

ANNUAL COMPREHENSIVE

FINANCIAL REPORT



THE UNIVERSITY
OF ARIZONA

Year Ended June 30, 2025

Included as an Enterprise Fund of the State of Arizona | Tucson, Arizona

COVER IMAGE

The Grand Challenges Research Building, dedicated in 2024, embodies the university's strategic imperatives by advancing student success, driving research excellence and serving communities in Arizona and beyond. Designed as a collaborative hub, the facility leverages and amplifies the institution's core research strengths in engineering, optical science, lunar and planetary science, medicine, and more. By uniting scholars and students across disciplines, the building positions the university to address society's most complex challenges while shaping a more sustainable and innovative future.

Photo: Chad Holder



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Year Ended June 30, 2025

Prepared by Finance & Budget

Included as an Enterprise Fund of the State of Arizona | Tucson, Arizona

Photo: Tom Kubik

TABLE OF CONTENTS

INTRODUCTORY SECTION	3
Message From The President.....	4
Letter of Transmittal.....	6
Arizona Board of Regents.....	12
Executive Administration	12
Organization Chart	13
FINANCIAL SECTION	15
Independent Auditors' Report	16
Management's Discussion and Analysis.....	20
BASIC FINANCIAL STATEMENTS	
Statement of Net Position.....	30
Statement of Financial Position – Component Units.....	33
Statement of Revenues, Expenses and Changes in Net Position	34
Statement of Activities – Component Units	36
Statement of Cash Flows.....	38
Notes to Financial Statements.....	40
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of University's Proportionate Share of the Net Pension Liability – Arizona State Retirement System	74
Schedule of University Pension Contributions – Arizona State Retirement System	74
Schedule of University's Proportionate Share of the Total OPEB Liability – Arizona Department of Administration	74
SUPPLEMENTARY INFORMATION	
Combining Statement of Financial Position – Other Component Units	76
Combining Statement of Activities – Other Component Units	77
STATISTICAL SECTION	79
Statistical Section Table of Contents	80
Net Position by Component.....	81
Change in Net Position	82
Operating Expenses by Natural Classification	85
Academic Year Tuition and Required Fees.....	86
Principal Revenue Sources	87
Long-term Debt.....	88
Summary of Ratios.....	89
Debt Service Coverage for Senior Lien System and Subordinate Lien System Revenue Bonds.....	94
Admissions, Enrollment and Degrees Earned	95
Demographic Data.....	95
Principal Employers	96
Faculty and Staff	97
Capital Assets	97



INTRODUCTORY SECTION

Photo: Chad Holder

MESSAGE FROM THE PRESIDENT



Photo: Chris Richards, The University of Arizona

Dear Members of the Arizona Board of Regents,

The University of Arizona is a keystone institution for our state, sustaining our community like the Saguaro sustains the desert ecosystem. Through education, research, and engagement we help Arizona thrive.

After conducting a collaborative and generative process to create our strategic imperatives, *Delivering on Our Promise*, the University of Arizona has a strong guiding vision to build on our existing strengths and better serve the needs of the state and nation. These imperatives—Success for Every Student, Research that Shapes the Future, and Engagement with our Communities to Create Opportunity—reflect the university’s land-grant mission and will help guide our efforts over the next five to ten years.

Though the shifting landscape in higher education poses significant challenges to universities across the nation, the University of Arizona has a bright future. We closed out FY 2025 with a balanced budget, and we are on the right financial path. We are especially proud that the FY 2026 budget fully funds faculty promotions and employee raises so that we can retain the talented faculty and staff we need to drive our success as a world-class institution.

The University remains committed to excellence, and I am grateful to everyone whose dedication has positioned the University of Arizona as a world-leader.

Best wishes,

Suresh Garimella



Photo: Andrew Bourland, The University of Arizona

LETTER OF TRANSMITTAL

OCTOBER 31, 2025

To President Suresh Garimella, Members of the Arizona Board of Regents, and the University of Arizona community:

I respectfully submit the University of Arizona *Annual Comprehensive Financial Report* (ACFR) for the fiscal year ended June 30, 2025. The ACFR includes the



Photo: The University of Arizona
John Arnold,
Chief Financial Officer

Management's Discussion and Analysis (MD&A) and the basic financial statements, as well as other supplemental information that helps provide an understanding of the university's financial position and activities, and the economic landscape of the surrounding area. Responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the

university's management. We believe to the best of our knowledge the information is accurate in all material respects and fairly presents the university's financial position, revenues, expenses, and other changes in net position.

The university is responsible for implementing and maintaining an internal control structure to safeguard and prevent misuse of the university's assets. We believe our system of internal controls is sound and sufficient to disclose material deficiencies in controls to the auditors and the Arizona Board of Regents (ABOR) Audit and Risk Management Committee. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements, and to provide management with reasonable, although not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition.

The university's ACFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes § 41-725. Additionally, federal guidelines and bond covenants require that the university's accounting and financial records be subject to an annual independent audit. The university's annual audit is performed by the Arizona Auditor General. The reports resulting from the audit are public documents and are shared with university management and the Arizona Board of Regents. The audit of the university's federal financial assistance programs is performed by the Arizona

Auditor General in conjunction with the statewide Single Audit. The Independent Auditors' Report on page 16 of the Financial Section includes the auditors' unmodified opinion on the fair presentation of the university's financial statements.

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board (GASB) using the guidelines as recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The MD&A is presented to supplement the financial statements by providing the necessary information for the reader to gain a broad understanding of the university's financial position and results of operations. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditors' Report.

INSTITUTIONAL PROFILE

History: The University of Arizona was established as a land-grant institution in 1885, 27 years before Arizona Territory became a state. The years following World War II and the Korean War were a period of substantial growth for the university. In the late 1950s, enrollment greatly increased, with the university gaining an average of more than 1,200 students per year for 17 years. During this period, the foundation was laid for the development of a leading research institution.

The university was one of the original Carnegie Research I institutions. In 1985, the university was elected to membership in the Association of American Universities, a prestigious group limited to North America's preeminent public and private research universities.

The university's outstanding research programs provide advances in applied and basic or pure knowledge that fulfill the institution's obligation to the State and the nation. Such programs attract internationally distinguished faculty who serve the university's students through a comprehensive range of undergraduate and graduate programs.

Enrollment: The university serves 84,548 students through 21 colleges offering 489 degree programs and is ranked among the leading research universities in the country.

Enrollment Statistics: Academic Year 2024-25

Undergraduate enrollment, Fall 2024	66,138
Graduate and Professional enrollment, Fall 2024	18,410
Degrees awarded, Bachelor's	13,472
Degrees awarded, Advanced	6,167
Degrees awarded, Associate	163
Certificates awarded	648
Tuition and fees for main campus full-time student, Resident	\$ 13,906
Tuition and fees for main campus full-time student, Non-resident	\$ 42,258

The university's faculty and graduate teaching and research assistants and associates educate a diverse student population. The university's student population is 56.8% female, 23.7% Hispanic or Latino, 12.3% African American or Black, 3.3% Asian, and 1.0% American Indian or Alaska Native. It includes students from all 50 states, the District of Columbia, and 130 foreign countries. International students represented 5.0% of the Fall 2024 enrollment; this figure is primarily represented by 19.5% from India, 15.4% from China, 4.6% from Kuwait, 4.0% from Saudi Arabia, and 3.8% from Mexico.

Component Units: The basic financial statements of the university include the operations of the University of Arizona Foundation, Inc., Campus Research Corporation, Law College Association of the University of Arizona, Arizona Sports Enterprises, University of Arizona Applied Research Corporation, and Eller Executive Education, all discretely presented component units. More information relating to the component units can be found in Notes 2 and 14 to the financial statements.

Budget: The university is responsible for planning, developing, and controlling its budget and expenses in accordance with Arizona Board of Regents and university policies, and state and federal laws and regulations. The Arizona Board of Regents approves the university's annual operating budget in accordance with ABOR Policy 3-403. The budget includes the general purpose (State general funds and tuition and fees) budget and the local funds budget, which consists of the designated, restricted, and auxiliary funds. The State Legislature reviews the university's local funds budget and adopts and appropriates the general purpose budget through legislation.

After the budget has been approved, the university monitors the budget through UAccess Financials, the university's financial enterprise system. While there are many controls built into UAccess Financials, colleges and departments also use financial reports to monitor budgetary compliance. Additionally, Finance & Budget, a part of the university's central administration, provides periodic financial reports to management and the Arizona Board of Regents. The reports include a comparison of actuals to budget, highlight the changes that occurred throughout the fiscal year, and project revenues, expenses, and change in net position for the fiscal year.

ECONOMIC CONDITION

Local Economy: As reported by the University of Arizona Eller College of Management Economic and Business Research Center in June 2025, Arizona experienced slow growth in 2024 and is on track for a similar performance in 2025. State job growth was revised down last year, aligning with the national pace. The state labor market remained tight, with relatively low unemployment and limited churn. Job growth in 2025 has been solid, but slower growth in employment compensation tempered overall income growth in 2024.

Employment growth for Arizona decreased from 1.2% in 2024 to 1.0% in 2025. Using data through June 2025, the job gains specific to the Tucson area with the largest increases have been noted in the following sectors: mining and logging, private education and health services, leisure and hospitality, and other services.

Population growth increased slightly from 1.3% in 2024 to 1.4% in 2025. Net migration is the main driving force for population gains in Arizona. Housing affordability remains a challenge statewide. Housing permit activity decreased in 2025, reflecting slow population growth, high interest rates, and continued high housing costs.

State personal income growth decreased to 5.0% in 2025, down from 5.2% in 2024. Arizona's retail sales increased to 2.9% in 2025, compared to 0.6% in 2024. According to the June 2025 Index of State Economic Momentum, Arizona ranked No. 10 in population growth, No. 15 in economic momentum, No. 24 in personal income growth, and No. 32 in employment growth.

LONG-TERM PLANNING

Delivering on Our Promise – Strategic Imperatives:

In spring 2025, the University of Arizona conducted a process to articulate its strategic imperatives, those elements of our mission and identity that are critical to our impact and our cohesion as a community of learning and discovery. The process began with a series of conversations, facilitated by John Pollard, Dean of the W. A. Franke Honors College, and Amanda Kraus, Vice President of Student Affairs. Generative sessions were held with senior university leaders, shared governance leaders, and groups of students, faculty, staff, regents, friends, and community partners.

The ideas from these sessions were distilled into the initial draft of *Delivering on Our Promise*. President Garimella sent the draft to U of A students, faculty, staff, and affiliates for review and comment. Nearly 700 responded to a questionnaire, and following leadership review of each submission, the strategic imperatives were finalized.

The strategic imperatives represent university-wide priorities that will guide planning, resource alignment and program development across all colleges and administrative units:

Success for Every Student: Advancing a student-centered experience that supports retention, belonging, graduation and post-graduate achievement for all learners, including graduate and online students.

Research that Shapes the Future: Building on the university's strengths across disciplines to drive discovery, innovation and solutions to global challenges.

Engagement with Our Communities to Create Opportunity: Fulfilling the land-grant mission through partnerships, support and impact across Arizona and beyond, with special attention to place-based excellence and sustainability.

MAJOR INITIATIVES

Established in 1885, the University of Arizona is the state's keystone, land-grant institution. The university ranks among America's top institutions, focusing on student access and success while driving a \$1 billion research enterprise and engaging communities throughout the state, nation and world. As a leading Research 1 institution and member of the Association of American Universities, the university advances the frontiers of interdisciplinary scholarship and entrepreneurial partnerships. With two accredited medical schools, designation as a Hispanic-Serving Institution by the U.S. Department of Education,

recognition as a premier university for service members, distinguished programs in management information systems, planetary sciences, dance, photography, and public and applied humanities, the U of A offers the world to its students while uplifting Arizona.

High-quality research programs secure extensive federal and corporate funding, enrich instructional programs, and provide tremendous education and research opportunities for students, as well as contribute to the economic engine of the city of Tucson and the State of Arizona.

The following are notable activities of fiscal year 2025.

A New Era: On October 1, 2024, Suresh Garimella began his tenure as the 23rd president of the University of Arizona. A mechanical engineer, University Distinguished Professor and member of the National Academy of Engineering, he previously served as president of the University of Vermont and as executive vice president for research and partnerships at Purdue University. Widely recognized as both a researcher and a leader, his first year in Tucson included fully eliminating a \$177.0 million budget deficit, providing employee raises, holding tuition flat for resident undergraduates, and leading a community-wide process to establish the university's strategic imperatives: success for every student, research that shapes the future, and engagement with communities to create opportunity.

Rubin Observatory Observations: Billed as the most powerful astronomical discovery machine ever built, the Vera C. Rubin Observatory released its first images. In just 10 hours of test observations, the observatory captured glowing nebulae, pulsating stars, swarms of asteroids, and millions of galaxies, offering a striking preview of its upcoming 10-year Legacy Survey of Space and Time (LSST). From the observatory's inception to its scientific mission, University of Arizona researchers have played an instrumental role. Regents Professor Roger Angel, the visionary behind the telescope's optical design, also founded the Richard F. Caris Mirror Lab, where its massive mirrors were cast and polished.

Big Idea Challenge Awardees: The Office of Research and Partnerships (ORP) launched the inaugural Big Idea Challenge to advance transdisciplinary research with broad societal impact. From 72 proposals representing 19 units, six teams were selected as awardees. Each will receive \$250,000 over two years, along with strategic guidance from ORP, to pursue transformative projects in areas including artificial intelligence, national security, sustainability, health, the human experience, and space sciences.

OSIRIS-Rex Discoveries: The OSIRIS-REx science team, led by Regents Professor Dante Lauretta, published landmark findings from the mission's asteroid Bennu sample. Analyses revealed that the chemical precursors to life were present before Earth formed and may have been widespread across the early solar system, offering new insights into how life might emerge and where it could exist beyond our planet.

Strategic Research Priorities: A \$20 million investment of Technology and Research Initiative Funds by the Arizona Board of Regents allowed the U of A to launch four new initiatives in space technologies, AI and health, fusion commercialization, and sustainable mining, adding to the university's strengths in water, soil, and desert agriculture.

Arizona Athletics Strategic Plan: Arizona Athletics launched *The Bear Down Blueprint*, a five-year strategic plan developed with guidance from the Eller College of Management and input from students, staff, alumni, and fans. Rooted in the values of Respect, Integrity, Community, Excellence, and Resilience, the plan is organized around four pillars – Graduating Leaders, Winning Championships, Galvanizing Community, and Organizational Strength – with goals that include balancing the budget, elevating national competitiveness, and sustaining strong academic outcomes for student-athletes.

Arizona International National Award: The University of Arizona received the Senator Paul Simon Award for Campus Internationalization from NAFSA: Association of International Educators, recognizing innovation in advancing global engagement and cultural exchange. Through Arizona International, the university supports international students and faculty, facilitates study abroad and exchange programs, operates microcampuses worldwide, and manages global partnerships that foster collaborative research and cross-cultural learning.

U of A Medical School's 3-Year MD Program: The Arizona Board of Regents approved a new three-year medical degree pathway at the university's two separately-accredited medical schools: The College of Medicine – Tucson and College of Medicine - Phoenix. The program is designed to help address the state's significant primary care physician shortage by enabling graduates to enter the workforce one year earlier, while also reducing student debt.

Eller College of Management 1-Year MBA Program:

The University of Arizona Eller College of Management launched an accelerated MBA program that allows students to complete the degree in 10 months, half the time of traditional programs. The inaugural cohort began in summer 2025, offering experienced professionals and recent graduates the opportunity to pursue a full-time MBA while limiting time away from the workforce.

U.S. Mining Summit at U of A: The University of Arizona hosted the inaugural U.S. Mining Summit, bringing together academic and industry leaders to address the growing demand for critical minerals. With its long-standing expertise in mining education and research, the university served as the national convening hub to discuss challenges and opportunities in this vital sector for Arizona's economy and global society. Fittingly, the event was held in Old Main, which originally housed the Arizona School of Mines.

Mel and Enid Zuckerman College of Public Health and Tohono O'odham Community College Partnership:

The University of Arizona Mel and Enid Zuckerman College of Public Health established a partnership with Tohono O'odham Community College to create a direct transfer pathway for students to complete a Bachelor of Science in Public Health at the university. The program is designed to expand educational opportunities, support workforce development in health services, and prepare the next generation of Indigenous public health leaders.

Fuel Wonder: Donations to the University of Arizona comprehensive, \$3.0 billion fundraising campaign surpassed \$2.5 billion in fiscal year 2025. A number of transformational gifts received in 2025 included support for priorities included in the university's strategic imperatives. A \$14.2 million gift funding scholarships for medical students; an anonymous donor funded the 100th endowed chair created during the campaign, which helped recruit the university's first Chief AI Officer; and a new, \$20.0 million gift commitment funds for study abroad scholarships for students with financial need.

Class of 2025 Celebration: At its 161st Commencement on May 16, the University of Arizona conferred approximately 9,000 bachelor's, master's, doctoral, and professional degrees. Erik Weißenmayer, the first blind person to summit Mount Everest and a world-renowned adventurer, delivered the keynote address, encouraging graduates to embrace a lifelong "climber" mindset of growth, exploration, and resilience.

AWARDS AND ACKNOWLEDGMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the university for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the twelfth consecutive year that the university has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Other notable acknowledgements include:

- U.S. News & World Report's 2025-2026 Best Global Universities rankings placed the university at No. 4 globally and No. 2 in the U.S. in space sciences. In water resources, the university ranked No. 2 in the U.S. and No. 31 globally. ShanghaiRanking's 2024 Global Ranking of Academic Subjects placed the university at No. 1 in the U.S. and No. 4 in the world for its water resources program.
- The Center for World University Rankings ranked the university No. 102 globally, No. 49 in the U.S., and No. 26 among public colleges and universities, placing the U of A among the top 0.5% of more than 21,400 colleges and universities worldwide.
- The university is home to the No. 1 entomology program in the U.S., according to Edurank.
- Per U.S. News & World Report, the university ranks No. 2 among public graduate institutions in geology. The same report ranks the university No. 2 among U.S. public graduate programs in management information systems, No. 2 among public graduate programs in photography, No. 4 among public graduate programs for legal writing, and No. 9 among public graduate programs in rehabilitation counseling.
- The university is ranked No. 4 overall and No. 3 among public universities in the latest edition of the Military Times Best for Vets: Colleges 2024 ranking.
- In the most recent ranking (fiscal year 2023), the National Science Foundation ranked the University of Arizona No. 2 among all public and private U.S. institutions in astronomy science expenditures. Overall, the NSF ranked the university 20th among public research universities, fourth among institutions with high Hispanic enrollment, sixth in NASA-funded activity, seventh for research expenditures in the physical sciences, and 36th among all public and private universities and colleges.
- Arizona Online tied for No. 12 out of 350 programs in the 2025 Best Online Bachelor's Programs rankings by U.S. News & World Report. Arizona Online also earned a No. 5 ranking overall for its bachelor's program offerings for veterans.
- The university was awarded a four-star rating and a place on Money's list of The Best Colleges in America 2025 and earned a spot in The Princeton Review's "Best Value Colleges."
- The University of Arizona is the top doctorate-granting institution for American Indian/Alaska Native students, according to the National Science Foundation's most recent survey of earned doctorates.
- The University of Arizona Global Campus online bachelor's program in business information systems is ranked No. 3 by TechGuide.

Preparation of this ACFR required extensive time and effort. The completion of the report would not have been possible without the professionalism, skill, and dedication of staff and student employees in Finance & Budget, including Accounting & Tax Services, Accounts Payable, Bursar's Office, Office of Budget & Planning, Finance Strategy & Solutions, Purchasing, and Treasury, as well as the business officers, administrators, and staff in the colleges and departments. In addition, we recognize the valuable contributions from Sponsored Projects Services, University Information Technology Services, University Analytics & Institutional Research, and University Marketing & Communications.

Respectfully Submitted,

John Arnold
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

University of Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

ARIZONA BOARD OF REGENTS

JUNE 30, 2025

Ex-Officio Members

Honorable Katie Hobbs

Governor of Arizona

Honorable Tom Horne

Superintendent of Public Instruction

Appointed Members

Cecilia Mata

Chair, Sierra Vista

Doug Goodyear

Chair Elect, Scottsdale

Gregg Brewster

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Fred DuVal

Treasurer, Phoenix

Jessica Pacheco

Regent, Phoenix

Larry Penley

Regent, Phoenix

Lee Stein

Regent, Phoenix

Jadyn Fisher

Student Regent, Northern Arizona University

David Zaragoza

Student Regent, Arizona State University

EXECUTIVE ADMINISTRATION

JUNE 30, 2025

Suresh Garimella

President

Francisco Garcia

Chief of Staff to the President

John Arnold

Chief Financial Officer

Patrica Prelock

Provost and Chief Academic Officer

Richard Cate

Senior Advisor to the President for Operations

Tomás Díaz de la Rubia

Senior Vice President, Research and Partnerships

Laura Todd Johnson

General Counsel

Steve Voeller

Chief Government Relations Officer

Desirée Reed-Francois

Vice President & R. Ken Coit Director of Athletics

Steve Patterson

Chief Safety Officer

Christie Harper

Vice President, Marketing

JP Rocznia

Chief Development Officer, and President & CEO, UA Foundation

ORGANIZATION CHART

JUNE 30, 2025

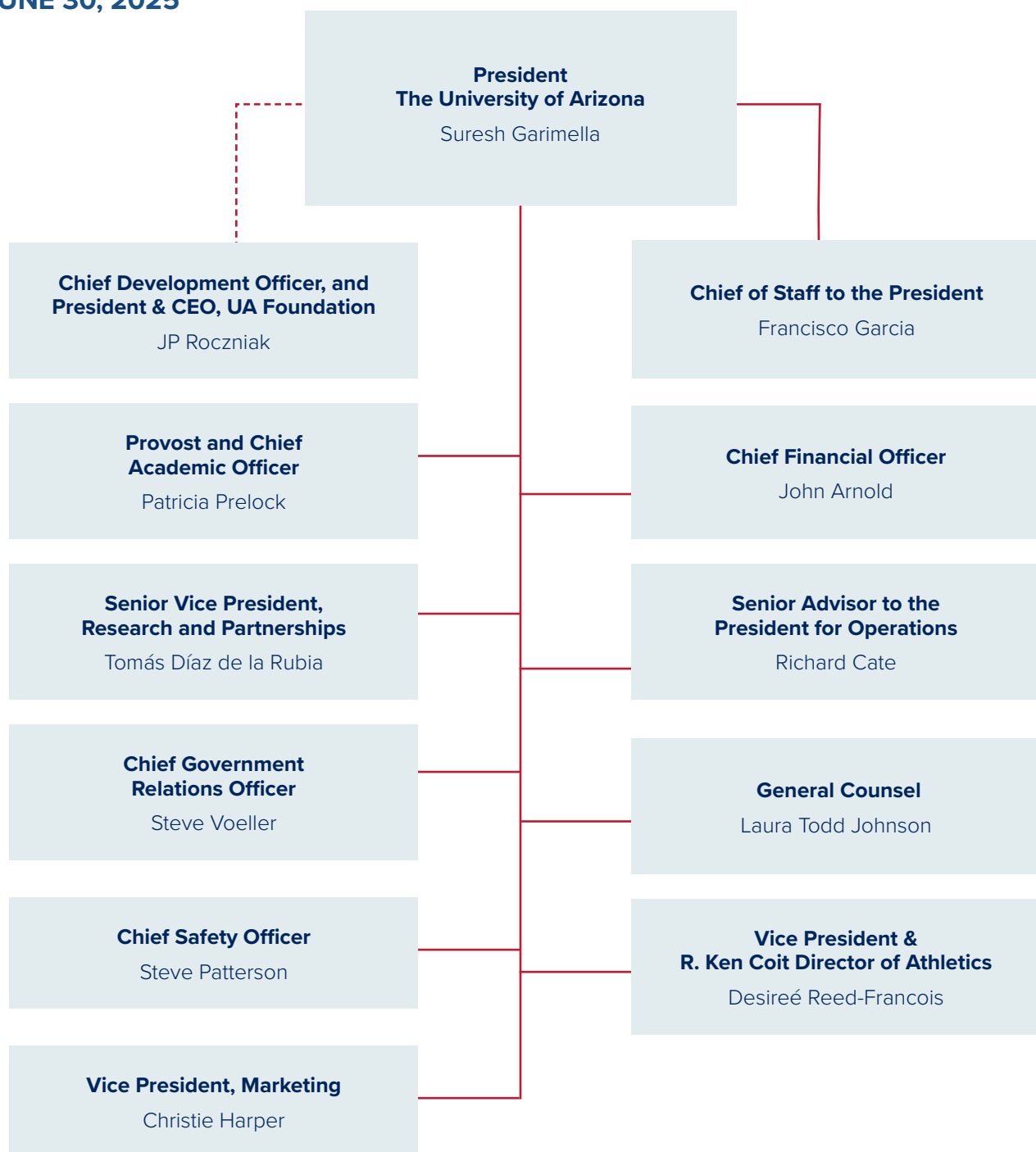




Photo: The University of Arizona



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



**ARIZONA
AUDITOR
GENERAL**

Lindsey A. Perry, Auditor General

Melanie M. Chesney, Deputy Auditor General

Independent auditors' report

Members of the Arizona Legislature

The Arizona Board of Regents

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of the University of Arizona 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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aggregate discretely presented component units, are based solely on the other auditors' reports.

Basis for opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' 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 other auditors did not audit the aggregate discretely presented component units' financial statements in accordance with *Government Auditing Standards*.

Arizona Auditor General | 2910 N 44th St., Ste. 410, Phoenix, AZ 85018-7271 | (602) 553-0333 | www.azauditor.gov

Emphasis of matter

As discussed in Note 1 to the financial statements, the University's financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only those portions of the business-type activities, major fund, and aggregate discretely presented component units of the State of Arizona that are attributable to the University's transactions. They do not purport to, and do not, present fairly the financial position of the State of Arizona as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, for the year ended June 30, 2025, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 a 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 U.S. generally accepted auditing standards 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 U.S. 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, we express no such opinion.
- ▶ 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 audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 20 through 29, schedule of the University's proportionate share of the net pension liability on page 74, schedule of University pension contributions on page 74, and schedule of the University's proportionate share of the total OPEB liability on page 74 be presented to supplement the basic financial statements. Such information is management's responsibility 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 have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The combining statements on pages 76 and 77 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 on the other information.

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 will issue our report 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 at a future date. 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.

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

October 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) provides an overview of the University of Arizona financial performance based on currently known facts, data, and conditions and is designed to assist readers in understanding the accompanying financial statements. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles and focus on the university as a whole. The MD&A, financial statements, notes, and other required supplementary information are the responsibility of university management. The MD&A should be read in conjunction with the financial statements and notes to the financial statements.

The financial statements encompass the university and its discretely presented component units; however, the MD&A focuses only on the university. Information relating to the component units can be found in their separately issued financial statements.

The university's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. While audited financial statements for fiscal year 2024 are not presented with this report, condensed financial information is presented in the MD&A to illustrate certain increases and decreases in comparison to fiscal year 2025.

Key Reporting Implementations

For the year ended June 30, 2025, the university implemented the provisions of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments. A compensated absence is leave for which employees may receive one or more cash

payments when leave is used for time off, cash payments for unused leave upon termination of employment, or noncash settlements such as defined benefit postemployment benefits. Examples of compensated absences include vacation leave, sick leave, paid time off, holidays, parental leave, bereavement leave, and certain types of sabbatical leave. The university applied this change retroactively by restating beginning net position for the cumulative effect of the change on prior periods. A summary of the restatement of net position due to the implementation of GASB Statement No. 101 can be found in Note 1 of the accompanying notes to the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

Statement of Net Position

The Statement of Net Position (SNP) presents the financial position of the university at fiscal year-end. This information allows stakeholders to review the assets available to continue the operations of the university and how much the university owes vendors, investors, and lending institutions. The SNP also provides a summary of the university's net position. The change in net position is one indicator of whether the financial condition has improved or worsened during the fiscal year. The change in net position should be analyzed in conjunction with nonfinancial facts, such as, but not limited to, enrollment levels and the condition of university facilities.

Condensed Schedule of Net Position

A comparison of the university's assets, deferred outflows of resources (consumption of the university's net position that is applicable to a future reporting period), liabilities, deferred inflows of resources (acquisition of net position by the university that is applicable to a future reporting period), and net position (in thousands of dollars) at June 30, 2025 and June 30, 2024, is as follows:



Photo: Gregor Orbino, The University of Arizona

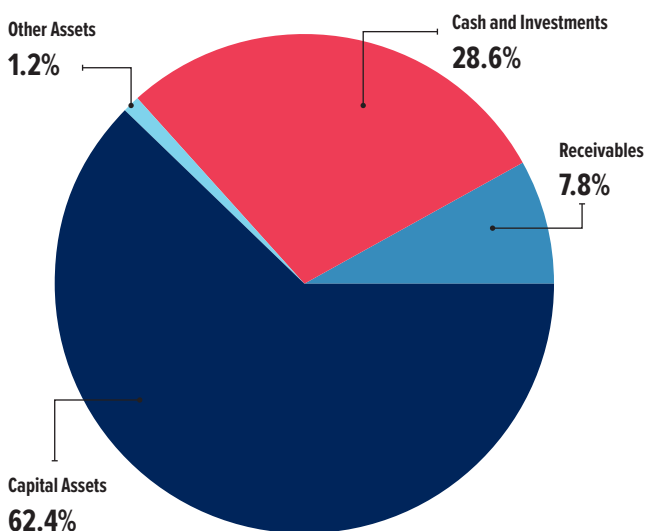
		FY 2025	FY 2024 As Restated*	% Change
Other assets	\$	1,718,870	\$ 1,578,386	8.9%
Capital assets		2,843,579	2,854,245	(0.4)%
Total assets	\$	4,562,449	\$ 4,432,631	2.9%
Total deferred outflows of resources	\$	211,687	\$ 177,200	19.5%
Other liabilities	\$	288,211	\$ 296,045	(2.6)%
Long-term liabilities		2,561,184	2,596,976	(1.4)%
Total liabilities	\$	2,849,395	\$ 2,893,021	(1.5)%
Total deferred inflows of resources	\$	542,112	\$ 540,230	0.3%
Net position				
Net investment in capital assets	\$	1,218,725	\$ 1,115,109	9.3%
Restricted nonexpendable		234,839	208,588	12.6%
Restricted expendable		274,711	273,650*	0.4%
Unrestricted (deficit)		(345,646)	(420,767)*	17.9%
Total net position	\$	1,382,629	\$ 1,176,580	17.5%

*Due to the reclassification of the net position associated with the net OPEB asset as disclosed in Note 1 in the accompanying notes to the financial statements, ending balances were restated in the comparative table shown above. There was no effect on total net position because this error only pertained to the proper classifications of net position.

