

UNIVERSITY OF NEBRASKA SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

▶▶▶
For the Years Ended June 30, 2025 and 2024

UNIVERSITY OF
Nebraska
System

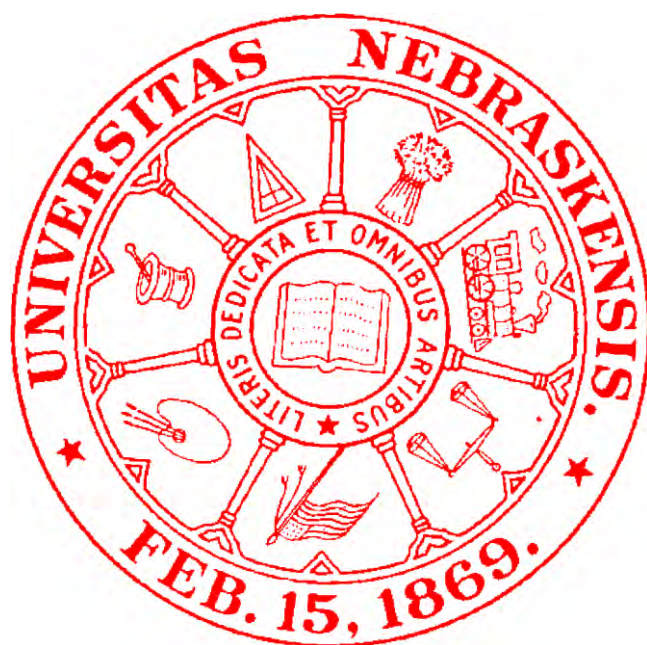
THE UNIVERSITY OF NEBRASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Years Ended June 30, 2025 and 2024

(A Component Unit of the State of Nebraska)

Office of the Vice President | CFO



THE UNIVERSITY OF NEBRASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	3
Board of Regents of the University of Nebraska.....	4
Principal University Business Officials	5
Organizational Chart.....	6
FINANCIAL SECTION	
Independent Auditors' Report.....	11
Component Unit – Independent Auditors' Report	14
Management's Discussion and Analysis (Unaudited).....	16
Basic Financial Statements:	
Statements of Net Position	27
Component Unit – Consolidated Statements of Financial Position	29
Statements of Revenues, Expenses and Changes in Net Position.....	30
Component Unit – Consolidated Statements of Activities	31
Statements of Cash Flows	33
Component Unit – Consolidated Statements of Cash Flows	35
Statement of Fiduciary Net Position	36
Statement of Changes in Fiduciary Net Position.....	37
Notes to Financial Statements	38
Report Required by Government Auditing Standards	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On An Audit Of Financial Statements Performed in Accordance with <i>Government Auditing</i> <i>Standards</i>	94
STATISTICAL SECTION (UNAUDITED)*	
Financial Trends:	
Schedule of Revenues and Expenses and Changes in Net Position.....	100
Schedule of Net Position Components.....	102
Market, Demographic and Economic Information:	
Non-Capital Appropriations	103
State of Nebraska Population and Personal Income Per Person	104
Ten Largest Employers in State of Nebraska	105

(Continued)

THE UNIVERSITY OF NEBRASKA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS (continued)

	Page
STATISTICAL SECTION (UNAUDITED)*	
Debt Information:	
Bond Debt Service Coverage by Campus and Issue	106
Lease and Subscription Obligations Payable.....	108
Operating Information:	
Schedule of Capital Asset Information.....	109
Freshman Selectivity and Matriculation Data	110
Student Full Time Equivalents, Tuition, and Discounts	111
Faculty and Staff Full Time Equivalents.....	112
Tenure Density Data	113
Retention Rates of Freshman and Baccalaureate Graduation Rates	114
Degrees Earned.....	115
Accreditation	116

*Tables Relating to Property Tax Levies, Assessed Values, Property Tax Rates, Legal Debt Margin, Bonded Debt to Assessed Value, Direct and Overlapping Debt, and Principal Taxpayers are omitted, as they are not applicable to the University of Nebraska

INTRODUCTION





December 15, 2025

Dr. Jeffrey P. Gold, President
Members of the Board of Regents
University of Nebraska

Dear President Gold and Board Members:

We enclose for your review and use the Annual Comprehensive Financial Report for the University of Nebraska as of and for the fiscal year ended June 30, 2025.

