate student enrollment has increased 11.1%. The growth is expected to continue with an increased emphasis on building graduate student enrollment.
- **Student housing and education:** The university continues to increase student housing and elevate our ability to provide cutting edge educational opportunities for students. Just a few of the projects taking place in FY25 that supported these goals were:
 - ▶ Continued construction of phase two of the West Village, totaling \$82.1 million, will add an additional 450 beds and is expected to be completed by early 2026.
 - ▶ \$73.2 million in construction costs on the Spencer Fox Eccles School of Medicine building to replace the venerable 52-year-old School of Medicine. The university trains two-thirds of the doctors who practice in Utah as well as thousands of nurses, dentists, physical therapists, and other medical professionals. This building will help educate the next generation, serving as a hub for education, research, and clinical care.
 - ▶ \$16.1 million to complete the Impact, Health and Prosperity Epicenter which provides a living-learning space that houses nearly 800 students and brings together students and professionals from the Center for Business, Health, and Prosperity and the Sorenson Impact Institute.



OUTLOOK

Continued growth in enrollment and an increase in tuition and fees revenue is expected as the university's national and international profiles continue to rise.

INNOVATE AND GENERATE DISCOVERIES

Innovation through research and discoveries has long been a part of the U. From the first-ever National Institute of Health grant in 1946 to study muscular dystrophy to the world's first artificial heart transplant to the computer graphics pioneers who created Pixar, Atari, and Adobe, the university has continually looked for ways to improve lives and change the world. To continue this longstanding tradition, the U must adapt and accelerate innovations and discoveries. We're creating innovation hubs where our students can work side-by-side with industry professionals while also refreshing our research and commercialization leadership strategy.

COMMENTARY AND DISCUSSION OF FINANCIALS

The university receives grants and contracts from a variety of federal and state entities, as well as private foundations. This funding is used to continue our work as a top-tier research institution dedicated to innovation and discovery. Research-related expenditures increased \$70.1 million, or 10.0%, to \$772.8 million in FY25 while overall grants and contracts awards increased 13.2% from \$691.0 million in FY24 to \$781.9 million. These changes to the expenses and awards are driven by 2,577 research grants encompassing everything from aerospace to medical advancement.

As discussed in Note 17 of the *Notes to the Financial Statements*, functional classification of expenses related to research increased 7.6%, or \$43.7 million, to \$619.2 million in FY25.

INITIATIVE HIGHLIGHTS FOR THE YEAR

Research initiatives at the university include aerospace, energy, water sustainability, neuroscience and computing, quantum computing, wildfire prevention and management, critical mineral infrastructure, the future of food, housing, medical care, and much more. Below are just a few of the projects being worked on:

- With more than \$16.9 million in resources from the U.S. Department of Energy, the Utah Forge laboratory works with national partners to develop, test, and accelerate breakthroughs in enhanced geothermal technologies to advance the uptake of geothermal resources as an environmentally friendly alternative to fossil fuels and other current technologies.
- Using roughly \$8.6 million in funding from the National Highway Traffic Safety Administration, the National EMS Information System (NEMSIS) Technical Assistance Center (TAC) supports emergency



INNOVATE & GENERATE DISCOVERIES

GOAL

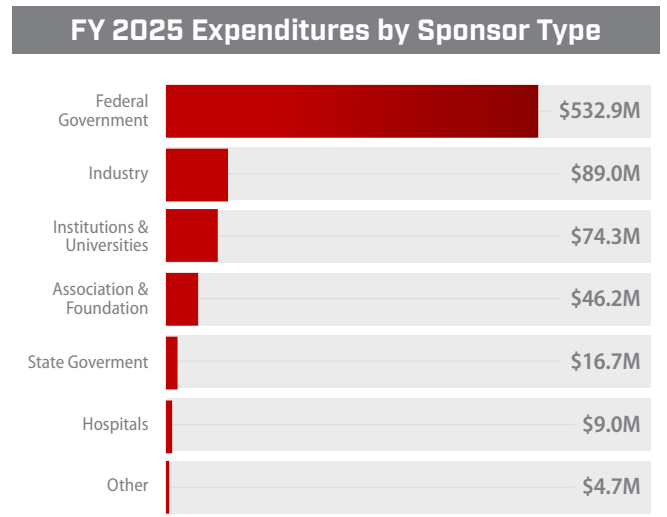
\$1 Billion in expenditures

Currently at \$733M

2,577

Total research awards

Source: Vice President of Research



response and patient outcomes nationwide and is at the forefront of helping emergency medical services in every state provide the needed care to their residents.

- With approximately \$4.1 million in support from the National Science Foundation, the Center for Synthetic Organic Electrochemistry at the university is discovering new ways to use electrical energy to drive organic reactions that transform more abundant materials into valuable products like medicines and agrochemicals. This provides a more environmentally friendly and cost-effective approach to producing these products.

OUTLOOK

The outlook for the university's research remains strong. The university is working on collaborations with private industry as well as on-campus interdisciplinary research teams. These collaborations seek and solicit alternative funding sources to help shape and drive innovation in areas such as aerospace, global social and environmental challenges, mental health, and food security. With a focus on these and other key issues affecting the state, the university has positioned itself as a critical partner in solving the most pressing problems of today and tomorrow. Our growth in research expenditures and technology commercialization represents a tangible validation of that approach.



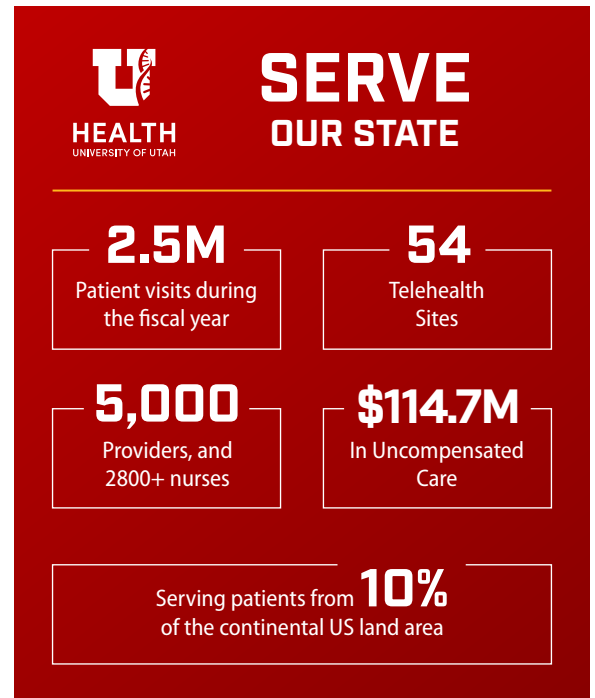
SERVE OUR STATE

As Utah's flagship university, the U has a significant responsibility to the people of Utah. President Randall's goal for the university is to positively impact all 3.5 million Utahns across all 29 counties. This means the U is re-envisioning how it can deliver higher education differently in order to have a greater impact on the communities we serve. We're growing our reach beyond Salt Lake's east bench with expanded health care in West Valley City and increasing mental health services through partnerships across the state. We're also working with industry partners and our sister institutions in the Utah System of Higher Education to tackle some of our state's most pressing social issues.

COMMENTARY AND DISCUSSION OF FINANCIALS

The university records patient services revenue for the hospitals and clinics, and Spencer Fox Eccles School of Medicine services net of third-party adjustments. These adjustments come from negotiated reimbursement rates based on either the cost of providing services, a predetermined rate per diagnosis, fixed per diem rates, or as a percentage discount from gross charges. In FY25, net patient services revenue totaled \$4.2 billion, an increase of \$483.7 million, or 12.9%, from the \$3.8 billion in FY24, due to increased volume, improved reimbursements, and contract pharmacy revenue. This was offset in part by growth in medical claims expenses and medical supplies of \$70.5 million and \$150.9 million respectively.

As discussed in Note 17 of the *Notes to the Financial Statements*, functional classification of expenses related to patient care (\$3.4 billion) and health plans (\$376.8 million) totaled \$3.8 billion in FY25. This was a 13.7%, or \$457.1 million, increase from the \$3.3 billion expended in FY24. This increase was due primarily to an increase in compensation and benefits at U of U Health, as well as increased medical supply costs caused by increased volumes.



INITIATIVE HIGHLIGHTS FOR THE YEAR

Just a few of the initiatives worked on during the fiscal year include:

- In FY25, the university completed an additional \$21 million in construction to allow the Huntsman Mental Health Institute's Kem and Carolyn Gardner Mental Health Crisis Care Center to open in March 2025. This project expanded the U of U Health's mental health care services capacity and offers a safe place for patients experiencing a mental health crisis to receive care.
- In May 2025, U of U Health broke ground on the Eccles Health Campus and Hospital. This complex will bring much-needed medical care to West Valley City and other surrounding communities with 200+ exam rooms, an emergency department, surgical suites, and an in-patient hospital. In addition, it will open the doors to those who wish to pursue a career in health care.

OUTLOOK

U of U Health saw improved operating performance in FY25, and projects continued growth in volumes and revenue due to higher negotiated contracted third-party payer rates in FY26. U of U Health is focused on delivering reliable quality care with exceptional experience, addressing staffing by reducing first-year turnover by 2%, and expanding capacity and access to opportunity for our community.

ENDOWMENTS AND INVESTMENTS

The endowment is invested to provide long-term growth to preserve intergenerational equity. This means support for current purposes is balanced with the need to provide inflation-adjusted value into the future. The investment strategy is structured to provide cash for current distribution as well as long-term growth. The spending policy attempts to strike this balance of supporting current needs, consistent with donor directives, and supporting growth for future needs.

On June 30, 2025, the Endowment Pool had \$1.9 billion in assets. This is an increase over the prior fiscal year of \$206.8 million. The investment performance for the endowment showed a total return for the fiscal year of 10.1%, versus its target benchmark return of 8.0%. The portfolio's asset class returns were as follows: 16.4% in global equity, 11.6% in private equity, 1.5% in venture capital, 6.5% in fixed income, 8.7% in private real assets, 11.5% in diversifying strategies.

The Cash Management Pool increased \$177.6 million from \$3.1 billion on June 30, 2024, to \$3.2 billion on June 30, 2025. Investments within the Cash Management Pool are subject to the Money Management Act of the State of Utah.

ADDITIONAL INFORMATION

FINANCIAL STATEMENTS

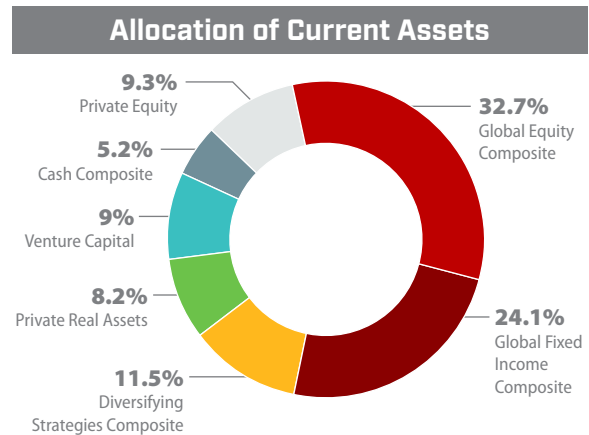
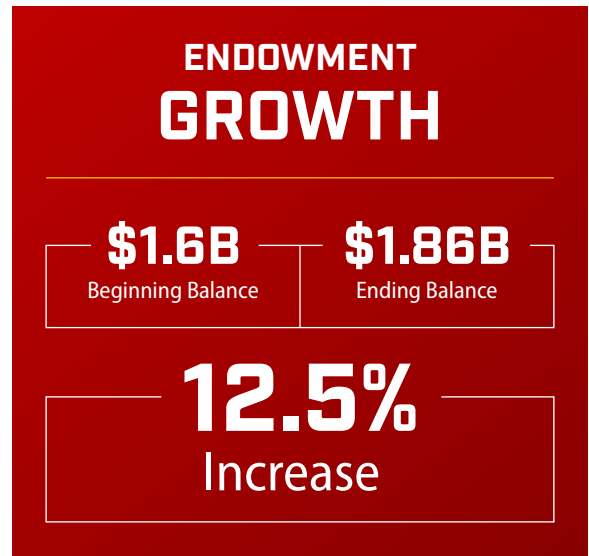
The university's statements include five financial statements, all of which are prepared in accordance with Governmental Accounting Standards Board (GASB) principles. These statements should be reviewed in conjunction with the Notes to the Financial Statements, which provide additional information.