Total Assets

Assets are what the university owns and are measured in current or fair value, except for capital assets, which are recorded at historical cost less the applicable accumulated depreciation and amortization. The following table and chart present total assets, in thousands of dollars and percent:

Cash and investments	\$	1,306,600	28.6%
Receivables		356,342	7.8%
Capital assets		2,843,579	62.4%
Other assets		55,928	1.2%
Total assets	\$	4,562,449	100.0%



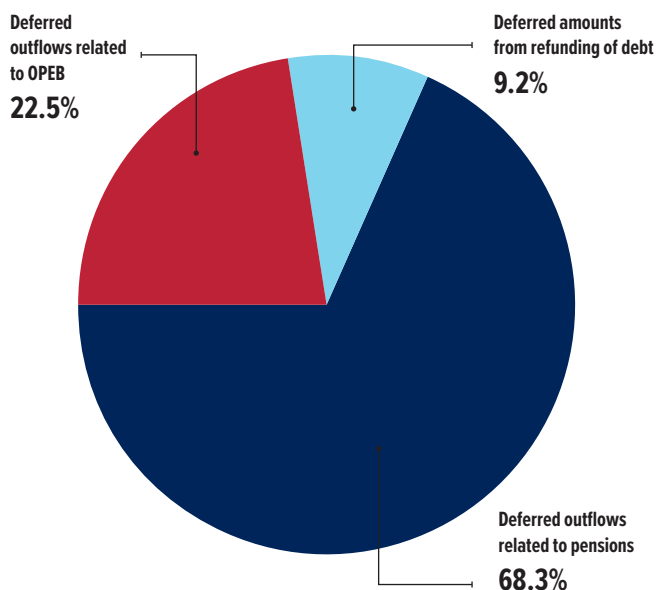
When compared to fiscal year 2024, the university's total assets increased by \$129.8 million. This change is attributed to increases in cash and investments of \$102.9 million, receivables of \$31.1 million, and other assets of \$6.5 million, offset by a decrease in capital assets of \$10.7 million. The increase in cash and investments of \$102.9 million is primarily due to \$303.9 million in proceeds from the issuance of debt, \$228.7 million in net cash provided by noncapital financing activities and operating activities, \$132.9 million from capital appropriations, commitments, and gifts, \$27.9 million in net change in fair value of investments, \$41.5 million in interest and dividends on investments, and \$1.0 million in proceeds from the sale of capital assets, offset by payment for debt service principal and interest totaling \$423.8 million and the purchase of capital assets of \$209.9 million. The increase in receivables of \$31.1 million is primarily due to timing differences related to grants and sponsored projects, reimbursements from partner hospitals and Banner Health, and student payments. Other assets increased by \$6.5 million due to increases of \$4.4 million in the net other postemployment benefits (OPEB) asset due to actuarial adjustments provided by the Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS), \$3.2 million in prepaid expenses, and \$1.2 million in inventories, offset by a decrease of \$2.3 million in the equity interest of the Large Binocular Telescope (LBT) for the university's share in the use of viewing/observation rights. Capital assets decreased by \$10.7 million primarily due to an increase in accumulated depreciation and amortization of \$177.2 million and reductions in right-to-use intangible assets of \$30.6

million, which are offset by an increase in additions for capitalized costs for the College of Agriculture and Life Sciences Food Product and Safety Lab for \$8.1 million, which was placed in service during the fiscal year (see "Capital and Debt Analysis" on page 28 for more information), the Arizona Public Media Facility project for \$35.3 million, and the Center for Advanced Molecular and Immunological Therapies (CAMI) Building project for \$30.7 million, as well as a cumulative \$81.1 million in various other building projects. Other net additions include \$27.8 million in equipment and \$14.1 million in library materials.

Total Deferred Outflows of Resources

Deferred outflows of resources are consumptions of the university's net position that are applicable to a future reporting period. The following table and chart present total deferred outflows of resources, in thousands of dollars and percent:

Deferred outflows related to pensions	\$	144,519	68.3%
Deferred outflows related to OPEB		47,633	22.5%
Deferred amounts from refunding of debt		19,535	9.2%
Total deferred outflows of resources	\$	211,687	100.0%

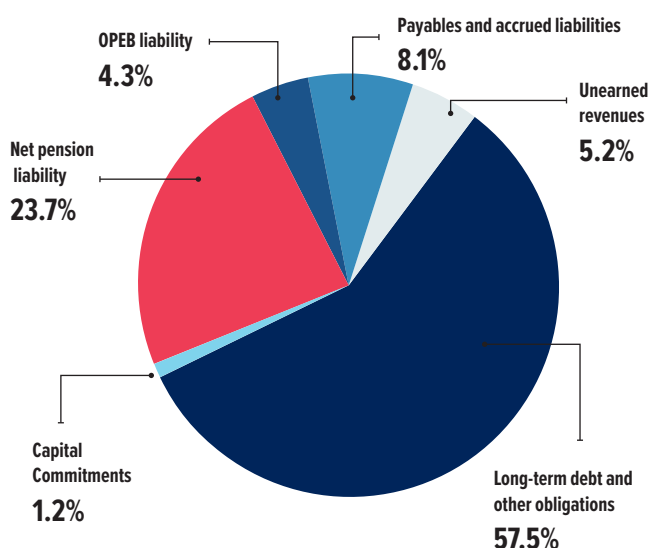


The increase in deferred outflows of \$34.5 million is primarily attributed to a \$53.5 million increase in deferred outflows of resources related to pensions due to actuarial adjustments provided by ASRS and PSPRS. This is offset by a decrease in deferred outflows of resources related to OPEB of \$16.3 million due to actuarial adjustments provided by ASRS, PSPRS, and the Arizona Department of Administration (ADOA). Additionally, there was a decrease of \$2.7 million in deferred amounts from refunding of debt.

Total Liabilities

Liabilities are what the university owes to others or resources it has collected from others before it has provided services. The following table and chart present total liabilities, in thousands of dollars and percent:

Payables and accrued liabilities	\$	230,664	8.1%
Unearned revenues		148,377	5.2%
Long-term debt and other obligations		1,638,271	57.5%
Capital commitments		33,000	1.2%
Net pension liability		676,684	23.7%
OPEB liability		122,399	4.3%
Total liabilities	\$	2,849,395	100.0%



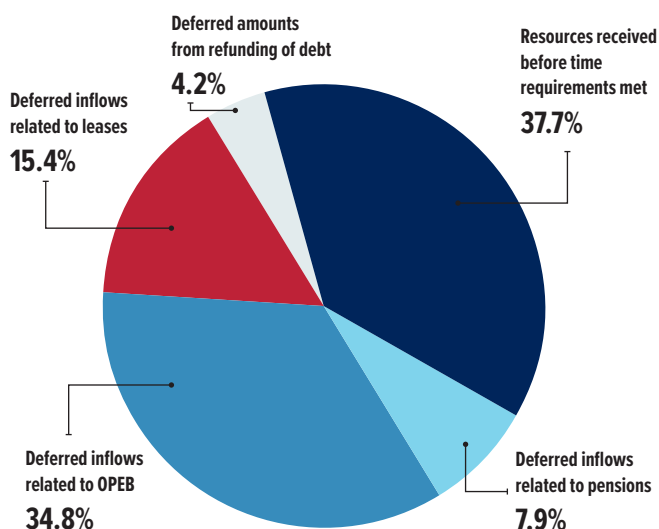
Total liabilities decreased by \$43.6 million as compared to fiscal year 2024 primarily due to decreases in long-term debt and other obligations of \$69.0 million and payables and accrued liabilities of \$19.2 million, offset by an increase in net pension liability of \$44.9 million. The decrease in long-term debt and other obligations of \$69.0 million is primarily due to annual principal payments and refunding of System Revenue Bonds of \$141.4 million, paydowns and reductions of lease and subscription IT arrangement liabilities of \$32.0 million, annual principal payments and net refunding of Stimulus Plan for Economic Education Development (SPEED) Revenue Bonds of \$24.4 million, annual principal payments for Certificates of Participation of \$22.6 million, amortization of premium and discount of \$9.0 million, and annual payments on Finance Purchase Obligations of \$0.1 million, offset by an increase for the issuance of the 2025A and B System Revenue Bonds for \$160.6 million. Payables and accrued liabilities decreased by \$19.2 million due to decreases of \$20.5 million in accrued compensated absences and \$5.4 million in accounts payable, offset by an increase of \$6.7 million in accrued payroll and benefits. The decrease of \$20.5 million in

accrued compensated absences is primarily due to the change in accounting principle for the implementation of GASB Statement No. 101, *Compensated Absences*. The decrease in accounts payable of \$5.4 million is primarily due to timing differences. The increase in net pension liability of \$44.9 million is due to actuarial adjustments as provided by ASRS and PSPRS.

Total Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the university that is applicable to a future reporting period. The following table and chart present total deferred inflows of resources, in thousands of dollars and percent:

Resources received before time requirements met	\$ 204,362	37.7%
Deferred inflows related to pensions	42,572	7.9%
Deferred inflows related to OPEB	188,421	34.8%
Deferred inflows related to leases	83,532	15.4%
Deferred amounts from refunding of debt	23,225	4.2%
Total deferred inflows of resources	\$ 542,112	100.0%



The increase in deferred inflows of \$1.9 million is primarily due to a \$22.4 million increase in deferred amounts from refunding of debt, a \$19.4 million increase in deferred inflows related to pensions attributed to actuarial adjustments provided by ASRS and PSPRS and a \$3.6 million increase related to the Academic Enhancement Fund (AEF) Trust Agreement, which reflects a \$22.3 million increase for cost and fair value changes of AEF investments offset by the annual \$18.7 million distribution to the university. These are offset by decreases of \$39.0 million in deferred inflows of resources related to OPEB due to actuarial adjustments provided by ASRS, PSPRS and ADOA, and \$4.5 million in deferred inflows related to leases where the university is the lessor.

Total Net Position

Net position is divided into three categories. Net investment in capital assets represents the historical cost of capital assets reduced by the balance of related outstanding debt and accumulated depreciation and amortization. Restricted net position includes amounts that have been restricted for use by an external party and is further broken down into nonexpendable and expendable. Restricted nonexpendable net position represents the funds that are required to be retained in perpetuity. Restricted expendable net position includes amounts restricted by external parties for such things as debt service, academic and departmental uses, scholarships and fellowships, capital projects, and the other postemployment benefits. Finally, unrestricted net position includes amounts institutionally designated or committed to support specific academic and research programs and for working capital requirements.

The following table represents net position categories, in thousands of dollars and percent:

Net investment in capital assets	\$ 1,218,725	88.1%
Restricted	509,550	36.9%
Unrestricted (deficit)	(345,646)	(25.0)%
Total net position	\$ 1,382,629	100.0%



Photo: Tom Kubik

Total net position increased by \$206.0 million in fiscal year 2025, which is attributed to increases in net investment in capital assets, unrestricted, and restricted net position. Net investment in capital assets increased by \$103.6 million due to an increase in unspent bond proceeds of \$73.5 million and net reductions of the university's debt portfolio of \$69.0 million, which is primarily attributed to annual payments and net refunding, offset by increases in deferred inflows of resources from refunding of debt of \$22.4 million, a net reduction in net capital assets of \$10.7 million, and an increase in capital-related accounts payable balances of \$5.2 million. Unrestricted net position increased by \$75.1 million primarily due to a net increase of \$53.5 million related to commitment funds from partner hospitals, \$14.8 million due to the year-end recording of compensated absences due to the change in accounting principle for the implementation of GASB Statement No.101, *Compensated Absences*, and \$5.6 million associated with auxiliary units primarily from residence hall usage, retail dining operations, and meal plans. Restricted net position increased by \$27.3 million

primarily due to an increase of \$20.5 million in the fair value of endowments and \$4.4 million from actuarial adjustments provided by ASRS and PSPRS.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the university's revenues earned and the expenses incurred during fiscal year 2025, regardless of when cash is received or paid. Activities are reported as either operating or non-operating. Generally, operating revenues are earned in exchange for providing goods and services. Operating expenses are incurred in the normal operation of the university, including a provision for depreciation and amortization on capital assets. Certain revenue sources that the university relies on for operations, including state appropriations, gifts, grants, and investment income are required by GASB Statement No. 35 to be classified as non-operating revenues.



Photo: Andrew Bourland, The University of Arizona

Condensed Schedule of Revenues, Expenses and Changes in Net Position

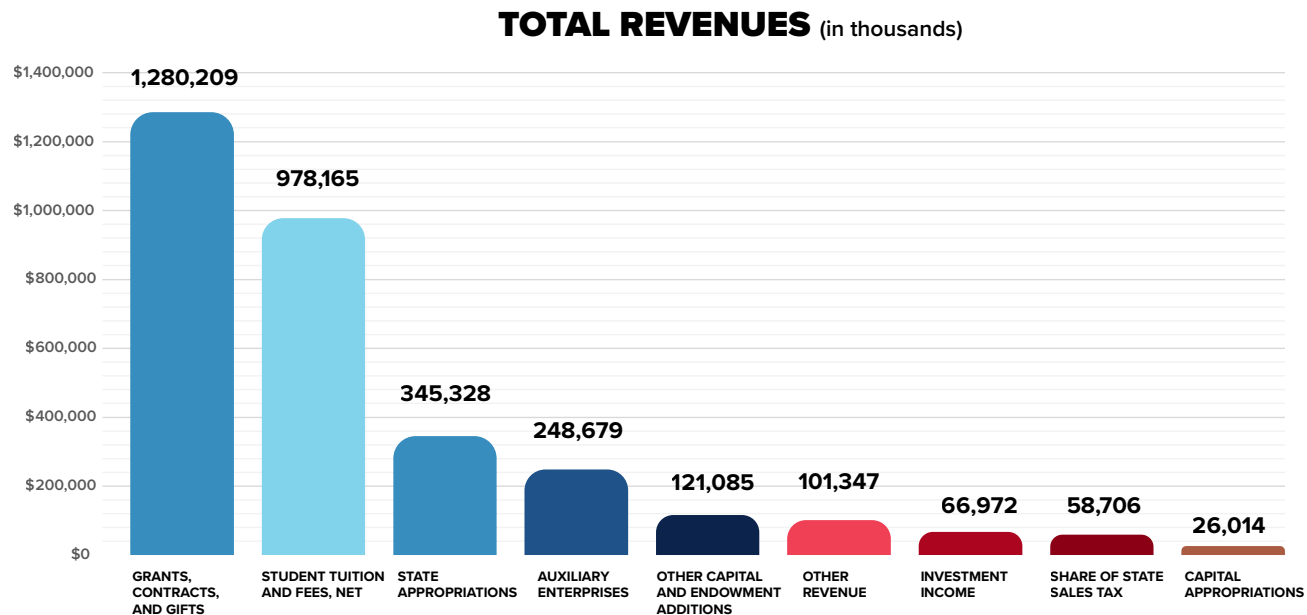
A comparison of the university's operations (in thousands of dollars) for the fiscal years ended June 30, 2025 and 2024 is as follows:

	FY 2025	FY 2024	% Change
Operating revenues			
Student tuition and fees, net	\$ 978,165	\$ 926,461	5.6%
Grants and contracts	633,872	673,069	(5.8)%
Auxiliary enterprises, net	248,679	236,922	5.0%
Other	92,927	92,282	0.7%
Total operating revenues	\$ 1,953,643	\$ 1,928,734	1.3%
Operating expenses			
Instruction and academic support	\$ 1,093,685	\$ 1,061,531	3.0%
Research and public service	770,298	778,114	(1.0)%
Student services and scholarships	289,210	310,975	(7.0)%
Institutional support and operation of plant	412,221	390,726	5.5%
Auxiliary enterprises	208,445	209,627	(0.6)%
Depreciation and amortization	225,482	223,230	1.0%
Total operating expenses	\$ 2,999,341	\$ 2,974,203	0.8%
Operating loss	\$ (1,045,698)	\$ (1,045,469)	(0.00)%
Non-operating revenues (expenses)			
State appropriations	\$ 345,328	\$ 357,504	(3.4)%
Grants, contracts, and gifts	646,337	538,214	20.1%
Share of State sales tax revenues	58,706	63,604	(7.7)%
Investment income	66,972	68,884	(2.8)%
Interest expense on debt	(48,321)	(56,592)	(14.6)%
Other non-operating revenues, net	8,420	11,454	(26.5)%
Net non-operating revenues	\$ 1,077,442	\$ 983,068	9.6%
Income (loss) before capital and endowments	\$ 31,744	\$ (62,401)	150.9%
Capital appropriations	26,014	25,791	0.9%
Other capital and endowment additions	121,085	31,898	279.6%
Total capital and endowments	\$ 147,099	\$ 57,689	155.0%
Increase (decrease) in net position	\$ 178,843	\$ (4,712)	3895.5%
Net position, beginning of year	1,176,580	1,181,292	(0.4)%
Adjustment to and restatement of beginning net position*	27,206	-	-
Net position, beginning of year, as restated*	1,203,786	-	-
Net position, end of year	\$ 1,382,629	\$ 1,176,580	17.5%

* Due to implementation of GASB Statement No. 101 as disclosed in Note 1 in the accompanying notes to the financial statements, beginning net position was restated in the comparative table shown above.

Total Revenues

The following chart represents total revenues of \$3,226,505 for fiscal year 2025:



Operating and non-operating grants, contracts, and gifts: Revenues vary from year to year for many reasons, including the availability of funding from sponsors, the commencement or closure of particularly large, sponsored projects, and unanticipated gift revenues. Grants, contracts, and gifts increased by \$68.9 million in comparison to fiscal year 2024 primarily due to an increase of \$79.6 million in commitment funds associated with partner hospitals, offset by decreases of \$6.5 million in Coronavirus Response and Relief Supplemental Appropriations Act Governor's Emergency Education

Relief (GEER) II funds and \$5.0 million in American Rescue Plan Act State and Local Fiscal Recovery Funds due to one-time grants received in the prior year.

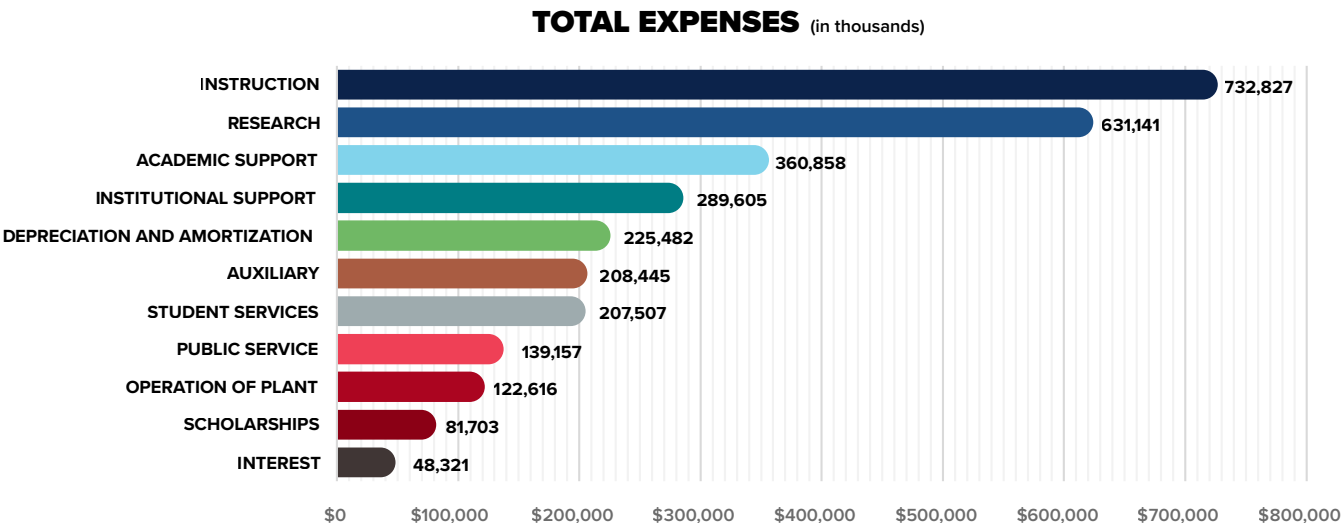
Other capital and endowment additions: Other capital and endowment additions increased by \$89.2 million in comparison to fiscal year 2024 primarily due to one-time grant funding for the CAMI building project of \$53.4 million, one-time capital gifts for the Arizona Public Media Facility project of \$25.4 million, and additions to permanent endowments of \$8.6 million.



Photo: FJ Gaylor

Total Expenses

The following chart represents total expenses by functional classification of \$3,047,662 for fiscal year 2025:

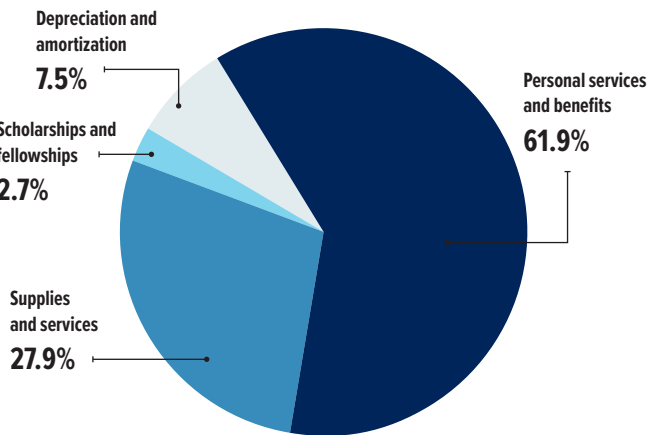


Total expenses increased by \$16.9 million in comparison to fiscal year 2024. Expenditures remained relatively flat, with only a 0.6% increase, primarily due to the concerted efforts by leaders across the university to address operational efficiency, which included restructuring university offices, improving the delivery of key campuswide services, and optimizing the management of university facilities and billing systems.

Operating Expenses by Natural Classification

In addition to programmatic (functional) classification of operating expenses, a summary of the university's expenses by natural classification (in thousands of dollars), as listed in Note 12, for the years ended June 30, 2025 and 2024 is as follows:

	FY 2025	FY 2024	% Change
Personal services and benefits	\$ 1,856,329	\$ 1,858,590	(0.1)%
Supplies and services	835,827	810,503	3.1%
Scholarships and fellowships	81,703	81,880	(0.2)%
Depreciation and amortization	225,482	223,230	1.0%
Total operating expenses	\$ 2,999,341	\$ 2,974,203	0.8%



Condensed Statement of Cash Flows

The statement of cash flows provides additional information about the university's financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the university's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the university. Due to the categorization of operating and non-operating expenses by GASB, cash flows from operating activities are typically a net cash use. Net cash flows from noncapital financing activities is a major funding source for operating expenses and includes state appropriations, donations, and other activities not covered in the other sections. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show all the uses of cash and cash equivalents to purchase investments, and all the increases in cash and cash equivalents as a result of selling investments or earning income on cash and investments. The following summarizes cash flows for fiscal years 2025 and 2024 (in thousands of dollars):

Cash Provided By (Used For):	FY 2025	FY 2024
Operating activities	\$ (828,932)	\$ (789,725)
Noncapital financing activities	1,057,666	960,943
Capital financing activities	(195,842)	(348,803)
Investing activities	(65,679)	179,410
Net increase (decrease) in cash and cash equivalents	(32,787)	1,825
Cash and cash equivalents, beginning of year	85,264	83,439
Cash and cash equivalents, end of year	\$ 52,477	\$ 85,264

CAPITAL AND DEBT ANALYSIS

The University of Arizona capital program is developed through a formal process involving internal committees, the Arizona Board of Regents (ABOR), and the State Joint Committee on Capital Review (JCCR). The process starts with the preparation of a comprehensive annual Capital Improvement Plan (CIP) as required by Arizona Revised Statutes § 41-793 and ABOR Policy 7-102. The CIP presents the university's strategic plan on space and capital acquisition to meet short and long-term requirements. It outlines the current capital funding allocation for the university, specifically for building renewal, deferred maintenance, facility leases, and other critical construction projects. The CIP covers a three-year period and focuses on addressing space deficiencies in academic, research, student services/support services, and deferred maintenance. The CIP also provides a summary of the university debt information including debt ratio projections to comply with ABOR policy and State statutes. The projects in the CIP are prioritized at a later date by university management and presented to ABOR for approval through the Annual Capital Plan (ACP). The ACP presents immediate need for capital projects in the coming 12 months including the estimated budget costs of the project, how the project aligns with the university's strategic plan, funding source(s), and any associated debt information. Each project on the ACP must also receive an individual project and financing approval that authorizes the university to proceed with financing and execution of construction contracts for the project. Projects to be financed by debt must also be reviewed or approved by JCCR.

During fiscal year 2025, the university completed and placed in service the College of Agriculture and Life Sciences Food Product and Safety Lab. This project was constructed at a total cost to the university of \$11.8 million and was financed with state capital appropriations. In order to fulfill the university's teaching, research, and extension missions in this field, the facility has been upgraded to meet new standards for animal welfare, increase the overall security of the facility, and increase the facility's access efficiency.

In addition, there were ongoing major building projects at various stages within the capital process including: the Center for Advanced Molecular and Immunotherapies of \$232.0 million, the Arizona Public Media Building of \$63.0 million, and the Electrical and Computer Engineering Micro/Nano Fabrication Facility Renovation of \$25.0 million.

The university generally finances capital improvements and acquisitions through the issuance of System Revenue Bonds (SRBs), Stimulus Plan for Economic and Education Development (SPEED) Revenue Bonds, or Certificates of Participation (COPs). Stimulus Plan for Economic and Education Development (SPEED) was authorized by the Arizona State Legislature to stimulate the State's economy through capital construction for State universities. This legislation also authorizes the use of State lottery revenue allocations to fund up to 80% of the annual debt service on all projects financed by SPEED Revenue Bonds. The three State universities are responsible for at least 20% of the debt service. Prior to issuing any non-refunding Bonds or COPs, the university



Photo: The University of Arizona

must provide a financing and funding plan in the ACP for ABOR approval. Additionally, the project is required to be reviewed or approved by JCCR. The amount of debt the university is capable of issuing is limited by a debt ratio of 8% as defined by State law (Arizona Revised Statutes § 15-1683) and ABOR Policy 7-102(B)(2)(e)(3). The debt ratio is determined by annual debt service on Bonds and COPs as a percentage of total operating expenses and debt service. At June 30, 2025, the university's debt ratio was 3.6%. The university's credit rating on its outstanding SRBs is Aa3 by Moody's and AA- by Standard and Poor's.

During fiscal year 2025, the university issued one SPEED Revenue Bond with one series and one System Revenue Bond with two series. The SPEED Revenue Refunding Bonds Series 2024 were issued for \$116.5 million to refund the 2013 and 2014 SPEED Revenue Bonds. The System Revenue and Revenue Refunding Bonds Series 2025A were issued for \$118.5 million to finance the construction of the Arizona Public Media Building, the Arizona Health Sciences Center Renovation project, and to refund the 2014, 2015A, and 2018A System Revenue Bonds. The System Revenue Bonds Series 2025B were issued for \$42.1 million to finance deferred maintenance projects.

Detailed capital asset and debt information can be found in Notes 5 and 8, respectively, in the accompanying notes to the financial statements.

ECONOMIC OUTLOOK

The University of Arizona continuously evaluates programmatic and institutional changes to strengthen its role as a center for advanced graduate and professional studies, while also emphasizing research and excellence in undergraduate education. University management is diligently working to develop short and long-term strategic plans to address these changes and other challenges affecting the financial health of the institution. In partnership with the Arizona Board of Regents, the university is actively pursuing creative solutions to contain costs and generate new revenues, ensuring the continued delivery of quality and affordable education.

In January 2024, the university projected a current operating budget deficit of \$177.0 million. The university implemented budget reductions designed to minimize the impact on academic programs, with administrative units incurring greater decreases than academic units. The immediate actions taken, including temporary

measures implemented by the university, coupled with better than projected revenue performance, reduced the fiscal year 2024 budget deficit from the projected \$177.0 million to \$65.0 million. During fiscal year 2025, the university eliminated the remaining \$65.0 million deficit. This improvement was achieved through a series of measures that allow the university to substantially improve its long-term financial health, including more efficient allocation of financial aid for new students, targeted budget reductions with the largest portion of the savings coming from reductions in administrative expenses, embedding two previous colleges into existing operations, and continued reorganization of administrative services in information technology, human resources, marketing communications, business and finance, facilities management, and university development. These efforts are complemented by enhanced planning and monitoring tools to support leaders, along with accountability controls such as annual staffing plans and monthly budget-to actual reviews.

The Arizona Board of Regents approved the university's fiscal year 2026 annual operating budget, which includes an estimated 3.7% increase in revenues and a \$55.4 million increase in net position over the fiscal year 2025 budget. This includes the fiscal year 2026 total State appropriation to the University of Arizona of \$365.8 million, which reflects a decrease by the State of \$5.5 million, or approximately (1.5)%.

The fiscal year 2026 budget marks considerable progress and allows for investment in key strategic areas that are aligned with the university's mission. It reflects the university's commitment to the promises made to its students, parents, faculty and staff, and the State of Arizona by providing services that are as efficient and effective as possible. For fiscal year 2025, the Arizona Board of Regents voted to maintain current undergraduate tuition and fee rates for residents and increase non-residents by 1.9%. The university continues to return a portion of tuition revenue in the form of need-based aid.