Management is responsible for the preparation and fair presentation of the financial statements, based upon a comprehensive internal control framework that it has established for this purpose. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Because the cost of 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.

The University of Nebraska's financial statements for the year ended June 30, 2025, have been audited by the Auditor of Public Accounts, who has, based on their audit and the reports of other auditors, issued an unmodified report on those financial statements. The independent auditors' report is presented in the financial section of this document.

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Senior Vice President for Business and Finance and campus business and finance personnel. We would like to express our appreciation to all members of those departments who assisted and contributed to preparation of this report. Credit also must be given to President Gold and the Board of Regents for their active support for maintaining the highest standards of professionalism in the management of the University of Nebraska's finances.

Respectfully submitted,

Anne Barnes

Anne Barnes
Vice President | CFO

Lacey Rohe

Lacey Rohe, CPA
Assistant Vice President | Controller

THE BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA



Paul Kenney, Chairman
District 6



Jim Scheer, Vice Chairman
District 3



Timothy F. Clare, Lincoln
District 1



Jack Stark, Omaha
District 2



Elizabeth O'Connor,
Omaha District 4



Robert Schafer, Omaha
District 5

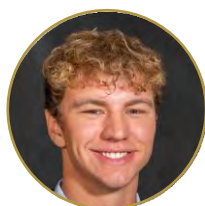


Kathy Wilmot, Beaver City
District 7



Barbara Weitz, Omaha
District 8

STUDENT REGENTS



Sam Schroeder, UNK



Libby Wilkins, UNL



Brock Calamari, UNMC



Drew Leisy, UNO

PRINCIPAL UNIVERSITY BUSINESS OFFICIALS

University of Nebraska Officers

Jeffrey P. Gold, President
David Jackson, Interim Executive Vice President and Provost
Anne Barnes, Senior Vice President and CFO
Bren Chambers, Vice President and General Counsel
Katie Hoffman, Corporation Secretary
Lacey Rohe, Assistant Vice President and Controller

University of Nebraska at Kearney Administration

Neal Schnoor, Chancellor
Scott Benson, Vice Chancellor for Business and Finance

University of Nebraska-Lincoln Administration

Rodney Bennett, Chancellor
Anne Barnes, Interim Vice Chancellor for Business and Finance