The Statement of Net Position shows an entity's assets, liabilities, deferred inflows and outflows, and net position as of a specific date. These elements represent the resources the university has to accomplish its mission and goals, the claims on those resources, and the net of those two (net position). Most elements in this statement are measured using current values except for capital assets, which are stated at historical cost less accumulated depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position presents the university's results of operations for the entire fiscal year. These results are a combination of the revenues and expenses, which when netted, provide the increase or decrease in net position for the year. This change in net position is one indicator of whether the overall financial condition of the university has improved or weakened during the year.

The Statement of Cash Flows provides a look at the major sources and uses of cash by activity for the university during the fiscal year.

Due to fiduciary relationships with other entities, the university also produces a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These statements show the balance of assets and liabilities as well as the change in net position during the fiscal year. Below are condensed versions of the university's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position comparing the current and prior fiscal years.



Condensed Statement of Net Position—as of June 30 (in thousands)	2025	2024 as adjusted*	% Change
Current assets	\$2,471,774	\$2,368,725	4.4%
Noncurrent assets			
Capital assets, net	5,241,563	4,833,242	8.4%
Other noncurrent assets	5,947,810	5,581,519	6.6%
Total Assets	13,661,147	12,783,486	6.9%
Deferred outflows of resources	67,140	70,227	-4.4%
Current liabilities	1,568,055	1,498,874	4.6%
Noncurrent liabilities	2,374,278	2,466,258	-3.7%
Total Liabilities	3,942,333	3,965,132	-0.6%
Deferred inflows of resources	106,736	130,338	-18.1%
Net investment in capital assets	3,713,234	3,293,699	12.7%
Restricted, nonexpendable	1,016,800	922,951	10.2%
Restricted, expendable	1,054,936	978,299	7.8%
Unrestricted	3,894,248	3,563,294	9.3%
Total Net Position	\$9,679,218	\$8,758,243	10.5%

*(See Note 1 for more details)

Condensed Statement of Revenues, Expenses, and Changes in Net Position - for the years ended June 30 (in thousands)	2025	2024 as adjusted*	% Change
Operating revenues			
Tuition and fees, net	\$ 515,847	\$ 471,068	9.5%
Patient services, net	4,238,695	3,754,961	12.9%
Grants and contracts	810,220	743,476	9.0%
Sales and services	1,962,710	1,786,598	9.9%
Auxiliary and other	615,361	521,765	17.9%
Total operating revenues	8,142,833	7,277,868	11.9%
Operating expenses	8,591,388	7,751,304	10.8%
Operating gain/(loss)	(448,555)	(473,436)	-5.3%
Nonoperating revenues			
State appropriations	527,137	499,623	5.5%
Gifts	238,294	184,097	29.4%
Investment income (loss)	441,800	369,905	19.4%
Other net nonoperating revenue (expense)	(46,474)	(50,952)	-8.8%
Total nonoperating revenues	1,160,757	1,002,673	15.8%
Income before capital and permanent endowment additions	712,202	529,237	34.6%
Capital contributions, permanent endowment additions and special and extraordinary items	208,773	227,082	-8.1%
Increase in net position	920,975	756,319	21.8%
Net Position - beginning of year (as adjusted)	8,758,243	8,001,924	9.5%
Net Position - end of year	\$9,679,218	\$8,758,243	10.5%

*(See Note 1 for more details)

COMMENTARY AND DISCUSSION OF FINANCIALS

Overall net position for the university increased by \$921.0 million or 10.5% in FY25. This was due in large part to the \$712.2 million in revenue before capital contributions and permanent endowment additions. Capital contributions and additions to permanent endowment added an additional \$208.8 million.

The Current Assets increased 4.4% to \$2.5 billion in FY25. This growth came from net receivables, inventory, and other assets. U of U Health had a \$20.6 million increase in patient receivables as well as a \$66.1 million increase in their Due from Medicare and Medicaid receivable. U of U Health also had a \$10.3 million increase in medical supplies inventory. Other assets grew roughly \$37.6 million due to prepaid expenditures and a deferred tax asset for UUHIP.

Capital assets increased from \$4.8 billion in FY24 to \$5.2 billion in FY25. This 8.4% increase is attributable to completed or partially completed buildings as discussed in the *Inspire Student Success, Innovate and Generate Discoveries*, and *Serve Our State* sections above, as well as the purchase of the City Centre building in downtown Salt Lake City.

Other noncurrent assets increased from \$5.6 billion in FY24 to \$5.9 billion in FY25. This \$366.3 million increase was mainly due to an increase in long-term investments. Long-term investments increased as the university focused on investing more of its resources in instruments with a longer duration to take advantage of higher interest rates for a longer period of time. For more information on the endowment and investments, see the *Endowment and Investments* section above.

Deferred outflows of resources decreased by approximately \$3.1 million due to a decrease in deferred outflows related to excess consideration.

Current liabilities increased in FY25 by \$69.2 million as a result of increases in accounts payable and accrued payroll, offset by a decrease in unearned revenue as funds for prepaid sponsored awards and athletic and cultural events were recognized. Noncurrent liabilities decreased \$92.0 million due to bonded debt payments.

Deferred inflows of resources decreased by \$23.6 million to \$106.7 million in FY25. This decrease was predominantly caused by a reduction in deferred inflows related to leases (see Notes 1, 5 and 12 for more information).

Revenues related to tuition and fees, net, patient services, net, grants and contracts and auxiliary are discussed above throughout the Management's Discussion and Analysis.

Sales and service revenues increased \$176.1 million, or 9.9%, to \$2.0 billion in FY25. This change was driven by increased sales from component units, hospital revenue, rent from the new City Centre building, parking passes and citations, and sales in various university departments such as Kingsbury Hall, Pioneer Theatre, Utah Presents, Surplus, etc. Sales in university departments include revenue for services or goods provided as part of a department's mission of instruction, research, public service, or support of such functions.

Auxiliary revenue increased by 12.4% or \$27.4 million in FY25 propelled by increased revenue related to media rights income from athletics, student housing rent, cultural and other events at the stadiums, and sales at the campus store.

Nonoperating revenue increased from \$1.0 billion in FY24 to \$1.2 billion in FY25. This was a 15.8% increase. This was caused by a rise in investment income, gifts, and state appropriations. Details on changes in investment income can be seen in Note 2 as well as in the *Endowment and Investments* section above. The 5.5%, or \$27.5 million, increase in state appropriations was predominately for university operations, and the \$54.2 million growth in gifts was for various donor-designated uses.

Total capital and permanent endowment additions decreased by \$18.3 million or 8.1% in FY25 due to a \$59.6 million decrease in capital appropriations from the State, offset primarily by a \$38.9 million increase in capital gifts.

Operating expenses by functional category have been discussed throughout the Management's Discussion and Analysis. Please see Note 17 in *Notes to the Financial Statements* for a complete list of operating expenses by natural and functional categories.

The university issued no new debt in FY25. In May 2025, Moody's Investor Services (Moody's) and S&P Global Ratings (S&P) reaffirmed their bond ratings on the university's GRB as Aa1 with a stable outlook and AA+ with a stable outlook, respectively.

COMPONENT UNITS

The University of Utah's financial statements include University of Utah Health, as well as the balances and activities of five component units: the University of Utah Research Foundation (UURF), ARUP Laboratories, Inc., University of Utah Health Insurance Plans (UUHIP), George S. and Dolores Doré Eccles Endowment for Medical School Excellence (EMSE), and Community Nursing Services (CNS). More information about these entities and their inclusion in the financial statements may be found in Note 1 – *Summary of Significant Accounting Policies – Reporting Entity*.

OUTLOOK

The overall outlook for the university is robust as it continues to grow enrollment, spark innovation through research that both provides new and better ways to help individuals and the community and generates revenue to allow for continued exploration and advancement. This dynamic growth will be helped by the new physical development master plan. It will guide how the physical campus – buildings, infrastructure and outdoor spaces – will support and sustain our vision to inspire, innovate, and serve the residents of Utah. The plan will address the next 10 years of development, preservation, innovation, and sustainability for the university. This will include strategies on how the university will accommodate and plan for 40,000 students by 2030; provide a vibrant campus life that includes living, learning and belonging; ensure quality outdoor and open spaces for recreation and learning; ensure a sustainable campus; and reduce reliance on single occupancy vehicles. More information on the plan can be found [here](#).



FINANCIAL STATEMENTS



THE UNIVERSITY OF UTAH
Statement of Net Position

(in thousands of dollars) For the year ended June 30, 2025

ASSETS

Current Assets	
Cash and cash equivalents (Note 2)	\$ 417,113
Short-term investments (Note 2)	773,701
Receivables, net (Note 3)	1,002,833
Inventory (Note 1)	182,153
Other assets (Note 4)	95,974
Total current assets	2,471,774
Noncurrent Assets	
Restricted cash and cash equivalents (Note 2)	955,966
Restricted short-term investments (Note 2)	70,713
Investments (Note 2)	3,779,910
Restricted investments (Note 2)	895,289
Receivables (Note 3)	108,459
Restricted receivables, net (Note 3)	67,606
Donated property	878
Net pension asset (Note 6)	64,708
Right-of-use lease asset, net (Note 5)	83,769
Right-of-use SBITA asset, net (Note 5)	43,243
Other assets (Note 4)	4,281
Capital assets, net (Note 5)	5,114,551
Total noncurrent assets	11,189,373
Total assets	13,661,147

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on bond refunding (Note 1)	3,007
Deferred outflows related to pensions (Note 6)	46,285
Deferred outflows related to excess consideration (Note 1)	17,848
Total deferred outflows of resources	67,140

LIABILITIES

Current Liabilities	
Accounts payable (Note 3)	
to the State of Utah	37,465
to Others	444,242
Accrued payroll	246,194
Compensated absences and early retirement benefits (Notes 1 & 14)	122,936
Unearned revenue (Note 7)	81,420
Lease liability - Current (Notes 12 & 14)	8,312
SBITA liability - Current (Notes 13 & 14)	13,526
Deposits and other liabilities (Notes 9 & 14)	487,843
Bonds, notes and contracts payable (Notes 14 & 15)	
to the State of Utah	8,635
to Others	117,482
Total current liabilities	1,568,055
Noncurrent Liabilities	
Compensated absences and early retirement benefits (Notes 1 & 14)	71,500
Deposits and other liabilities (Notes 9 & 14)	37,129
Bonds, notes and contracts payable (Notes 14 & 15)	
to the State of Utah	43,040
to Others	2,113,261
Net pension liability (Note 6)	6,336
Lease liability (Note 12)	80,913
SBITA liability (Note 13)	22,099
Total noncurrent liabilities	2,374,278
Total liabilities	3,942,333

Continued on next page...

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH
Statement of Net Position

(in thousands of dollars) For the year ended June 30, 2025

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to bonds (Note 1)	3,646
Deferred inflows related to pensions (Note 6)	192
Deferred inflows related to leases (Note 12)	102,898
Total deferred inflows of resources	106,736

NET POSITION

Net investment in capital assets	3,713,234
Restricted for	
Nonexpendable	
Instruction	253,992
Research	144,883
Public service	45,957
Academic support	114,389
Scholarships	433,391
Other	24,188
Expendable	
Research	244,978
Public service	198,318
Academic support	128,166
Institutional support	102,213
Scholarships	149,413
Loans	1,194
Debt service	-
Capital additions	86,882
Other	143,772
Unrestricted	3,894,248
Total net position	\$ 9,679,218

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH

Statement of Revenues, Expenses, and Changes in Net Position

(in thousands of dollars) For the year ended June 30, 2025

OPERATING REVENUES AND EXPENSES

Revenues	
Tuition and fees, net (Note 1)	\$ 515,847
Patient services, net (Notes 1 & 11)	4,238,695
Federal grants and contracts	496,607
State and local grants and contracts	72,403
Nongovernmental grants and contracts	241,210
Sales and services, net (Note 1)	1,962,710
Auxiliary enterprises, net (Note 1)	248,913
Other operating revenues	366,448
<u>Total operating revenues</u>	<u>8,142,833</u>
Expenses	
Compensation and benefits	4,441,580
Component units	1,090,537
Supplies	1,315,197
Purchased services	317,801
Medical claims	349,526
Depreciation and amortization	357,258
Utilities	101,081
Cost of goods sold	54,787
Repairs and maintenance	100,835
Scholarships and fellowships	65,600
Other operating expenses	397,186
<u>Total operating expenses</u>	<u>8,591,388</u>
<u>Operating loss</u>	<u>(448,555)</u>

NONOPERATING REVENUES (EXPENSES)

State appropriations	527,137
Government grants	42,259
Gifts	238,294
Investment income	441,800
Interest	(76,006)
Other	(12,727)
<u>Total nonoperating revenues</u>	<u>1,160,757</u>
<u>Income before capital and permanent endowment additions</u>	<u>712,202</u>

CAPITAL AND PERMANENT ENDOWMENT ADDITIONS

Capital appropriations	81,310
Capital grants and gifts	86,534
Additions to permanent endowments	40,929
Gain on disposal of government operations	-
<u>Total capital and permanent endowment additions</u>	<u>208,773</u>
<u>Increase in net position</u>	<u>920,975</u>

NET POSITION

Net position - beginning of year, as adjusted (Note 1)	8,758,243
<u>Net position - end of year</u>	<u>\$ 9,679,218</u>

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH
Statement of Cash Flows

(in thousands of dollars) For the year ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tuition and fees	\$ 521,885
Receipts from patient services	4,115,028
Receipts from contracts and grants	785,951
Receipts from auxiliary and educational services	2,201,226
Collection of loans to students	1,587
Payments to suppliers	(3,692,146)
Payments for personal services	(4,426,763)
Payments for scholarships/fellowships	(65,601)
Loans issued to students	(3,236)
Other	249,940
Net cash used by operating activities	(312,129)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	527,137
Government grants	42,259
Federal direct loan receipts	160,350
Federal direct loan payments	(160,350)
Gifts	
Endowment	40,929
Nonendowment	241,988
Other	(3,495)
Net cash provided by noncapital financing activities	848,818

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital debt	734
Capital appropriations	81,310
Gifts	93,090
Proceeds from leases	8,145
Purchase of capital assets	(772,263)
Principal paid on capital debt	(127,780)
Interest paid on capital debt	(83,043)
Net cash used by capital and related financing activities	(799,807)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	4,475,195
Receipt of interest on investments	200,892
Purchase of investments	(4,684,942)
Net cash used by investing activities	(8,855)
Net decrease in cash	(271,973)
Cash - beginning of year	1,645,053
Cash - ending of year	1,373,080

Continued on next page...