Since the university is ultimately subject to the same economic variables that affect other financial entities, it is difficult to predict future outcomes. Management is working diligently to continue to provide quality instruction, research and public service to the State of Arizona and the nation.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2025 (in thousands of dollars)

Assets	
Current assets	
Cash and cash equivalents (Note 3)	\$ 16,915
Short-term investments (Note 3)	367,223
Receivables:	
Accounts receivable (net of allowances of \$14,172)	110,737
Government grants and contracts receivable	116,355
Leases receivable	4,707
Student loans (net of allowances of \$34)	1,427
Inventories	7,869
Prepaid expenses	21,219
Total current assets	\$ 646,452
Noncurrent assets	
Restricted cash and cash equivalents (Note 3)	\$ 35,562
Restricted investments with trustee (Note 3)	229,062
Restricted investments with bond trustees (Note 3)	98,852
Restricted long-term investments (Note 3)	93,834
Long-term investments (Note 3)	110,537
Endowment investments (Note 3)	354,615
Equity interest in joint venture (Note 4)	988
Student loans receivable (net of allowances of \$1,628)	40,453
Leases receivable	82,663
Net OPEB asset (Note 11)	25,250
Prepaid expenses	602
Capital assets, not being depreciated/amortized (Note 5)	493,978
Capital assets, being depreciated/amortized, net (Note 5)	2,349,601
Total noncurrent assets	\$ 3,915,997
Total Assets	\$ 4,562,449
Deferred Outflows of Resources	
Deferred outflows related to pensions (Note 10)	\$ 144,519
Deferred outflows related to OPEB (Note 11)	47,633
Deferred amounts from refunding of debt	19,535
Total Deferred Outflows of Resources	\$ 211,687

STATEMENT OF NET POSITION (CONTINUED)

Liabilities	
Current liabilities	
Accounts payable	\$ 90,006
Accrued payroll and benefits	49,828
Accrued compensated absences, current portion (Note 7)	11,489
Unearned revenue and deposits (Note 6)	148,377
Pension liability, current portion (Note 10)	6,111
OPEB liability, current portion (Note 11)	3,786
Current portion of long-term debt and other obligations (Note 8)	
To be funded by university revenues	89,239
To be funded by State of Arizona appropriations and State Lottery monies	26,119
Capital commitments, current portion (Note 4)	5,000
Total current liabilities	\$ 429,955
Noncurrent liabilities	
Accrued compensated absences (Note 7)	\$ 79,341
Net pension liability (Note 10)	670,573
OPEB liability (Note 11)	118,613
Long-term debt and other obligations (Note 8)	
To be funded by university revenues	1,146,689
To be funded by State of Arizona appropriations and State Lottery monies	376,224
Capital commitments (Note 4)	28,000
Total noncurrent liabilities	\$ 2,419,440
Total Liabilities	\$ 2,849,395
Deferred Inflows of Resources	
Deferred inflows related to pensions (Note 10)	\$ 42,572
Deferred inflows related to OPEB (Note 11)	188,421
Deferred amounts from refunding of debt	23,225
Deferred inflows related to leases	83,532
Resources received before time requirements met (Note 3)	204,362
Total Deferred Inflows of Resources	\$ 542,112
Net Position	
Net investment in capital assets	\$ 1,218,725
Restricted for nonexpendable:	
Endowments	184,869
Student loans	49,970
Restricted for expendable:	
Scholarships and fellowships	6,031
Academic/departmental uses	194,427
Capital projects	37,297
Debt service	11,706
Other postemployment benefits	25,250
Unrestricted (deficit)	(345,646)
Total Net Position	\$ 1,382,629

See Notes to Financial Statements



Photo: The University of Arizona

STATEMENT OF FINANCIAL POSITION – COMPONENT UNITS

June 30, 2025 (in thousands of dollars)

	University of Arizona Foundation	Other	Total
Assets			
Cash and cash equivalents	\$ 266,805	\$ 9,607	\$ 276,412
Restricted cash	-	4,322	4,322
Pledges receivable, net	27,039	1,597	28,636
Accounts receivable, net	-	5,441	5,441
Contract assets	-	46	46
Investments in securities	1,459,138	16,529	1,475,667
Prepaid expenses	-	1,967	1,967
Property and equipment, net	337	29,039	29,376
Intangible assets, net	-	2,623	2,623
Operating lease assets	-	2,076	2,076
Other assets	4,848	1,294	6,142
Total Assets	\$ 1,758,167	\$ 74,541	\$ 1,832,708
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	\$ 7,306	\$ 5,066	\$ 12,372
Fair value of endowments managed for the university	253,284	-	253,284
Annuities payable and other trust liabilities	18,306	-	18,306
Deferred revenue and deposits	-	6,892	6,892
Short-term and long-term debt and lease obligations	-	7,361	7,361
Total Liabilities	\$ 278,896	\$ 19,319	\$ 298,215
Net Assets			
Without donor restrictions	\$ 31,087	\$ 37,406	\$ 68,493
With donor restrictions	1,448,184	17,816	1,466,000
Total Net Assets	\$ 1,479,271	\$ 55,222	\$ 1,534,493
Total Liabilities and Net Assets	\$ 1,758,167	\$ 74,541	\$ 1,832,708

See Notes to Financial Statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30, 2025 (in thousands of dollars)

Operating Revenues	
Student tuition and fees, net of scholarship allowances of \$580,412	\$ 978,165
Federal grants and contracts	448,763
State grants and contracts	15,692
Local grants and contracts	5,395
Nongovernment grants and contracts	164,022
Sales and services of educational departments	80,204
Auxiliary enterprises, net of scholarship allowances of \$13,280	248,679
Other operating revenues	12,723
Total operating revenues	\$ 1,953,643
Operating Expenses	
Educational and general	
Instruction	\$ 732,827
Research	631,141
Public service	139,157
Academic support	360,858
Student services	207,507
Institutional support	289,605
Operation and maintenance of plant	122,616
Scholarships and fellowships	81,703
Auxiliary enterprises	208,445
Depreciation and amortization (Note 5)	225,482
Total operating expenses	\$ 2,999,341
Operating Loss	\$ (1,045,698)
Nonoperating Revenues (Expenses)	
State appropriations	\$ 345,328
Share of State sales tax revenues	58,706
Federal grants and appropriations	218,021
State and other government grants	36,620
Nongovernment grants and contracts	249,525
Gifts	142,171
Investment income	66,972
Interest expense on debt	(48,321)
Other nonoperating revenues, net	8,420
Net nonoperating revenues	\$ 1,077,442
Income before Capital and Endowment Additions	\$ 31,744

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

Capital grants, gifts, and conveyances	\$ 88,498
Capital appropriations	26,014
Capital commitment - State Lottery Revenue	20,137
Additions to permanent endowments	12,450
Total capital and endowment additions	\$ 147,099
Increase in Net Position	\$ 178,843
Net Position	
Net Position – Beginning of year	1,176,580
Adjustment to and restatement of beginning net position	27,206
Net Position – Beginning of year, as restated	1,203,786
Net Position - End of year	\$ 1,382,629

See Notes to Financial Statements



Photo: The University of Arizona

STATEMENT OF ACTIVITIES – COMPONENT UNITS

Year Ended June 30, 2025 (in thousands of dollars)

	University of Arizona Foundation	Other	Total
Revenues			
Sales and services	\$ 5,213	\$ 19,644	\$ 24,857
Contributions and grants	137,451	5,448	142,899
Rental revenues	-	30,368	30,368
Investment income, net	110,588	1,848	112,436
Other income	13,398	164	13,562
Total revenues	\$ 266,650	\$ 57,472	\$ 324,122
Expenses			
Program services:			
Contracting related expenses	-	\$ 14,665	\$ 14,665
Leasing related expenses	-	28,132	28,132
Payments to the university	\$ 143,935	-	143,935
Payments on behalf of the university	13,962	3,002	16,964
Supporting services:			
Administration and general	9,638	7,794	17,432
Fundraising	17,552	86	17,638
Total expenses	\$ 185,087	\$ 53,679	\$ 238,766
Increase in Net Assets	\$ 81,563	\$ 3,793	\$ 85,356
Net Assets - Beginning of year	\$ 1,397,708	\$ 51,429	\$ 1,449,137
Net Assets - End of year	\$ 1,479,271	\$ 55,222	\$ 1,534,493

See Notes to Financial Statements



Photo: Tom Kubik

STATEMENT OF CASH FLOWS

Year Ended June 30, 2025 (in thousands of dollars)

Cash Flows from Operating Activities		
Tuition and fees	\$	969,845
Grants and contracts		608,215
Payments for salaries, wages and benefits		(1,850,274)
Payments to suppliers		(845,806)
Payments for scholarships and fellowships		(81,703)
Loans issued to students		(7,877)
Collections on loans to students		2,868
Auxiliary enterprise receipts		244,805
Sales and services of educational departments		81,040
Funds held for others received		17,670
Funds held for others disbursed		(13,802)
Other receipts		46,087
Net cash used for operating activities	\$	(828,932)
Cash Flows from Noncapital Financing Activities		
State appropriations	\$	345,328
Share of State sales tax receipts		58,706
Gifts, contracts, and grants for other than capital purposes		652,195
Direct Loans received		414,897
Direct Loans disbursed		(413,460)
Net cash provided by noncapital financing activities	\$	1,057,666
Cash Flows from Capital Financing Activities		
Proceeds from issuance of capital debt, including premiums	\$	303,946
Capital appropriations, grants, and gifts received		112,785
Capital commitment - State Lottery revenue		20,137
Proceeds from sale of capital assets		1,003
Purchase of capital assets		(209,921)
Principal paid on capital debt/obligations		(357,858)
Interest paid on capital debt/obligations		(65,934)
Net cash used for capital financing activities	\$	(195,842)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	\$	2,335,183
Interest and dividends on investments		41,478
Purchase of investments		(2,442,340)
Net cash used by investing activities	\$	(65,679)
Net decrease in Cash and Cash Equivalents	\$	(32,787)

STATEMENT OF CASH FLOWS (CONTINUED)

Cash and Cash Equivalents		
Cash and Cash Equivalents, July 1, 2024		85,264
Cash and Cash Equivalents, June 30, 2025	\$	52,477
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	\$	(1,045,698)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization		225,482
Net funds held for others		3,868
Miscellaneous income		34,674
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Net OPEB asset		(4,428)
Net pension liability		43,070
Deferred outflows of resources related to pensions		(53,520)
Deferred inflows of resources related to pensions		19,372
OPEB liability		10,806
Deferred outflows of resources related to OPEB		16,313
Deferred inflows of resources related to OPEB		(38,955)
Receivables, net		(30,620)
Equity interest in joint venture		2,257
Inventories		(1,193)
Prepaid expenses		(3,263)
Accounts payable		(9,559)
Accrued payroll and benefits and compensated absences		13,397
Unearned revenue and deposits		(10,935)
Net cash used for operating activities	\$	(828,932)
Significant Noncash Transactions		
Gifts and conveyances of capital assets	\$	1,727
Change in fair value of investments		25,660
Change in fair value of equity interest in joint venture		(2,257)
Change in fair value of restricted investments with trustee		22,280
Refinancing long-term debt		225,100
Amortization of bond discount, prepaid insurance, and deferred cost of refundings		(1,139)
Amortization of bond premium		10,477
Net loss on disposal of capital assets with an original cost of \$71,030 and accumulated depreciation of \$48,249 and cash proceeds of \$1,003		(21,778)
Capital-related accounts payable		4,137
Intangible right-to-use lease and subscription asset additions		20,743

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements include all activities that the university directly controls. In addition, the financial statements include the financial position and activities of the university's discretely presented component units as described in Notes 2 and 14. Fiscal responsibility for the university remains with the State of Arizona; therefore, the university is an integral part of the State of Arizona's tri-university system, which is an enterprise fund in the State of Arizona's *Annual Comprehensive Financial Report*.

The component units are legally separate, private, nonprofit organizations that report under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the component units' financial information in the university's financial report. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the university.

Change in Reporting Entity: In fiscal year 2025, the university established Arizona Sports Enterprises (ASE), a legally separate nonprofit corporation, to manage its multimedia rights agreements, and entered into an affiliation agreement with ASE. ASE is reported as a discretely presented component unit of the university. Because ASE was established in the current fiscal year, there was no effect on the beginning net assets of the discretely presented component units.

Basis of Presentation

The financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) applicable to governmental colleges and universities engaged only in business-type activities as adopted by the Governmental Accounting Standards Board (GASB).

The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; and a Statement of Cash Flows.

The Statement of Net Position provides information about assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the university at June 30. Assets and liabilities are classified as either current or noncurrent. Current liabilities are obligations that will be paid within one year of the statement date, and current assets are those resources available to satisfy current liabilities. Deferred outflows/

inflows of resources are resources that have been consumed or acquired that are applicable to a future reporting period. Net position is the residual amount and is classified according to external donor restrictions or availability of assets to satisfy university obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation and amortization, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position is comprised of gifts received for endowment purposes and revolving student loan funds, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes, including other postemployment benefits. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

The Statement of Revenues, Expenses and Changes in Net Position provides information about the university's financial activities during the year. Revenues and expenses are classified as either operating or nonoperating, and all changes in net position are reported, including capital contributions and additions to endowments. Operating revenues and expenses generally result from exchange transactions. Accordingly, revenues such as tuition and fees, sales and services of auxiliary enterprises, and most government and nongovernment research grants and contracts, in which each party receives and gives up essentially equal values, are considered operating revenues. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35, including state appropriations, nonexchange grants, gifts, and investment income. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization of capital assets. Other expenses, such as interest expense on debt, are considered nonoperating expenses.

The Statement of Cash Flows provides information about the university's sources and uses of cash and cash equivalents during the year. Increases and decreases in cash and cash equivalents are classified as either operating, noncapital financing, capital financing, or investing.

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. State appropriations

are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The university eliminates all internal activity.

Accounting Changes and Error Correction

Change in Accounting Principle: For the year ended June 30, 2025, the university implemented the provisions of GASB Statement No. 101, Compensated Absences. GASB Statement No. 101 establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits. A compensated absence is defined as leave for which employees may receive one or more cash payments when the leave is used for time off, other cash payments, such as payment for unused leave upon termination of employment, or noncash settlements, such as conversion to defined postemployment benefits. The statement requires recognition of current and noncurrent liabilities for compensated absences in the financial statements for leave that has not been used but that management reasonably estimates will be used in future periods and for leave that has been used but not yet paid or settled as of the date of the financial statements.

Affected financial statement line items are as follows:

- Accrued compensated absences, current portion
- Accrued compensated absences
- Net position, beginning of year – as restated

The university applied this change retroactively by restating beginning net position for the cumulative effect of the change on prior periods. Net position as of July 1, 2024, has been restated as follows (in thousands of dollars):

Net position, as previously reported June 30, 2024	\$	1,176,580
Change in accounting principle		27,206
Net position, as restated July 1, 2024	\$	1,203,786

Change in Accounting Estimate: For the year ended June 30, 2025, the university revised its methodology for calculating the scholarship allowance. Previously, institutional aid was allocated between scholarship allowance and student aid expense using NACUBO Advisory Report 2000-05, *Accounting and Reporting Scholarship Discounts and Allowances to Tuition and Other Fee Revenues by Public Institutions of Higher Education*. In accordance with new guidance, NACUBO Advisory 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount*, the university now uses student information system data to match institutional aid to student charges, providing a more accurate calculation of the discount and its allocation between tuition and fees and auxiliary revenue.

The change was applied prospectively, with no restatement of beginning net position. Affected financial statement line items are as follows:

- Student tuition and fees, net of scholarship allowances
- Auxiliary enterprises, net of scholarship allowances
- Scholarships and fellowships



Error Correction: During fiscal year 2025, the university reclassified the beginning balance of \$20.8 million associated with the net other postemployment benefit (OPEB) asset related to the Arizona State Retirement System (ASRS) and Public Safety Personnel Retirement System (PSPRS) OPEB plans from unrestricted net position (deficit) to restricted for expendable other postemployment benefits as required by the GASB. Fiscal year 2024 balances have been restated in the MD&A and net position by component in the statistical section. There was no effect on total net position because this error only pertained to the proper classifications of net position.

Significant Accounting Policies

The methods of applying GAAP that materially affect financial presentation are summarized below:

Cash and Investments:

- Cash equivalents include all highly liquid investments with an original maturity of 90 days or less.
- Investments are stated at fair value at June 30.
- Investment income includes interest and dividend earnings and changes in fair value of investments during the fiscal year from the investment of endowment, operating, and applicable trustee funds.

Endowment Spending Rate Policy: Arizona State law permits the university to expend the entire net appreciation of endowment fund investments. When determining the spending rate for endowment funds managed by the university, the Investment Committee and university administration consider long- and short-term needs, total investment return and price level trends, and general economic conditions. For fiscal year 2025, the expendable rate was established at 4.25% based on a twelve-quarter average fair value of principal account balances as of December 31, 2023, and assumes no additions or deductions to those balances from that date forward. Donor restricted endowments that are available for expenditure are reported as restricted and expendable on the Statement of Net Position.

Inventories: Inventories consist primarily of items held for resale and supplies. Items held for resale are stated at the lower of cost (determined by the first-in, first-out or the weighted average method) or market. Supplies are stated at cost.

Special Collections and Historical Treasures: The university maintains special collections and historical treasures for educational purposes and public exhibition. These special collections include Kress, Pfeiffer, and Gallagher artwork, Ansel Adams, Harry Callahan, David Hume Kennerly, and Edward Weston photography collections, American Indians of the

Southwest archeological collection, pottery whole vessel collection, and several medical and law book collections. They are not subject to disposal for financial gain or encumbrance. Accordingly, such collections are not capitalized for financial statement purposes but are inventoried for property control purposes.

Capital Assets: Capital assets are reported at actual cost or, if donated, at acquisition value. The capitalization thresholds and estimated useful lives for capital assets of the university are as follows:

Asset Category	Capitalization Threshold (\$)	Estimated Useful Life (yrs)
Land	1	n/a
Construction in progress	100,000	n/a
Buildings and improvements	100,000	15 – 50
Infrastructure	100,000	10 – 100
Equipment (various equipment, machinery, vehicles and other)	5,000	3 – 25
Library materials	1	10
Intangibles:		
Intangible assets, computer software ≥ \$10 million	10,000,000	10
Intangible assets, computer software < \$10 million	1,000,000	5
Right-to-use subscription assets	1,000,000	See below
Right-to-use lease assets (buildings)	100,000	See below

Equipment with a per-unit cost below the \$5,000 capitalization threshold that is acquired as a group of assets with a total cost of \$200,000 or more is capitalized and depreciated over the group’s estimated useful life.

Capital assets, other than land, construction in progress, and intangible assets with indefinite useful lives, are depreciated over their estimated useful lives using the straight-line method.

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the university has determined is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset.

Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Compensated Absences: The university offers various types of leave benefits including vacation, sick, parental, military, bereavement, holiday, and sabbatical leave. The university evaluated each type of leave under GASB Statement No. 101, *Compensated Absences*. Compensated absences represent employee vacation leave earned but not used at fiscal year-end that the university reasonably estimates that employees will utilize in future periods. The university uses a last-in, first-out (LIFO) flows assumption and historical usage data to determine the compensated absences liability. Leave balances are accrued as a liability on the statement of net position and reported as an expense in the Statement of Revenues, Expenses, and Changes in Net Position. Additional information, including the treatment of unused leave upon termination, is provided in Note 7 to the accompanying financial statements.

Pension and Other Postemployment Benefits: For purposes of measuring the net pension and OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Scholarship Allowances: A scholarship allowance is the difference between the stated charge for tuition and fees and other student-related auxiliary charges and the amount paid by the student or third parties making payments on behalf of the student. Accordingly, some types of student financial aid such as fee waivers, Pell grants, and scholarship awards are considered scholarship allowances if used to pay tuition, fees, and certain auxiliary charges. These allowances are netted against tuition and auxiliary revenues in the Statement of Revenues, Expenses and Changes in Net Position.

Leases: As lessee, the university recognizes lease liabilities with an initial, individual value of \$0.1 million or more. The university uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The university's estimated incremental borrowing rate is based on its most recent public debt issuance.

As lessor, the university recognizes lease receivables with an initial, individual value of \$0.1 million or more. The university leases ground and building space to third parties under the provisions of various lease agreements for uses including offices, commercial space, clinical space, and mixed-use space. If there is no stated rate in the lease contract (or if the stated rate is not the

rate the university charges the lessee) and the implicit rate cannot be determined, the university uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The university's estimated incremental borrowing rate is calculated as described above. During the fiscal year ended June 30, 2025, the university had \$4.7 million in current leases receivable and \$82.7 million in non-current leases receivable and recognized total lease-related revenues of \$6.5 million.

Subscription-based Information Technology

Arrangements: The university recognizes subscription liabilities with an initial, individual value of \$1.0 million or more. The university uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate in the arrangement. The university's estimated incremental borrowing rate is calculated as described above.

Restricted and Unrestricted Resources: The university has both restricted and unrestricted resources available for most programs. Restricted resources are externally restricted for a specific purpose and primarily include sponsored research grants and contracts and gifts. The university's policy regarding whether to first apply restricted or unrestricted resources is made on a case-by-case basis. Restricted resources remain classified as such until spent.

NOTE 2. COMPONENT UNITS

The financial statements of the university include the operations of the University of Arizona Foundation, Inc., Campus Research Corporation, Law College Association of the University of Arizona, Arizona Sports Enterprises, University of Arizona Applied Research Corporation, and Eller Executive Education, all discretely presented component units. For financial reporting purposes, only the statement of financial position and statement of activities are included in the university's financial statements as required by U.S. generally accepted accounting principles for public colleges and universities. Discretely presented component units are reported on separate pages following the university's respective counterpart financial statements because those component unit financial statements are prepared in accordance with non-governmental U.S. generally accepted accounting principles (i.e., FASB). Each discretely presented component unit discussed below has a June 30 year-end.

Component units can be defined as legally separate entities for which the university is considered to be financially accountable. GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* have set forth criteria to be considered in determining

financial accountability. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion under GASB Statement No. 14, *The Financial Reporting Entity*, a financial benefit or burden relationship also would need to be present between the primary government and the organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, GASB Statement No. 61 clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making that determination. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, provides additional criteria for determining whether certain organizations are component units. Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should also be considered component units, with discrete presentation. These criteria are (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the university, its component units, or its constituents (2) the university, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the university, or its component units, is entitled to, or has the ability to otherwise access, are significant to the university.

Discretely Presented Component Units

The University of Arizona Foundation, Inc. (Foundation) is a legally separate, tax-exempt, private nonprofit corporation governed by a separate Board of Trustees. The Foundation was established for the primary purpose of advancing the university by building relationships, securing philanthropic support, and stewarding assets. Although the university does not control the timing or amount of receipts from the Foundation, the Foundation's restricted resources are significant to the university and can only be used by, or for the benefit of, the university or its constituents. As the university is also entitled to the benefit of these resources, the Foundation is considered a component unit of the university and is discretely presented in the university's financial statements. The Foundation's financial statements are not publicly available. For information regarding the Foundation's financial statements, contact the University of Arizona Foundation Comptroller at: The University of Arizona Foundation, Financial Services Office, 1111 N. Cherry Ave., Room 403, Tucson, Arizona 85721-0109.

Campus Research Corporation (CRC) is a legally separate, tax-exempt, private nonprofit corporation

governed by a separate Board of Directors and was established to assist the university in the acquisition, improvement, and operation of the University of Arizona Science and Technology Parks, the original UA Tech Park at Rita Road and the UA Tech Park at The Bridges, related properties and entities. CRC currently leases from the university all the buildings at the UA Tech Park at Rita Road. CRC is responsible for assisting in the development of the presently undeveloped portions of the UA Tech Parks and for subleasing unoccupied space and newly developed space. The university is responsible for payment of the operational expenses associated with the space occupied by university departments, offices, and programs. All net proceeds received by CRC from its activities, after retention for operations and improvements, as defined by the master lease agreement, and reserves, will be distributed to the university. As the university approves CRC's budget and can access its resources (i.e., leased property and new building construction on the property), fiscal dependency and a benefit/burden relationship exist between the organizations, making CRC a component unit of the university. As CRC does not meet any of the blending criteria in GASB Statement No. 14, as amended, CRC is presented as a discrete component unit in the university's financial statements. For information regarding CRC's financial statements, contact the Chief Executive Officer at: Tech Parks Arizona, 9070 South Rita Road, Suite 3500, Tucson, Arizona 85747-6112.

The Law College Association of the University of Arizona (Law College Association) is a legally separate, tax-exempt, private nonprofit corporation governed by a separate Board of Directors and was established to provide support and financial assistance to the College of Law at the University of Arizona. The Law College Association funds provide support to the College on many levels, from endowed student scholarships to named faculty professorships. The funds also provide support for various academic programs. As the economic resources held by the Law College Association are significant to the university and are entirely or almost entirely for the direct benefit of the university, and as the university is entitled to a majority of the economic resources received or held by the Law College Association, it is considered a component unit of the university and is discretely presented in the university's financial statements. For information regarding the Law College Association's financial statements, contact the Law College Association at: Law College Association, James E. Rogers College of Law at the University of Arizona, 1201 E. Speedway Blvd., Tucson, Arizona 85721-0176.

Arizona Sports Enterprises (ASE) is a legally separate, tax-exempt, private nonprofit corporation governed by a separate Board of Directors. ASE was established to support the mission, objectives, and programmatic goals of the University of Arizona and its

Department of Athletics through the development and commercialization of the university's athletics corporate sponsorship program, promotion of the university athletic brand, and administration of athletic-related multi-media intellectual property. As the economic resources held by ASE are expected to be significant to the university and are entirely or almost entirely for the direct benefit of the university, and the university is entitled to a majority of the economic resources received or held by ASE, it is considered a component unit of the university and is discretely presented in the university's financial statements. For information regarding ASE's financial statements, contact ASE at: Arizona Sports Enterprises, 1 National Championship Drive, Tucson, AZ 85721-0096.

The University of Arizona Applied Research Corporation (UA-ARC) is a legally separate, tax-exempt, private nonprofit corporation governed by a separate Board of Directors, all members of which are appointed by the President and Provost of the University of Arizona. UA-ARC was established to further the educational, research and development objectives of the university through conducting applied multidisciplinary research and development in the areas of optics, hypersonics, quantum information science, artificial intelligence cyber security, and space related research. As the university President and Provost appoint all UA-ARC board members and can remove any member at will, the university can impose its will on UA-ARC, making UA-ARC a component unit of the university. As UA-ARC does not meet any of the blending criteria in GASB Statement No. 14, as amended, UA-ARC is presented as a discrete component unit in the university's financial statements. For information regarding UA-ARC's financial statements, contact UA-ARC at: The University of Arizona Applied Research Corporation, 1600 East Idea Lane, Suite 401, Tucson, Arizona 85713-0011.

Eller Executive Education (EEE) is a legally separate, tax-exempt, private nonprofit corporation governed by

a separate Board of Directors, all members of which are appointed by the President of the University of Arizona. EEE was established to advance the missions of the Eller College of Management and University of Arizona through noncredit, non-degree programs for business, government, and nonprofit leaders. Through leadership and business programs for local, regional, and international organizations, EEE helps organizations solve their leadership challenges. Given that these programs are customized and unlike any typical university course, EEE fills an education market that is not otherwise effectively addressed by the university. In the process, EEE advances university goals in outreach, workforce, and faculty development. As the university President appoints all EEE board members and can remove any member at will, the university can impose its will on EEE, making EEE a component unit of the university. As EEE does not meet any of the blending criteria in GASB Statement No. 14, as amended, EEE is presented as a discrete component unit in the university's financial statements. For information regarding EEE's financial statements, contact EEE: Eller Executive Education, P.O. Box 210108, Tucson, Arizona 85721-0108.

NOTE 3. DEPOSITS AND INVESTMENTS

A. General

At June 30, 2025, the university's deposits and investments had a fair value of \$1.3 billion. The required disclosures are included in sections B through D of this footnote.

Included in the university's deposits and investments are capital project funds totaling \$98.9 million which are held in trust by a commercial bank and available for future construction costs. Trust funds are invested in accordance with the Arizona Board of Regents' authorizing resolutions, as disclosed in section B of this footnote.



Photo: Chad Holder

Endowment funds totaling \$253.3 million managed by the University of Arizona Foundation (Foundation) make up a portion of the deposits and investments. These funds are primarily held in a pooled endowment fund managed under a service contract with the Foundation and invested in the Foundation's Endowment Pool (Pool). The university's endowment assets are maintained separately on the financial system of the Foundation and receive a proportional share of the Pool activity. As such, the Foundation owns the assets of the Pool; the university has an interest in the Pool, which is considered an external investment pool to the university. The Pool invests in a variety of asset classes, including common stocks, fixed income, foreign investments, private equity and hedge funds. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The Foundation's Investment Committee is responsible for oversight of the Pool in accordance with Foundation policies. Included in these investments are balances invested on behalf of the Arizona Student Financial Aid Trust (ASFAT). ASFAT was established by the Arizona Board of Regents and is funded by the Arizona State Legislature and student fees. The university's ASFAT funds are recorded as endowment investments at \$55.0 million.

Further, the university is the sole beneficiary of the University of Arizona Academic Enhancement Fund Trust (Trust). Trust assets totaled \$229.1 million at June 30, 2025 and are recorded in the university's Statement of Net Position as restricted investments with trustee. Trust assets, less university contributions to the trust, are offset by a \$204.4 million deferred inflow of resources because not all time requirements have been met. The purpose of the Trust is to provide ongoing funding over 30 years, beginning in fiscal year 2015, in the form of \$20.0 million annual distributions to the university for academic enhancements, faculty recruitment, and program development at the Arizona Health Science Center. The university has entered into an investment agreement with a third party, Banner Health, to direct the investment activity of the trustee in accordance with Banner policies. In the event the Trust becomes insolvent or does not generate sufficient income to make the annual distributions, Banner Health is contractually obligated to make the annual distribution payments to the university from other sources.

B. Statutory and Arizona Board of Regents' Policies

Arizona Revised Statutes requires collateral for deposits at 102% of all deposits of the university not covered by federal deposit insurance. Further policy regarding deposits is provided by the Arizona Board of Regents. According to Board policy, deposits can be made only at depository banks approved by the Board.

The Statutes do not specifically address the investment policy of the university; rather, Arizona Board of Regents' policy governs in this area. Board policy requires that the university arrange for the safekeeping of securities by a bank or other financial institution approved by the Board. Also under Board policy, the university is limited to investing its pooled operating funds in certificates of deposit, collateralized repurchase agreements, United States Treasury securities, federal agency securities, investment grade corporate bonds or in the government investment pool administered by the State Treasurer's Office.