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH
Statement of Cash Flows

(in thousands of dollars) For the year ended June 30, 2025

**RECONCILIATION OF NET OPERATING REVENUES (EXPENSES)
TO CASH PROVIDED BY OPERATING ACTIVITIES**

Operating loss	\$ (448,555)
Adjustments	
Depreciation and amortization expense	357,258
Lease revenue	(11,460)
Lease expense	15,236
SBITA expense	(4,481)
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Receivables, net	(246,715)
Inventory	(16,597)
Donated property held for sale	-
Net pension asset	(19,738)
Other assets	(30,488)
Deferred outflows related to pensions	(623)
Accounts payable	71,133
Accrued payroll	14,424
Compensated absences & early retirement benefits	19,824
Unearned revenue	(30,145)
Deposits & other liabilities	17,868
Net pension liability	1,149
Deferred inflows related to pensions	(219)
<u>Net cash used by by operating activities</u>	<u>\$ (312,129)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Financed obligations	\$ -
Leases	(3,037)
SBITAs	(235)
Donated property and equipment	68,778
Completed construction projects transferred from State of Utah (DFCM)	-
Annuity and life income	(28)
Increase in fair value of investments	240,908
<u>Total noncash investing, capital, and financing activities</u>	<u>\$ 306,386</u>

The accompanying notes are an integral part of these financial statements

THE UNIVERSITY OF UTAH
Statement of Fiduciary Net Position

(in thousands of dollars) For the year ended June 30, 2025

Custodial Funds

ASSETS

Current Assets	
Cash and cash equivalents	\$4,860
Short-term investments	2,752
Other assets	-
Total current assets	7,612
Noncurrent Assets	
Investments	9,576
Total noncurrent assets	9,576
Total assets	17,188

LIABILITIES

Current Liabilities	
Accounts payable	1,871
Accrued payroll	831
Deposits and other liabilities	-
Total current liabilities	2,702
Noncurrent Liabilities	
Compensated absences & early retirement benefits	1,748
Deposits & other liabilities	17
Total noncurrent liabilities	1,765
Total liabilities	4,467

NET POSITION

Restricted for:	
Individuals, organizations and other governments	12,721
Total net position	\$ 12,721

THE UNIVERSITY OF UTAH

Statement of Changes in Fiduciary Net Position

(in thousands of dollars) For the year ended June 30, 2025

	Custodial Funds
CONTRIBUTIONS	
Other governments	\$ 79,125
Other entities	27,060
Total contributions	106,185
 INVESTMENT EARNINGS	
Net increase (decrease) in fair value of investments	114
Interest, dividends and other investment income	148
Income from investment activity	262
 DEDUCTIONS	
Payments to other governments, entities or individuals	99,216
Total deductions	99,216
Net increase (decrease) in fiduciary net position	7,231
 Net position - beginning of year	 5,490
Net position - end of year	\$ 12,721

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements report the financial activity of the University of Utah (university), including University of Utah Health (U of U Health). The university is a component unit of the State of Utah (State).

Component units are entities that are legally separate from the university but are financially accountable to the university, or whose relationships with the university are such that exclusion would cause the university's financial statements to be misleading or incomplete. University administrators hold a majority of seats on the boards of trustees of five other related entities representing component units of the university. Because the university appoints the majority of the five boards, is able to impose its will on these organizations, and the organizations almost exclusively benefit the university, the financial accountability criteria as defined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, have been met, and the five organizations are included as blended component units of the university. The component units of the university are ARUP Laboratories, Inc. (ARUP), Community Nursing Services (CNS), University of Utah Health Insurance Plans (UUHIP), George S. and Dolores Dore Eccles Endowment for Medical School Excellence (EMSE), and the University of Utah Research Foundation (UURF).

- ARUP is a not-for-profit corporation that provides clinical pathology reference laboratory services to medical centers, hospitals, clinics and other clinical laboratories throughout the United States, including U of U Health. ARUP contracts with the University of Utah School of Medicine to provide pathology consulting services. The fiscal year end for ARUP is June 30. Other independent auditors audited ARUP and their report, dated September 2, 2025, was issued under separate cover.
- CNS is a not-for-profit corporation that assists clients to attain health care goals, while maintaining their independence and dignity, through home health and hospice care. The fiscal year end for CNS is December 31. Other independent auditors audited CNS and their report, dated May 23, 2025, was issued under separate cover.
- UUHIP is a health insurance company operating as a licensed non-profit health service insurance corporation as provided in Chapter 7 of Title 31A of the Utah Insurance Code. UUHIP writes individual and group health insurance products. The fiscal year end for UUHIP is December 31. Other independent auditors audited UUHIP and their report, dated August 28, 2025, was issued under separate cover.

Health insurance companies are subject to certain minimum surplus requirements as specified by the National Association of Insurance Commissioners (NAIC) and the Utah Insurance Department. Under those requirements, the amount of capital and surplus maintained by a health service insurance corporation is to be the greater of minimum Risk-Based Capital (RBC) or \$400,000. RBC is determined based on the various risk factors related to UUHIP's operations. Regulatory compliance is determined by a ratio of UUHIP's total adjusted capital, calculated in the manner prescribed by NAIC to its authorized control level RBC. If UUHIP drops below specific trigger levels, a specified corrective action is required. The minimum level of total adjusted capital before corrective action commences is twice the authorized control level RBC. UUHIP met both minimum statutory surplus requirements with RBC exceeding the authorized control level and statutory surplus exceeding \$400,000 at December 31, 2024.

- The EMSE is a 501(c)(3) public charity and support organization solely for the benefit of the University of Utah, performing the limited function of managing endowment funds donated to the entity on behalf of the university, the proceeds of which endowment will be used solely for the University of Utah School of Medicine's benefit. The EMSE has a fiscal year end of June 30, and the report from its independent auditors dated September 8, 2025, was issued under separate cover.
- UURF is a not-for-profit corporation governed by a board of directors who, with the exception of three directors, are affiliated with the university. The operations of UURF include the leasing and administration of Research Park (a research park located on land owned by the university), the leasing of certain buildings, and the commercial

development of patents and products developed by university personnel. As part of its mission to advance technology commercialization, UURF creates new corporate entities to facilitate the startup process. In general, these entities do not have assets. Expenses related to the companies are expensed as incurred. The fiscal year end for UURF is June 30. UURF is audited by other independent auditors and their report, dated September 8, 2025, was issued under separate cover.

The university, ARUP, CNS, UUHIP, and UURF apply all GASB pronouncements in the accounting and reporting of their operations. EMSE applies FASB pronouncements in the accounting and reporting of their operations, which are then converted to GASB for consolidation into the university's statements.

B. Basis of Accounting

All statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Operating activities include all revenues and expenses, derived on an exchange basis, used to support the instructional, research and public service efforts, and other university priorities. Significant recurring sources of the university's revenues are considered nonoperating as defined by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and required by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Operating revenues include tuition and fees, grants and contracts, patient services, and revenue from various auxiliary and public service functions. Nonoperating revenues include state appropriations, Pell grants and certain government grants, gifts, and investment income. Operating expenses include compensation and benefits, student aid, supplies, repairs and maintenance, utilities, etc. Nonoperating expenses primarily include interest on debt obligations.

When both restricted and unrestricted resources are available, such resources are tracked and spent at the discretion of the department subject to donor restrictions, where applicable.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the university recognizes gifts, grants, appropriations, and the estimated net realizable value of pledges as revenue as soon as all eligibility requirements imposed by the provider have been met.

Patient revenue of U of U Health and the School of Medicine medical practice plan is reported net of third-party adjustments.

C. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The university distributes earnings from pooled investments based on the average daily investment of each participating account; or for endowments, distributes according to the university's spending policy. A portion of the university's endowment portfolio is invested in "alternative investments". These investments, unlike more traditional investments, generally do not have readily obtainable market values and typically take the form of limited partnerships. See Note 2 for more information regarding these investments and the university's outstanding commitments under the terms of the partnership agreements. The university values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation considering subsequent calls and distributions.

D. Allowances

In accordance with GASB Statement No. 34, certain expenses are netted against revenues as allowances. The following schedule presents revenue allowances for the year ended June 30, 2025:

Revenue Allowances (in thousands)	
Tuition and fees	\$117,246
Patient services	76,960
Sales and services	5
Auxiliary enterprises	12,292

E. Inventories

The university Campus Store's inventories are valued using the retail inventory method. All other inventories are stated at the lower of cost or market using the first-in, first-out method or, on a basis that approximates cost determined on the first-in, first-out method. ARUP inventories consist primarily of laboratory testing supplies and are stated at the lower of cost (using the first-in, first-out method) or net realizable value. ARUP inventory includes a reserve of \$0.1 million related to CDC warm-lab testing supplies that may not be consumed in future testing. The reserve on CDC warm-lab supplies is due to the uncertain nature of the CDC testing volume demand.

F. Research and Development Costs

Innovation costs of ARUP are expensed as incurred. These costs for the year ended June 30, 2025 were approximately \$34.4 million.

G. Compensated Absences & Early Retirement Benefits

The university implemented GASB Statement No. 101, *Compensated Absences* for the year ended June 30, 2025. This statement requires that liabilities be reported for leave that has not been used or leave that has been used but not yet paid. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The university has various types of leave that qualify for this treatment.

Employees' vacation leave, excluding U of U Health, accrues at a rate of eight hours per month for hourly staff during the first five years and increases to a rate of 13.33 hours per month after fifteen years of service. For salaried staff, vacation leave accrues at a rate of ten hours per month and increases to a rate of 14.67 hours after fifteen years of service. Faculty and Administrative Officers are entitled to 25 days of vacation leave per year, awarded at the beginning of each calendar year. There is no requirement to use vacation leave, but for eligible employees a maximum of thirty days, plus one-year accrual, may be carried forward at the beginning of each calendar year. Eligible employees are reimbursed for unused vacation leave upon termination and vacation leave is expended when used or reimbursed. The liability for vacation leave as of June 30, 2025 was approximately \$78.1 million.

Employees earn sick leave at a rate of eight hours each month, with an accumulation limit of 1,040 hours. The university does not reimburse employees for unused sick leave. Each year, eligible employees may convert up to four days of unused sick leave to vacation leave based on their use of sick leave during the year. Sick leave is expended when used. The university calculates a liability for sick leave using a last in first out methodology. Based on employee usage patterns, there was no liability for sick leave as of June 30, 2025.

In addition, the university may provide early retirement benefits, if approved by the Administration and by the Board of Trustees; for certain employees who have attained the age of 60 with at least fifteen years of service and who have been approved for the university's early retirement program. Currently, 152 employees participate in the early retirement program. The university pays each early retiree an annual amount equal to the lesser of 20% of the retiree's final salary or their estimated social security benefit, as well as health care premiums, which is approximately 50% of their early retirement salary, until the employee reaches full social security retirement age.

In accordance with GASB Statement No. 47, *Accounting for Termination Benefits*, the amount recognized on the financial statements was calculated at the discounted present value of the projected future costs. For the year ended June 30, 2025, this expenditure was approximately \$15.0 million.

Employees of U of U Health receive a combined accrual for paid time off in lieu of the separate vacation and sick accruals received by university employees. For staff, the accrual rate for paid time off starts at 13.33 hours per month and increases every five years until reaching the maximum accrual of 20 hours per month after ten years of service. For managers and directors, the accrual rate begins at 16.67 hours per month and increases every five years until reaching the maximum accrual of 23.33 hours per month after ten years of service. The maximum number of hours which can be carried forward at the beginning of a calendar year is 520 hours for staff and 600 hours for managers and directors. Eligible employees are given an option once in the spring and once in the fall to elect to receive payment for a cash out of PTO from 20 to 100 hours. Employees are paid for all unused paid time off hours upon termination. The cost of paid time off is accrued each month by the Hospital. The liability for paid time off at June 30, 2025 was approximately \$100.8 million.

H. Construction

The Utah State Division of Facilities Construction and Management (DFCM) administer most of the construction of facilities for state institutions, maintains records, and furnishes cost information for recording plant assets on the books of the university. Construction projects administered by DFCM are not recorded on the books of the university until the facility has been completed and transferred to the university.

I. Deferred Outflows and Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, losses incurred due to refunding of bond debt are reported as deferred outflows rather than as reductions to bond liabilities, gains resulting from bond refinancing transactions are reported as deferred inflows. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, deferred outflows and deferred inflows of resources related to pensions have been recorded. Further information regarding pension reporting is found in Note 6. In accordance with GASB Statement No. 87, *Leases*, deferred outflows and deferred inflows of resources related to leases have been recorded. Further information regarding lease reporting is found in Note 12.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Changes in Accounting Estimates/Adjustments to Beginning Net Position

For the year ended June 30, 2025, the university did a review of the capitalized construction in progress asset, resulting in a increase to beginning net position of \$6.0 million. This error correction impacted construction expense and investment in plant. Additionally, the university had an error in revenue recognition for the fiscal year ending June 30, 2025 of \$15.8 million of revenue related to the prior fiscal year. This error impacted other operating revenue.

For the year ended June 30, 2025, the U of U Health increased its capitalization threshold from \$3,000 to \$5,000 to align with the university's capitalization policy. U of U Health removed any assets with a historical cost between \$3,000 and \$5,000. This change resulted in the removal of assets with a total net book value of \$7.0 million and an equal amount of loss on disposal. The change was effective June 1, 2025.

Additionally, UURF reevaluated lease renewals related to GASB Statement No. 87, Leases, decreasing beginning net position by \$0.1 million. This error is due to including lease revenue that was not UURF's revenue in previous years. The error resulted in an adjustment to beginning net position for fiscal year ending June 30, 2024 and impacts sales and services, and deferred inflows related to leases. UURF also had an unrealized gain that was posted after the statement date. This error resulted in an adjustment to beginning net position for fiscal year ending June 30, 2024 and impact restricted cash and cash equivalents and investment income.

<i>(in thousands)</i>	2025
Net position, beginning, as previously reported	\$8,736,603
Adjustment for CIP	5,990
Adjustment for Revenue	15,794
Adjustment for Qausi endowment income	(5)
UURF Adjustment for lease reevaluation	(139)
Net position, beginning, as restated	\$8,758,243

In fiscal year 2025, the university adopted a new measurement methodology for estimating the institutional aid tuition discount. This change was based on best practices identified by the National Association of College and University Business Officers (NACUBO) organization. The new measurement methodology looks at individual student aid by fiscal year and how it is applied to charges on the student's bill, which more accurately reflects overall institutional aid. This change affects the Tuition and fees, net revenue line as well as the Scholarship and fellowships expense line.

L. Implementation of New Accounting Standards

The university implemented GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. See item G in foot note 1 for more information.

The university implemented GASB Statement No. 102, *Certain Risk Disclosures*, for the year ended June 30, 2025. This statement provides financial statement users with key information about risks arising from a government's vulnerabilities due to specific concentrations or constraints.

Continued uncertainty at the federal level related to research grant opportunities and the federally allowable F&A rate poses a potentially substantial financial risk to the university, but its full impact is not yet known.

On July 4, 2025, the U.S. government enacted the "One Big Beautiful Bill Act" (OBBA), which includes significant tax code changes and modifications to federal healthcare programs, including Medicare and Medicaid. This new law potentially introduces substantial financial and operational risks for U of U Health, and its full impact is not yet known. The most significant risks to U of U Health are disclosed below:

Insurance coverage risk: The OBBA includes provisions that alter eligibility criteria and reduce federal funding for certain Medicaid and Affordable Care Act (ACA) marketplace coverage. These changes are expected to increase the number of uninsured individuals and decrease overall reimbursement rates. These factors could lead to a decline in net patient service revenue and a corresponding increase in uncollectible patient accounts. U of U Health is actively analyzing the potential coverage impacts, which are highly dependent on the state-specific Medicaid policy interpretations and the ultimate number of patients who lose coverage.

Operational and liquidity risk: Changes to reimbursement rates, coupled with ongoing inflationary pressures on labor and supply costs, may reduce the company's operating margins and cash flow. The bill also increases

regulatory oversight of private equity investment in healthcare, which could reduce the availability of capital for operational improvements. These factors may affect U of U Health's liquidity and ability to fund strategic initiatives and capital expenditures.

Forward-looking statement: This disclosure is based on current interpretations of the OBBB and is subject to change. U of U Health has modeled a range of potential financial outcomes based on various assumptions, but the actual impact could differ materially from current estimates. U of U Health will continue to monitor developments and adjust its risk mitigation strategies and financial reporting as more information becomes available.

2. DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Act that relate to the deposit and investment of public funds.

Except for endowment funds, the university follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of university funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

For endowment funds, the university follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Utah Board of Higher Education Rule 541, *Management and Reporting of Institutional Investments* (Rule 541), and the university's investment policy and endowment guidelines.

According to the UPMIFA, Section 51-8 of the *Utah Code*, the institution may appropriate for expenditure or accumulate so much of an endowment fund as the university determines to be prudent for uses, benefits, purposes, and duration for which the endowment was established. The endowment income spending practice on June 30, 2025 was 4% of the twelve-quarter moving average of the market value of the endowment pool. The spending practices are reviewed periodically, and any necessary changes are made. In general, nearly all the university's endowment is subject to spending restrictions imposed by donors.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure on June 30, 2025 was approximately \$271,145,615. Net appreciation is a component of restricted expendable net position.

ARUP and UUHIP follow their own investment policies and manage their credit risk by requiring that 70% of their investment portfolio must be compliant with the Act. EMSE and CNS follow their own investment policies to manage their credit risk. UURF participates in the university's endowment pool.

Deposits

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the university's deposits may not be returned.

On June 30, 2025, the carrying amounts of the university's deposits and bank balances were \$20.4 million and \$65.5 million, respectively. The Federal Deposit Insurance Corporation (FDIC) provides separate coverage for deposits held in different account ownership categories. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. As a result, the bank balances of the university were insured for \$2.8 million, by the FDIC. The bank balances more than that amount were uninsured and uncollateralized, leaving \$62.7 million exposed to custodial credit risk. The university's policy for reducing this risk of loss is to deposit all such balances in qualified depositories, as defined and required by the Act.

Investments

The Act defines the types of securities authorized as appropriate investments for the university's non-endowment funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

These statutes authorize the university to invest in negotiable or nonnegotiable deposits of qualified or permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), or Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; reciprocal deposits and negotiable brokered certificates of deposit in accordance with the Act; and the Utah Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the Securities and Exchange Commission (SEC) as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the Utah State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in realized gains or losses on investments.

The UPMIFA, Rule 541, and the university's endowment guidelines allow the university to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any of the above investments or any of the following subject to satisfying certain criteria: mutual funds registered with the SEC, investments sponsored by the Common Fund; any investment made in accordance with the donor's directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

Fair Value of Investments

The university measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1: Quoted* prices for identical investments in active markets,
- *Level 2: Observable* inputs other than quoted market prices; and,
- *Level 3: Unobservable* inputs.

On June 30, 2025, the university had the following recurring fair value measurements:

<i>(in thousands)</i>	Fair Value Measurements Using			
Investments by fair value level	Fair Value	Level 1	Level 2	Level 3
Debt securities				
Money market mutual funds	\$ 759,713		\$ 759,713	
Utah Public Treasurer's Investment Fund	284,559		284,559	
Commercial paper	4,959		4,959	
Time certificates of deposit	37,532		37,532	
U.S. Treasuries	1,561,588		1,561,588	
U.S. Agencies	2,177,413		2,177,413	
Corporate notes	81,640		81,640	
Exchange traded derivatives	6,136		6,136	
Mutual bond funds	199,214	\$ 106	199,108	
Total debt securities	5,112,754	106	5,112,648	
Equity securities				
Common and preferred stocks	34,605	27,194	7,411	
Mutual equity funds	725,504	22,161	703,343	
Total equity securities	760,109	49,355	710,754	
Total investments by fair value level	5,872,863	49,461	5,823,402	
Investments measured at net asset value (NAV)				
Hedged equity	152,771			
Private equity	185,157			
Venture capital	168,746			
Credit sensitive fixed income	118,067			
Private real estate	15,627			
Private natural resources	1,456			
Other real assets	136,923			
Diversifying strategies	215,069			
Total investments measured at the NAV	993,816			
Total investments measured at fair value	\$ 6,866,679	\$ 49,461	\$ 5,823,402	

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active.
- Corporate and Municipal Bonds and Exchange Traded Derivatives and Negotiable Certificates of Deposit: quoted prices for similar securities in active markets.
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund; and
- Utah Public Treasurers' Investment Fund: application of June 30, 2025, fair value factor, as calculated by the Utah State Treasurer, to the university's ending balance in the Fund.
- Commercial paper: are valued using quoted prices for similar securities that possess comparable investment characteristics (such as credit risk, interest rates, remaining maturity, etc.).

Equity securities, namely common and preferred stocks, classified as Level 3, are valued manually using various sources such as issuer, investment manager or default price if a price is not provided.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The university values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation considering subsequent calls and distributions. The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for the university’s alternative investments measured at NAV:

<i>(in thousands)</i>				
Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedged equity	\$ 152,771		Monthly, quarterly	30-75 days
Private equity	185,157	\$ 103,921	N/A	N/A
Venture capital	168,746	1,458	N/A	N/A
Credit sensitive fixed income	118,067	6,477	Quarterly	90 days
Private real estate	15,627	68,519	N/A	N/A
Private natural resources	1,456	12,030	N/A	N/A
Other real assets	136,923	152,921	N/A	N/A
Diversifying strategies	215,069		Daily, quarterly, annually	0-90 days
Total alternative investments	\$ 993,816			
Total unfunded commitments		\$345,326		

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The university’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act or the UPMIFA and Rule 541, as applicable. For non-endowment funds, Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits and fixed rate corporate obligations to 270 days to 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to ten years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years. For endowment funds, Rule 541 is more general, requiring only those investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

As of June 30, 2025, the university had debt investments with maturities as shown below:

<i>(in thousands)</i>					
Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1–5	6–10	More than 10
Money Market Funds	\$ 759,713	\$ 759,713			
Utah Public Treasurers Investment Fund	284,559	284,559			
Commercial Paper	4,959	4,959			
Time Certificates of Deposit	37,532	10,587	\$ 26,945		
U. S. Treasuries	1,561,588	426,289	305,884		\$ 829,415
U. S. Agencies	2,177,413	304,716	462,621	\$ 1,403,626	6,450
Corporate Notes	81,640	41,805	39,835		
Exchange Traded Derivatives	6,136		545		5,591
Mutual Bond Funds	199,214		93,036	\$ 106,178	
Totals	\$5,112,754	\$1,832,628	\$928,866	\$1,509,804	\$841,456

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's policy for reducing its exposure to credit risk is to comply with the Act, the UPMIFA, and Rule 541, as previously discussed. ARUP and UUHIP manage their credit risk by requiring that 70% of their investment portfolio must be compliant with the Act. CNS and EMSE manage their credit risk based on their investment policies.