Investment of capital project funds held with bond trustees are subject to investment policy set by the Board and included in bond indentures. The monies may be invested in obligations of or guaranteed by the federal government or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities; or in certificates of deposit of federally insured banks, trust companies or savings and loan associations in the State of Arizona.

With regard to endowments, Arizona Board of Regents' policy dictates that these funds are to be invested under the direction of an investment committee designated by the president of each university. At the University of Arizona, the investment committee is responsible for defining, developing, and implementing investment objectives, policies, and restrictions. However, if donors restrict investments, Board policy requires that the university invest those funds separately as directed by the donor, and the individual endowments bear all changes in value.

The State of Arizona Treasurer's pools are not registered with the SEC. The State of Arizona Board of Investment provides oversight for the State of Arizona Treasurer's pools.

The university's deposit and investment policies follow the Arizona Board of Regents' policies.

C. Deposit and Investment Risk

Custodial Credit Risk: University policy for its operating funds requires all repurchase agreements to be collateralized with government debt securities or cash balances held in the comptroller's demand deposit account. Beyond this requirement, the university does not have a policy that specifically addresses custodial credit risk. At June 30, 2025, \$27.7 million of the university's total deposits and investments is exposed to custodial credit risk since a portion of the university's endowment funds are held by trustees. These deposits and securities are held by the counterparties in the names of the individual donors as irrevocable trusts for the benefit of the university.

Credit Risk: With regard to credit risk, university policy restricts investment of the operating funds to certificates of deposit and collateralized repurchase agreements, United States Treasury securities, federal agency securities, investment grade corporate bonds or the government investment pool administered by the State Treasurer's Office. When investing operating funds, university policy requires corporate bonds and notes to be of investment grade quality, rated Baa or higher by Moody's Investors Service, at the time of purchase.

The university does not have a formal policy that specifically addresses credit risk over endowment funds. As indicated in Section A of this note, \$253.3 million of the university's endowment funds are held in the Foundation's Endowment Pool, which is not rated. The Foundation's Investment Committee manages the credit risk of the Pool's investments. Other university endowment funds held by external trustees are invested in accordance with donor restrictions and those investments' credit quality ratings are included in the following table.

The following table presents credit risk by investment type (in thousands of dollars) at June 30, 2025:

Investment Type	Moody's/Standard & Poor's Rating						
	Fair Value	Not Rated	Aaa/AAA	Aa/AA	A/A	Baa/BBB	Ba/BB
Commercial Paper	\$ 29,934	-	-	-	\$ 29,934	-	-
Corporate Bonds	291,780	-	\$ 3,077	\$ 19,934	97,188	\$ 166,610	\$ 4,971
Federal Agency Securities	123	-	-	123	-	-	-
Fixed Income Mutual Funds	1,250	\$ 1,250	-	-	-	-	-
Money Market Mutual Funds	323,910	-	323,910	-	-	-	-
Municipal Bonds	251	-	126	125	-	-	-
State Treasurer's Pool 3	1,931	1,931	-	-	-	-	-
Total	\$ 649,179	\$ 3,181	\$ 327,113	\$ 20,182	\$ 127,122	\$ 166,610	\$ 4,971

The university used both Moody's and Standard & Poor's to determine the credit quality ratings of its debt securities. When a debt security investment was rated by only one of the rating agencies, that credit quality rating was disclosed. When a debt security was rated by both rating agencies, the university disclosed the credit quality rating with the greatest degree of risk.

Concentration of Credit Risk: Other than United States Treasury securities and other federal agency securities, which can represent greater than 5% of total investments,

university policy limits investment in a single issuer to 5% or less of the fair value of the total portfolio. The university does not have an investment in any single issuer that exceeds 5% of the overall portfolio.

Interest Rate Risk: The university does not have a formal policy for interest rate risk. The following chart presents the interest rate risk for the university's debt investments (in thousands of dollars) at June 30, 2025, utilizing the segmented time distribution method:

Investment Type	Maturity Date				
	Fair Value	< 1 Year	1-5 Years	6-10 Years	> 10 Years
Commercial Paper	\$ 29,934	\$ 29,934	-	-	-
Corporate Bonds	291,780	179,263	\$ 111,252	\$ 1,147	\$ 118
Federal Agency Securities	123	-	-	123	-
Fixed Income Mutual Funds	1,250	-	768	462	20
Money Market Mutual Funds	323,910	323,910	-	-	-
Municipal Bonds	251	-	251	-	-
State Treasurer's Pool 3	1,931	1,931	-	-	-
US Treasury Securities	85,204	20,783	55,656	8,765	-
Total	\$ 734,383	\$ 555,821	\$ 167,927	\$ 10,497	\$ 138

Foreign Currency Risk: The university's foreign investments (in thousands of dollars) at June 30, 2025, are shown in the table below. Foreign currency - denominated investments are part of the university's endowment portfolios. University policy does not include any specific requirements for foreign currency risk. University endowment funds held by external trustees are invested in accordance with donor restrictions.

Investment Type	Currency	Fair Value
Common Stocks	Various	\$ 687
Equity Mutual Funds	Various	7,947
Fixed Income Mutual Funds	Various	154
Mutual Funds - Asset Allocation	Various	1,087
Total		\$ 9,875

D. Fair Value of Investment Assets

The university measures and categorizes its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines establish a three-tier hierarchy of inputs to valuation techniques used to measure fair value, as follows:

- Level 1: Quoted prices for identical investments in active markets that are accessible at the measurement date;
- Level 2: Inputs, other than quoted market prices included within Level 1, that are observable, either directly or indirectly;
- Level 3: Prices or valuations that require inputs that are significant to the fair value measurement and unobservable.

Fair value measurements (in thousands of dollars) as of June 30, 2025, were as follows:

	Hierarchy Fair Value			
	As of June 30, 2025	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Commercial Paper	\$ 29,934	-	\$ 29,934	-
Common Stocks	6,738	\$ 6,094	644	-
Corporate Bonds	289,028	-	289,028	-
Equity Mutual Funds	52,813	52,297	516	-
Fixed Income Mutual Funds	1,140	1,140	-	-
Money Market Mutual Funds	323,670	323,670	-	-
Mutual Funds - Asset Allocation	1,200	754	-	\$ 446
Private Equities	528	-	-	528
Real Estate	607	-	-	607
US Treasury Securities	85,204	85,204	-	-
Total investments by fair value level	\$ 790,862	\$ 469,159	\$ 320,122	\$ 1,581
Other Investments at Fair Value				
Academic Enhancement Fund Trust	229,062			
State Treasurer's Pool 3	1,931			
Interest in Permanent Endowment	14,067			
University of Arizona Foundation	253,284			
Total other investments at fair value	\$ 498,344			
Investments at Net Asset Value (NAV)				
Equity Mutual Funds	9,251			
Total investments at net asset value	\$ 9,251			
Total investments at fair value	\$ 1,298,457			

Investments Classified in Fair Value Hierarchy

Investments categorized as Level 1 of the fair value hierarchy are valued using unadjusted prices quoted for identical assets in active, exchange and brokered markets for those securities. Investments categorized as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments categorized as Level 3 of the fair value hierarchy are valued using various methods. The fair value of private equities are valued using multiple pricing options. For managed assets, business appraisers use valuation methodologies based on a number of assumptions to create the price.

For non-managed assets, pricing is provided by various sources including the issuer or private investment manager. Real estate is valued by using the market approach industry standard valuation technique which includes independent appraisals.

Other Investments at Fair Value

The fair values of the Academic Enhancement Fund Trust and Interest in Permanent Endowment are derived from their respective custodial bank's independent pricing services. The university has beneficial interests in these investment accounts, and determines fair value based on the university's percentage of beneficial interest, which is the unit of account for purposes of fair value determination.

The fair value of a participant's portion in the State Treasurer's Pool 3 approximates the value of that participant's pool shares and the participant's shares are not identified with specific investments. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the university held.

The fair value of the university's position in the University of Arizona Foundation Pool is based on the university's proportionate share of the Pool, which is valued at marked-to-market monthly.

Investments at Net Asset Value

Equity mutual funds include event-driven hedge funds investing in corporate financial restructurings, major operational reorganizations, distressed situations, and other events. The funds are valued using the Net Asset Valuation per share and have a quarterly redemption frequency with 90 days' notice. There are no unfunded commitments.



Photographer: Jacob Chinn, University of Arizona Philanthropy and Alumni Engagement

NOTE 4. JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Joint Venture: The university is a participant in the Large Binocular Telescope Corporation (LBT). LBT was formally incorporated as a nonprofit corporation in August 1992 pursuant to a Memorandum of Understanding, as amended, executed on February 24, 1989, between the university and INAF Astrophysical Observatory in Florence, Italy. The purpose of the joint venture is to design, develop, construct, own, operate and maintain a binocular telescope located in Arizona. The current members of LBT are the university, Istituto Nazionale di Astrofisica, The Ohio State University, and LBT Beteiligungsgesellschaft (LBTB).

The university has committed resources equivalent to 26.25% of LBT's construction costs and annual operating costs. The university has made total cash contributions of \$19.2 million and contributions of services and materials of \$6.0 million, which is recorded as equity interest in joint venture on the statement of net position. The university's financial interest represents future viewing/observation rights. As of December 31, 2007, the assets had been substantially completed and the telescope entered the commissioning phase. During calendar year 2007, the telescope became operational for research purposes and depreciation of the property and equipment commenced. The university recorded its proportionate share of the use of the viewing/observation rights, \$2.3 million in calendar year 2025, as a reduction in its equity interest. At June 30, 2025, the equity interest totaled \$1.0 million. According to the most recent audited financial statements of LBT for the year ended December 31, 2024, assets, liabilities, revenues and expenses totaled \$94.6 million, \$7.6 million, \$15.2 million, and \$22.0 million, respectively. For information regarding LBT's financial statements, contact the University of Arizona Comptroller at the following address: The University of Arizona, Finance & Budget, 888 N. Euclid Ave., Room 502, Tucson, Arizona 85721.

Jointly Governed Organization: The Giant Magellan Telescope Organization (GMTO) is a non-stock, nonprofit, jointly governed corporation founded to own

and administer the planning, design, construction and operation of the 25-meter Giant Magellan Telescope, a proposed astronomical telescope and its associated buildings, equipment and instrumentation, to be located in northern Chile. The GMTO is jointly governed by several leading educational and research institutions from the United States, Australia, Brazil, Chile, Israel, South Korea, and Taiwan, including the University of Arizona. The university comprises two of the seventeen members of the GMTO Board of Directors and is one of fifteen founders and participants. The GMTO will hold all rights, title and interest to and in the telescope. Although the university does not have a defined equity interest, as a founder the university will receive viewing rights to the telescope in proportion to its voluntary contributions to the project. The university has recognized an intangible asset related to the costs incurred during the Design Development and Construction/Commissioning Phases. The university has also signed agreements outlining capital commitments to the GMTO between July 2022 and July 2031. Changes in capital commitments related to the GMTO (in thousands of dollars) during the fiscal year ended June 30, 2025, were as follows:

GMTO Capital Commitments

Beginning balance	\$	35,000
Additions		-
Reductions		(2,000)
Ending balance	\$	33,000
Current portion	\$	5,000

The university has contributed a total of \$109.8 million to the GMTO as of June 30, 2025. The university has been and will be responsible for manufacturing the telescope's mirrors and will receive compensation from other GMTO founders and participants based on individual contractual agreements. As of June 30, 2025, the university has received contractual payments related to the project from the GMTO and related partners totaling \$91.9 million. Contractual payments were for projects related to mirror construction and process development and include the acquisition of glass and mold materials, the development of mirror testing systems, design study, and engineering support.



Photo: Adam Blumer, The University of Arizona

NOTE 5. CAPITAL ASSETS

Capital asset activity (in thousands of dollars) for the year ended June 30, 2025, was as follows:

	Beginning Balance July 1, 2024	Additions	Retirements	Transfers/ Reclasses	Ending Balance June 30, 2025
Land	\$ 129,948	\$ 781	-	-	\$ 130,729
Construction in progress:					
Real property	129,955	145,145	-	\$ (55,460)	219,640
Intangible assets:					
Telescope viewing rights	142,803	-	-	-	142,803
Computer software	978	825	\$ (343)	(654)	806
Total non-depreciable/amortizable capital assets	\$ 403,684	\$ 146,751	\$ (343)	\$ (56,114)	\$ 493,978
Buildings and improvements	\$ 3,710,400	\$ 7,270	\$ (1,597)	\$ 33,897	\$ 3,749,970
Infrastructure	334,514	1,111	-	21,563	357,188
Equipment	700,647	45,458	(14,978)	-	731,127
Intangible assets:					
Computer software	163,729	-	(31,539)	654	132,844
Right-to-use lease buildings	214,502	6,055	(19,746)	-	200,811
Right-to-use subscription assets	64,583	14,688	(667)	-	78,604
Library materials	405,267	16,264	(2,160)	-	419,371
Total depreciable/amortizable capital assets	\$ 5,593,642	\$ 90,846	\$ (70,687)	\$ 56,114	\$ 5,669,915
Less: accumulated depreciation/amortization					
Buildings and improvements	\$ 1,847,453	\$ 116,073	\$ (1,102)	-	\$ 1,962,424
Infrastructure	205,831	11,078	-	-	216,909
Equipment	503,592	38,841	(13,420)	-	529,013
Intangible assets:					
Computer software	152,066	8,208	(30,900)	-	129,374
Right-to-use lease buildings	62,471	21,213	-	-	83,684
Right-to-use subscription assets	31,594	16,438	(667)	-	47,365
Library materials	340,074	13,631	(2,160)	-	351,545
Total accumulated depreciation/amortization	\$ 3,143,081	\$ 225,482	\$ (48,249)	\$ -	\$ 3,320,314
Depreciable/amortizable capital assets, net	\$ 2,450,561	\$ (134,636)	\$ (22,438)	\$ 56,114	\$ 2,349,601
Capital assets, net	\$ 2,854,245	\$ 12,115	\$ (22,781)	-	\$ 2,843,579

In addition to expenditures through June 30, 2025, it is estimated that \$303.7 million will be required to complete projects under construction or planned for construction. Of that amount, \$119.0 million is contractually encumbered.

NOTE 6. UNEARNED REVENUE AND DEPOSITS

Unearned revenue consists primarily of amounts received from grants and contract sponsors that have not yet been earned under the terms of the agreements as well as tuition and fees received in advance. Unearned revenue also includes amounts received in advance of an event, such as advance ticket sales for sporting events.

Unearned revenue and deposits (in thousands of dollars) at June 30, 2025, consisted of the following:

Current Unearned Revenue and Deposits

Unexpended cash advances received for sponsored programs	\$ 73,823
Tuition and fees	49,729
Auxiliary sales and services	19,032
Other unearned revenue	4,129
Deposits	1,664
Total current unearned revenue and deposits	\$ 148,377

NOTE 7. ACCRUED COMPENSATED ABSENCES

Compensated absences consist of vacation leave earned by employees based on services already rendered. These balances are accrued when earned. Employees may carry forward from one calendar year to the next up to 320 accrued vacation hours depending on classification and years of service. Upon termination, accrued hours up to 176 will be paid. At fiscal year-end, the university accrued compensated absence balances for vacation leave that is more likely than not (likelihood of more than 50%) to be used for time off or otherwise paid in cash, such as payment for unused leave upon termination of employment, or settled through noncash means, as a liability in the financial statements. The university did not accrue sick time as the university uses a last-in, first-out (LIFO) flows assumption for determining usage of sick leave and does not reasonably expect sick leave earned in the current period to be used in future reporting periods. Upon retirement, employees with a minimum of 500 hours of accumulated sick time are paid a formulated amount from the Retiree Accumulated Sick Leave (RASL) fund administered by the Arizona Department of Administration (ADOA). The university pays a percentage of its payroll for RASL to ADOA and does not have further liability. Accrued compensated absences (in thousands of dollars) for the year ended June 30, 2025, were as follows:

Beginning balance	\$ 84,147*
Net increase	6,683
Ending balance	\$ 90,830
Current portion	\$ 11,489

*Due to the implementation of GASB Statement No. 101, the university's beginning accrued compensated absences liability and net position were restated from fiscal year 2024. See Note 1 for further information.



Photo: Chad Holder

NOTE 8. LONG-TERM LIABILITIES

Long-term debt, financed purchase obligations, lease, and subscription activity (in thousands of dollars) for the year ended June 30, 2025, was as follows:

	Beginning Balance July 1, 2024	Additions	Reductions	Ending Balance June 30, 2025	Due Within One Year
Bonds payable	\$ 1,232,405	\$ 277,105	\$ (282,335)	\$ 1,227,175	\$ 51,670
Certificates of participation	107,350	-	(22,630)	84,720	18,505
Financed purchase obligations	6,257	-	(106)	6,151	130
Subtotal long-term debt	\$ 1,346,012	\$ 277,105	\$ (305,071)	\$ 1,318,046	\$ 70,305
Premium on sale of debt	162,326	26,841	(35,887)	153,280	10,348
Discount on sale of debt	(35)	-	12	(23)	(10)
Total long-term debt obligations	\$ 1,508,303	\$ 303,946	\$ (340,946)	\$ 1,471,303	\$ 80,643
Lease liabilities	\$ 166,938	\$ 6,055	\$ (36,884)	\$ 136,109	\$ 19,852
Subscription liabilities	32,020	14,742	(15,903)	30,859	14,863
Total long-term liabilities	\$ 1,707,261	\$ 324,743	\$ (393,733)	\$ 1,638,271	\$ 115,358

Bonds: The university's bonded debt consists of various issues of System Revenue Bonds and Stimulus Plan for Economic and Educational Development (SPEED) revenue bonds that are generally callable with interest payable semi-annually. Bond proceeds are used to pay for acquiring or constructing capital facilities, infrastructure and for refunding obligations from previously issued bonds.

For all outstanding SPEED revenue bonds, up to 80% of the debt service payments are payable from the university's SPEED revenue bond account monies, which are derived from certain revenues of the Arizona State Lottery as defined by State Statute. To the extent SPEED revenue bond account monies are not sufficient to make debt service payments, the SPEED revenue bonds are secured by a pledge of certain university gross revenues, such as student tuition and fees, but that pledge is subordinate to the pledge of those gross revenues for the university's System Revenue Bonds.

On October 9, 2024, the university issued SPEED Revenue Refunding Bonds, Series 2024 (2024 Bonds) for \$116.5 million dated on October 24, 2024, as described below.

Series	Amount	Description	Interest Rate Range	Maturity
2024	\$ 116,535	Serial Bonds	5.00%	2025 to 2045

The 2024 Bonds maturing on or after August 1, 2035, are subject to optional redemption on August 1, 2034, and on any date thereafter without a premium. The 2024 Bonds sold at a premium of \$14.0 million. The university realized net proceeds of \$130.0 million after payment of \$1.0 million for issuance costs and underwriter discounts. The net proceeds were used to current refund \$24.4 million of the SPEED Revenue Bonds Series 2013 and \$104.2 million of the SPEED Revenue Bond Series 2014.

The refunding generated a net present value economic gain of \$14.0 million (difference between the present values of the old debt and the new debt service payments) for the university. The refunding decreases the university's debt service by an average of \$0.7 million in years one through twenty. This refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$12.1 million. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being amortized to interest expense through the year 2045 using the straight-line method.

On May 14, 2025, the university sold System Revenue and Revenue Refunding Bonds, Series 2025A (2025A Bonds) for \$118.5 million, and Series 2025B (2025B Bonds) for \$42.1 million, dated June 3, 2025, as described below.

The 2025A Bonds maturing on or after June 1, 2036, will be subject to optional redemption on June 1, 2035, and on any date thereafter without a premium. The 2025A Bonds with a maturity on June 1, 2050, and June 1, 2055, are subject to mandatory redemption without premium pursuant to the debt documents.

Series	Amount	Description	Interest Rate Range	Maturity
2025A	\$ 103,250	Serial Bonds	5.00%	2027 to 2045
	\$ 15,250	Term Bonds	5.00%	2050 to 2055
2025B	\$ 42,070	Serial Bonds	5.00%	2027 to 2045

The 2025A Bonds sold at a premium of \$9.6 million. The university realized net project proceeds of \$96.5 million after payment of \$0.9 million for issuance costs and underwriter discounts. The net proceeds were used to finance a portion of the Arizona Public Media Building project, the Arizona Health Sciences Center (Building 201) renovation project, current refund \$5.5 million of the System Revenue Bond Series 2014, and current refund a portion of the System Revenue Bond Series 2015A and 2018A for \$59.7 million and \$31.3 million, respectively.

The refunding generated a total net present value economic gain of \$7.0 million (difference between the present values of the old debt and the new debt service payments) for the university. The refunding decreases the university's debt service by \$8.9 million in year one, \$5.3 million in year two, and then increases debt service by an average of \$0.6 million in year three through fifteen. This refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$11.1 million. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being amortized to interest expense through the year 2055 using the straight-line method.

The 2025B Bonds maturing on or after June 1, 2036, will be subject to optional redemption on June 1, 2035, and on any date thereafter without a premium. The 2025B Bonds sold at a premium of \$3.2 million. The university realized net proceeds of \$45.0 million after payment of \$0.3 million for issuance costs and underwriter discounts. The net proceeds were used to finance deferred maintenance projects.



Photo: Chad Holder

The following schedule details outstanding bonds payable (in thousands of dollars) at June 30, 2025:

Issue	Original Amount	Year of Final Maturity	Interest Rates	Outstanding Principal
2012C – System Revenue Refunding Bonds	\$ 43,920	2034	3.336-3.912%	\$ 8,235
2015A – System Revenue Refunding Bonds	103,950	2045	4.00%	22,035
2016 – System Revenue Refunding Bonds	175,385	2039	3.00-5.00%	139,365
2016A – System Revenue Refunding Bonds	44,175	2040	3.00-4.00%	26,115
2016B – System Revenue Bonds	142,390	2046	4.00-5.00%	123,795
2018A – System Revenue Bonds	93,995	2043	3.25-5.00%	47,615
2018B – System Revenue Bonds	16,840	2043	3.00-5.00%	13,990
2019A – System Revenue Bonds	55,405	2044	4.00-5.00%	47,575
2019B – System Revenue Bonds	15,950	2044	3.05-3.90%	13,970
2020 – System Revenue Refunding Bonds	72,205	2042	2.422-3.201%	66,420
2020A – System Revenue Refunding Bonds	95,575	2048	1.151-2.974%	80,540
2021A – System Revenue Bonds	140,260	2043	5.00%	131,570
2021B – System Revenue Refunding Bonds	43,075	2048	4.00-5.00%	35,000
2021C – System Revenue Bonds	42,460	2043	1.08-2.902%	37,555
2025A – System Revenue Bonds	118,500	2055	5.00%	118,500
2025B – System Revenue Refunding Bonds	42,070	2045	5.00%	42,070
Subtotal - System Revenue Bonds	\$ 1,246,155			\$ 954,350
2013 – SPEED Revenue Bonds	70,125	2049	4.00%	16,250
2019 – SPEED Revenue Bonds	15,400	2045	2.97-3.94%	13,330
2020A – SPEED Revenue Refunding Bonds	108,180	2045	3.125-5.00%	92,170
2020B – SPEED Revenue Refunding Bonds	19,565	2044	2.103-3.293%	19,055
2020C – SPEED Revenue Refunding Bonds	23,120	2030	5.00%	15,485
2024 – SPEED Revenue Refunding Bonds	116,535	2045	5.00%	116,535
Subtotal – SPEED Revenue Bonds	\$ 352,925			\$ 272,825
Total	\$ 1,599,080			\$ 1,227,175

The following schedule details debt service requirements to maturity for System and SPEED Revenue Bonds payable (in thousands of dollars) at June 30, 2025:

Year	Principal	Interest
2026	\$ 51,670	\$ 52,856
2027	56,190	50,827
2028	65,530	48,472
2029	68,460	45,597
2030	69,295	42,599
2031-2035	296,845	171,455
2036-2040	307,960	106,135
2041-2045	259,610	39,676
2046-2050	43,065	5,564
2051-2055	8,550	1,324
Total	\$ 1,227,175	\$ 564,505

The university has pledged portions of its gross revenues towards the payment of debt related to all system revenue bonds, system revenue refunding bonds, SPEED revenue bonds, and SPEED revenue refunding bonds outstanding at June 30, 2025. The bonds generally provide financing for various capital projects of the university. These pledged revenues include student tuition and fees, auxiliary enterprise revenue, sales and service revenue and other operating revenues, such as indirect cost recovery and certain investment income. Pledged revenues do not include state appropriations, gifts, endowment income or other restricted revenues. At June 30, 2025, pledged revenues totaled \$2.1 billion of which 5.2% (\$108.2 million) was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 3.0% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity of June 1, 2055, is \$1.8 billion.

Certificates of Participation: The university utilizes Certificates of Participation to acquire buildings, equipment, and land. The Certificates are generally callable and are collateralized by the acquired assets. In the event of a default, the underlying asset value would be removed from the university's financial statements and the control of the assets would return to the trustee.

The following schedule details outstanding Certificates of Participation payable (in thousands of dollars) at June 30, 2025:

Issue	Original Amount	Year of Final Maturity	Interest Rates	Outstanding Principal
2006 Arizona Biomedical Research Collaborative Building Project	\$ 18,240	2031	4.40-4.50%	\$ 6,450
2018B Refund COPS 2007D	32,430	2031	5.00%	16,345
2021A Refund COPS 2012B, 2012C, 2015A, 2015B & 2018A	18,770	2031	5.00%	7,625
2021B Refund COPS 2012C	82,740	2031	1.367-2.284%	54,300
Total	\$ 152,180			\$ 84,720

The following schedule details debt service requirements to maturity for Certificates of Participation payable (in thousands of dollars) at June 30, 2025:

Year	Principal	Interest
2026	\$ 18,505	\$ 2,520
2027	13,095	1,933
2028	13,435	1,592
2029	13,800	1,221
2030	12,740	816
2031	13,145	420
Total	\$ 84,720	\$ 8,502

Financed Purchase Obligations: The university has entered into various long-term financed purchase obligations to acquire real estate and equipment. These purchases transfer ownership by the end of the contract, do not contain termination options, but may contain a fiscal funding or cancellation clause that is not reasonably certain to be exercised.

The following schedule details minimum payments to maturity for financed purchase obligations (in thousands of dollars) at June 30, 2025:

Year	Principal	Interest
2026	\$ 130	\$ 3
2027	92	-
2028	93	-
2029	94	-
2030	94	-
2031-2035	485	-
2036-2040	508	-
2041-2045	533	-
2046-2050	561	-
2051-2055	602	-
2056-2060	751	-
2061-2065	788	-
2066-2070	828	-
2071-2075	592	-
Total	\$ 6,151	\$ 3

Leases: The university has entered into certain leases that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. These are generally for real property and have remaining terms ranging from 1 to 28 years. The space associated with these leases can range from a small portion of a shared facility to entire facilities. The range of functions of the space the university leases include office and administrative space, classroom space, student space, and research space.

The total amount of lease assets and the related accumulated amortization are as follows (in thousands of dollars):

Total intangible right-to-use lease assets	\$ 200,811
Less: accumulated amortization	(83,684)
Carrying Value	\$ 117,127

The following schedule details minimum payments to maturity for leases greater than \$0.1 million (in thousands of dollars):

Year	Principal	Interest
2026	\$ 19,852	\$ 3,001
2027	20,032	2,529
2028	19,077	2,055
2029	18,596	1,604
2030	7,384	1,176
2031-2035	17,613	4,332
2036-2040	12,192	2,895
2041-2045	10,171	1,640
2046-2050	7,029	850
2051-2055	4,163	153
Total	\$ 136,109	\$ 20,235

Subscription-based Information Technology

Arrangements (SBITAs): The university has entered into certain subscription-based information technology arrangements that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. These are generally for enterprise-scale software as a service contracts.

The total amount of subscription assets and the related accumulated amortization are as follows (in thousands of dollars):

Total intangible right-to-use subscription assets	\$ 78,604
Less: accumulated amortization	(47,365)
Carrying Value	\$ 31,239

The following schedule details minimum payments to maturity for subscription arrangements greater than \$1.0 million (in thousands of dollars):

Year	Principal	Interest
2026	\$ 14,863	\$ 779
2027	8,450	441
2028	4,101	217
2029	1,960	104
2030	1,303	44
2031-2035	182	4
Total	\$ 30,859	\$ 1,589

NOTE 9. SELF-INSURANCE PROGRAM AND OTHER CLAIMS

The university is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets and data; errors and omissions; injuries to employees; and natural disasters. The university participates in a self-insurance program administered by the State of Arizona Department of Administration, Risk Management. Arizona Revised Statutes § 41-621 et seq. provides that losses eligible for coverage and not covered by insurance will be paid by the State from the self-insurance program or by a future appropriation from the State Legislature. Loss risks not covered by Risk Management and for which the university has no insurance coverage are losses that arise from contractual breaches or are directly attributable to an act or omission determined to be a felony by a court of law. The university has an Enterprise Risk Management program to ensure that risk exposures are identified and addressed across all areas of the organization. All estimated losses for unsettled claims and actions of the State are determined on an actuarial basis and are included in the State of Arizona *Annual Comprehensive Financial Report*.

From time to time, various claims and lawsuits associated with the normal conduct of university business are pending or may arise against the university. When the university becomes aware of a claim or potential claim, it assesses the likelihood of any loss or exposure. In accordance with the GASB, the university records loss contingencies in its financial statements only for matters in which losses are probable and can be reasonably estimated. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the university discloses the nature of the specific claim if the likelihood of a potential loss is reasonably possible.