At June 30, 2025, the university had debt investments with quality ratings as shown below:

<i>(in thousands)</i>	Quality Rating							
	Fair Value	AAA/A-1*	AA	A	BBB	CCC	Unrated	No Risk
Money Market Funds	\$ 759,713	\$ 97,299					\$ 662,414	
Utah Public Treasurers Investment Fund	284,559						284,559	
Commercial Paper	4,959			\$ 4,959				
Time Certificates of Deposit	37,532		\$ 2,005	4,915	\$ 3,191		27,421	
U. S. Treasuries	1,561,588	28,795	14,795	10,019				\$1,507,979
U. S. Agencies	2,177,413	1,155	104,679				2,071,579	
Corporate Notes	81,640	5,589	7,759	63,960	2,233		2,099	
Exchange Traded Derivatives	6,136				5,252		884	
Mutual Bond Funds	199,214						199,214	
Totals	\$5,112,754	\$132,838	\$129,238	\$83,853	\$10,676		\$3,248,170	\$1,507,979

Custodial Credit Risk: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the university will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The university's policy for reducing its exposure to custodial credit risk is to comply with applicable provisions of the Act. As required by the Act, all applicable securities purchased were delivered versus payment and held in safekeeping by a bank. Also, as required, the ownership of book-entry-only securities, such as U.S. Treasury or Agency securities, by the university's custodial bank was reflected in the book-entry records of the issuer and the university's ownership was represented by a receipt, confirmation, or statement issued by the custodial bank.

On June 30, 2025, the university's custodial bank was both the custodian and the investment counterparty for \$3.7 billion of U.S. Treasury and Agency securities purchased by the university.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The university's policy for reducing this risk of loss is to comply with the Rules of the Utah Money Management Council or the UPMIFA and Rule 541, as applicable. Rule 17 of the Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio at the time of purchase.

For endowments, the university, under Rule 541, is permitted to establish its own investment policy, which adheres to the guidelines established by UPMIFA. Accordingly, the university's Pool Asset Allocation Guidelines allocates endowment funds in the following asset classes:

Asset category	Target	Range
Global equity	40%	30-50%
Public equities	25%	15-50
Hedged equity		0-10
Private equity	15%	0-40
Global fixed income/credit	20%	5-40
Interest rate sensitive	11%	5-40
Credit sensitive	9%	0-15
Short Term Treasury		
Real assets	20%	5-20
Real estate	10%	0-15
Diversifying strategies	20%	0-30

The university diversifies assets among several investment managers of varying investment strategies. Diversification is an effective means of maximizing return while mitigating risk. On June 30, 2025, the university held more than 5% of its total investments in the Federal Home Loan Bank, Federal Farm Credit Bank, and the Federal Agricultural Mortgage Corporation. These investments represent 10.1%, 11.7%, and 6.5% respectively, of the university's total investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The university does not have a formal policy to limit foreign currency risk. On June 30, 2025, the university's exposure to foreign currency risk is \$0.4 million in Private Real Estate investments being held in Euro currency denomination.

3. RECEIVABLES AND ACCOUNTS PAYABLE

Accounts, pledges, and interest receivable include hospital patient accounts, medical services plan accounts, trade accounts, pledges, interest income on investments, and other receivables. Loans receivable predominantly consists of student loans.

Allowances for doubtful accounts are established by charges to operations to cover anticipated losses from accounts receivable generated by sales and services and student loans. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance accounts. Allowances are not established for pledges or in those instances where receivables consist of amounts due from governmental units or where receivables are not material in amount.

The following schedule presents receivables on June 30, 2025, including approximately \$8.1 million and \$59.4 million of noncurrent loans, and noncurrent pledges receivable, respectively:

<i>(in thousands)</i>	
Accounts	\$ 1,616,172
Grants and contracts	90,412
Notes	233
Loans	14,723
Leases	110,615
Pledges	68,227
Interest	28,769
Total Receivables	1,929,151
Less Allowances for doubtful accounts	(750,253)
Receivables, net	\$ 1,178,898

The following schedule presents the major components of accounts payable on June 30, 2025:

<i>(in thousands)</i>	
Vendors	\$ 236,319
Interest	41,822
Payable to State	37,465
Other	166,101
Total Accounts Payable	\$ 481,707

4. OTHER ASSETS

While licensing intellectual property to business partners, the UURF may be granted an equity position in the entity the business partner has organized to commercialize university technology. The primary purpose of licensing university technology to the commercial entity, as well as providing funding to the commercial entity, is to encourage research and positively impact the state, nation and world. The equity holdings the UURF is granted are a consequence of licensing university technology and do not meet the definition of investments for purposes of GASB 72 and thus, are classified as other assets in the Statement of Net Position.

Utah Education and Telehealth Network (UETN) has prepaid expenditures totaling roughly \$13.3 million.

U of U Health had approximately \$20.4 million in prepaid expenses and an additional \$0.4 million in accrued interest receivable as of June 30, 2025.

UUHIP had approximately \$10.3 million in other assets, a portion of which is related to UUHIP's reinsurance arrangement, \$0.7 in reinsurance amounts recoverable.

Additionally, ARUP had approximately \$17.8 million in prepaid service contracts that are expensed over the life of the contract.

5. CAPITAL ASSETS

Buildings: infrastructure and improvements, which include roads, curb and gutter, streets and sidewalks, and lighting systems; land; equipment; library materials; and intangible assets (primarily software) are valued at historical cost or at acquisition value at the date of donation. Buildings, infrastructure and improvements, and additions to existing assets are capitalized when acquisition cost equals or exceeds \$250,000 for the university or \$50,000 for U of U Health. Equipment is capitalized when acquisition costs exceed \$5,000 for the university. For U of U Health

equipment is capitalized when acquisition costs exceed \$5,000 and has a useful life of 3 years or more. All costs incurred in the acquisition of library materials are capitalized. Purchased software is capitalized when acquisition costs are \$100,000 or greater for the university or exceed \$5,000 and have a useful life of 3 years or more for U of U Health. Internally developed software is capitalized when development costs are \$1,000,000 or greater for both the university and U of U Health. All campus land acquired through grants from the U.S. Government has been valued at \$3,000 per acre. Other land acquisitions have been valued at original cost or fair market value at the date of donation in the case of gifts. Buildings, improvements, land, and equipment of component units have been valued at historical cost.

Capital assets of the university and its component units are depreciated on a straight-line basis over their estimated useful lives. The estimated useful lives of university assets extend to forty years on buildings, from five to eighty years on infrastructure and improvements, twenty years on library books, from five to twenty years on equipment and from five to ten years on software. The estimated useful lives of component unit assets extend to fifty years on buildings and improvements and from three to eight years on equipment. Land, art and special collections, and construction in progress are not depreciated.

Capital assets on June 30, 2025, are shown below.

<i>(in thousands)</i>	Beginning Balance	Additions	Retirements	Ending Balance
Art and special collections	\$ 140,773	\$ 54,272	\$ (369)	\$ 194,676
Buildings	5,324,639	153,913	(490)	5,478,062
Construction in progress*	560,546	433,426	(111,578)	882,394
Equipment	1,607,178	154,497	(106,889)	1,654,786
Infrastructure and improvements	581,584	18,347	(6,149)	593,782
Land	122,539	23,430		145,969
Library materials	133,052	313	(30)	133,335
Right-to-use leases				
ROU-Buildings*	123,236	18,068	(7,967)	133,337
ROU-Land*	64		(22)	42
ROU-Equipment	14,863	7,517	(1,668)	20,712
ROU-SBITA	78,383	31,848	(14,125)	96,106
Total cost	8,686,857	895,631	(249,287)	9,333,201
Less accumulated depreciation & amortization				
Buildings	2,077,053	156,241		2,233,294
Infrastructure and improvements	361,535	32,419	(6,149)	387,805
Equipment	1,198,622	122,765	(97,934)	1,223,453
Library materials	122,212	1,718	(30)	123,900
Right-to-use leases				
ROU-Buildings	48,155	14,986	(2,648)	60,493
ROU-Land	30	706	(721)	15
ROU-Equipment	6,951	4,181	(1,317)	9,815
ROU-SBITA	39,057	26,738	(12,931)	52,864
Total accumulated depreciation & amortization	3,853,615	359,754	(121,730)	4,091,639
Capital assets, net	\$4,833,242	\$535,877	\$(127,557)	\$5,241,562

*Adjusted for prior period adjustment.

6. PENSION PLANS AND RETIREMENT BENEFITS

As required by state law, eligible nonexempt employees (as defined by the U.S. Fair Labor Standards Act) of the university are covered by defined benefit plans sponsored by the Utah Retirement Systems (Systems) and eligible exempt employees (as defined by the U.S. Fair Labor Standards Act) are covered by defined contribution plans, such as the Teachers Insurance and Annuity Association (TIAA), the U of U Health 401(a) Plan, the U of U Health Hospital Plan Plus (HPP) Benefit Program, or Fidelity Investments (Fidelity). Eligible employees of ARUP are covered by a separate defined contribution pension and profit-sharing plan. Eligible employees of CNS are covered by a separate 403(b) tax-sheltered annuity contribution plan.

Defined Benefit Plans

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and the Public Employees Contributory Retirement System (Contributory System) both of which are cost-sharing, multiple-employer public employee retirement systems.
- The Public Safety Retirement System (Public Safety System) which is a cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighter System) which are multiple-employer, cost sharing, public employee retirement systems.

The Tier 2 Public Employee System and the Tier 2 Public Safety and Firefighter System were created July 1, 2011. All eligible employees who have no previous service credit with any of the Utah Retirement Systems prior to that date, are members of the Tier 2 Retirement Systems.

The Systems are established and governed by the respective sections of Title 49 of the *Utah Code Annotated, 1953*, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board), whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems at 560 East 200 South, Salt Lake City, UT 84102 or visiting the website www.urs.org/general/publications.

The Systems provide retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System				
System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* With actuarial reductions

** All post-retirement cost of living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2025 are as follows:

	Paid by Employer for Employee	Employer Contribution Rates
Noncontributory System		
Higher Education Tier 1	N/A	22.19%
Higher Education Tier 2	0.70%	20.02%
Higher Education Tier 2	N/A	10.02%
Contributory System		
Higher Education Division Tier 1	6%	17.70%
Public Safety System		
Public Safety Tier 1	N/A	40.85%
Public Safety Tier 2*	4.73%	32.04%
Public Safety Tier 2	N/A	18.04%

* Tier 2 rates include a statutory required contribution to finance the unfunded actuarial liability of the Tier 1 plans.

For the year ended June 30, 2025, the university and employee contributions to the plans were as follows:

<i>(in thousands)</i>		
System	Employer Contributions	Employee Contributions
Noncontributory System	\$23,615	
Contributory System	331	\$110
Public Safety System	1,514	
Tier 2 Public Employees System	5,499	192
Tier 2 Public Safety and Firefighter	507	75
Total Contributions	\$31,466	\$377

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

At June 30, 2025, the university's net pension asset and liability were as follows:

<i>(in thousands)</i>					
	Proportionate Share December 31, 2024	Proportionate Share December 31, 2023	Change Increase/ (Decrease)	Net Pension Asset	Net Pension Liability
Noncontributory System	49.4299638%	50.0127158%	(0.5827520%)	\$50,936	
Contributory System	80.6489774%	78.4517718%	2.1972056%	13,772	
Public Safety System	2.7706594%	2.7927186%	(0.0220592%)		\$3,474
Tier 2 Public Employees System	0.9083458%	0.9818509%	(0.0735051%)		2,709
Tier 2 Public Safety and Firefighter System	0.3386253%	0.3638703%	(0.0252450%)		153
Total Net Pension Asset / Liability				\$64,708	\$6,336

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2025, the university recognized pension expense of (\$12.4 million) for the defined benefit pension plans.

At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>(in thousands)</i>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$10,283	\$ 27
Changes in assumptions	990	3
Net difference between projected and actual earnings on pension plan investments	18,395	
Changes in proportion and differences between contributions and proportionate share of contributions	915	162
Contributions subsequent to measurement date	15,702	
Total	\$ 46,285	\$192

Contributions made between January 1, 2025 and June 30, 2025 of \$15.7 million are reported as deferred outflows of resources related to pensions. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<i>(in thousands)</i>	
Year ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2025	\$11,290
2026	25,611
2027	(6,915)
2028	(995)
2029	609
Thereafter	\$ 791

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actual experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<i>(in thousands)</i>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportionate Share of Net Pension Liability (Asset)			
Noncontributory System	\$ 92,322	\$(50,936)	\$(171,381)
Contributory System	(3,162)	(13,772)	(22,966)
Public Safety	10,412	3,474	(2,239)
Tier 2 Public Employees System	8,091	2,709	(1,478)
Tier 2 Public Safety and Firefighter System	522	153	(142)
Totals	\$108,185	\$(58,372)	\$(198,206)

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Plans

The university offers employees the choice between URS, TIAA, and Fidelity for individual retirement funds. Employees who participate in the State and School Noncontributory and Tier 2 pension plans also participate in qualified contributory 401(k) savings plans administered by the Utah Retirement Systems (Systems). For employees participating in the Noncontributory, Contributory and Public Safety systems, the university contributes 1.5%, 0%, and 0%, respectively of participating employees' annual salaries to a 401(k)-plan administered by the Systems. For employees participating in the Tier 2 Public Employee defined contribution plan and Tier 2 Public Safety and

Firefighter defined contribution plan, the university is required to contribute 10.02% and 18.04%, respectively, of the employee's salary, of which 10% and 14%, respectively, is paid into the 401(k) plan while the remainder is contributed to the Tier 1 Contributory Public Employee System, as required by law. During the year ended June 30, 2025, the university's contribution totaled \$2.2 million, which was included in the pension expense, and the participating employees' voluntary contributions totaled \$0.3 million. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

TIAA and Fidelity provide individual retirement fund contracts with each participating employee. Employees may allocate contributions by the university to any or all of the providers and the contributions to the employee's contract(s) become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of the individual contracts and the estimated life expectancy of the employee at retirement. For the year ended June 30, 2025, the university's contribution to these defined contribution pension plans was 14.2% of the employees' annual salaries for most of campus, with employees in Dermatology, Ophthalmology, and the University Medical Group receiving 6%. In addition, medical resident trainees in the GME program receive a 1% contribution. Additional contributions are made by the university based on employee contracts. The university has no further liability once contributions are made.

U of U Health employees hired prior to January 1, 2001, who were not enrolled in the URS program, are enrolled in a 401(a) defined contribution plan that is administered by the U of U Health Chief Human Resources Officer. The administrator has the authority to amend, modify, or terminate the plan. U of U Health is required to contribute 14.2% of covered payroll to the plan for the employees covered under this plan. Hospital employees hired subsequent to December 31, 2000 are enrolled in a separate 401(a) plan, the Hospital Plan Plus (HPP) Benefit Program. U of U Health contributes 6% for employees covered under this plan. In addition, these employees are eligible for a match on employee contributions to a 403(b) Match Plan up to 4% of salary and fully vest in the U of U Health's contributions to both plans after five years of service. Plan member contributions were approximately \$70.1 million for the year ended June 30, 2025.

In addition, employees of the university may also contribute to 403(b), 457(b) traditional, Roth IRA, or a 401(k) plan. The total fiscal year 2025 employee contributions to these plans were \$111.2 million.

The ARUP defined contribution pension and profit-sharing plan provides retirement benefits for all employees. Employees may choose to pay into the federal Social Security tax system or to participate in an enhanced ARUP retirement program. For those who choose to continue to pay Social Security taxes, ARUP makes contributions each pay period amounting to 5% of their compensation. For those who discontinue paying Social Security taxes, ARUP makes contributions each pay period amounting to 8.1% of their compensation and does not contribute any social security tax on their behalf. All pension contributions are immediately and fully vested.

Contributions to the profit-sharing plan are at the discretion of ARUP and are made subject to certain tenure-based and hours-worked thresholds. Voluntary contributions to the profit-sharing plan by employee participants totaled \$38.4 million for the year ended June 30, 2025.

The CNS tax-sheltered annuity contribution plan provides a matching contribution of up to 3% of qualified employee contributions.

For the year ended June 30, 2025, the university's contributions to the defined contribution plans were equal to the required amounts, as shown below.

<i>(in thousands)</i>	2025
TIAA	\$ 126,102
Fidelity	111,385
University 403(b)	425
401(a), Hospital Plan Plus, and 403(b)	105,000
Employer 401(k)	2,249
ARUP DC plan	25,666
ARUP profit sharing plan	13,186
CNS 403(b)	382
Total	\$ 384,395

7. UNEARNED REVENUE

Unearned revenue consists of summer session tuition and fees, advance payments on grants and contracts, advance ticket sales for various athletic and cultural events, and results of normal operations of auxiliary enterprises and service units.

8. FUNDS HELD IN TRUST BY OTHERS

Funds held in trust by others for the sole benefit of the university are neither in the possession of nor under the management of the university. These funds, which are not recorded on the university's financial records and which arose from contributions, are held and administered by external fiscal agents, selected by the donors, who distribute net income earned by such funds to the university, where it is recorded when received. The fair value of funds held in trust on June 30, 2025 was \$222.8 million.

In addition, certain funds held in trust by others are comprised of stock, reported at a value of \$18.6 million as of June 30, 2025, based on a predetermined formula. The fair value of this stock as of June 30, 2025 cannot be determined because the stock is not actively traded.

9. RISK MANAGEMENT AND INSURANCE

The university maintains insurance coverage for commercial general liability, automobile, errors and omissions, and property (building and equipment) through policies administered by the Utah State Division of Risk Management. Employees of the university and authorized volunteers are covered by workers' compensation and employees' liability through the Workers' Compensation Fund.

In addition, the university maintains self-insurance funds for health care, dental, and auto/physical damage, as well as hospital and physician's malpractice liability self-insurance funds. The malpractice liability self-insurance funds are held in trust with an independent financial institution in compliance with Medicare reimbursement regulations. Based on an analysis prepared by an independent actuary, the administration believes that the balance in the trust funds as of June 30, 2025, is adequate to cover any claims incurred through that date. The university and U of U Health have a "claims made" umbrella medical professional liability insurance policy in the amount of \$20,000,000 for catastrophic malpractice liabilities in excess of the trusts' fund balances, the coverage provides for \$5,000,000 per occurrence and \$26,000,000 in aggregate.

The estimated self-insurance claims liability is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, as amended by GASB Statement No. 30, *Risk Financing Omnibus*, which requires that a liability for claims be reported if information prior to the issuance of

the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the university's estimated self-insurance claims liability for the years ended June 30 are shown below.

<i>(in thousands)</i>	2025	2024
Estimated claims liability - beginning of year	\$126,616	\$110,863
Current year claims and changes in estimates	370,400	330,927
Claim payments, including related legal and administrative expenses	(359,799)	(315,174)
Estimated claims liability - end of year	\$137,217	\$126,616

The university has recorded the investments of the malpractice liability trust funds at June 30, 2025, and the estimated liability for self-insurance claims at that date in the Statement of Net Position. The income on fund investments, the expenses related to the administration of the self-insurance and malpractice liability trust funds, and the estimated provision for the claims liability for the year then ended are recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

In 2016, UUHIP launched into the commercial health insurance market in Utah, specifically in the individual and large group market. To stabilize financial results, the federal government established a permanent risk adjustment sharing program with insurers of ACA-compliant plans that redistributes insurer premiums based on qualitative market data.

UUHIP has a reinsurance arrangement whereby premiums and benefits are ceded to another insurance company. The agreement is for certain coverage that provides reinsurance protection for 90% of qualified health claims in excess of \$650,000 per occurrence. In addition, Health Care Utah (HCU), a component unit of UUHIP, separately maintained medical claims reinsurance with a deductible of \$300,000 during 2024. The reinsurance pays 90% of losses in excess of the deductible, with annual limits of \$2 million per member per year. Premiums to reinsurers for reinsurance ceded reduced premium revenue by approximately \$4.3 million during 2024. UUHIP had approximately \$3.2 million in reinsurance recoveries that reduced health benefits during 2024. UUHIP also had approximately \$0.7 million in reinsurance amounts recoverable included in other current assets at December 31, 2024. During the year ended December 31, 2024, UUHIP did not commute any ceded reinsurance nor did it enter into or engage in any loss portfolio transfer for any lines of business. Changes in UUHIP's estimated claims liability for the years ended December 31 is shown below.

<i>(in thousands)</i>	2024	2023
Estimated claims liability - beginning of year	\$33,675	\$35,358
Current year claims and changes in estimates	280,462	287,517
Claim payments, including related legal and administrative expenses	(283,886)	(289,200)
Estimated claims liability - end of year	\$30,251	\$33,675

Due to uncertainties inherent in the reserving process, there is at least a reasonable possibility that actual claims paid could differ materially from amounts accrued at December 31, 2024.

10. INCOME TAXES

The university, as a political subdivision of the State, has dual status for federal income tax purposes. The university is both an Internal Revenue Code (IRC) Section 115 organization and an IRC Section 501(c) (3) charitable organization. This status exempts the university from paying federal income tax on revenue generated by activities which are directly related to the university's mission. This exemption does not apply to unrelated business activities. On these activities, the university is required to report and pay federal and state income tax.

UURF is not subject to income taxes under Section 501(c) (3) of the IRC. ARUP is also not subject to income taxes based on a private letter ruling from the Internal Revenue Service stating that certain income providing an essential governmental function is exempt from federal income taxes under IRC Section 115. UUHIP has requested a ruling from the IRS that UUHIP's gross income be excluded from income under IRC Section 115. However, the outcome of that ruling request is uncertain. CNS is not subject to income taxes under Section 501(c) (3) of the IRC. EMSE is not subject to income taxes under Section 501(c) (3) of the IRC.

11. HOSPITAL REVENUE

A. Net Patient Service Revenue

U of U Health reports net patient service revenue at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Charity care is excluded from net patient service revenue.

U of U Health has third-party payor agreements with Medicare, Medicaid, and commercial insurance programs that provide payments to U of U Health at amounts different from established rates. Inpatient acute care services rendered to Medicare, Medicaid, and commercial program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical diagnosis and other factors. Most outpatient services related to Medicare beneficiaries are reimbursed prospectively under the ambulatory payment classifications methodology. U of U Health is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after audits of U of U Health's annual cost reports by the Medicare fiscal intermediary and Medicaid.

The estimated final settlements for open years are based on preliminary cost findings after considering interim payments that have been received on behalf of patients covered under these programs.

B. Charity Care

U of U Health maintains records to identify and monitor the level of charity care it provides. Based on established rates, the charges foregone resulting from charity care during the year ended June 30, 2025, were approximately \$113.7 million. CNS estimated approximately \$0.8 million in estimated cost or foregone revenue of charity care for the year ended December 31, 2024.

C. Other Uncompensated Care

CNS provides services for which payments for such services are accepted under contracts with third-party payors such as Medicare, Medicaid, and other payor sources, whereby such accepted payments are less than the full amounts billable under CNS's rate schedule. Total contractual adjustments for the year ended December 31, 2024 were \$29.7 million.

U of U Health maintains records to identify uncompensated care, mostly from bad debt, totaling \$114.7 million for the year ended June 30, 2025

12. LEASES

A. Revenue

UURF receives land lease revenues from non-cancelable lease agreements with tenants of the Research Park and from tenants occupying ten buildings owned by UURF. The university receives lease revenue from nine buildings and five dark fiber networks. The U of U Health receives land lease revenue from a lease agreement with the

Veteran's Administration Hospital located in Salt Lake City. The total amount of inflows of resources, including lease revenue and interest revenue, recognized during the fiscal year was approximately \$9.5 million.

B. Commitments

The university, U of U Health, ARUP, and CNS have entered into lease agreements involving certain buildings, land and equipment. The total right of use asset is recorded at a cost of \$154.1 million and accumulated amortization of \$70.3 million.

Future minimum lease payments under lease agreements as of June 30, 2025 are shown below:

<i>(in thousands)</i>			
Fiscal Year	Principal	Interest	Total
2026	\$ 8,312	\$ 1,644	\$ 9,956
2027	12,944	1,192	14,136
2028	10,399	1,186	11,585
2029	7,659	1,008	8,667
2030	6,430	880	7,310
2031 - 2035	23,543	3,035	26,578
2036 - 2040	13,163	1,261	14,424
2041 - 2045	5,293	432	5,725
2046 - 2050	1,481	64	1,545
Total	\$89,224	\$10,702	\$99,926

13. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The university, U of U Health, and ARUP have individually entered into subscription-based information technology arrangements (SBITAs) with third-party vendors to address their respective operational needs. As of June 30, 2025, the combined net right-to-use assets amount was approximately \$43.2 million, with a corresponding total subscription liability of \$35.6 million.

Future minimum subscription payments under SBITAs as of June 30, 2025 are shown below:

<i>(in thousands)</i>			
Fiscal Year	Principal	Interest	Total
2026	\$13,526	\$ 759	\$14,285
2027	8,867	477	9,344
2028	4,415	250	4,665
2029	3,894	145	4,039
2030	1,018	44	1,062
2031 - 2035	3,905	137	4,042
2036 - 2040	0	0	0
2041 - 2045	0	0	0
2046 - 2050	0	0	0
2051 - 2055	0	0	0
Total	\$35,625	\$1,812	\$37,437

14. BONDS PAYABLE AND OTHER LONG-TERM LIABILITIES

The long-term debt of the university consists of bonds payable, lease obligations, compensated absences, net pension liability, and other obligations.

The Utah Board of Higher Education issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the university. In addition, revenue bonds have been issued to refund other revenue bonds and capitalized leases.

The revenue bonds are special limited obligations of the university. The obligation for repayment is solely that of the university and payable from the net revenues of auxiliary enterprises and U of U Health, student building fees, land grant income, and recovered indirect costs. Neither the full faith and credit nor the taxing power of the State or any other political subdivision of the State is pledged to the payment of the bonds, the distributions or other costs associated with the bonds.