On December 1, 2020, The University of Arizona Global Campus, an Arizona nonprofit corporation, acquired substantially all of the assets and operations and assumed certain liabilities of Ashford University, an

accredited and fully online university. On June 30, 2023, the university acquired substantially all of the assets and the operations and assumed substantially all of the liabilities of The University of Arizona Global Campus, including potential liabilities resulting from borrower defense to repayment (BDR) claims of former students of Ashford University approved by the U.S. Department of Education. In a public statement on August 30, 2023, the U.S. Department of Education announced its approval of \$72 million in BDR discharges for students who applied for relief from loans they took out to attend Ashford University. In this announcement, the Department stated its intent “to initiate a recoupment proceeding at a later date to seek repayment of the liabilities associated with these approved claims.” In subsequent communications, the U.S. Department of Education indicated its intent to seek recoupment of these BDR liabilities from the University of Arizona Global Campus and the university, and that additional BDR claims of former students of Ashford University were being considered and could ultimately increase the amount sought from the University of Arizona Global Campus and the university in a future recoupment action. Neither the University of Arizona Global Campus nor the university has received a requisite recoupment notice from the U.S. Department of Education. If the U.S. Department of Education were to seek recoupment of the liabilities related to the \$72 million in BDR discharges, the University of Arizona Global Campus and the university would vigorously challenge and defend against such a recoupment. The university anticipates that it is reasonably possible that the U.S. Department of Education will initiate a recoupment action against the University of Arizona Global Campus and the university for approved BDR claims of former Ashford University students, and the university believes that the amount of loss from such a recoupment action cannot be reasonably estimated based on the current facts and circumstances.

On January 15, 2025, the U.S. Department of Education announced the approval of a \$4.5 billion group discharge for approximately 261,000 student borrowers who attended Ashford University from March 1, 2009, through April 30, 2020, regardless of whether they submitted a BDR claim. This approval was based on evidence the California Department of Justice obtained during a lawsuit it brought against Ashford University and its parent entity Zovio Inc. Neither the University of Arizona Global Campus nor the university was a party to, and or participated in, the California lawsuit, and neither had a relationship with Ashford University or Zovio Inc during this time period. Neither the University of Arizona Global Campus nor the university has received any communication from the U.S. Department of Education indicating that it intends to seek recoupment based on this group discharge. If the U.S. Department of Education were to seek recoupment based on this group discharge, the University of Arizona Global Campus and the university would vigorously challenge and defend against such a recoupment. The university anticipates that it is remote that the U.S. Department of Education will initiate a recoupment action against the University of Arizona Global Campus and the university based on the group discharge, and the university believes that the amount of loss from such a recoupment action cannot be reasonably estimated based on the current facts and circumstances.

Participation in the various federal student financial assistance programs under Title IV programs allows for oversight and review pursuant to regulations promulgated by the U.S. Department of Education. In January 2017, the U.S. Department of Education began a program review of Ashford University for the 2015-16 and 2016-17 award years. The scope of one finding within the program review was expanded to also include the 2014-15, 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22 award years. On September 20, 2022,

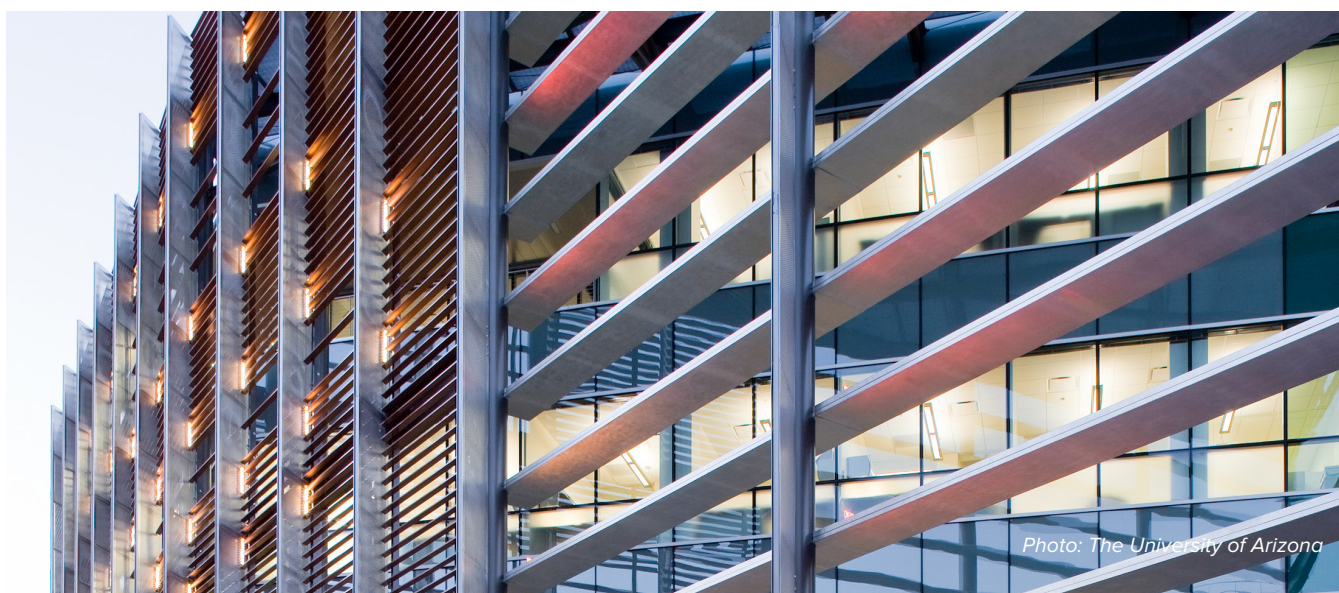


Photo: The University of Arizona

the U.S. Department of Education issued its Program Review Report to the University of Arizona Global Campus. Regarding this Program Review, the university had anticipated repayment to the U.S. Department of Education to be probable, estimated the range from \$2.1 million to \$8.0 million, and accrued \$2.1 million at June 30, 2024. The Department issued its Final Program Review Determination in a letter dated July 17, 2025, to President Garimella. Based on the information provided by the University of Arizona Global Campus, the U.S. Department of Education found it appropriate to revise the scope of its finding on the incorrect return of Title IV funds to only the 2021-2022 award year and beyond. The University of Arizona Global Campus concurred with this decision, reduced the accrual to \$0.2 million as of June 30, 2025, and returned all funds identified for this finding after fiscal year-end. The Program Review is now fully resolved and closed.

NOTE 10. PENSION PLANS

The university participates in the Arizona State Retirement System (ASRS), a cost-sharing, multiple-employer defined benefit pension plan, and two defined contribution plans which are described below. The university also contributes to the Public Safety Personnel Retirement System (PSPRS) state administered multiple-employer defined benefit pension plans. Although a PSPRS net pension liability has been recorded at June 30, 2025, PSPRS has not been further disclosed due to its relative insignificance to the university's financial statements.

For the year ended June 30, 2025, the university recognized total pension expense for all plans of \$115.4 million.

Changes in the university's net pension liability (in thousands of dollars) during the fiscal year ended June 30, 2025, were as follows:

Beginning balance	\$ 631,768
Increases	88,275
Decreases	(43,359)
Ending balance	\$ 676,684
Current portion*	\$ 6,111

*The current portion is attributable to the defined contribution pension plans.

A. Defined Benefit Plan

Arizona State Retirement System

Full benefit eligible Classified Staff are required, and full benefit eligible university staff, faculty, academic professionals, and administrative officers have the option, to participate in the Arizona State Retirement System (ASRS) defined benefit plan.

The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. That report may be obtained by visiting: www.azasrs.gov.

Benefits Provided: The ASRS provides retirement and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	any years, age 65	5 years, age 50*
		any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions: In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.12% of the members' annual covered payroll for retirement benefits, and statute required the university to contribute at the actuarially determined rate of 12.05% of the active members' annual covered payroll for retirement benefits. In addition, the university was required by statute to contribute at the actuarially determined rate of 10.14% of annual covered payroll of retired members who worked for the university in positions that an employee who contributes to the ASRS would typically fill. The university's contributions to the pension plan for the year ended June 30, 2025, were \$69.7 million.

Pension Liability: At June 30, 2025, the university reported a liability of \$656.8 million for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024. The university's proportion of the net pension liability was based on the university's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The university's proportion measured as of June 30, 2024, was 4.10% which was an increase of 0.31 from its proportion measured as of June 30, 2023.

Pension Expense and Deferred Outflows/Inflows of Resources: For the year ended June 30, 2025, the university recognized pension expense for ASRS of \$77.6 million. At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to pensions (in thousands of dollars) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,663	-
Net difference between projected and actual earnings on pension plan investments	-	\$ 41,945
Changes in proportion and differences between university contributions and proportionate share of contributions	35,423	-
University contributions subsequent to the measurement date	69,681	-
Total	\$ 141,767	\$ 41,945

The \$69.7 million reported as deferred outflows of resources related to ASRS pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense (in thousands of dollars) as follows:

Year ending June 30	
2026	\$ 515
2027	\$ 47,941
2028	\$ (10,618)
2029	\$ (7,697)
2030	-

Actuarial Assumptions: The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% 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. 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40%
Real estate	17%	6.05%
Private equity	10%	6.11%
Interest rate sensitive	6%	(0.45)%
Total	100%	

Discount Rate: At June 30, 2024, the discount rate used to measure the ASRS total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. 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 plan members. 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.

Sensitivity of the University’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate: The following table presents the university’s proportionate share of the net pension liability (in thousands of dollars) calculated using the discount rate of 7.0%, as well as what the university’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
University’s proportionate share of the net pension liability	\$ 1,005,731	\$ 656,823	\$ 366,039

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

B. Defined Contribution Plans

Plan Descriptions: In accordance with ARS § 15-1628, defining the authority under which benefit terms are established or may be amended, university staff, faculty, academic professionals, and administrative officers have the option to participate in defined contribution pension plans. For the year ended June 30, 2025, plans offered by the Teachers Insurance Annuity Association/ College Retirement Equities Fund (TIAA/ CREF) and Fidelity Investments Tax-Exempt Services Company (Fidelity) were approved by the Arizona Board of Regents. Benefits under these plans depend solely on the contributed amounts and the returns earned on investments of those contributions. Contributions made by members vest immediately; university contributions vest after five years of full-time employment. Non-vested contributions held by the university earn interest.

Member and university contributions and associated returns earned on investments may be withdrawn upon termination of employment, death, or retirement. The distribution of member contributions and associated investment earnings are made in accordance with the member’s contract with the applicable insurance and annuity companies.

Funding Policy: The Arizona State Legislature establishes the contribution rates for active plan members and the university. For the year ended June



30, 2025, plan members and the university were each required by statute to contribute an amount equal to 7.0% of a member's compensation.

Pension Liability: At June 30, 2025, the university reported a liability of \$17.6 million for non-vested defined contributions. If individuals terminate employment prior to vesting, any non-vested university contributions are retained by the university.

Pension Expense: For the year ended June 30, 2025, the university recognized pension expense for Defined Contribution Plans of \$36.2 million. The university's recognized pension expense includes forfeitures totaling \$3.0 million for the year ended June 30, 2025.

**NOTE 11. OTHER
POSTEMPLOYMENT BENEFITS**

Other postemployment benefits (OPEB) provided as part of university employment include the Arizona Department of Administration (ADOA) sponsored single-employer defined benefit postemployment plan as well as the ASRS sponsored cost-sharing, multi-employer defined benefit plan for the Long-Term Disability Fund (LTD) and the Health Benefit Supplement Fund (HBS). University public safety personnel who are regularly assigned to hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). PSPRS administers an agent multi-employer defined benefit health insurance premium benefit plan. Although an ASRS LTD OPEB liability and an ASRS HBS and PSPRS net OPEB asset have been recorded at June 30, 2025, these plans have not been further disclosed due to the relative insignificance to the university's financial statements.

For the year ended June 30, 2025, the university recognized total negative OPEB expense for all plans of \$11.2 million.

Changes in the university's OPEB liability (in thousands of dollars) during the fiscal year ended June 30, 2025, were as follows:

Beginning balance	\$	111,593
Increases		39,232
Decreases		(28,426)
Ending balance	\$	122,399
Current portion	\$	3,786

The Arizona Department of Administration

Plan Descriptions: The Arizona Department of Administration (ADOA) administers a single-employer defined benefit postemployment plan that provides medical and accident benefits to retired State employees, including university employees and their dependents. Title 38, Chapter 4 of the A.R.S. assigns the authority to establish and amend the benefit provisions to the Arizona State Legislature. The ADOA pays the medical costs incurred by retired employees minus a specified premium amount, which is paid for entirely by the retiree or on behalf of the retiree. These premium rates are based on a blend of active employee and retiree experience, resulting in a contribution basis which is lower than the expected claim costs for retirees only, which results in an implicit subsidization of retirees by the State. ADOA does not issue a separate, publicly available financial report.

A portion of the ADOA plan's implicit rate subsidy represents a liability to the university for its proportionate share of the total OPEB liability. The total OPEB liability is allocated to the university based on its percentage of contributions to the ADOA medical and dental plans.

Benefits Provided: The ADOA provides medical and accident benefits to retired State employees and their dependents. Dental and vision benefits are also available but are not valued as there is no implicit subsidization in the retiree rates.

Funding Policy: The ADOA's current funding policy for the single-employer plan is pay-as-you-go for OPEB benefits. There are no dedicated plan assets accumulated in a GASB-compliant trust to offset the total OPEB liability.

OPEB Liability: At June 30, 2025, the university reported a liability of \$122.3 million for its proportionate share of the ADOA's total OPEB liability. The total OPEB liability was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability as of June 30, 2024, reflects an increase in the discount rate due to changes in the bond index.

The university's proportion measured as of June 30, 2024, was 20.39%, which was an increase of 0.22 from its proportion measured as of June 30, 2023.

OPEB Expense and Deferred Outflows/Inflows of Resources: For the year ended June 30, 2025, the university recognized a negative OPEB expense for ADOA of \$7.9 million. At June 30, 2025, the university reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (in thousands of dollars) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 25,321	\$ 43,225
Difference between expected and actual experience	1,548	124,842
Changes in proportion and differences between university contributions and proportionate share of contributions	14,303	10,074
University benefit payments subsequent to the measurement date	3,786	-
Total	\$ 44,958	\$ 178,141

The \$3.8 million reported as deferred outflows of resources related to ADOA OPEB resulting from university benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ADOA OPEB will be recognized in OPEB expense as follows (in thousands of dollars):

Year Ended June 30	
2026	\$ (20,964)
2027	\$ (25,711)
2028	\$ (31,488)
2029	\$ (27,633)
2030	\$ (18,882)
Thereafter	\$ (12,291)

Actuarial Assumptions: The significant actuarial assumptions used to measure ADOA's total OPEB liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry age normal
Salary increases	2.90% to 8.40% varying by years of service
Discount rate	3.97% as of June 30, 2024
Healthcare cost trend rates:	
Medical (pre-65)	7.20% declining to 4.25% after 16 years
Medical (post-65)	5.10% declining to 4.25% after 10 years
Administrative costs	None
Contribution trend rates:	
Pre-65	7.20% declining to 4.25% after 16 years
Post-65	5.10% declining to 4.25% after 10 years
Mortality rates:	
Employees	Pub-2010 General Employee Mortality Tables projected with generational improvements from 2017 in accordance with the Ultimate MP scales.
Healthy Retirees and Spouses	2017 State Retirees of Arizona Mortality Tables projected with generational improvements from 2017 in accordance with the Ultimate MP scales.
Disabled Retirees	Pub-2010 Disabled Retiree Mortality Tables projected with generational improvements from 2017 in accordance with the Ultimate MP scales.

Benefit projections assume the specified premium amount will follow the current pattern of practice of being paid for entirely by the retiree or on behalf of the retiree. The specified premium amounts are projected to increase at the contribution trend rates noted above. Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

Discount Rate: The discount rate was based on the Fidelity "20-Year Municipal GO AA Index."

Sensitivity of the University's Proportionate Share of the ADOA's Total OPEB Liability: The following table presents the university's proportionate share of the total OPEB liability (in thousands of dollars) calculated using the discount rate of 3.97%, as well as what the university's proportionate share of the total OPEB liability

would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate (in thousands of dollars):

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
University's proportionate share of the total OPEB liability	\$ 140,614	\$ 122,290	\$ 107,372

The following table presents the university's proportionate share of the total OPEB liability (in thousands of dollars) calculated using the healthcare cost and contribution trend rates stated above, as well as what the university's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost and contribution trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
University's proportionate share of the total OPEB liability	\$ 103,029	\$ 122,290	\$ 146,912

NOTE 12. OPERATING EXPENSES BY CLASSIFICATION

Operating expenses by functional and natural classification (in thousands of dollars) for the year ended June 30, 2025, consisted of the following:

	Personal Services and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 604,345	\$ 128,482	-	-	\$ 732,827
Research	431,793	199,348	-	-	631,141
Public service	82,163	56,994	-	-	139,157
Academic support	212,341	148,517	-	-	360,858
Student services	145,934	61,573	-	-	207,507
Institutional support	221,186	68,419	-	-	289,605
Operation and maintenance of plant	46,913	75,703	-	-	122,616
Scholarships and fellowships	-	-	\$ 81,703	-	81,703
Auxiliary enterprises	111,654	96,791	-	-	208,445
Depreciation and amortization	-	-	-	\$ 225,482	225,482
Total operating expenses	\$ 1,856,329	\$ 835,827	\$ 81,703	\$ 225,482	\$ 2,999,341

NOTE 13. UAGC 90/10 REVENUE PERCENTAGE CALCULATION

The University of Arizona Global Campus (UAGC) derives a substantial portion of its revenues from Federal educational assistance received directly by the school or by its students. To continue participating in programs authorized by Title IV of the Higher Education Act (HEA), UAGC must comply with regulations promulgated under the HEA, including those commonly referred to as the "90/10 rule." Under the 90/10 rule, a proprietary institution is required to derive at least 10% of its cash-basis revenues each fiscal year from sources other than Federal funds. The calculation is prepared on the cash basis of accounting in accordance with the U.S. Department of Education Office of Inspector General *Guide for Audits of Proprietary Schools* (Title IV Audit Guide, March 2023) and 34 C.F.R. § 668.28. Institutions

that derive more than 90% of their cash basis revenues from Federal funds in a fiscal year become provisionally certified for the next two fiscal years and may be subject to other enforcement measures. Any institution that violates the 90/10 rule for two consecutive fiscal years becomes ineligible to participate in Title IV programs for at least two fiscal years. UAGC remained classified as a proprietary institution by the U.S. Department of Education through the year ended June 30, 2025. On September 17, 2025, the Department of Education approved UAGC's change in ownership to the University of Arizona and classified UAGC as a public institution going forward, as recognized in its provisional program participation agreement with UAGC. The information below is required by the Department of Education and is presented for purposes of additional analysis; it is not a required part of the basic financial statements.

The following table provides UAGC's 90/10 calculation (in thousands of dollars) for the year ended June 30, 2025:

Adjusted Student Federal Revenue	\$167,290	72.91%
Adjusted Student Federal Revenue + Adjusted Non-Federal Revenue and Revenue from Other Sources	\$229,444	

Revenue Category	Amount Disbursed	Amount Adjusted
Student Title IV Revenue		
Title IV Credit Balance Carried Over from Prior Year	\$ 3,556	\$ 2,804
Federal Direct Loan	143,792	114,271
Federal Pell Grant	65,101	40,540
FSEOG	1,501	440
Total Student Title IV Revenue	\$ 213,950	\$ 158,055
Refunds Paid to Students	(26,509)	(26,509)
Adjusted Student Title IV Revenue	\$ 187,441	\$ 131,546
Student/Other Federal Funds Paid Directly to Student		
Federal Funds Paid Directly to Students	\$ 1,525	\$ 1,487
Total Student/Other Federal Funds Paid Directly to Student	\$ 1,525	\$ 1,487
Refunds Paid to Student	(79)	(79)
Adjusted Student/Other Federal Funds Paid Directly to Student	\$ 1,446	\$ 1,408
Student/Other Federal Funds Paid Directly to the Institution		
Federal Agency Payments Paid Directly to the Institution	\$ 44,805	\$ 34,702
Total Student Federal Funds Paid Directly to Institution	\$ 44,805	\$ 34,702
Refunds Paid to Students	(366)	(366)
Adjusted Student Title IV Federal Funds Paid Directly to the Institution	\$ 44,439	\$ 34,336
Adjusted Student Federal Revenue	\$ 233,326	\$ 167,290
Revenue From Other Sources		
Activities conducted by the institution that are necessary for education and training	-	-
Funds paid to the institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs	-	-
Revenue from Other Sources	-	-
Adjusted Non-Federal Revenue and Revenue from Other Sources	\$ 64,629	\$ 62,154
Total Federal and Non-Federal Revenue	\$ 297,955	\$ 229,444
Student Non-Federal Revenue		
Grant funds for the student from non-Federal public agencies or private sources independent of the institution	\$ 43,300	\$ 43,015
Funds provided for the student under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals	-	-
Funds used by a student from savings plan for educational expenses established by or on behalf of the student that qualify for special tax treatment under the Internal Revenue Code	-	-
Qualified institutional scholarships disbursed to the student	-	-
Student payments	23,290	21,100
Student Non-Title IV Revenue	\$ 66,590	\$ 64,115
Refunds Paid to Student	(1,961)	(1,961)
Adjusted Non-Federal Revenue	\$ 64,629	\$ 62,154

NOTE 14. DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

A. Summary of Significant Accounting Policies

The University of Arizona Foundation

Basis of Accounting: For financial reporting purposes, two net asset categories are utilized to reflect resources according to the existence or lack thereof of donor-imposed restrictions.

- *Without donor restrictions* — include assets and contributions that are not restricted by donors or for which such restrictions have expired.
- *With donor restrictions* — include assets and contributions for which donor-imposed restrictions have not been met. Temporarily restricted net assets are those which have been limited by donors to a specified purpose and permanently restricted net assets have been restricted by donors to be maintained or invested in perpetuity. Donor-restricted contributions are classified as such even if restrictions are satisfied in the same reporting period in which the contributions are received. The Foundation's endowment is included in net assets with donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents with original maturities of three months or less include monies held in overnight money market accounts and U.S. Treasury money market funds. Cash equivalents are stated at cost which approximates fair value.

Investments: Investments are stated at fair value. Such investments are exposed to various risks including market risk, company-specific risk, country-specific risk, interest rate risk, liquidity risk, and credit risk. Investments in domestic and international equity securities and mutual funds, U.S. fixed income obligations and mutual funds, REIT funds, and international fixed income mutual funds are valued based on quoted market prices. Investments in real estate and natural resources limited partnerships are recorded at fair value as determined by the fund manager.

Absolute return limited partnership and fund interests are recorded at fair value based on quoted market prices (where the underlying investment is a mutual fund) or as determined by the fund manager. Private equity (venture capital and buyout) and private credit limited partnership interests are recorded at fair value as determined by the fund manager. Investments in such alternative securities are highly susceptible to valuation changes.

Investment income comprises the sum of realized and unrealized gains and losses on investments and interest and dividends, net of investment expenses including the Foundation's Endowment Fee.

Annuities Payable and Other Trust Liabilities: Annuities payable and other trust liabilities of \$18.3 million at June 30, 2025 are stated at the actuarially-computed present value of future payments to the annuitants, which approximates fair value. The excess of the fair values of assets received over the actuarially computed annuities payable (using market rates in effect on the contribution date) is recorded as contributions in the year received. The fair values of assets held in trust at June 30, 2025 are \$32.5 million, of which \$1.7 million were without donor restrictions and \$30.8 million were with donor restrictions.

Net Assets Released from Restriction: As the restrictions on donor-restricted net assets are met, the net assets are reported as released from restriction and reclassified to net assets without donor restrictions. Payouts made from donor-restricted net assets are reported as released from restriction and transferred to net assets without donor restrictions. The total net assets reclassified and reported as net assets released from restriction for the year ended June 30, 2025, was \$158.5 million.

Fair Value of Financial Instruments: The Foundation's cash and cash equivalents, pledges receivable, investments, and annuities payable and other trust liabilities represent financial instruments. The carrying value of cash and cash equivalents, pledges receivable, and annuities payable and other trust liabilities approximates fair value.

Campus Research Corporation

Property, Equipment, Depreciation, and Amortization: Property and equipment are stated at cost. Expenditures for major improvements to property are capitalized and expenditures for repairs and maintenance are expensed as incurred. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the assets. CRC has recorded in the financial statements a building and related debt for which ABOR, on behalf of the university, holds the title to the building under the requirements of a lease.

Solar Zone Development: CRC has an agreement with Tucson Electric Power (TEP) to develop a portion of the Tech Park for a series of projects focused on the advancement of solar energy technologies. Under the terms of the agreement, CRC incurred certain infrastructure costs to develop the land to facilitate the construction of a solar zone and TEP reimbursed CRC for a portion of these costs. As CRC enters into various lease agreements with lessees who will construct solar projects, each lessee is charged a prorated portion of the development costs reimbursed by TEP and those costs are refunded to TEP. Costs related to the development of the solar zone are capitalized as incurred and included in property and equipment. Reimbursements from TEP are

recorded as deferred revenues. The capitalized costs and deferred revenues are allocated to the various solar projects and recognized as expenses and revenues over the term of the related leases.

Protected Water Facility Rights: CRC developed a well, well pump, one million gallon storage tank, various booster pumps, piping, valving, electrical, and other equipment and improvements required to operate a well booster station and water storage facility (Water Project) in accordance with their master water plan. The purpose of this development is to provide water throughout the Tech Park. The Water Project is substantially complete and title is held by ABOR. Ultimately, title of the Water Project will pass to the City of Tucson in exchange for protected water rights. Costs related to the construction of the Water Project are capitalized as incurred and allocated to specific phases of the project. These capitalized costs are expected to be reimbursed over time through the realization of the protected water rights. As each phase of the project is complete, CRC negotiates cost reimbursement from the end water user. These reimbursements are recognized as other revenue in the period that they are determined realizable. The allocated capitalized costs related to each phase are expensed in the period that the related reimbursement is recognized.

B. Investments

The University of Arizona Foundation

Investments (in thousands of dollars) are comprised of the following amounts at June 30, 2025:

	Carrying Value	Cost
Domestic/international equity securities and mutual funds	\$ 619,800	\$ 473,978
Private equity limited partnerships	282,870	229,306
U.S. fixed income obligations and mutual funds	227,565	229,319
Absolute return and private credit limited partnerships and funds	195,720	146,977
Natural resources limited partnerships	95,540	82,212
REIT funds and real estate limited partnerships	35,715	38,549
International fixed income mutual fund	1,928	2,031
Totals	\$ 1,459,138	\$ 1,202,372

Fair value is determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in

an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

As a basis for considering such assumptions, the Foundation utilizes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1* – Quoted prices in active markets for identical securities.
- *Level 2* – Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.) and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investments.
- *Level 3* – Significant unobservable inputs (including investee partnership's own assumptions in determining the fair value of investments). The inputs into determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the investments. The fair values are determined using factors involving considerable judgment.

Certain of the Foundation's investments are in alternative investment funds and limited partnerships (private equity, real estate, private credit, natural resources, and absolute return). The Foundation values its investments in alternative investment funds and limited partnership interests at the net asset value (NAV) as determined by the fund manager as a practical expedient to fair value. NAVs are updated monthly for domestic/international equity, absolute return, and certain private credit investments, and the Foundation uses the NAV as of the valuation date. As the NAV for the Foundation's investments in real estate, natural resources, private equity, and certain private credit partnerships are provided quarterly, the Foundation uses the latest NAV made available by the manager prior to the valuation date.

It is required that when observable market data is available, it be used in determining the fair value measurement. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

The following table presents the Foundation's investments (in thousands of dollars) at June 30, 2025, by valuation hierarchy:

	Quoted Prices In Active Markets for Identical Securities (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic/international equity securities and mutual funds	\$ 346,026	-	-	\$ 346,026
U.S. fixed income obligations and mutual funds	227,565	-	-	227,565
Absolute return funds	17,006	-	-	17,006
REIT funds	3,704	-	-	3,704
International fixed income mutual fund	1,928	-	-	1,928
Totals	\$ 596,229			\$ 596,229
Investments measured at NAV				862,909
				\$ 1,459,138

In accordance with Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, investments that were measured at NAV have not been classified in the fair value hierarchy but have been summarized in the table above. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to investments as presented in the statement of financial position.



Photo: Andrew Bourland, The University of Arizona

Additional information on investments that are measured at NAV per share as a practical expedient (in thousands of dollars) as of June 30, 2025, is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity limited partnerships	\$ 282,870	\$ 100,057	Not Applicable	Not Applicable
Equity long-only hedge funds	156,145	-	Monthly to Biennially	60-120 days
Equity long-only funds	117,628	-	Daily to semi-annually	5-90 days
Natural resources limited partnerships	95,541	30,086	Not Applicable	Not Applicable
Multi-strategy hedge funds	83,289	2,565	Quarterly	60-90 days
Equity long/short hedge funds	41,838	-	Quarterly	90 days
Private credit limited partnerships	33,319	7,044	Not Applicable	Not Applicable
Private real estate limited partnerships	32,011	11,646	Not Applicable	Not Applicable
Various funds, redemptions in process	20,268	-	Not Applicable	Not Applicable
Totals	\$ 862,909	\$ 151,398		

C. Endowment

The University of Arizona Foundation

The Foundation's endowment pool, included in assets with donor restrictions, consists of approximately 3,400 individual funds (2,700 for the Foundation and 700 for the university) established for a variety of purposes. The endowment pool is subject to the Arizona Management of Charitable Funds Act. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowment also includes certain endowment assets owned by the University of Arizona which it manages for the university under the terms of the Development Services and Asset Management Agreement. The fair value of the university endowment assets is reported as an asset in donor-restricted investments in securities and as a liability (fair value of endowments managed for the university).

The endowment payout rate (Payout Rate), a percentage (4.25% of the average fair value at the end of the twelve quarterly periods within the three previous calendar year-ends) of the fair value of each endowment account, as determined from time to time by the Foundation's Board of Trustees, is made available to support the purposes as specified by the donors of the individual endowment accounts that comprise the endowment pool. The Foundation considers the following factors in making a determination to appropriate donor-restricted endowment funds:

- The net rate of return earned by each endowment account in each of the five most recent fiscal years;
- The net real rate of return (as measured by the Higher Education Price Index) earned by the

endowment pool in each of the five most recent fiscal years (i.e., the duration and preservation of the endowment pool);

- Payout rates established by other university endowments as published in the National Association of College and University Business Officers (NACUBO) Study of Endowments;
- Any unusual or extraordinary circumstances impacting the university's flow of funds from other sources (i.e., tuition revenues, State appropriations, etc.);
- The extent to which programs benefiting from the Payout Rate rely on these funds to achieve their goals and objectives (i.e., the purposes of the institution and the endowment pool);
- General economic conditions;
- The possible effect of inflation or deflation; and
- The expected total return from income and appreciation of investments per the most recent asset allocation study.