The following schedule lists the outstanding bonds payable and certificates of participation of the university on June 30, 2025:

Issue (in thousands)	Date Issued	Maturity Date	Interest Rate	Original Issue	Current Liability	Balance 06/30/25 (a)
Auxiliary and Campus Facilities						
Series 1998A - Revenue Refunding	07/01/98	2029	4.100% - 5.250%	\$ 120,240	\$ (7,065)	\$ 30,550
Series 2010C - Revenue	12/28/10	2036	1.750% - 5.890%	42,525	(1,890)	25,560
Hospital Facilities						
Series 2009B - Taxable Revenue	12/17/09	2031	4.697% - 5.247%	41,785	(3,110)	20,685
Research Facilities						
Series 2009B - Taxable Revenue	08/26/09	2029	5.670% - 6.279%	27,730	(2,910)	12,375
General Revenue						
Series 2015A - Revenue Refunding	05/13/15	2035	3.000% - 5.000%	91,570	(5,371)	24,347
Series 2015B - Revenue Refunding	03/08/16	2036	3.000% - 5.000%	68,210	(8,833)	37,365
Series 2016A - Revenue Refunding	11/29/16	2036	2.000% - 5.000%	131,720	(2,699)	97,032
Series 2016B - Revenue Refunding	09/13/17	2039	4.000% - 5.000%	155,930	(11,356)	130,576
Series 2017A - Revenue Refunding	12/21/17	2038	3.000% - 5.000%	96,550	(10,183)	84,207
Series 2017B - Revenue Refunding	07/17/18	2044	4.000% - 5.000%	80,040	(2,854)	79,906
Series 2018A - Revenue	12/03/19	2039	4.000% - 5.000%	74,050	(5,967)	71,876
Series 2019A - Revenue	12/03/19	2039	3.073% - 3.351%	30,165	-	30,165
Series 2019B - Revenue	06/24/20	2041	4.000% - 5.000%	84,635	(1,951)	104,795
Series 2020A - Revenue	06/24/20	2032	0.577% - 1.866%	20,115	(1,815)	13,020
Series 2020B - Revenue	02/02/21	2041	4.000% - 5.000%	94,620	(5,665)	112,807
Series 2021A - Revenue	02/02/21	2039	0.177% - 2.256%	76,870	(7,385)	67,995
Series 2021B - Revenue Refunding	01/11/22	2051	4.000% - 5.000%	186,285	(3,912)	221,091
Series 2022A - Revenue	07/06/22	2051	0.05	478,430	(9,134)	544,180
Series 2022B - Revenue	02/02/23	2043	0.05	154,380	(7,194)	175,280
Series 2023A - Revenue	07/11/23	2053	5.000% - 5.250%	163,790	(767)	183,550
Series 2023B - Revenue	06/18/24	2044	0.05	95,270	(6,608)	109,209
Series 2024A-1 - Revenue Refunding	06/18/24	2034	0.05	10,000	(145)	11,165
Series 2024A-2 - Revenue	06/18/24	2029	0.05	5,795	-	5,795
					\$(106,814)	\$2,193,531

(a) Includes unamortized premiums on refunding.

UURF has purchased a building and entered into a mortgage guaranteed by the university. The remaining amount of the mortgage is \$9.6 million at 5.53% interest. It is anticipated the mortgage will be paid off on September 30, 2028.

The following schedule summarizes the changes in long-term liabilities for the year ended June 30, 2025.

<i>(in thousands)</i>	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	\$2,302,862		\$ 109,330	\$2,193,532	\$106,814
Certificates of participation					
Leases payable	88,205	\$ 16,255	15,236	89,224	\$8,312
Financed purchase obligations	92,162		16,432	75,730	\$15,602
SBITA	25,259	5,885	(4,481)	35,625	\$13,526
Notes and contracts payable	15,832		2,676	13,156	3,701
Total long-term debt	2,524,320	22,140	139,193	2,407,267	147,955
Compensated absences and early retirement benefits	174,612	141,632	121,808	194,436	122,936
Net pension liability	5,187	1,149		6,336	
Deposits and other liabilities	507,103	489,756	471,888	524,971	487,843
Total long-term liabilities	\$3,211,222	\$654,677	\$732,889	\$3,133,010	\$758,734

Maturities of principal and interest requirements for long-term debt payable are as follows:

<i>(in thousands)</i>	Payments	
Fiscal Year	Principal	Interest
2026	\$ 147,803	\$ 95,389
2027	167,279	90,095
2028	165,964	84,007
2029	156,678	77,898
2030	141,271	73,727
2031–2035	581,533	285,062
2036–2040	565,760	167,670
2041–2045	\$308,663	66,649
2046–2050	105,920	27,150
2051–2055	66,397	5,352
2056–2060	-	-
Total	\$2,407,268	\$ 972,999

Interest related to bond systems with pledged revenues amounts to \$1 billion and is included in the interest amounts in the above schedule.

15. RETIREMENT OF DEBT

In prior years, the university defeased certain revenue bonds by placing the proceeds of new bonds and various bond reserves in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the university's financial statements. For the year ended June 30, 2025 the university did not have any principal amount of defeased bonds held in irrevocable trusts.

16. PLEDGED BOND REVENUE

The university issues revenue bonds to provide funds for the construction and renovation of major capital facilities and the acquisition of capital equipment for the university. Investors in these bonds rely solely on the net revenue pledged by the general revenue of the university for the retirement of outstanding bonds payable.

The following presents the net revenue pledged and the principal and interest paid for the year ended June 30, 2025:

<i>(in thousands)</i>	
Revenue	
Operating revenue	\$5,678,368
Nonoperating revenue	410,938
Total revenue	6,089,306
Expenses	
Operating expenses	5,499,989
Nonoperating expenses	
Total expenses	5,499,989
Net pledged revenue	589,317
Principal and interest paid	\$ 178,115

17. FUNCTIONAL CLASSIFICATION OF EXPENSES

The following schedule presents, in thousands of dollars, operating expenses by functional classification for the year ended June 30, 2025:

Function	Compensation and Benefits	Supplies and Services	Utilities	Scholarships & Fellowships	Depreciation	Medical Claims	Component Units	Repairs & Maintenance	Other Operating	Total
Instruction	\$ 506,658	\$ 13,598	\$ 2,641	\$21,321				\$ 945	\$ 23,793	\$ 568,956
Research	457,497	121,163	2,154	3,754				6,070	28,597	619,235
Public Service	738,363	28,608	18,803	1,109				6,909	54,313	848,105
Academic Support	269,401	18,734	4,061	2,312				5,075	26,420	326,003
Student Services	76,689	21,793	4,413	501				3,181	11,655	118,232
Institutional Support	342,951	16,566	6,797	6,213	\$ 19,723			12,420	30,110	434,780
O & M Plant	53,666	32,709	28,162	1				11,971	3,958	130,467
Scholarships	26,615	328	47	24,910				11	6,885	58,796
Hospital	1,771,222	1,375,438	26,324		124,017	\$ 34,104		32,526	50,333	3,413,964
Component Units	11,963				47,245		\$ 1,090,537			1,149,745
Health Plans	48,570	9,592	913		1,565	315,422			696	376,758
Other	137,985	49,256	6,766	5,479	164,708			21,727	160,426	546,347
Total	\$4,441,580	\$ 1,687,785	\$101,081	\$65,600	\$357,258	\$349,526	\$ 1,090,537	\$ 100,835	\$ 397,186	\$8,591,388

18. BLENDED COMPONENT UNITS

The following schedules present, exclusive of eliminations, condensed statements of net position, changes in net position, and cash flows for UURF, ARUP, UUHIP, EMSE and CNS. Amounts for UURF, ARUP, and EMSE are for the year ended June 30, 2025. Amounts for UUHIP and CNS are for the year ended December 31, 2024.

Condensed Statement of Net Position (in thousands)							
	UURF	ARUP	UUHIP	CNS	EMSE	Eliminations increase/ (decrease)	Total
Assets							
Current assets	\$ 65,096	\$377,995	\$346,624	\$17,525	\$ 662	\$198,236	\$1,006,137
Capital assets, net	87,472	431,883		5,684		(116,762)	408,278
Other noncurrent assets	160,016	5,834		1,444	45,286	(275,308)	(62,729)
Total assets	312,584	815,712	346,624	24,653	45,948		1,351,686
Deferred Outflows of Resources							
Deferred outflows related to consideration in excess of net position acquired			17,848				17,848
Total deferred outflows of resources			17,848				17,848
Liabilities							
Current liabilities	20,977	96,283	268,631	5,273	27	(603,544)	(212,353)
Noncurrent liabilities	33,047	33,780	57,134	562		(331,657)	(207,135)
Total liabilities	54,024	130,063	325,765	5,835	27		(419,488)
Deferred Inflows of Resources							
Deferred inflows related to leases	151,906					(277,711)	(125,805)
Total deferred inflow of resources	151,906						(125,805)
Net Position							
Net investment in capital assets	49,857	397,381					447,238
Restricted expendable				625	45,971		46,596
Unrestricted	56,797	288,267	38,707	18,194	(51)	1,019,078	1,420,993
Total net position	\$106,654	\$685,648	\$ 38,707	\$18,819	\$45,920		\$1,914,827

Condensed Statement of Revenues, Expenses, and Changes in Net Position *(in thousands)*

	UURF	ARUP	UUHIP	CNS	EMSE	Eliminations increase/ (decrease)	Total
Operating Revenues							
Leases	\$ 24,011					\$ (16,442)	\$ 7,569
Royalties	27,898						27,898
Sales and services		\$975,176	\$316,278	\$54,299		(136,159)	1,209,594
Net increase (decrease) in fair value of investments	822						822
Total operating revenues	52,731	975,176	316,278	54,299			1,245,883
Operating Expenses							
Operating expenses	49,596	843,893	320,701	53,608	\$ 1,087	(327,243)	941,642
Depreciation	3,838	43,820		759			48,417
Total operating expenses	53,434	887,713	320,701	54,367	1,087		990,059
Operating income (loss)	(703)	87,463	(4,423)	(68)	(1,087)		255,824
Nonoperating Revenues (Expenses)							
Investment income	537	9,977	17,645	21	3,992		32,172
Interest expense	(1,243)		(4,383)			4,037	(1,589)
Federal income tax expense			12,778				12,778
Sale of equity investments	(1,090)						(1,090)
Contributions from (distributions to) the University	(4,669)	(69,332)				73,906	(95)
Other non-operating income / (expenses)			(2,975)	340	539		(2,096)
Total nonoperating revenues / (expenses)	(6,465)	(59,355)	23,065	361	4,531		40,080
Net increase (decrease) in net position	(7,168)	28,108	18,642	293	3,444		295,904
Net Position							
Net position - beginning of year	113,966	657,540	20,065	18,525	42,476	766,495	1,619,067
Adjustments to beginning net position	(144)						(144)
Net position - beginning of year, as adjusted	113,822	657,540	20,065	18,525	42,476	\$766,495	1,618,923
Net position - end of year	\$106,654	\$685,648	\$ 38,707	\$18,818	\$ 45,920		\$1,914,827

Condensed Statement of Cash Flows <i>(in thousands)</i>							
	UURF	ARUP	UUHIP	CNS	EMSE	Eliminations increase/ (decrease)	Total
Net cash provided (used) by operating activities	\$ 952	\$138,742	\$(121,750)	\$ 1,317	\$(1,059)	\$ 33,166	\$ 51,368
Net cash provided (used) by noncapital financing activities	(4,669)	(4,850)		(36)	6,075	61,357	57,877
Net cash used by capital and related financing activities	11,672	(69,237)					(57,565)
Net cash provided (used) by investing activities	1,030	(58,392)	142,843	1,691	(6,056)		81,116
Net increase (decrease) in cash	8,985	6,263	21,093	2,972	(1,040)		132,796
Cash - beginning of year	46,256	23,053	120,431	4,865	1,702	110,975	307,282
Adjustments to beginning cash							
Adj Cash - beginning of year	46,256	23,053	120,431	4,865	1,702	\$110,975	307,282
Cash - end of year	\$55,241	\$ 29,316	\$ 141,524	\$ 7,837	\$ 662		\$440,078

19. LINE OF CREDIT

ARUP has an uncollateralized line of credit with a bank that provides for borrowing up to \$10.0 million and is established as a contingency reserve to provide liquidity in the event disbursements presented to the bank exceed available cash balances. The line of credit bears interest at the lender's Secured Overnight Financing Rate (SOFR) rate (4.5% at June 30, 2025) plus 2.0%, but not to exceed the maximum rate allowed by applicable law. The agreement requires renewal every second year in November. The current agreement expires on November 30, 2026. ARUP pays no fees for the unused portion of this line of credit, and there are no compensating balance requirements imposed. There were no borrowings on this line of credit during the year ended June 30, 2025.