The Foundation charges endowment fees (Endowment Fee), based on a percentage of the fair value of the endowment pool as determined from time to time by the Foundation's Board of Trustees (1.00% in fiscal 2025). The Endowment Fee is used to defray the Foundation's costs of holding, managing, and stewarding the endowment pool, including costs for safeguarding, investing, and accounting for such funds. During the year ended June 30, 2025, endowment fees of \$13.3 million were recognized by the Foundation and \$2.4 million in such fees were distributed to the university.

The Foundation's goal is to manage endowment assets such that the annual nominal return exceeds the annual "hurdle rate" (the sum of the Payout Rate and the Endowment Fee) so the endowment principal is able to grow and continue to fund in perpetuity the set of activities envisioned by the donor(s) at the time of the gift. The Foundation expects its endowment pool to provide an annual average rate of return of 7.4% with a standard deviation of 11.4% over a 10-year period. Actual returns in any given year may vary from this goal. These returns and risks reflect a broadly diversified asset allocation including domestic and international equities, domestic and international fixed income securities, private equity, private credit, absolute return, and natural resources strategies.

The Foundation holds certain endowment funds that have a historic dollar value larger than fair value. As of June 30, 2025, the Foundation had endowment funds in this category with an aggregated historic dollar value of \$80.7 million and an aggregated current fair value of \$76.0 million and deficiencies totaling \$4.7 million. As documented in endowment gift agreements with donors and the Investment Policy Statement, the payout will continue to be distributed even if the historic dollar value of an endowment fund exceeds its fair value.

The following shows the changes in endowment assets (in thousands of dollars) for the year ended June 30, 2025:

	With Donor Restrictions
Endowment net assets, beginning of fiscal year	\$ 1,292,169
Investment return:	
Investment income	33,825
Less endowment fee	(13,304)
Net appreciation	78,066
Total investment return, net	98,587
Contributions	55,811
Transfers	3,182
Appropriation for payout	(55,727)
Capitalization of payout	5,283
Endowment net assets, end of fiscal year	\$ 1,399,305

D. Contributions and Pledges Receivable

The University of Arizona Foundation

Unconditional promises are included in the financial statements as pledges receivable and contribution revenue in the period pledges are received. Pledges that are to be collected within one year are recorded

at their net realizable value. Pledges that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of an expected present value calculation using yields on U.S. Treasury obligations of equivalent maturity dates in the fiscal year in which they were received. The change in the estimated value of the future cash flows in periods subsequent to initial recognition is included in contribution revenue. Pledges receivable, net at June 30, 2025, totaled \$27.0 million.

E. Property and Equipment

Campus Research Corporation

Property and equipment, net (in thousands of dollars) consisted of the following as of June 30, 2025:

Building, infrastructure and improvements	\$ 60,654
Furniture, equipment and other property	5,548
Total	\$ 66,202
Less accumulated depreciation	(37,197)
Property and equipment, net	\$ 29,005

F. Long-Term Debt and Lease Obligations

Arizona Sports Enterprises

ASE entered into two loan agreements with the University of Arizona Foundation, on July 3, 2024.

Loan Agreement I – An unsecured loan for \$2.0 million, bearing interest at a fixed rate of 5.00%, per annum, compounded monthly with a maturity date of June 30, 2030. The loan is repayable in monthly installments of principal and interest, beginning June 30, 2027. As of June 30, 2025, the outstanding balance was \$2.0 million.

Loan Agreement II – An unsecured disbursement loan for \$1.0 million which ASE may request in writing to advance the principal sum amount. This loan bears interest at the then-current mid-term applicable federal rate published by the Internal Revenue Service, compounded monthly. This loan is repayable with a \$0.5 million payment of principal and accrued interest on or before the first anniversary of the disbursement date plus a second payment of any remaining principal balance plus accrued interest on or before the second anniversary of the disbursement date. In the event that ASE does not request the advancement of funds on or before June 29, 2029, then the loan will immediately terminate on July 1, 2029. There was no disbursement received as of June 30, 2025.

Campus Research Corporation

Long-term debt (in thousands of dollars) is comprised of the following as of June 30, 2025:

Note payable, Washington Federal Bank, payable in monthly installments of \$23.5 thousand including interest at 3.60% through October 2026.	\$ 374
Note payable, Washington Federal Bank, payable in monthly installments of \$17.0 thousand including interest at 2.95% through October 2026.	270
Note payable, Washington Federal Bank, payable in monthly installments of \$11.6 thousand including interest at 3.06% through October 2028.	440
Note payable, Washington Federal Bank, payable in monthly installments of \$37.8 thousand including interest at 6.85% through January 2031.	2,090
Less unamortized deferred financing fees	(22)
Total long-term debt	\$ 3,152

The notes payable to Washington Federal Bank are collateralized by leasehold interests in real property and an assignment of rents and require CRC to be in compliance with certain financial and nonfinancial covenants.

CRC extended the line of credit with Washington Federal Bank for a maximum amount of \$1.5 million through December 2025, with interest payable at the prime rate (7.50% at June 30, 2025) plus 0.50%. CRC did not have an outstanding balance related to this line of credit at June 30, 2025. Washington Federal Bank requires CRC to be in compliance with certain financial and nonfinancial covenants.

CRC leases real estate under noncancelable operating leases, with initial noncancelable terms in excess of one year that expire through December 2030. Lease liabilities (in thousands of dollars) as of June 30, 2025 were as follows:

Future lease payments	\$ 232
Less interest	(11)
Present value of lease liabilities	\$ 221

The University of Arizona Applied Research Corporation

UA-ARC subleases office space and other facilities, which expire at various dates through March 2027. Lease liabilities (in thousands of dollars) as of June 30, 2025 were as follows:

Future lease payments	\$ 1,947
Less interest	(49)
Present value of lease liabilities	\$ 1,898

G. Declaration of Project Operation Agreement (DPOA)

Campus Research Corporation

CRC had an agreement with IBM under which IBM functioned as the Managing Operator for the Tech Park through August 2024. As Managing Operator, IBM provided certain common area services as defined in the agreement. Common services consisted of the operation, maintenance, and repair of the central utility system, project fire and security services, and the common areas. In September 2024, CRC and ABOR entered into a new DPOA agreement where CRC assumed the function of the Managing Operator.

CRC and its major tenants, or those that are renting over 100,000 square feet, are required to pay a monthly amount based on an annual operating budget for these services that are prepared by CRC. The major tenants have the right to review and consult with CRC in the process of preparing the operating budget. A quarterly analysis of central utility and occupant electric expenses is prepared for each building and its occupant, and these costs are reconciled to the budget. Annual common service expenses are also reconciled to the budget. Based on these reconciliations, an additional charge or refund is assessed. Lease agreements between CRC and its non-major tenants provide for either the inclusion of a factor for these costs in their monthly rent or a proration of these costs based on the quarterly budget and subject to a quarterly reconciliation. Leases with one tenant include a maximum on the amount of cumulative annual capital expenditures that will be paid by the tenant. CRC is responsible for any capital expenditures allocated to the tenant in excess of the maximum. These annual adjustments are included in operating lease income.

H. Related Party Transactions

The University of Arizona Foundation

The Foundation has a Fee for Service Agreement with the university, under which the Foundation provides fundraising, funds management, and other services to advance the mission and interests of the university. The Foundation received \$5.2 million for services rendered for the year ended June 30, 2025.

Arizona Sports Enterprises

ASE is affiliated with the university pursuant to an Affiliation Agreement. As of June 30, 2025, ASE reported \$0.2 million due from the university and \$0.1 million due to the university related to the reimbursement of services, licensing fees, and other operating expenses incurred under the Affiliation Agreement. ASE is required to reimburse the university for staffing, facilities, and other services provided, and to pay royalties based on net revenues generated through sponsorship activities.

Campus Research Corporation

CRC has master lease agreements expiring in 2113 with ABOR on behalf of the university under which CRC develops, leases and operates certain buildings at the Tech Park and The Bridges. The leases provide that all new buildings constructed by CRC are owned by ABOR on behalf of the university. The leases require CRC to pay \$1 annually and additional, discretionary rent on an annual basis based in part on the previous year's net proceeds as defined in the agreement. CRC recognized \$2.1 million of contributed nonfinancial assets and operating lease costs related to this lease during 2025 to record the lease at its fair value.

During 2025, CRC incurred development costs related to land owned by ABOR on behalf of the university. Total costs incurred during 2025 applicable to these projects were \$0.1 million. It was determined through an agreement between CRC and the university that CRC would incur these costs. Accordingly, CRC has expensed the costs incurred on behalf of the university related to these projects. Although there is no contractual agreement, CRC may be reimbursed by the university for these costs at a later date. During 2025, CRC did not receive any reimbursements.

Law College Association of the University of Arizona

During the year ended June 30, 2025, the Law College Association distributed funds or paid distributions on behalf of the Law College of the University of Arizona in the amount of \$2.0 million.

The University of Arizona Applied Research Corporation

UA-ARC and the university have executed Interpersonnel, Business Services, and IT Service Agreements. Under these agreements, UA-ARC may use the university's personnel, facilities, and materials on a reimbursement basis. There were no payments due to the university under these agreements for the year ended June 30, 2025.

UA-ARC and the university have agreements in place whereby the university has made payments to UA-ARC in consideration of technical services. Total revenue received by UA-ARC from the university for technical services was \$3.3 million for the year ended June 30, 2025. Additionally, UA-ARC received \$0.5 million in revenue from the university for services performed as part of its normal course of operations during the year ended June 30, 2025.

Eller Executive Education

EEE has an Affiliation Agreement with the Arizona Board of Regents for and on behalf of the university through June 2026. The agreement covers policies, procedures, working relationships, respective rights and responsibilities between EEE and the university. The university provides the services of certain university employees to perform management and program support functions on a part-time basis for EEE, for which EEE must reimburse the university for all salary and employee related expenses. Program expenses relating to the university during the year ended June 30, 2025, were \$0.3 million.

I. Concentrations

Arizona Sports Enterprises

At June 30, 2025, two customers comprised 27% of sponsorship revenue, and three customers comprised 72% of accounts receivable.

Campus Research Corporation

CRC derives its rental revenue from leases with various tenants. At times, rental revenue from particular tenants may constitute a concentration of credit risk. Rent from two tenants comprised 69% of rental revenues in fiscal year 2025. In addition, receivables from four tenants comprised 69% of accounts receivable at June 30, 2025.

Eller Executive Education

At June 30, 2025, two customers comprised 43% of total revenue, and three customers comprised 88% of accounts receivable.



Photo: Steve Babuljak, 160/90

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – ARIZONA STATE RETIREMENT SYSTEM

Year Ended June 30, 2025 (in thousands of dollars)

REPORTING FISCAL YEAR	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
(MEASUREMENT DATE)	(2024)	(2023)	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)
University's proportion of the net pension liability	4.10%	3.79%	3.75%	3.77%	4.06%	4.28%	4.05%	3.84%	3.85%	3.91%
University's proportionate share of the net pension liability	\$ 656,823	\$ 613,806	\$ 611,727	\$ 495,225	\$ 702,890	\$ 622,751	\$ 565,000	\$ 598,493	\$ 621,697	\$ 608,338
University's covered payroll	\$ 575,783	\$ 497,425	\$ 447,627	\$ 424,788	\$ 443,989	\$ 452,293	\$ 403,949	\$ 375,912	\$ 362,043	\$ 362,516
University's proportionate share of the net pension liability as a percentage of its covered payroll	114.07%	123.40%	136.66%	116.58%	158.31%	137.69%	139.87%	159.21%	171.72%	167.81%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF UNIVERSITY PENSION CONTRIBUTIONS – ARIZONA STATE RETIREMENT SYSTEM

Year Ended June 30, 2025 (in thousands of dollars)

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 69,681	\$ 69,045	\$ 59,099	\$ 53,618	\$ 49,388	\$ 50,804	\$ 50,496	\$ 43,892	\$ 40,395	\$ 39,128
University's contribution in relation to the statutorily required contribution	\$ 69,681	\$ 69,045	\$ 59,099	\$ 53,618	\$ 49,388	\$ 50,804	\$ 50,496	\$ 43,892	\$ 40,395	\$ 39,128
University's contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
University's covered payroll	\$ 579,828	\$ 575,783	\$ 497,425	\$ 447,627	\$ 424,788	\$ 443,989	\$ 452,293	\$ 403,949	\$ 375,912	\$ 362,043
University's contributions as a percentage of covered payroll	12.02%	11.99%	11.88%	11.98%	11.63%	11.44%	11.16%	10.87%	10.75%	10.81%

SCHEDULE OF UNIVERSITY'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY – ARIZONA DEPARTMENT OF ADMINISTRATION

Year Ended June 30, 2025 (in thousands of dollars)

REPORTING FISCAL YEAR	2025	2024	2023	2022	2021	2020	2019	2018	2017 - 2016
(MEASUREMENT DATE)	(2024)	(2023)	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	
University's proportion of the total OPEB liability	20.39%	20.17%	19.54%	18.38%	19.32%	19.70%	19.13%	19.20%	Information Not Available
University's proportionate share of the total OPEB liability	\$ 122,290	\$ 111,089	\$ 180,617	\$ 220,277	\$ 311,107	\$ 250,691	\$ 166,725	\$ 161,905	
University's covered-employee payroll	\$ 1,057,325	\$ 1,027,526	\$ 827,953	\$ 804,619	\$ 841,752	\$ 819,622	\$ 738,315	\$ 718,904	
University's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	11.57%	10.81%	21.81%	27.38%	36.96%	30.59%	22.58%	22.52%	

*There are no dedicated plan assets accumulated in a GASB-compliant trust to offset the total OPEB liability.



Photographer: Jacob Chinn, University of Arizona Philanthropy and Alumni Engagement

SUPPLEMENTARY INFORMATION

COMBINING STATEMENT OF FINANCIAL POSITION – OTHER COMPONENT UNITS

June 30, 2025 (in thousands of dollars)

	Other					Total Nonmajor Component Units
	Arizona Sports Enterprises	Campus Research Corporation	Law College Association	Applied Research Corporation	Eller Executive Education	
Assets						
Cash and cash equivalents	\$ 161	\$ 6,829	\$ 1,101	\$ 1,477	\$ 39	\$ 9,607
Restricted cash	-	4,322	-	-	-	4,322
Pledges receivable, net	-	-	1,597	-	-	1,597
Accounts receivable, net	1,715	2,447	360	687	232	5,441
Contract assets	-	-	-	31	15	46
Investments in securities	-	-	16,529	-	-	16,529
Prepaid expenses	1,771	103	93	-	-	1,967
Property and equipment, net	15	29,005	-	19	-	29,039
Intangible assets, net	-	2,595	-	-	28	2,623
Operating lease assets	-	141	-	1,935	-	2,076
Other assets	-	1,229	7	46	12	1,294
Total Assets	\$ 3,662	\$ 46,671	\$ 19,687	\$ 4,195	\$ 326	\$ 74,541
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 628	\$ 3,812	\$ 59	\$ 497	\$ 70	\$ 5,066
Deferred revenue and deposits	1,762	4,247	-	579	304	6,892
Short-term and long-term debt and lease obligations	2,000	3,373	-	1,898	90	7,361
Total Liabilities	\$ 4,390	\$ 11,432	\$ 59	\$ 2,974	\$ 464	\$ 19,319
Net Assets						
Without donor restrictions	\$ (728)	\$ 35,239	\$ 1,812	\$ 1,221	\$ (138)	\$ 37,406
With donor restrictions	-	-	17,816	-	-	17,816
Total Net Assets	\$ (728)	\$ 35,239	\$ 19,628	\$ 1,221	\$ (138)	\$ 55,222
Total Liabilities and Net Assets	\$ 3,662	\$ 46,671	\$ 19,687	\$ 4,195	\$ 326	\$ 74,541

COMBINING STATEMENT OF ACTIVITIES – OTHER COMPONENT UNITS

Year Ended June 30, 2025 (in thousands of dollars)

	Other					Total Nonmajor Component Units
	Arizona Sports Enterprises	Campus Research Corporation	Law College Association	Applied Research Corporation	Eller Executive Education	
Revenues						
Sales and services	\$ 11,901	-	-	\$ 6,881	\$ 862	\$ 19,644
Contributions and grants	-	\$ 2,896	\$ 2,552	-	-	5,448
Rental revenues	-	30,368	-	-	-	30,368
Investment income, net	-	144	1,646	58	-	1,848
Other income	3	-	63	-	98	164
Total revenues	\$ 11,904	\$ 33,408	\$ 4,261	\$ 6,939	\$ 960	\$ 57,472
Expenses						
Program services:						
Contracting related expenses	\$ 11,087	-	-	\$ 3,025	\$ 553	\$ 14,665
Leasing related expenses	-	\$ 28,132	-	-	-	28,132
Payments on behalf of the university	-	63	\$ 2,939	-	-	3,002
Supporting services:						
Administration and general	1,545	1,890	301	3,242	816	7,794
Fundraising	-	-	86	-	-	86
Total expenses	\$ 12,632	\$ 30,085	\$ 3,326	\$ 6,267	\$ 1,369	\$ 53,679
Increase (Decrease) in Net Assets	\$ (728)	\$ 3,323	\$ 935	\$ 672	\$ (409)	\$ 3,793
Net Assets - Beginning of year	-	\$ 31,916	\$ 18,693	\$ 549	\$ 271	\$ 51,429
Net Assets - End of year	\$ (728)	\$ 35,239	\$ 19,628	\$ 1,221	\$ (138)	\$ 55,222



Photo: The University of Arizona

STATISTICAL SECTION



STATISTICAL SECTION

TABLE OF CONTENTS

June 30, 2025

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the university's financial performance has changed over time.

Net Position by Component.....	81
Change in Net Position	82
Operating Expenses by Natural Classification	85

REVENUE CAPACITY

These schedules contain information to help the reader assess the university's revenue sources.

Academic Year Tuition and Required Fees.....	86
Principal Revenue Sources.....	87

DEBT CAPACITY

These schedules present information to help the reader assess the university's current levels of outstanding debt.

Long-term Debt.....	88
Summary of Ratios.....	89
Debt Service Coverage for Senior Lien System and Subordinate Lien System	
Revenue Bonds.....	94

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the university's financial activities take place.

Admissions, Enrollment and Degrees Earned	95
Demographic Data.....	95
Principal Employers	96

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the university's financial information relates to the activities it performs.

Faculty and Staff.....	97
Capital Assets	97

NET POSITION BY COMPONENT

AS OF JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 1,218,725	\$ 1,115,109	\$ 1,044,572	\$ 959,468	\$ 888,422	\$ 951,375	\$ 801,215	\$ 776,373	\$ 730,135	\$ 687,149
Restricted, Nonexpendable	234,839	208,588	191,107	179,033	189,845	157,378	161,496	154,227	142,774	134,356
Restricted, Expendable	274,711	273,650*	291,609	270,661	239,189	203,957	233,337	244,542	241,080	238,522
Unrestricted (deficit)	(345,646)	(420,767)*	(345,996)	(307,211)	(269,494)	(320,257)	(130,727)	(135,502)	20,756	(80,965)
Total Net Position	\$ 1,382,629	\$ 1,176,580	\$ 1,181,292	\$ 1,101,951	\$ 1,047,962	\$ 992,453	\$ 1,065,321	\$ 1,039,640	\$ 1,134,745	\$ 979,062
<i>Expressed as a percent of the total</i>	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	88.1	94.8	88.4	87.1	84.8	95.9	75.2	74.6	64.3	70.2
Restricted, Nonexpendable	17.0	17.7	16.2	16.2	18.1	15.9	15.2	14.8	12.6	13.7
Restricted, Expendable	19.9	23.3*	24.7	24.6	22.8	20.5	21.9	23.6	21.3	24.4
Unrestricted (deficit)	(25.0)	(35.8)*	(29.3)	(27.9)	(25.7)	(32.3)	(12.3)	(13.0)	1.8	(8.3)
Total Net Position	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Percentage increase/(decrease) from prior year</i>	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	9.3	6.8	8.9	8.0	(6.6)	18.7	3.2	6.3	6.3	7.8
Restricted, Nonexpendable	12.6	9.1	6.7	(5.7)	20.6	(2.5)	4.7	8.0	6.3	(3.0)
Restricted, Expendable	0.4	(6.2)*	7.7	13.2	17.3	(12.6)	(4.6)	1.4	1.1	9.0
Unrestricted (deficit)	17.9	(21.6)*	(12.6)	14.0	15.9	(145.0)	3.5	(752.8)	125.6	34.8
Total Net Position	17.5	(0.4)	7.2	5.2	5.6	(6.8)	2.5	(8.4)	15.9	12.5

Note: The university implemented GASB 75/85 in FY 2018; historical data has not been restated in the statistical section.

The university implemented GASB 101 in FY 2025; historical data has not been restated in the statistical section.

* Fiscal year 2024 Restricted, Expendable and Unrestricted (deficit) were adjusted due to the reclassification of the net position associated with the net OPEB asset as disclosed in note 1. There was no effect on total net position because the error only pertained to the proper classifications of net position.

CHANGE IN NET POSITION

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
<i>Operating Revenues</i>										
Student tuition and fees, net of scholarship allowance	\$ 978,165	\$ 926,461	\$ 717,928	\$ 677,550	\$ 634,092	\$ 644,352	\$ 658,090	\$ 653,519	\$ 653,725	\$ 608,679
Federal grants and contracts	448,763	478,988	437,943	384,520	373,496	327,006	339,196	304,183	297,409	283,083
State grants and contracts	15,692	20,106	13,156	13,359	16,911	12,582	12,050	13,592	14,201	14,191
Local grants and contracts	5,395	5,688	5,755	5,695	3,793	3,771	2,352	2,424	2,082	1,533
Nongovernment grants and contracts	164,022	168,287	161,954	151,425	174,734	166,144	178,531	179,667	200,291	243,468
Sales and services of educational departments	80,204	80,351	55,255	52,802	59,372	57,622	56,083	54,180	51,753	52,934
Auxiliary enterprises	248,679	236,922	219,820	207,223	110,226	186,918	205,457	205,468	210,496	206,710
Other operating revenues *	12,723	11,931	13,375	10,372	11,213	10,792	16,116	18,558	18,485	14,172
Total Operating Revenues	\$ 1,953,643	\$ 1,928,734	\$ 1,625,186	\$ 1,502,946	\$ 1,383,837	\$ 1,409,187	\$ 1,467,875	\$ 1,431,591	\$ 1,448,442	\$ 1,424,770
Expenses										
<i>Operating Expenses</i>										
<i>Educational and general</i>										
Instruction	\$ 732,827	\$ 719,856	\$ 641,656	\$ 577,335	\$ 542,050	\$ 562,485	\$ 527,927	\$ 505,879	\$ 459,357	\$ 460,005
Research	631,141	644,893	588,697	509,383	492,534	495,462	462,112	426,873	397,512	391,122
Public Service	139,157	133,221	115,772	95,689	98,679	88,365	85,822	82,167	89,221	78,604
Academic support	360,858	341,675	297,940	266,049	258,786	283,095	295,024	302,360	314,480	344,380
Student services	207,507	229,095	91,977	81,454	95,269	108,833	91,224	74,253	56,022	53,033
Institutional support	289,605	269,343	214,843	205,615	201,955	197,209	169,176	146,222	146,185	129,501
Operation and maintenance of plant	122,616	121,383	111,296	101,317	96,017	107,704	105,311	103,087	87,925	84,418
Scholarships and fellowships	81,703	81,880	69,249	102,105	89,556	67,450	58,673	55,421	54,884	51,808
Auxiliary enterprises	208,445	209,627	205,137	162,911	145,242	172,106	167,387	175,576	164,539	164,187
Depreciation and amortization	225,482	223,230	190,848	168,320	150,138	149,793	144,250	135,565	132,726	125,455
Total Operating Expenses	\$ 2,999,341	\$ 2,974,203	\$ 2,527,415	\$ 2,270,178	\$ 2,170,226	\$ 2,232,502	\$ 2,106,906	\$ 2,007,403	\$ 1,902,851	\$ 1,882,513
Operating loss	\$ (1,045,698)	\$ (1,045,469)	\$ (902,229)	\$ (767,232)	\$ (786,389)	\$ (823,315)	\$ (639,031)	\$ (575,812)	\$ (454,409)	\$ (457,743)
Nonoperating Revenues (Expenses)										
State appropriations	\$ 345,328	\$ 357,504	\$ 350,759	\$ 310,298	\$ 259,415	\$ 269,495	\$ 252,931	\$ 254,789	\$ 245,146	\$ 241,257
Share of State sales tax revenues	58,706	63,604	36,832	46,079	31,979	30,683	30,970	28,763	27,618	25,025
Federal grants and appropriations	218,021	210,104	120,403	192,396	218,206	96,357	93,817	78,951	65,128	77,423
State and other government grants	36,620	30,657	86,848	30,862	21,798	20,751	25,524	25,968	21,722	5,609
Nongovernment grants and contracts	249,525	162,429	146,666	151,837	120,989	142,094	112,437	129,621	123,478	128,111
Gifts	142,171	135,024	108,631	109,238	80,582	88,956	84,578	81,746	80,060	80,890
Investment income (loss)	66,972	68,884	42,592	(47,210)	83,281	13,070	48,396	30,911	31,962	10,046
Interest expense on debt	(48,321)	(56,592)	(56,395)	(58,745)	(50,672)	(60,187)	(55,072)	(53,275)	(51,253)	(49,748)
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Other nonoperating revenues, net	8,420	11,454	20,056	18,041	9,911	15,015	8,404	9,040	11,072	9,480
Net Nonoperating Revenues	\$ 1,077,442	\$ 983,068	\$ 856,392	\$ 752,796	\$ 775,489	\$ 616,234	\$ 601,985	\$ 586,514	\$ 554,933	\$ 528,093
Income/(Loss) before Capital, Endowments, and Special Item	\$ 31,744	\$ (62,401)	\$ (45,837)	\$ (14,436)	\$ (10,900)	\$ (207,081)	\$ (37,046)	\$ 10,702	\$ 100,524	\$ 70,350
Capital grants, gifts and conveyances	\$ 88,498	\$ 7,277	\$ 9,141	\$ 18,720	\$ 17,078	\$ 85,677	\$ 11,068	\$ 11,447	\$ 9,304	\$ 3,472
Capital appropriations	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978	9,594
Capital commitment - State Lottery Revenue	20,137	20,813	20,827	20,811	20,827	21,772	21,430	21,211	21,520	22,169
Additions to permanent endowments	12,450	3,808	1,700	3,557	3,299	1,751	5,426	4,746	2,357	3,032
Special item - Transfer of operations	-	-	67,948	-	-	-	-	-	-	-
Increase/(Decrease) in Net Position	\$ 178,843	\$ (4,712)	\$ 79,341	\$ 53,989	\$ 55,509	\$ (72,868)	\$ 25,681	\$ 62,355	\$ 155,683	\$ 108,617
Total Revenues	\$ 3,226,505	\$ 3,026,083	\$ 2,663,151	\$ 2,430,122	\$ 2,276,407	\$ 2,219,821	\$ 2,187,659	\$ 2,123,033	\$ 2,109,787	\$ 2,040,878
Total Expenses	3,047,662	3,030,795	2,583,810	2,376,133	2,220,898	2,292,689	2,161,978	2,060,678	1,954,104	1,932,261
Increase/(Decrease) in Net Position	\$ 178,843	\$ (4,712)	\$ 79,341	\$ 53,989	\$ 55,509	\$ (72,868)	\$ 25,681	\$ 62,355	\$ 155,683	\$ 108,617

*In compliance with Arizona Revised Statutes 35-391, the University of Arizona discloses the following: For fiscal year 2025, the university received rebates in the amount of \$4.1 million from J.P. Morgan and Bank of America for Purchase Card purchases for the year.

CHANGE IN NET POSITION (CONTINUED)

(Expressed as a percent of Total Revenues / Total Expenses)

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues	%	%	%	%	%	%	%	%	%	%
<i>Operating Revenues</i>										
Student tuition and fees, net of scholarship allowance	30.3	30.6	27.0	27.9	27.9	29.0	30.1	30.8	31.0	29.8
Federal grants and contracts	13.9	15.8	16.4	15.8	16.4	14.6	15.4	14.3	14.1	13.9
State grants and contracts	0.5	0.6	0.4	0.6	0.7	0.6	0.6	0.6	0.7	0.7
Local grants and contracts	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Nongovernment grants and contracts	5.1	5.6	6.1	6.2	7.7	7.5	8.2	8.5	9.5	11.9
Sales and services of educational departments	2.5	2.7	2.1	2.2	2.6	2.6	2.6	2.6	2.5	2.6
Auxiliary enterprises	7.7	7.8	8.3	8.5	4.8	8.4	9.4	9.7	10.0	10.1
Other operating revenues	0.4	0.4	0.5	0.4	0.5	0.5	0.7	0.9	0.9	0.7
Total Operating Revenues	60.5	63.7	61.0	61.8	60.8	63.4	67.1	67.4	68.7	69.8
Expenses										
<i>Operating Expenses</i>										
<i>Educational and general</i>										
Instruction	24.1	23.7	24.8	24.3	24.4	24.6	24.5	24.5	23.5	23.8
Research	20.7	21.3	22.8	21.4	22.2	21.6	21.4	20.7	20.3	20.2
Public Service	4.6	4.4	4.5	4.0	4.4	3.9	4.0	4.0	4.6	4.1
Academic support	11.8	11.3	11.5	11.2	11.7	12.3	13.6	14.7	16.1	17.8
Student services	6.8	7.6	3.6	3.4	4.3	4.8	4.2	3.6	2.9	2.7
Institutional support	9.5	8.9	8.3	8.7	9.1	8.6	7.8	7.1	7.5	6.7
Operation and maintenance of plant	4.0	4.0	4.3	4.3	4.3	4.7	4.9	5.0	4.5	4.4
Scholarships and fellowships	2.7	2.7	2.7	4.3	4.0	2.9	2.7	2.7	2.8	2.7
Auxiliary enterprises	6.8	6.9	7.9	6.9	6.5	7.5	7.7	8.5	8.4	8.5
Depreciation and amortization	7.4	7.4	7.4	7.1	6.8	6.5	6.7	6.6	6.8	6.5
Total Operating Expenses	98.4	98.2	97.8	95.6	97.7	97.4	97.5	97.4	97.4	97.4
Operating loss	(34.3)	(34.5)	(34.9)	(32.3)	(35.4)	(35.9)	(29.6)	(27.9)	(23.3)	(22.4)
Nonoperating Revenues (Expenses)										
State operating appropriations	10.7	11.8	13.2	12.8	11.4	12.1	11.6	12.0	11.6	11.8
Share of State sales tax revenues	1.8	2.1	1.4	1.9	1.5	1.4	1.4	1.4	1.3	1.2
Federal grants and appropriations	6.8	6.9	4.5	7.9	9.6	4.3	4.3	3.7	3.1	3.8
State and other government grants	1.1	1.0	3.3	1.3	1.0	0.9	1.2	1.2	1.0	0.3
Nongovernment grants and contracts	7.7	5.4	5.5	6.3	5.3	6.4	5.1	6.1	5.9	6.3
Gifts	4.4	4.5	4.1	4.5	3.5	4.0	3.9	3.9	3.8	4.0
Investment income (loss)	2.2	2.3	1.6	(2.0)	3.7	0.6	2.2	1.5	1.5	0.5
Interest expense on debt	(1.6)	(1.9)	(2.2)	(2.5)	(2.3)	(2.6)	(2.6)	(2.6)	(2.6)	(2.6)
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Other nonoperating revenues, net	0.3	0.4	0.8	0.7	0.4	0.7	0.4	0.4	0.5	0.5
Net Nonoperating Revenues	33.4	32.5	32.2	31.0	34.1	27.8	27.5	27.6	26.3	25.9
Income/(Loss) before Capital, Endowments, and Special Item	1.0	(2.1)	(1.7)	(0.6)	(0.5)	(9.3)	(1.7)	0.5	4.8	3.4
Capital grants, gifts, and conveyances	2.7	0.2	0.3	0.8	0.8	3.9	0.5	0.5	0.5	0.2
Capital appropriations	0.8	0.9	1.0	1.0	1.1	1.1	1.1	0.7	1.0	0.5
Capital commitment - State Lottery Revenue	0.6	0.7	0.8	0.9	0.9	1.0	1.0	1.0	1.0	1.1
Additions to permanent endowments	0.5	0.1	0.1	0.1	0.1	0.1	0.3	0.2	0.1	0.1
Special item - Transfer of operations	-	-	2.5	-	-	-	-	-	-	-
Increase/(Decrease) in Net Position	5.5	(0.2)	3.0	2.2	2.4	(3.3)	1.2	2.9	7.4	5.3

CHANGE IN NET POSITION (CONTINUED)

(Expressed as a percent of Total Revenues / Total Expenses)

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues	%	%	%	%	%	%	%	%	%	%
<i>Operating Revenues</i>										
Student tuition and fees, net of scholarship allowance	5.6	29.0	6.0	6.9	(1.6)	(2.1)	0.7	-	7.4	9.7
Federal grants and contracts	(6.3)	9.4	13.9	3.0	14.2	(3.6)	11.5	2.3	5.1	(2.7)
State grants and contracts	(22.0)	52.8	(1.5)	(21.0)	34.4	4.4	(11.3)	(4.3)	0.1	74.7
Local grants and contracts	(5.2)	(1.2)	1.1	50.1	0.6	60.3	(3.0)	16.4	35.8	(12.6)
Nongovernment grants and contracts	(2.5)	3.9	7.0	(13.3)	5.2	(6.9)	(0.6)	(10.3)	(17.7)	39.5
Sales and services of educational departments	(0.2)	45.4	4.6	(11.1)	3.0	2.7	3.5	4.7	(2.2)	2.9
Auxiliary enterprises	5.0	7.8	6.1	88.0	(41.0)	(9.0)	-	(2.4)	1.8	1.5
Other operating revenues	6.6	(10.8)	29.0	(7.5)	3.9	(33.0)	(13.2)	0.4	30.4	(52.4)
Total Operating Revenues	1.3	18.7	8.1	8.6	(1.8)	(4.0)	2.5	(1.2)	1.7	8.3
<i>Expenses</i>										
<i>Operating Expenses</i>										
<i>Educational and general</i>										
Instruction	1.8	12.2	11.1	6.5	(3.6)	6.5	4.4	10.1	(0.1)	10.2
Research	(2.1)	9.5	15.6	3.4	(0.6)	7.2	8.3	7.4	1.6	(7.3)
Public Service	4.5	15.1	21.0	(3.0)	11.7	3.0	4.4	(7.9)	13.5	0.5
Academic support	5.6	14.7	12.0	2.8	(8.6)	(4.0)	(2.4)	(3.9)	(8.7)	30.3
Student services	(9.4)	149.1	12.9	(14.5)	(12.5)	19.3	22.9	32.5	5.6	12.4
Institutional support	7.5	25.4	4.5	1.8	2.4	16.6	15.7	-	12.9	(5.0)
Operation and maintenance of plant	1.0	9.1	9.8	5.5	(10.9)	2.3	2.2	17.2	4.2	(3.1)
Scholarships and fellowships	(0.2)	18.2	(32.2)	14.0	32.8	15.0	5.9	1.0	5.9	(9.4)
Auxiliary enterprises	(0.6)	2.2	25.9	12.2	(15.6)	2.8	(4.7)	6.7	0.2	(1.8)
Depreciation and amortization	1.0	17.0	13.4	12.1	0.2	3.8	6.4	2.1	5.8	0.5
Total Operating Expenses	0.8	17.7	11.3	4.6	(2.8)	6.0	5.0	5.5	1.1	4.5
Operating loss	0.0	15.9	17.6	(2.4)	(4.5)	28.8	11.0	26.7	(0.7)	(5.9)
Nonoperating Revenues (Expenses)										
State operating appropriations	(3.4)	1.9	13.0	19.6	(3.7)	6.5	(0.7)	3.9	1.6	(10.8)
Share of State sales tax revenues	(7.7)	72.7	(20.1)	44.1	4.2	(0.9)	7.7	4.1	10.4	0.2
Federal grants and appropriations	3.8	74.5	(37.4)	(11.8)	126.5	2.7	18.8	21.2	(15.9)	(2.4)
State and other government grants	19.5	(64.7)	181.4	41.6	5.0	(18.7)	(1.7)	19.5	287.3	(60.3)
Nongovernment grants and contracts	53.6	10.7	(3.4)	25.5	(14.9)	26.4	(13.3)	5.0	(3.6)	12.0
Gifts	5.3	24.3	(0.6)	35.6	(9.4)	5.2	3.5	2.1	(1.0)	(10.1)
Investment income (loss)	(2.8)	61.7	190.2	(156.7)	537.2	(73.0)	56.6	(3.3)	218.2	51.3
Interest expense on debt	(14.6)	0.3	(4.0)	15.9	(15.8)	9.3	3.4	3.9	3.0	7.5
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	(100.0)
Other nonoperating revenues, net	(26.5)	(42.9)	11.2	82.0	(34.0)	78.7	(7.0)	(18.4)	16.8	(47.6)
Net Nonoperating Revenues	9.6	14.8	13.8	(2.9)	25.8	2.4	2.6	5.7	5.1	(14.6)
Income/(Loss) before Capital, Endowments, and Special Item	150.9	36.1	217.5	32.4	(94.7)	459.0	(446.2)	(89.4)	42.9	(46.8)
Capital grants, gifts and conveyances	1,116.1	(20.4)	(51.2)	9.6	(80.1)	674.1	(3.3)	23.0	168.0	(90.5)
Capital appropriations	0.9	0.9	0.9	0.5	0.8	0.8	74.1	(35.2)	129.1	(14.4)
Capital commitment - State Lottery Revenue	(3.2)	(0.1)	0.1	(0.1)	(4.3)	1.6	1.0	(1.4)	(2.9)	91.0
Additions to permanent endowments	226.9	124.0	(52.2)	7.8	88.4	(67.7)	14.3	101.4	(22.3)	8.6
Special item - Transfer of Operations	-	(100.0)	-	-	-	-	-	-	-	-
Increase/(Decrease) in Net Position	3,895.5	(105.9)	47.0	(2.7)	176.2	(383.7)	(58.8)	(59.9)	43.3	(44.1)

OPERATING EXPENSES BY NATURAL CLASSIFICATION

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Personal services and benefits	\$ 1,856,329	\$ 1,858,590	\$ 1,566,789	\$ 1,410,808	\$ 1,420,434	\$ 1,462,234	\$ 1,340,973	\$ 1,283,072	\$ 1,229,939	\$ 1,248,749
Supplies and services	835,827	810,503	696,480	585,118	506,999	549,572	560,018	530,930	482,530	454,215
Scholarships and fellowships	81,703	81,880	73,298	105,932	92,655	70,903	61,665	57,836	57,656	54,094
Depreciation and amortization	225,482	223,230	190,848	168,320	150,138	149,793	144,250	135,565	132,726	125,455
Total Operating Expenses by Natural Classification	\$ 2,999,341	\$ 2,974,203	\$ 2,527,415	\$ 2,270,178	\$ 2,170,226	\$ 2,232,502	\$ 2,106,906	\$ 2,007,403	\$ 1,902,851	\$ 1,882,513
<i>Expressed as a percent of the total</i>	%	%	%	%	%	%	%	%	%	%
Personal services and benefits	61.9	62.5	62.0	62.1	65.4	65.5	63.6	63.9	64.6	66.3
Supplies and services	27.9	27.3	27.6	25.8	23.4	24.6	26.6	26.4	25.4	24.1
Scholarships and fellowships	2.7	2.8	2.9	4.7	4.3	3.2	2.9	2.9	3.0	2.9
Depreciation and amortization	7.5	7.4	7.5	7.4	6.9	6.7	6.9	6.8	7.0	6.7
Total Operating Expenses by Natural Classification	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Percentage increase/(decrease) from prior year</i>	%	%	%	%	%	%	%	%	%	%
Personal services and benefits	(0.1)	18.6	11.1	(0.7)	(2.9)	9.0	4.5	4.3	(1.5)	9.7
Supplies and services	3.1	16.4	19.0	15.4	(7.7)	(1.9)	5.5	10.0	6.2	(5.2)
Scholarships and fellowships	(0.2)	11.7	(30.8)	14.3	30.7	15.0	6.6	0.3	6.6	(8.5)
Depreciation and amortization	1.0	17.0	13.4	12.1	0.2	3.8	6.4	2.1	5.8	0.5
Total Operating Expenses by Natural Classification	0.8	17.7	11.3	4.6	(2.8)	6.0	5.0	5.5	1.1	4.5

ACADEMIC YEAR TUITION AND REQUIRED FEES

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Resident Undergraduate										
University of Arizona	\$ 13,906	\$ 13,606	\$ 13,255	\$ 12,696	\$ 12,696	\$ 12,691	\$ 12,467	\$ 12,248	\$ 11,789	\$ 11,424
percent increase from prior year	2.2%	2.6%	4.4%	0.0%	0.0%	1.8%	1.8%	3.9%	3.2%	4.3%
Big 12 Public Average*	\$ 11,696	\$ 13,477	\$ 13,005	\$ 12,529	\$ 12,350	\$ 12,126	\$ 11,823	\$ 11,586	\$ 10,885	\$ 10,866
percent increase/(decrease) from prior year	(13.2)%	3.6%	3.8%	1.4%	1.8%	2.6%	2.0%	6.4%	0.2%	6.4%
UA Peers Average**	\$ 11,997	\$ 13,306	\$ 12,876	\$ 12,583	\$ 12,374	\$ 12,197	\$ 12,034	\$ 11,904	\$ 11,613	\$ 11,454
percent increase/(decrease) from prior year	(10.0)%	3.3%	2.3%	1.7%	1.5%	1.4%	1.1%	2.5%	1.4%	1.5%
Non-Resident Undergraduate										
University of Arizona	\$ 42,258	\$ 41,075	\$ 39,557	\$ 37,218	\$ 36,723	\$ 36,718	\$ 36,366	\$ 35,678	\$ 34,987	\$ 32,652
percent increase from prior year	2.9%	3.8%	6.3%	1.3%	0.0%	1.0%	1.9%	2.0%	7.2%	11.0%
Big 12 Public Average*	\$ 30,891	\$ 39,447	\$ 38,001	\$ 36,570	\$ 35,953	\$ 35,401	\$ 34,447	\$ 33,561	\$ 31,640	\$ 30,492
percent increase/(decrease) from prior year	(21.7)%	3.8%	3.9%	1.7%	1.6%	2.8%	2.6%	6.1%	3.8%	8.6%
UA Peers Average**	\$ 34,651	\$ 39,819	\$ 38,429	\$ 37,503	\$ 36,881	\$ 36,430	\$ 35,452	\$ 34,457	\$ 32,728	\$ 31,480
percent increase/(decrease) from prior year	(13.0)%	3.6%	2.5%	1.7%	1.2%	2.8%	2.9%	5.3%	4.0%	4.4%
Resident Graduate										
University of Arizona	\$ 14,856	\$ 14,389	\$ 14,015	\$ 13,460	\$ 13,272	\$ 13,271	\$ 13,044	\$ 12,812	\$ 12,397	\$ 12,062
percent increase from prior year	3.2%	2.7%	4.1%	1.4%	0.0%	1.7%	1.8%	3.3%	2.8%	2.9%
Big 12 Public Average*	\$ 11,892	\$ 15,044	\$ 14,593	\$ 14,196	\$ 14,011	\$ 13,800	\$ 13,427	\$ 13,246	\$ 13,057	\$ 12,897
percent increase/(decrease) from prior year	(21.0)%	3.1%	2.8%	1.3%	1.5%	2.8%	1.4%	1.4%	1.2%	7.4%
UA Peers Average**	\$ 13,198	\$ 16,089	\$ 15,637	\$ 15,324	\$ 15,079	\$ 14,993	\$ 14,680	\$ 14,358	\$ 13,994	\$ 13,760
percent increase/(decrease) from prior year	(18.0)%	2.9%	2.0%	1.6%	0.6%	2.1%	2.2%	2.6%	1.7%	3.9%
Non-Resident Graduate										
University of Arizona	\$ 34,110	\$ 33,961	\$ 33,957	\$ 33,644	\$ 33,399	\$ 33,398	\$ 33,393	\$ 32,762	\$ 32,149	\$ 30,384
percent increase from prior year	0.4%	0.0%	0.9%	0.7%	0.0%	0.0%	1.9%	1.9%	5.8%	5.8%
Big 12 Public Average*	\$ 28,552	\$ 32,465	\$ 31,591	\$ 30,731	\$ 30,270	\$ 29,877	\$ 28,860	\$ 28,223	\$ 27,978	\$ 27,336
percent increase/(decrease) from prior year	(12.1)%	2.8%	2.8%	1.5%	1.3%	3.5%	2.3%	0.9%	2.3%	6.7%
UA Peers Average**	\$ 31,273	\$ 31,680	\$ 32,114	\$ 31,557	\$ 30,914	\$ 30,759	\$ 30,079	\$ 29,413	\$ 28,673	\$ 28,077
percent increase/(decrease) from prior year	(1.3)%	(1.4)%	1.8%	2.1%	0.5%	2.3%	2.3%	2.6%	2.1%	2.2%

The amounts shown are based on a full academic year and are calculated for full-time undergraduate students enrolled at the main campus at the guaranteed tuition and fees rate that is not program specific.

Sources:

The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR) <https://uair.arizona.edu>.

Tuition rates are approved by the Arizona Board of Regents.

* In fiscal year 2025, the university transitioned the athletic program from the PAC-12 Conference to the Big 12 Conference. Historical data has not been restated.

** In fiscal year 2025, the university replaced ABOR Peers with UA Peers, as determined by Senior Leadership. Historical data has not been restated.

PRINCIPAL REVENUE SOURCES

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees, net of scholarship allowance	\$ 978,165	\$ 926,461	\$ 717,928	\$ 677,550	\$ 634,092	\$ 644,352	\$ 658,090	\$ 653,519	\$ 653,725	\$ 608,679
percent of total revenue	30%	31%	27%	28%	28%	29%	30%	31%	31%	30%
percent increase/(decrease) from prior year	6%	29%	6%	7%	(2)%	(2)%	1%	0%	7%	10%
State of Arizona Government										
State and local grants and contracts	\$ 46,529	\$ 46,624	\$ 98,269	\$ 44,805	\$ 40,487	\$ 37,104	\$ 39,926	\$ 41,984	\$ 38,005	\$ 21,333
State appropriations	345,328	357,504	350,759	310,298	259,415	269,495	252,931	254,789	245,146	241,257
Technology and research initiatives funding	58,706	63,604	36,832	46,079	31,979	30,683	30,970	28,763	27,618	25,025
Capital appropriations and capital commitments	46,151	46,604	46,389	46,148	46,032	46,785	46,233	35,460	43,498	31,763
Financial aid grants	11,178	9,827	7,490	5,111	2,015	-	-	-	-	-
State of Arizona Government	\$ 507,892	\$ 524,163	\$ 539,739	\$ 452,441	\$ 379,928	\$ 384,067	\$ 370,060	\$ 360,996	\$ 354,267	\$ 319,378
percent of total revenue	16%	17%	20%	19%	17%	17%	17%	17%	17%	16%
percent increase/(decrease) from prior year	(3)%	(3)%	19%	19%	(1)%	4%	3%	2%	11%	(7)%
Federal Government										
Federal grants and contracts	\$ 517,272	\$ 567,287	\$ 496,498	\$ 481,392	\$ 505,365	\$ 360,286	\$ 376,132	\$ 329,388	\$ 312,547	\$ 308,469
Financial aid grants	149,512	121,805	61,848	95,524	86,337	63,077	56,881	53,746	49,990	52,037
Capital grants*	56,875	-	-	-	-	-	-	-	-	-
Federal Government	\$ 723,659	\$ 689,092	\$ 558,346	\$ 576,916	\$ 591,702	\$ 423,363	\$ 433,013	\$ 383,134	\$ 362,537	\$ 360,506
percent of total revenue	22%	23%	21%	24%	26%	19%	20%	18%	17%	18%
percent increase/(decrease) from prior year	5%	23%	(3)%	(2)%	40%	(2)%	13%	6%	1%	(3)%
Total from principal revenue payers	\$2,209,716	\$ 2,139,716	\$ 1,816,013	\$ 1,706,907	\$ 1,605,722	\$ 1,451,782	\$ 1,461,163	\$ 1,397,649	\$ 1,370,529	\$ 1,288,563
percent of total revenue	68%	71%	68%	70%	71%	65%	67%	66%	65%	63%
percent increase/(decrease) from prior year	3%	18%	6%	6%	11%	(1)%	5%	2%	6%	2%

*Capital grants is part of Capital grants, gifts, and conveyances on the Statement of Revenues, Expenses, and Changes in Net Position.

LONG-TERM DEBT

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
System Revenue Bonds and SPEED Revenue Bonds	\$ 1,227,175	\$ 1,232,405	\$ 1,292,000	\$ 1,338,225	\$ 1,379,595	\$ 1,168,675	\$ 1,218,745	\$ 1,166,915	\$ 1,090,805	\$ 953,005
Plus Unamortized Premium/(Discount)	148,763	155,827	164,378	173,231	182,320	137,464	128,207	124,003	115,487	91,269
Net System Revenue Bonds and SPEED Revenue Bonds	\$ 1,375,938	\$ 1,388,232	\$ 1,456,378	\$ 1,511,456	\$ 1,561,915	\$ 1,306,139	\$ 1,346,952	\$ 1,290,918	\$ 1,206,292	\$ 1,044,274
Certificates of Participation	\$ 84,720	\$ 107,350	\$ 136,465	\$ 162,100	\$ 193,635	\$ 199,385	\$ 232,816	\$ 264,761	\$ 302,176	\$ 331,861
Plus Unamortized Premium/(Discount)	4,494	6,464	7,529	10,891	15,089	22,899	26,330	29,760	23,959	26,478
Net Certificates of Participation	\$ 89,214	\$ 113,814	\$ 143,994	\$ 172,991	\$ 208,724	\$ 222,284	\$ 259,146	\$ 294,521	\$ 326,135	\$ 358,339
Total Bonds Payable	\$ 1,375,938	\$ 1,388,232	\$ 1,456,378	\$ 1,511,456	\$ 1,561,915	\$ 1,306,139	\$ 1,346,952	\$ 1,290,918	\$ 1,206,292	\$ 1,044,274
COPs Payable	89,214	113,814	143,994	172,991	208,724	222,284	259,146	294,521	326,135	358,339
Financed Purchase Obligations Payable	6,151	6,257	6,321	6,382	12,702	13,261	14,916	15,514	16,308	17,134
Lease Liabilities Payable	136,109	166,938	179,791	162,731	-	-	-	-	-	-
Subscription Liabilities Payable	30,859	32,020	28,075	-	-	-	-	-	-	-
Total	\$ 1,638,271	\$ 1,707,261	\$ 1,814,559	\$ 1,853,560	\$ 1,783,341	\$ 1,541,684	\$ 1,621,014	\$ 1,600,953	\$ 1,548,735	\$ 1,419,747
Long Term Debt (whole dollars)										
per student FTE	\$ 21,179	\$ 22,709	\$ 37,862	\$ 39,581	\$ 39,180	\$ 34,479	\$ 36,529	\$ 36,279	\$ 35,546	\$ 32,771
per Dollar of State Appropriations and State Capital Appropriations	\$ 4.41	\$ 4.45	\$ 4.82	\$ 5.52	\$ 6.27	\$ 5.23	\$ 5.84	\$ 5.95	\$ 5.80	\$ 5.66
per Dollar of Total Grants and Contracts	\$ 1.37	\$ 1.59	\$ 1.87	\$ 1.99	\$ 1.92	\$ 2.01	\$ 2.12	\$ 2.17	\$ 2.13	\$ 1.91
Data Used in Above Calculations										
Total Student FTE	77,353	75,181	47,926	46,829	45,517	44,714	44,376	44,129	43,570	43,323
State Appropriations and State Capital Appropriations	\$ 371,342	\$ 383,295	\$ 376,321	\$ 335,635	\$ 284,620	\$ 294,508	\$ 277,734	\$ 269,038	\$ 267,124	\$ 250,851
Grants and Contracts	\$ 1,194,913	\$ 1,076,259	\$ 972,725	\$ 930,094	\$ 930,488	\$ 768,705	\$ 764,429	\$ 738,688	\$ 726,420	\$ 743,216

SUMMARY OF RATIOS

Summary of Composite Financial Index Ratios

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
COMPOSITE FINANCIAL INDEX										
+ Primary Reserve Ratio	0.08	0.05	0.09	0.10	0.10	0.04	0.13	0.13	0.20	0.14
/ Strength Factor	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
= Ratio / Strength Factor	0.60	0.38	0.68	0.75	0.75	0.30	0.98	0.98	1.50	1.05
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.21	0.13	0.24	0.26	0.26	0.11	0.34	0.34	0.53	0.37
= Ratio 10.00 Cap Subtotal	0.21	0.13	0.24	0.26	0.26	0.11	0.34	0.34	0.53	0.37
+ Return on Net Assets Ratio	10.0%	3.7%	9.3%	1.3%	17.2%	(4.4)%	6.6%	12.7%	13.7%	6.2%
/ Strength Factor	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
= Ratio / Strength Factor	5.00	1.85	4.65	0.65	8.60	(1.00)	3.30	6.35	6.85	3.10
* Weighting Factor	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
= Ratio Subtotal	1.00	0.37	0.93	0.13	1.72	(0.20)	0.66	1.27	1.37	0.62
= Ratio 10.00 Cap Subtotal	1.00	0.37	0.93	0.13	1.72	(0.20)	0.66	1.27	1.37	0.62
+ Net Operating Revenues Ratio	1.5%	(2.2%)	(4.8%)	1.4%	0.2%	(10.5)%	(1.5)%	0.7%	5.5%	3.7%
/ Strength Factor	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
= Ratio / Strength Factor	1.15	(1.00)	(1.00)	1.08	0.15	(1.00)	(1.00)	0.54	4.23	2.85
* Weighting Factor	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
= Ratio Subtotal	0.12	(0.10)	(0.10)	0.11	0.02	(0.10)	(0.10)	0.05	0.42	0.28
= Ratio 10.00 Cap Subtotal	0.12	(0.10)	(0.10)	0.11	0.02	(0.10)	(0.10)	0.05	0.42	0.28
+ Viability Ratio	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.3	0.2
/ Strength Factor	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417
= Ratio / Strength Factor	0.48	0.24	0.24	0.48	0.48	0.24	0.48	0.48	0.72	0.48
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.17	0.09	0.08	0.17	0.17	0.08	0.17	0.17	0.25	0.17
= Ratio 10.00 Cap Subtotal	0.17	0.09	0.08	0.17	0.17	0.08	0.17	0.17	0.25	0.17
Composite Financial Index	1.50	0.49	1.15	0.67	2.17	(0.11)	1.07	1.83	2.57	1.44
Composite Financial Index with 10.00 Cap	1.50	0.49	1.15	0.67	2.17	(0.11)	1.07	1.83	2.57	1.44

The Composite Financial Index (CFI) provides a methodology for a single overall financial measurement of the institution's health based on the four core ratios. The CFI uses a reasonable weighting plan and allows a weakness or strength in a specific ratio to be offset by another ratio result, which provides a more balanced measure. The CFI provides a more holistic approach to understanding the financial health of the institution. The CFI scores are not intended to be precise measures; they are indicators of ranges of financial health that can be indicators of overall institutional well-being when combined with non-financial indicators.

Composite Financial Index calculation includes component unit information. Details of ratio calculations are on the following pages.

SUMMARY OF RATIOS (CONTINUED)

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PRIMARY RESERVE RATIO										
Unrestricted Net Position*	\$ (345,646)	\$ (420,767)	\$ (345,996)	\$ (307,211)	\$ (269,494)	\$ (320,257)	\$ (130,727)	\$ (135,502)	\$ 20,756	\$ (80,965)
Net Assets Without Donor Restrictions – Component Units	68,493	58,882	57,590	126,842	77,930	63,733	62,819	56,189	52,612	44,154
Expendable Restricted Net Position*	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080	238,522
Expendable Restricted Net Assets – Component Units**	278,687	287,129	261,814	223,051	226,345	184,247	152,068	143,895	128,288	122,486
Investment in Plant - Component Units	(29,376)	(30,459)	(31,518)	(33,485)	(37,273)	(34,166)	(31,095)	(27,696)	(26,777)	(33,163)
Expendable Net Position/Net Assets	\$ 246,869	\$ 168,435	\$ 233,499	\$ 279,858	\$ 236,697	\$ 97,514	\$ 286,402	\$ 281,428	\$ 415,959	\$ 291,034
Operating Expenses	\$ 2,999,341	\$ 2,974,203	\$ 2,527,415	\$ 2,270,178	\$ 2,170,226	\$ 2,232,502	\$ 2,106,906	\$ 2,007,403	\$ 1,902,851	\$ 1,882,513
Nonoperating Expenses	48,321	56,592	56,395	105,955	50,672	60,187	55,072	53,275	51,253	49,748
Component Unit Total Expenses	238,766	188,006	158,265	452,923	132,942	126,925	128,604	108,606	103,419	110,428
Total Expenses	\$ 3,286,428	\$ 3,218,801	\$ 2,742,075	\$ 2,829,056	\$ 2,353,840	\$ 2,419,614	\$ 2,290,582	\$ 2,169,284	\$ 2,057,523	\$ 2,042,689
Expendable Net Position/Net Assets	\$ 246,869	\$ 168,435	\$ 233,499	\$ 279,858	\$ 236,697	\$ 97,514	\$ 286,402	\$ 281,428	\$ 415,959	\$ 291,034
Total Expenses	\$ 3,286,428	\$ 3,218,801	\$ 2,742,075	\$ 2,829,056	\$ 2,353,840	\$ 2,419,614	\$ 2,290,582	\$ 2,169,284	\$ 2,057,523	\$ 2,042,689
Ratio	0.08	0.05	0.09	0.10	0.10	0.04	0.13	0.13	0.20	0.14
<i>Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net position not be available. A positive ratio and an increasing amount over time denote strength.</i>										
<i>*Fiscal year 2024 Unrestricted Net Position and Expendable Restricted Net Position were adjusted due to the reclassification of the net position associated with the net OPEB asset as disclosed in Note 1. There was no effect on total net position because the error only pertained to the proper classifications of net position.</i>										
<i>**Beginning in fiscal year 2019, the Financial Accounting Standards Board (FASB) reduced the number of net asset classes presented by the component units from three to two, net assets without donor restrictions and net assets with donor restrictions. For purposes of ratio calculations, the portion of net assets with donor restrictions that represents net assets with temporary restrictions is reported as Expendable Restricted Net Assets – Component Units.</i>										
RETURN ON NET ASSETS RATIO										
Change in Net Position/Net Assets	\$ 264,199	\$ 93,363	\$ 215,161	\$ 30,374	\$ 335,681	\$ (89,445)	\$ 125,916	\$ 215,540	\$ 224,673	\$ 96,154
Total Net Position/Net Assets (Beginning of Year)	\$ 2,625,717	\$ 2,532,354	\$ 2,317,193	\$ 2,350,275	\$ 1,954,449	\$ 2,043,894	\$ 1,917,978	\$ 1,702,438	\$ 1,635,225	\$ 1,539,071
Ratio	10.0%	3.7%	9.3%	1.3%	17.2%	(4.4)%	6.6%	12.7%	13.7%	6.2%
<i>Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.</i>										
NET OPERATING REVENUES RATIO										
Income/(Loss) before Capital, Endowments, and Special Item	\$ 31,744	\$ (62,401)	\$ (45,837)	\$ (14,436)	\$ (10,900)	\$ (207,081)	\$ (37,046)	\$ 10,702	\$ 100,524	\$ 70,350
Component Units Change in Net Assets Without Donor Restrictions Before Extraordinary or Special Items	10,903	1,292	(69,252)	48,912	14,197	914	6,630	3,577	8,458	562
Adjusted Income/(Loss) before Capital, Endowments, and Special Item and Component Units Change in Net Assets without Donor Restrictions Before Extraordinary or Special Items	\$ 42,647	\$ (61,109)	\$ (115,089)	\$ 34,476	\$ 3,297	\$ (206,167)	\$ (30,416)	\$ 14,279	\$ 108,982	\$ 70,912
Total Operating Revenues	\$ 1,953,643	\$ 1,928,734	\$ 1,625,186	\$ 1,502,946	\$ 1,383,837	\$ 1,409,187	\$ 1,467,875	\$ 1,431,591	\$ 1,448,442	\$ 1,424,770
State Appropriation and State related revenues	426,747	439,209	464,220	379,399	308,448	318,200	306,696	306,791	294,486	271,891
Non-capital Gifts and Grants, net	142,171	135,024	108,631	109,238	80,582	88,956	84,578	81,746	80,060	80,890
Financial Aid Trust Funds*	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,761	2,880
Financial Aid - State Grants	11,178	9,827	7,490	5,111	2,015	-	-	-	-	-
Investment Income/(Loss), net	66,972	68,884	42,592	(47,210)	83,281	13,070	48,396	30,911	31,962	10,046
Component Units Total Revenue Without Donor Restrictions	248,420	189,342	152,579	438,721	148,392	127,732	135,079	112,932	111,633	110,779
Adjusted Net Operating Revenues	\$ 2,851,860	\$ 2,773,749	\$ 2,403,427	\$ 2,390,934	\$ 2,009,284	\$ 1,959,874	\$ 2,045,353	\$ 1,966,700	\$ 1,969,344	\$ 1,901,256
Adjusted Income/(Loss) before Capital, Endowments, and Special Item and Component Units Change in Net Assets without Donor Restrictions Before Extraordinary or Special Items	\$ 42,647	\$ (61,109)	\$ (115,089)	\$ 34,476	\$ 3,297	\$ (206,167)	\$ (30,416)	\$ 14,279	\$ 108,982	\$ 70,912
Adjusted Net Operating Revenues	\$ 2,851,860	\$ 2,773,749	\$ 2,403,427	\$ 2,390,934	\$ 2,009,284	\$ 1,959,874	\$ 2,045,353	\$ 1,966,700	\$ 1,969,344	\$ 1,901,256
Ratio	1.5%	(2.2)%	(4.8)%	1.4%	0.2%	(10.5)%	(1.5)%	0.7%	5.5%	3.7%
<i>Measures whether the institution is living within available resources. A positive ratio and an increasing amount over time, generally reflects strength.</i>										
<i>*Prior to FY 2018, Financial Aid Trust Funds were appropriated directly to ABOR on behalf of the universities. Beginning in Fiscal Year 2018, these funds are appropriated directly to the universities.</i>										