20. RELATED PARTY TRANSACTIONS

The university entered an Outsourced Chief Investment Officer (OCIO) arrangement with Cynosure Capital Management (Cynosure) via the University of Utah Growth Capital Partners Foundation to help manage the university's endowment funds. There are one or more university board members that have minority ownership in Cynosure. The university paid Cynosure a total of \$2,550,000 in fiscal year 2025.

21. SUBSEQUENT EVENTS

Subsequent events have been evaluated, and no events requiring disclosure have been identified.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



**University of Utah Proportionate Share of the Net Pension Liability
Noncontributory, Contributory, & Tier 2 Public Employees Systems of the Utah Retirement Systems for the years ended December 31**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Noncontributory System										
Proportion of Net Pension Liability (Asset)	49.43%	50.01%	50.03%	50.27%	50.27%	52.37%	4.15%	4.43%	4.72%	5.06%
Proportionate Share of Net Pension Liability (Asset)	\$(50,935,965)	\$(39,583,831)	\$(875,735)	\$(123,563,291)	\$(49,582,473)	\$61,432,040	\$154,431,638	\$108,366,198	\$153,053,931	\$159,062,799
Covered Payroll	\$108,013,838	\$105,508,959	\$101,918,583	\$101,348,754	\$102,966,409	\$109,270,123	\$112,399,637	\$115,352,151	\$120,168,221	\$124,949,531
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	-47.16%	-37.52%	-0.86%	-121.92%	-48.15%	56.22%	137.40%	93.94%	127.37%	127.30%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.29%	103.46%	100.10%	111.80%	104.70%	94.20%	84.10%	89.20%	84.90%	84.50%
Contributory System										
Proportion of Net Pension Liability (Asset)	80.65%	78.45%	76.44%	75.82%	74.23%	74.01%	21.34%	20.18%	20.57%	19.93%
Proportionate Share of Net Pension Liability (Asset)	\$ (13,771,588)	\$ (5,385,428)	\$ (706,325)	\$ (21,357,105)	\$ (15,769,443)	\$ (4,172,732)	\$ 15,152,551	\$ 1,328,057	\$ 11,272,710	\$ 12,489,421
Covered Payroll	\$ 1,987,211	\$ 2,295,281	\$ 2,458,759	\$ 2,748,094	\$ 3,300,668	\$ 3,845,834	\$ 4,141,829	\$ 4,591,975	\$ 5,514,741	\$ 6,313,501
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	-693.01%	-234.63%	-28.73%	-777.16%	-477.77%	-108.50%	365.84%	28.92%	204.41%	197.82%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	111.02%	104.40%	100.60%	117.60%	113.10%	103.60%	91.40%	99.20%	93.40%	92.40%
Public Safety System										
Proportion of Net Pension Liability (Asset)	2.77%	2.79%	2.60%	2.18%	2.34%	2.10%	1.74%	1.71%	1.48%	1.42%
Proportionate Share of Net Pension Liability (Asset)	\$ 3,474,147	\$ 3,138,959	\$ 2,050,514	\$(1,994,102)	\$ 1,515,009	\$ 3,097,753	\$ 4,167,255	\$ 2,976,823	\$ 3,174,487	\$ 3,047,750
Covered Payroll	\$ 4,796,718	\$ 4,158,106	\$ 3,579,344	\$ 2,807,688	\$ 2,897,764	\$ 2,569,955	\$ 2,168,129	\$ 2,272,929	\$ 2,087,879	\$ 1,951,440
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	72.43%	75.49%	57.29%	-71.02%	52.28%	120.54%	192.21%	130.97%	152.04%	156.18%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.49%	93.80%	95.20%	105.70%	95.80%	90.00%	83.20%	87.40%	83.50%	82.30%
Tier 2 Public Employees System										
Proportion of Net Pension Liability (Asset)	0.91%	0.98%	1.05%	1.21%	1.46%	1.82%	2.39%	3.19%	4.60%	6.64%
Proportionate Share of Net Pension Liability (Asset)	\$ 2,709,040	\$ 1,911,056	\$ 1,138,801	\$(512,898)	\$ 210,508	\$ 408,219	\$ 1,024,497	\$ 281,424	\$ 513,532	\$(14,503)
Covered Payroll	\$ 26,914,040	\$ 25,384,236	\$ 22,814,878	\$ 22,506,319	\$ 23,408,053		\$ 27,978,179	\$ 31,272,494	\$ 37,753,425	\$ 42,922,742
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	10.07%	7.53%	4.99%	-2.28%	0.90%	0.00%	3.66%	0.90%	1.36%	-0.03%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.44%	89.58%	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%
Tier 2 Public Safety and Firefighter System										
Proportion of Net Pension Liability (Asset)	0.34%	0.36%	0.29%	0.24%	0.33%	0.40%	0.36%	0.30%	0.44%	0.40%
Proportionate Share of Net Pension Liability (Asset)	\$ 153,156	\$ 137,067	\$ 24,247	\$(11,882)	\$ 29,773	\$ 37,830	\$ 9,014	\$(3,523)	\$(3,796)	\$(5,826)
Covered Payroll	\$ 1,545,727	\$ 1,378,721	\$ 894,289	\$ 562,175	\$ 678,646	\$ 662,970	\$ 478,852	\$ 321,462	\$ 361,284	\$ 237,408
"Proportionate Share of Net Pension Liability (Asset) as a Percentage of Covered Payroll"	9.91%	9.94%	2.71%	-2.11%	4.39%	5.71%	1.88%	-1.10%	-1.05%	-2.45%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.10%	89.10%	96.40%	102.80%	93.10%	89.60%	95.60%	103.00%	103.60%	110.70%

* Note: The university implemented GASB Statement No. 68 in fiscal year 2015. Information on the university's portion of the plans' net pension liabilities (assets) is not available for periods prior to fiscal year 2015.

In 2019, URS created a separate division for Higher Education which significantly changed the university's reported proportionate share of Net Pension Liability (Asset).

University of Utah — Schedule of Contributions for the years ended June 30

Noncontributory System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 23,614,509	\$ 23,707,240	\$ 22,655,898	\$ 22,085,732	\$ 21,977,437	\$ 23,604,692	\$ 24,357,470	\$ 25,003,713	\$ 25,936,009	\$ 27,133,967
Contributions in Relation to the Contractually Required Contribution	(23,614,509)	(23,707,240)	(22,655,898)	(22,085,732)	(21,977,437)	(23,604,692)	(24,357,470)	(25,003,713)	(25,936,009)	(27,133,967)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 108,568,800	\$ 108,731,615	\$ 104,568,586	\$ 101,532,595	\$ 100,912,947	\$ 107,759,826	\$ 111,057,075	\$ 113,936,327	\$ 118,147,239	\$ 123,098,874
Contributions as a Percentage of Covered Payroll	21.8%	21.8%	21.7%	21.8%	21.8%	21.9%	21.9%	21.9%	22.0%	22.0%
Contributory System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 331,104	\$ 377,362	\$ 427,447	\$ 450,177	\$ 524,078	\$ 651,513	\$ 703,592	\$ 754,331	\$ 894,123	\$ 1,058,540
Contributions in Relation to the Contractually Required Contribution	(331,104)	(377,362)	(427,447)	(450,177)	(524,078)	(651,513)	(703,592)	(754,331)	(894,123)	(1,058,540)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,860,483	\$ 2,131,989	\$ 2,414,955	\$ 2,543,370	\$ 2,960,894	\$ 3,680,861	\$ 3,975,096	\$ 4,261,758	\$ 5,051,541	\$ 5,985,358
Contributions as a Percentage of Covered Payroll	17.8%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%	17.7%
Public Safety System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,513,761	\$ 1,599,767	\$ 1,378,370	\$ 1,102,890	\$ 942,974	\$ 1,061,838	\$ 766,954	\$ 789,054	\$ 739,683	\$ 682,809
Contributions in Relation to the Contractually Required Contribution	(1,513,761)	(1,599,767)	(1,378,370)	(1,102,890)	(942,974)	(1,061,838)	(766,954)	(789,054)	(739,683)	(682,809)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,650,163	\$ 4,662,407	\$ 3,850,976	\$ 3,101,983	\$ 2,671,582	\$ 2,916,589	\$ 2,107,865	\$ 2,200,291	\$ 2,212,011	\$ 2,117,893
Contributions as a Percentage of Covered Payroll	32.6%	34.3%	35.8%	35.6%	35.3%	36.4%	36.4%	35.9%	33.4%	32.2%
Tier 2 Public Employees System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 5,499,183	\$ 5,214,491	\$ 4,811,410	\$ 4,348,662	\$ 4,328,092	\$ 4,645,446	\$ 4,993,396	\$ 5,444,034	\$ 6,127,098	\$ 7,878,405
Contributions in Relation to the Contractually Required Contribution	(5,499,183)	(5,214,491)	(4,811,410)	(4,348,662)	(4,328,092)	(4,645,446)	(4,993,396)	(5,444,034)	(6,127,098)	(7,878,405)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 27,468,449	\$ 26,296,942	\$ 24,253,610	\$ 22,435,326	\$ 22,659,755	\$ 24,526,165	\$ 26,511,616	\$ 29,551,457	\$ 33,628,505	\$ 43,203,966
Contributions as a Percentage of Covered Payroll ⁵	20.0%	19.8%	19.8%	19.4%	19.1%	18.9%	18.8%	18.4%	18.2%	18.2%
Tier 2 Public Safety and Firefighter System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 506,840	\$ 514,575	\$ 353,033	\$ 258,694	\$ 190,940	\$ 240,863	\$ 215,306	\$ 102,648	\$ 98,360	\$ 103,266
Contributions in Relation to the Contractually Required Contribution	(506,840)	(514,575)	(353,033)	(258,694)	(190,940)	(240,863)	(215,306)	(102,648)	(98,360)	(103,266)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,581,897	\$ 1,581,362	\$ 1,084,921	\$ 796,391	\$ 586,786	\$ 807,261	\$ 722,503	\$ 350,573	\$ 336,733	\$ 353,411
Contributions as a Percentage of Covered Payroll ⁵	32.0%	32.5%	32.5%	32.5%	32.5%	29.8%	29.8%	29.3%	29.2%	29.2%
Tier 2 DC Public Employees System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 657,879	\$ 654,323	\$ 621,425	\$ 566,881	\$ 575,329	\$ 626,378	\$ 671,402	\$ 755,891	\$ 818,022	\$ 652,146
Contributions in Relation to the Contractually Required Contribution	(657,879)	(654,323)	(621,425)	(566,881)	(575,329)	(626,378)	(671,402)	(755,891)	(818,022)	(652,146)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,565,656	\$ 6,534,721	\$ 6,202,943	\$ 5,659,488	\$ 5,737,990	\$ 6,251,278	\$ 6,700,622	\$ 7,543,807	\$ 8,163,903	\$ 6,498,248
Contributions as a Percentage of Covered Payroll ⁵	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Tier 2 DC Public Safety & Firefighters System	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 43,150	\$ 39,288	\$ 25,432	\$ 7,152	\$ -	\$ 2,862	\$ 10,446	\$ 10,611	\$ 9,571	\$ 5,001
Contributions in Relation to the Contractually Required Contribution	(43,150)	(39,288)	(25,432)	(7,152)	\$ -	(2,862)	(10,446)	(10,611)	(9,571)	(5,001)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 239,193	\$ 211,911	\$ 137,172	\$ 19,400	\$ -	\$ 15,438	\$ 56,342	\$ 57,234	\$ 51,623	\$ 26,973
Contributions as a Percentage of Covered Payroll ⁵	18.0%	18.5%	18.5%	36.9%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%

¹ Contractually Required Contributions, Contributions, and Covered Payroll include information for Tier 2 Employees. Prior to the implementation of GASB Statement No. 68, Tier 2 information was not separately available.

² The University of Utah began participating in Public Safety Systems in 2011.

³ The Tier 2 Public Employees System was created in 2011.

⁴ The university began contributing to the Tier 2 Public Safety and Firefighter System in 2012.

⁵ For employees participating in the Public Employees and Public Safety Firefighters Tier 2 Systems, the university is required to contribute a percentage of the employees' salaries to the Systems.

The university makes the required contributions by paying approximately 10% in to the Tier 2 Systems while the remainder is contributed to the Tier 1 Systems, as required by law.

The amounts reported here reflect the net contributions to the Tier 2 systems rather than the total required.

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Vice President for University Advancement

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Deputy Chief of Staff & Special Asst. to the First Lady



2025 ANNUAL FINANCIAL REPORT

PREPARED BY
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