SUMMARY OF RATIOS (CONTINUED)

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
VIABILITY RATIO										
Unrestricted Net Position*	\$ (345,646)	\$ (420,767)	\$ (345,996)	\$ (307,211)	\$ (269,494)	\$ (320,257)	\$ (130,727)	\$ (135,502)	\$ 20,756	\$ (80,965)
Net Assets Without Donor Restriction – Component Units	68,493	58,882	57,590	126,842	77,930	63,733	62,819	56,189	52,612	44,154
Expendable Restricted Net Position*	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080	238,522
Expendable Restricted Net Assets – Component Units**	278,687	287,129	261,814	223,051	226,345	184,247	152,068	143,895	128,288	122,486
Expendable Net Position/Net Assets	\$ 276,245	\$ 198,894	\$ 265,017	\$ 313,343	\$ 273,970	\$ 131,680	\$ 317,497	\$ 309,124	\$ 442,736	\$ 324,197
University Long Term Debt and Other Obligations	\$ 1,638,271	\$ 1,707,261	\$ 1,814,559	\$ 1,853,560	\$ 1,783,341	\$ 1,541,684	\$ 1,621,014	\$ 1,600,953	\$ 1,548,735	\$ 1,419,747
Component Units Long Term Debt and Other Obligations	7,361	7,605	7,498	3,464	5,245	8,154	5,840	5,553	6,024	4,255
Total Adjusted University Debt and Other Obligations	\$ 1,645,632	\$ 1,714,866	\$ 1,822,057	\$ 1,857,024	\$ 1,788,586	\$ 1,549,838	\$ 1,626,854	\$ 1,606,506	\$ 1,554,759	\$ 1,424,002
Expendable Net Position/Net Assets	\$ 276,245	\$ 198,894	\$ 265,017	\$ 313,343	\$ 273,970	\$ 131,680	\$ 317,497	\$ 309,124	\$ 442,736	\$ 324,197
Total Adjusted University Debt and Other Obligations	\$ 1,645,632	\$ 1,714,866	\$ 1,822,057	\$ 1,857,024	\$ 1,788,586	\$ 1,549,838	\$ 1,626,854	\$ 1,606,506	\$ 1,554,759	\$ 1,424,002
Ratio	0.2	0.1	0.1	0.2	0.2	0.1	0.2	0.2	0.3	0.2

Measures the ability of the institution to cover its debt as of the statement of net position date, should the institution need to do so. A positive ratio of greater than 1:1 generally denotes strength.

*Fiscal year 2024 Unrestricted Net Position and Expendable Restricted Net Position were adjusted due to the reclassification of the net position associated with the net OPEB asset as disclosed in Note 1. There was no effect on total net position because the error only pertained to the proper classifications of net position because the error only pertained to the proper classifications of net position.

**Beginning in fiscal year 2019, the Financial Accounting Standards Board (FASB) reduced the number of net asset classes presented by the component units from three to two, net assets without donor restrictions and net assets with donor restrictions. For purposes of ratio calculations, the portion of net assets with donor restrictions that represents net assets with temporary restrictions is reported as Expendable Restricted Net Assets – Component Units.

SUMMARY OF RATIOS – OTHER RATIOS

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING MARGIN EXCLUDING GIFTS										
Income/(Loss) before Capital, Endowments, and Special Item	\$ 31,744	\$ (62,401)	\$ (45,837)	\$ (14,436)	\$ (10,900)	\$ (207,081)	\$ (37,046)	\$ 10,702	\$ 100,524	\$ 70,350
Capital appropriations	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978	9,594
Less: Non-capital Gifts	(142,171)	(135,024)	(108,631)	(109,238)	(80,582)	(88,956)	(84,578)	(81,746)	(80,060)	(80,890)
Less: Net investment return/loss	(66,972)	(68,884)	(42,592)	47,210	(83,281)	(13,070)	(48,396)	(30,911)	(31,962)	(10,046)
Less: Other nonoperating revenue, net	(8,420)	(11,454)	(20,056)	(18,041)	(9,911)	(15,015)	(8,404)	(9,040)	(11,072)	(9,480)
Adjusted Income/(Loss) before Capital, Endowments, and Special Item	\$ (159,805)	\$ (251,972)	\$ (191,554)	\$ (69,168)	\$ (159,469)	\$ (299,109)	\$ (153,621)	\$ (96,746)	\$ (592)	\$ (20,472)
Total Operating Revenues	\$ 1,953,643	\$ 1,928,734	\$ 1,625,186	\$ 1,502,946	\$ 1,383,837	\$ 1,409,187	\$ 1,467,875	\$ 1,431,591	\$ 1,448,442	\$ 1,424,770
Less: Scholarships and fellowships	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)	(51,808)
State Appropriation and share of sales tax	401,305	418,379	384,862	353,648	288,665	297,449	281,172	280,823	272,764	266,282
Financial aid grants	160,690	131,632	69,338	100,635	88,352	63,077	56,881	53,746	49,990	52,037
Grants and contracts (Nonoperating)	274,967	183,259	226,024	177,588	140,772	162,845	137,961	155,589	145,200	133,720
Financial Aid Trust Funds*	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,761	2,880
Capital appropriations	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978	9,594
Adjust Net Operating Revenues less Non-capital Gifts and Grants	\$ 2,737,645	\$ 2,608,644	\$ 2,264,452	\$ 2,060,778	\$ 1,840,004	\$ 1,892,850	\$ 1,912,748	\$ 1,883,306	\$ 1,886,251	\$ 1,837,475
Adjusted Income/(Loss) before Capital, Endowments, and Special Item	\$ (159,805)	\$ (251,972)	\$ (191,554)	\$ (69,168)	\$ (159,469)	\$ (299,109)	\$ (153,621)	\$ (96,746)	\$ (592)	\$ (20,472)
Adjust Net Operating Revenues less Non-capital Gifts and Grants	\$ 2,737,645	\$ 2,608,644	\$ 2,264,452	\$ 2,060,778	\$ 1,840,004	\$ 1,892,850	\$ 1,912,748	\$ 1,883,306	\$ 1,886,251	\$ 1,837,475
Ratio	(5.8)%	(9.7)%	(8.5)%	(3.4)%	(8.7)%	(15.8)%	(8.0)%	(5.1)%	0.0%	(1.1)%

A more restrictive measure of whether the institution is living within available resources. A positive ratio and an increasing amount over time generally reflect strength.

* Prior to FY 2018, Financial Aid Trust Funds were appropriated directly to ABOR on behalf of the universities. Beginning in Fiscal Year 2018, these funds are appropriated directly to the universities.

SUMMARY OF RATIOS – OTHER RATIOS (CONTINUED)

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
RESEARCH EXPENSES TO TOTAL OPERATING EXPENSES										
Operating Expenses	\$ 2,999,341	\$ 2,974,203	\$ 2,527,415	\$ 2,270,178	\$ 2,170,226	\$ 2,232,502	\$ 2,106,906	\$ 2,007,403	\$ 1,902,851	\$ 1,882,513
Less: Scholarships and Fellowships	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)	(51,808)
Interest on Debt	48,321	56,592	56,395	58,745	50,672	60,187	55,072	53,275	51,253	49,748
Total Adjusted Operating Expenses	\$ 2,965,959	\$ 2,948,915	\$ 2,514,561	\$ 2,226,818	\$ 2,131,342	\$ 2,225,239	\$ 2,103,305	\$ 2,005,257	\$ 1,899,220	\$ 1,880,453
Research Expenses	\$ 624,329	\$ 644,893	\$ 588,697	\$ 509,383	\$ 492,534	\$ 495,462	\$ 462,112	\$ 426,873	\$ 397,512	\$ 391,122
Total Adjusted Operating Expenses	\$ 2,965,959	\$ 2,948,915	\$ 2,514,561	\$ 2,226,818	\$ 2,131,342	\$ 2,225,239	\$ 2,103,305	\$ 2,005,257	\$ 1,899,220	\$ 1,880,453
Ratio	21%	22%	23%	23%	23%	22%	22%	21%	21%	21%

Measures the institution's research expense to the total operating expenses.

NET TUITION PER STUDENT										
Student Tuition and Fees, net	\$ 978,165	\$ 926,461	\$ 717,928	\$ 677,550	\$ 634,092	\$ 644,352	\$ 658,090	\$ 653,519	\$ 653,725	\$ 608,679
Financial Aid Grants	163,419	134,361	72,067	103,364	91,081	65,806	59,610	56,475	52,751	54,917
Less Scholarships and Fellowships	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)	(51,808)
Net Tuition and Fees	\$ 1,059,881	\$ 978,942	\$ 720,746	\$ 678,809	\$ 635,617	\$ 642,708	\$ 659,027	\$ 654,573	\$ 651,592	\$ 611,788
Net Tuition and Fees	\$ 1,059,881	\$ 978,942	\$ 720,746	\$ 678,809	\$ 635,617	\$ 642,708	\$ 659,027	\$ 654,573	\$ 651,592	\$ 611,788
Undergraduate, Graduate, and Professional FTE	77,353	75,181	47,926	46,829	45,517	44,714	44,376	44,129	43,570	43,323
Net Tuition per Student (whole dollars)	\$ 13,702	\$ 13,021	\$ 15,039	\$ 14,495	\$ 13,964	\$ 14,374	\$ 14,851	\$ 14,833	\$ 14,955	\$ 14,122

Measures the institution's net student tuition and fees received per student.

STATE APPROPRIATIONS PER STUDENT										
State Appropriations	\$ 345,328	\$ 357,504	\$ 350,759	\$ 310,298	\$ 259,415	\$ 269,495	\$ 252,931	\$ 254,789	\$ 245,146	\$ 241,257
Capital Appropriations	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978	9,594
Adjusted State Appropriations	\$ 371,342	\$ 383,295	\$ 376,321	\$ 335,635	\$ 284,620	\$ 294,508	\$ 277,734	\$ 269,038	\$ 267,124	\$ 250,851
State Appropriations	\$ 371,342	\$ 383,295	\$ 376,321	\$ 335,635	\$ 284,620	\$ 294,508	\$ 277,734	\$ 269,038	\$ 267,124	\$ 250,851
Undergraduate, Graduate, and Professional FTE	77,353	75,181	47,926	46,829	45,517	44,714	44,376	44,129	43,570	43,323
State Appropriation per Student (whole dollars)	\$ 4,801	\$ 5,098	\$ 7,852	\$ 7,167	\$ 6,253	\$ 6,586	\$ 6,259	\$ 6,097	\$ 6,131	\$ 5,790

Measures the institution's dependency on state appropriations.

SUMMARY OF RATIOS – DEBT RELATED RATIOS

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENDABLE RESOURCES TO DEBT										
Unrestricted Net Position*	\$ (345,646)	\$ (420,767)	\$ (345,996)	\$ (307,211)	\$ (269,494)	\$ (320,257)	\$ (130,727)	\$ (135,502)	\$ 20,756	\$ (80,965)
Expendable Restricted Net Position*	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080	238,522
Expendable Net Position	\$ (70,935)	\$ (147,117)	\$ (54,387)	\$ (36,550)	\$ (30,305)	\$ (116,300)	\$ 102,610	\$ 109,040	\$ 261,836	\$ 157,557
Expendable Net Position	\$ (70,935)	\$ (147,117)	\$ (54,387)	\$ (36,550)	\$ (30,305)	\$ (116,300)	\$ 102,610	\$ 109,040	\$ 261,836	\$ 157,557
Total Bonds, COPs, Financed Purchase Obligations, and Lease/Subscription Liabilities	\$ 1,638,271	\$ 1,707,261	\$ 1,814,559	\$ 1,853,560	\$ 1,783,341	\$ 1,541,684	\$ 1,621,014	\$ 1,600,953	\$ 1,548,735	\$ 1,419,747
Ratio	(0.04)	(0.09)	(0.03)	(0.02)	(0.02)	(0.08)	0.06	0.07	0.17	0.11

Measures the ability of the institution to cover its debt using expendable resources as of the statement of net position date.

* Fiscal year 2024 Unrestricted Net Position and Expendable Restricted Net Position were adjusted due to the reclassification of the net position associated with the net OPEB asset as disclosed in Note 1. There was no effect on total net position because the error only pertained to the proper classifications of net position.

TOTAL FINANCIAL RESOURCES TO DIRECT DEBT										
Unrestricted Net Position*	\$ (345,646)	\$ (420,767)	\$ (345,996)	\$ (307,211)	\$ (269,494)	\$ (320,257)	\$ (130,727)	\$ (135,502)	\$ 20,756	\$ (80,965)
Expendable Restricted Net Position*	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080	238,522
Nonexpendable Restricted Net Position	234,839	208,588	191,107	179,033	189,845	157,378	161,496	154,227	142,774	134,356
Total Financial Resources	\$ 163,904	\$ 61,471	\$ 136,720	\$ 142,483	\$ 159,540	\$ 41,078	\$ 264,106	\$ 263,267	\$ 404,610	\$ 291,913
Total Financial Resources	\$ 163,904	\$ 61,471	\$ 136,720	\$ 142,483	\$ 159,540	\$ 41,078	\$ 264,106	\$ 263,267	\$ 404,610	\$ 291,913
Total Bonds, COPs and Financed Purchase Obligations, and Lease/Subscription Liabilities	\$ 1,638,271	\$ 1,707,261	\$ 1,814,559	\$ 1,853,560	\$ 1,783,341	\$ 1,541,684	\$ 1,621,014	\$ 1,600,953	\$ 1,548,735	\$ 1,419,747
Ratio	0.10	0.04	0.08	0.08	0.09	0.03	0.16	0.16	0.26	0.21

A broader measure of the ability of the institution to cover its debt as of the statement of net position date.

* Fiscal year 2024 Unrestricted Net Position and Expendable Restricted Net Position were adjusted due to the reclassification of the net position associated with the net OPEB asset as disclosed in Note 1. There was no effect on total net position because the error only pertained to the proper classifications of net position.

DIRECT DEBT TO ADJUSTED CASH FLOW										
Net Cash Used by Operating Activities	\$ (828,932)	\$ (789,725)	\$ (699,188)	\$ (620,121)	\$ (517,369)	\$ (571,080)	\$ (551,720)	\$ (464,708)	\$ (295,594)	\$ (287,171)
State Appropriations	345,328	357,504	350,759	310,298	259,415	269,495	252,931	254,789	245,146	241,257
Share of State Sales Tax - TRIF	58,706	63,604	36,832	46,079	31,979	30,683	30,970	28,763	27,618	25,025
Non-capital Grants and Contracts and Gifts (1)	646,337	538,214	462,548	484,333	441,575	348,158	316,356	316,286	290,388	292,033
Adjusted Cash Flow from Operations	\$ 221,439	\$ 169,597	\$ 150,951	\$ 220,589	\$ 215,600	\$ 77,256	\$ 48,537	\$ 135,130	\$ 267,558	\$ 271,144
Total Bonds, COPs and Financed Purchase Obligations, and Lease/Subscription Liabilities	\$ 1,638,271	\$ 1,707,261	\$ 1,814,559	\$ 1,853,560	\$ 1,783,341	\$ 1,541,684	\$ 1,621,014	\$ 1,600,953	\$ 1,548,735	\$ 1,419,747
Adjusted Cash Flow from Operations	\$ 221,439	\$ 169,597	\$ 150,951	\$ 220,589	\$ 215,600	\$ 77,256	\$ 48,537	\$ 135,130	\$ 267,558	\$ 271,144
Ratio	7.40	10.07	12.02	8.40	8.27	19.96	33.40	11.85	5.79	5.24

(1) Includes: Financial aid grants, grants and contracts, and private gifts.

Measures the financial strength of the institution by indicating how long (in years) the institution would take to repay the debt using the cash provided by its operations. A decreasing ratio over time denotes strength.

DEBT SERVICE TO OPERATIONS										
Interest and Fees Paid on Debt and Financed Purchase Obligations	\$ 48,321	\$ 56,592	\$ 56,395	\$ 58,745	\$ 50,672	\$ 60,187	\$ 55,072	\$ 53,275	\$ 51,253	\$ 49,748
Principal Paid on Debt and Financed Purchase Obligations	357,858	122,878	95,551	85,953	241,389	285,106	67,468	132,499	79,838	254,284
Less: Principal Paid from Refinancing Activities	(225,100)	-	-	-	(172,510)	(210,660)	-	(65,950)	(15,685)	(181,440)
Debt Service	\$ 181,079	\$ 179,470	\$ 151,946	\$ 144,698	\$ 119,551	\$ 134,633	\$ 122,540	\$ 119,824	\$ 115,406	\$ 122,592
Debt Service	\$ 181,079	\$ 179,470	\$ 151,946	\$ 144,698	\$ 119,551	\$ 134,633	\$ 122,540	\$ 119,824	\$ 115,406	\$ 122,592
Operating Expenses	\$ 2,999,341	\$ 2,974,203	\$ 2,527,415	\$ 2,270,178	\$ 2,170,226	\$ 2,232,502	\$ 2,106,906	\$ 2,007,403	\$ 1,902,851	\$ 1,882,513
Ratio	6.0%	6.0%	6.0%	6.4%	5.5%	6.0%	5.8%	6.0%	6.1%	6.5%

Measures the institution's dependence on borrowed funds as a source of financing its mission and the relative cost of borrowing to overall expenditures. The ratio measures the relative cost of debt to overall expenses and a declining trend is generally desirable, however the ratio can spike during times of specific funding activity.

DEBT SERVICE COVERAGE FOR SENIOR LIEN SYSTEM AND SUBORDINATE LIEN SYSTEM REVENUE BONDS

FISCAL YEAR ENDED JUNE 30 (IN THOUSANDS OF DOLLARS)	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and Fees, net of scholarship allowance	\$ 978,165	\$ 926,461	\$ 717,928	\$ 677,550	\$ 634,092	\$ 644,352	\$ 658,090	\$ 653,519	\$ 653,725	\$ 608,679
Receipts from Other Major Revenue Sources (Facilities Revenues)	525,793	515,494	446,213	429,641	316,980	396,227	425,920	416,819	410,659	402,760
Net Revenues Available for Debt Service	\$ 1,503,958	\$ 1,441,955	\$ 1,164,141	\$ 1,107,191	\$ 951,072	\$ 1,040,579	\$ 1,084,010	\$ 1,070,338	\$ 1,064,384	\$ 1,011,439
Senior Lien Bonds Debt Service										
Interest on Debt	\$ 39,160	\$ 41,011	\$ 42,422	\$ 44,339	\$ 34,259	\$ 37,752	\$ 37,730	\$ 31,849	\$ 28,936	\$ 24,121
Principal Paid on Debt	44,890	47,770	34,970	30,335	26,320	28,960	24,955	25,135	23,820	25,205
Senior Lien Bonds Debt Service Requirements	\$ 84,050	\$ 88,781	\$ 77,392	\$ 74,674	\$ 60,579	\$ 66,712	\$ 62,685	\$ 56,984	\$ 52,756	\$ 49,326
Coverage	17.89	16.24	15.04	14.83	15.70	15.60	17.29	18.78	20.18	20.51
<i>Bond Resolution Covenant: The Gross Revenues of the university for each fiscal year will be at least 150% of the Maximum Annual Debt Service due in any fiscal year.</i>										
Subordinate Lien Bonds Debt Service										
Interest on Debt	\$ 11,770	\$ 13,920	\$ 14,484	\$ 14,689	\$ 15,271	\$ 19,475	\$ 19,575	\$ 20,044	\$ 20,458	\$ 21,412
Principal Paid on Debt	12,385	11,825	11,255	11,035	11,440	10,400	9,970	9,590	9,260	-
Subordinate Lien Bonds Debt Service Requirements	\$ 24,155	\$ 25,745	\$ 25,739	\$ 25,724	\$ 26,711	\$ 29,875	\$ 29,545	\$ 29,634	\$ 29,718	\$ 21,412
Combined Senior/Subordinate Lien Debt Service	\$ 108,205	\$ 114,526	\$ 103,131	\$ 100,398	\$ 87,290	\$ 96,587	\$ 92,230	\$ 86,618	\$ 82,474	\$ 70,738
Coverage	13.90	12.59	11.29	11.03	10.90	10.77	11.75	12.36	12.91	14.30

Debt Service Assurance Agreement and SPEED Bond Resolution Covenant: The Gross Revenues of the university for each fiscal year will be at least 100% of the annual debt service due on all outstanding parity bonds and subordinate obligations.

ADMISSIONS, ENROLLMENT AND DEGREES EARNED

FALL ENROLLMENT OF FISCAL YEAR	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ADMISSIONS - FIRST YEAR UNDERGRADUATES										
Applied	58,339	56,466	52,103	48,202	43,540	40,854	39,941	33,608	36,166	35,383
Admitted	50,252	48,369	45,195	41,996	37,064	34,557	33,714	28,089	28,433	27,042
Enrolled	9,314	9,178	9,091	8,485	7,334	7,683	7,750	7,360	7,753	8,037
Accepted as Percentage of Applied	86%	86%	87%	87%	85%	85%	84%	84%	79%	76%
Enrolled as Percentage of Admitted	19%	19%	20%	20%	20%	22%	23%	26%	27%	30%
Average SAT scores - Total	1234	1265	1265	1275	1256	1262	1229	1136	1123	1121
Verbal	618	631	628	634	622	623	611	563	555	540
Math	616	634	637	642	633	639	618	575	568	567
ENROLLMENT										
Undergraduate, Graduate and Professional FTE	77,353	75,181	47,926	46,829	45,517	44,714	44,376	44,129	43,570	43,323
Undergraduate, Graduate and Professional Headcount	84,548	85,791	51,134	49,471	46,932	45,918	45,217	44,831	43,625	43,088
Men (Headcount)	36,523	36,276	22,790	21,956	21,132	21,383	21,456	21,673	21,011	20,833
Percentage of Total	43.2%	42.3%	44.6%	44.4%	45.0%	46.6%	47.5%	48.3%	48.2%	48.3%
Women (Headcount)	48,025	49,515	28,344	27,515	25,800	24,535	23,761	23,158	22,614	22,255
Percentage of Total	56.8%	57.7%	55.4%	55.6%	55.0%	53.4%	52.5%	51.7%	51.8%	51.7%
Black or African American (Headcount)	10,412	11,370	1,995	1,885	1,745	1,670	1,657	1,679	1,601	1,510
Percentage of Total	12.3%	13.3%	3.9%	3.8%	3.7%	3.6%	3.7%	3.7%	3.7%	3.5%
Hispanic or Latino (Headcount)	20,056	20,127	12,723	12,478	12,114	10,869	10,729	10,753	10,161	9,790
Percentage of Total	23.7%	23.5%	24.9%	25.2%	25.8%	23.7%	23.7%	24.0%	23.3%	22.7%
White (Headcount)	34,938	37,165	23,714	23,343	22,073	21,878	21,869	22,040	22,069	22,198
Percentage of Total	41.3%	43.3%	46.4%	47.2%	47.0%	47.7%	48.4%	49.2%	50.6%	51.5%
Other (Headcount)	19,142	17,129	12,702	11,765	11,000	11,501	10,962	10,359	9,794	9,590
Percentage of Total	22.6%	19.9%	24.8%	23.8%	23.5%	25.0%	24.2%	23.1%	22.4%	22.3%
DEGREES EARNED *										
Bachelor's	13,472	13,175	7,772	7,410	7,543	7,406	7,754	7,248	6,949	7,039
Master's	4,986	4,626	2,297	2,358	2,256	2,037	2,100	1,987	1,987	1,960
Doctoral	504	526	467	410	486	435	448	435	442	524
Professional	677	628	523	583	524	516	533	513	494	383
Associate	163	189	-	-	-	-	-	-	-	-
Certificates	648	530	495	504	425	343	309	261	220	217

Sources: University Analytics & Institutional Research (UAIR) <https://uair.arizona.edu> and the University of Arizona Global Campus <https://www.uagc.edu/institutional-data>

* Degrees awarded as reported to IPEDS and ABOR. Includes primary awards only.

DEMOGRAPHIC DATA

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Arizona Population	7,582,384	7,431,344	7,359,197	7,276,316	7,421,401	7,278,717	7,171,646	7,016,270	6,931,071	6,829,397
Arizona Personal Income (in millions)	\$ 488,730	\$ 458,154	\$ 417,021	\$ 395,111	\$ 363,274	\$ 336,514	\$ 313,040	\$ 292,108	\$ 278,925	\$ 266,756
Arizona Per Capita Personal Income	\$ 64,456	\$ 61,652	\$ 56,667	\$ 54,201	\$ 48,950	\$ 46,233	\$ 43,650	\$ 41,633	\$ 40,243	\$ 39,060
Arizona Unemployment Rate	4.10%	3.30%	3.50%	3.30%	6.80%	10.00%	4.90%	4.70%	5.00%	5.60%

Sources: U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics

PRINCIPAL EMPLOYERS

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
The University of Arizona	19,152	1	3.8%	11,251	1	2.3%
Raytheon Technologies	14,033	2	2.8%	9,600	2	2.0%
Banner - University Medical Center	8,427	3	1.7%	6,272	7	1.3%
Tucson Unified School District	7,862	4	1.6%	6,770	5	1.4%
Pima County Government	7,097	5	1.4%	7,060	6	1.5%
Tucson Medical Center	5,919	6	1.2%	-	-	-
Davis Monthan Air Force Base	5,426	7	1.1%	8,406	4	1.8%
State of Arizona	4,770	8	1.0%	8,580	3	1.8%
City of Tucson	4,394	9	0.9%	-	-	-
Wal-Mart Stores, Inc.	4,318	10	0.8%	5,500	10	1.1%
US Border Patrol	-	-	-	5,739	8	1.2%
Freeman-McMoran Copper	-	-	-	5,530	9	1.2%
Total	81,398		16.3%	74,708		15.6%
Total Work Force			497,856			479,107

Sources: The University of Arizona Interactive Fact Book and University Analytics & Institutional Research (UAIR) <https://uair.arizona.edu> and <https://www.uagc.edu/institutional-data>

Pima Association of Governments (PAG) - 2025

Economic and Business Research Center, Eller College of Management, June 2025

FACULTY AND STAFF

FALL EMPLOYMENT OF FISCAL YEAR	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FACULTY										
Full-time	2,554	2,550	2,483	2,458	2,395	2,414	2,447	2,320	2,281	2,363
Part-time	815	835	845	808	732	798	754	770	789	795
Total Faculty	3,369	3,385	3,328	3,266	3,127	3,212	3,201	3,090	3,070	3,158
Percentage Tenured	46.7%	45.6%	46.4%	47.9%	51.5%	51.3%	51.4%	52.4%	51.4%	49.4%
Tenured Track - Dept. Head	101	98	89	107	108	110	84	85	85	89
Tenured Track - Faculty	1,474	1,444	1,454	1,459	1,502	1,539	1,562	1,535	1,493	1,470
Total Tenured Track	1,575	1,542	1,543	1,566	1,610	1,649	1,646	1,620	1,578	1,559
STAFF										
Full-time	10,107	10,707	8,710	8,243	8,367	8,628	8,249	7,793	7,329	7,786
Part-time	5,676	5,774	3,869	4,041	4,073	4,683	4,767	4,740	4,657	4,586
Total Staff	15,783	16,481	12,579	12,284	12,440	13,311	13,016	12,533	11,986	12,372
Total Faculty and Staff	19,152	19,866	15,907	15,550	15,567	16,523	16,217	15,623	15,056	15,530

Source: The University of Arizona Interactive Fact Book <https://uair.arizona.edu> and the University of Arizona Global Campus <https://www.uagc.edu/institutional-data> UAGC associate faculty are considered staff under ABOR definition.

CAPITAL ASSETS

FISCAL YEAR ENDED JUNE 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Academic/Support Facilities	601	604	611	620	619	622	621	646	651	651
Auxiliary Facilities	86	86	84	84	78	78	74	71	75	74
Total	687	690	695	704	697	700	695	717	726	725



Photo: Chad Holder





Photo: Tom Kubik



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THE UNIVERSITY
OF ARIZONA

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