University of Nebraska Medical Center Administration

H. Dele Davies, Interim Chancellor
Anne Barnes, Vice Chancellor for Business and Finance

University of Nebraska at Omaha Administration

Joanne Li, Chancellor
Carol Kirchner, Vice Chancellor for Business and Finance

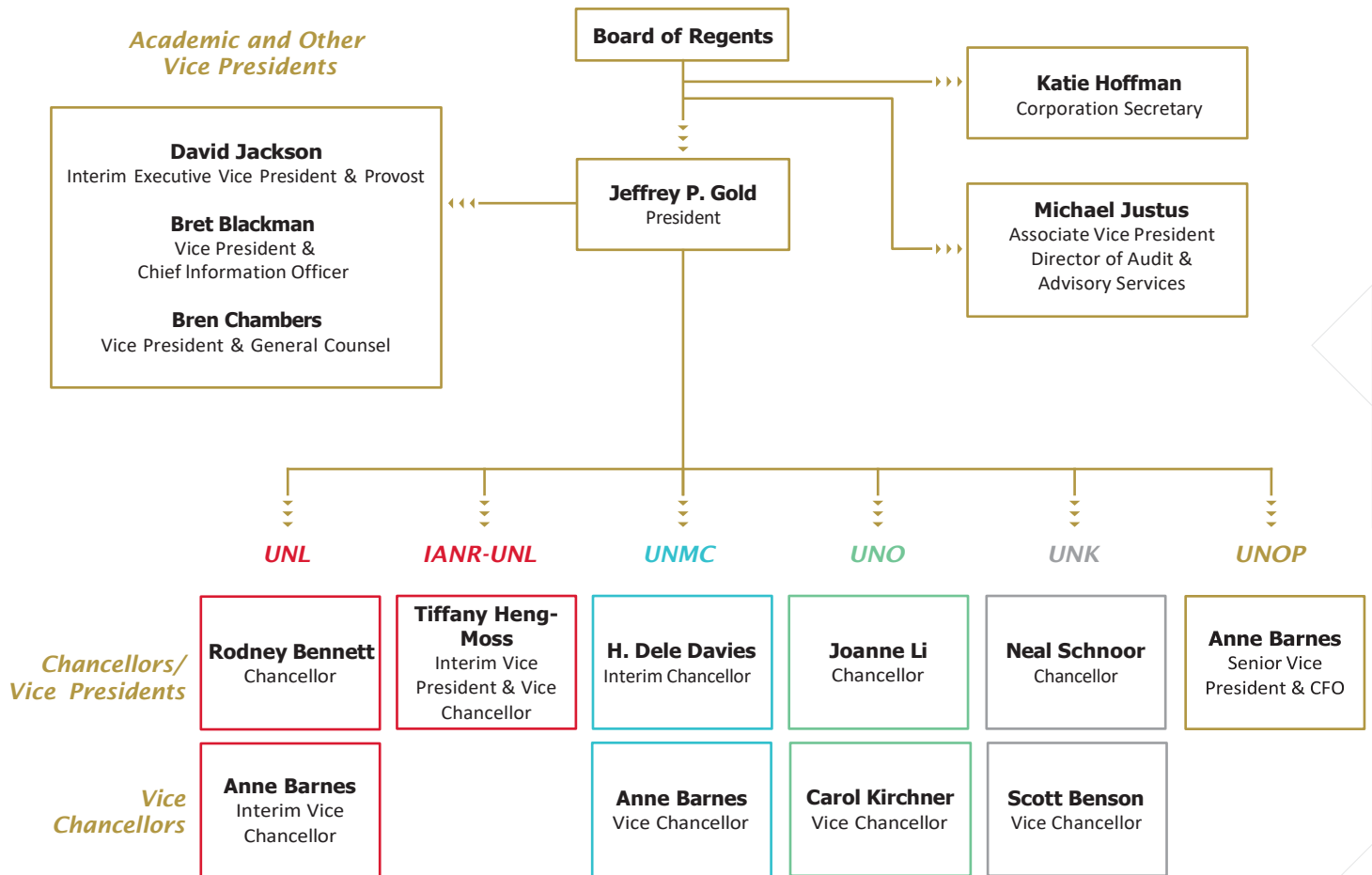
University of Nebraska Facilities Corporation

Elizabeth O'Connor, President
Robert Schafer, Vice President

UNIVERSITY OF NEBRASKA SYSTEM ADMINISTRATION

Business Affairs Organizational Chart

2025-2026



FINANCIALS



THE UNIVERSITY OF NEBRASKA SYSTEM

The University of Nebraska strives to be the best public university system in the country as measured by the impact we have on our people and our state—and through them, the world. We help build and sustain Nebraska by offering educational and economic opportunity and a high quality of life: through access to high-quality education, through research that improves lives, through developing the state's workforce and through programs that leverage Nebraska's resources in areas that are important in our state, nationally and globally.

The state's only public university system, the University of Nebraska became the first institution west of the Mississippi River to offer graduate education in 1903. Founded in Lincoln, the university included a medical center in Omaha beginning in 1902.

It became a multi-campus university in 1968 when the original campus was designated the University of Nebraska–Lincoln, and the University of Nebraska Medical Center and the University of Nebraska at Omaha (formerly a municipal institution) were designated by the state legislature as separate campuses. The University of Nebraska at Kearney (formerly a state college) was added in 1991.

Our university stands proudly in the company of America's great public universities, with 16,000 faculty and staff serving 50,000 students and 1.9 million Nebraskans. The university's momentum is apparent, with new initiatives that are improving access for Nebraskans, ambitious goals for enrollment growth, continued improvements in student outcomes, success in increasing research funding and record levels of private support.





NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

INDEPENDENT AUDITORS' REPORT

Board of Regents of the University of Nebraska
Lincoln, Nebraska:

Opinion

We have audited the accompanying financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the University of Nebraska (University) (a component unit of the State of Nebraska) as of and for the years ended June 30, 2025 and 2024, 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, fiduciary activities, and the discretely presented component unit of the University of Nebraska, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Nebraska Foundation (Foundation), a discretely presented component unit of the University; the University of Nebraska Facilities Corporation, the University Technology Development Corporation, the University Dental Associates, the UNeHealth, and the UNMC Science Research Fund, blended component units of the University (collectively identified as the Blended Component Units). The Blended Component Units represent 15 percent, -2 percent, and 6 percent, respectively, of the assets, net position, and revenues of the University at June 30, 2025, and 17 percent, -1 percent, and 5 percent, respectively, of the assets, net position, and revenues of the University at June 30, 2024. Those statements were audited by other auditors, whose reports have been furnished to us, along with the Foundation report, which appears herein, and our opinion, insofar as it relates to the amounts included for the Foundation, and the Blended Component Units, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the Foundation and the Blended Component Units were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note A to the financial statements, in fiscal year 2025 the University adopted new accounting guidance for compensated absences in GASB Statement No. 101. Additionally, as discussed in Note P to the financial statements, the fiscal year 2024 financial statements have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 16 through 26, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted

of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the report. The other information comprises the accompanying introductory and statistical sections on pages 3 through 6 and pages 99 through 116 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Mark Avery", with a long, sweeping horizontal line extending to the right.

Lincoln, Nebraska
December 11, 2025

Mark Avery, CPA
Assistant Deputy Auditor

Independent Auditors' Report

Board of Directors
University of Nebraska Foundation
Lincoln, Nebraska

Opinion

We have audited the consolidated financial statements of the University of Nebraska Foundation (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Lincoln, Nebraska
September 18, 2025**

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Introduction

This discussion and analysis is designed to provide an overview of the financial position and activities of the University of Nebraska (the University) for the years ended June 30, 2025 and 2024. This analysis has been prepared by management of the University of Nebraska and it is intended to be read with the financial statements and related footnotes that follow this section.

The University is a comprehensive public institution of higher education, research, and public service. It was founded in Lincoln, Nebraska on February 15, 1869. The University became a multi-campus institution in 1968 by an act of the Nebraska Legislature that provided for the addition of the University of Nebraska at Omaha to the University system (formerly the municipal University of Omaha) and, at the same time, designated the University of Nebraska-Lincoln and University of Nebraska Medical Center as separate campuses. In 1991, the former Kearney State College became the fourth campus as the University of Nebraska at Kearney.

The University's four campuses provide a diversity of offerings. The University of Nebraska-Lincoln (UNL) offers a wide range of undergraduate majors and has primary responsibility for graduate education, particularly at the doctoral level, and in the non-medical professions. UNL also includes the Institute of Agriculture and Natural Resources, which operates research extension centers across the State of Nebraska (the State), as well as offering major educational and research programs on campus. The University of Nebraska Medical Center (UNMC) features undergraduate, graduate, and professional degree programs that prepare students for a wide variety of careers in health sciences. The University of Nebraska at Omaha (UNO) is a metropolitan university located in the heart of Nebraska's largest city offering a broad range of undergraduate programs, as well as doctoral programs in criminal justice and public administration. The University of Nebraska at Kearney (UNK) is a mid-sized, residential campus with a commitment to excellence in undergraduate education. UNK offers undergraduate degrees in the arts and sciences, education, and business and technology, with a wide range of majors.

The financial statements for the University of Nebraska include five blended entities, those being the University of Nebraska Facilities Corporation (UNFC), the UNMC Science Research Fund, the University Dental Associates, UNeHealth, and the University Technology Development Corporation. Additional information regarding these entities is described in the footnotes to the financial statements.

In accordance with the guidance of Governmental Accounting Standards Board (GASB) Statement No. 39 and GASB Statement No. 61, the University of Nebraska Foundation's (the Foundation) financial statements are discretely presented with the University's financial statements. Management's discussion and analysis relates only to the University and does not include any overview of the financial position and activities of the Foundation. References to the Foundation within the analysis relate only to specific transactions with the University.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Student Enrollment – Headcount					
Campus	Fiscal Year				
	2021	2022	2023	2024	2025
UNL	25,339	24,687	24,055	23,832	24,193
UNMC	4,239	4,387	4,406	4,555	4,703
UNO	15,892	15,328	15,058	15,015	14,972
UNK	6,225	6,275	6,041	6,017	5,881
Total	51,695	50,677	49,560	49,419	49,749

The fall semester (fiscal 2025) headcount enrollment was 49,749 students on the four campuses. Increasing enrollment is a strategic priority of the University and all campuses have devoted greater efforts to recruit both in-state and out-of-state students through such activities as improvement of student residences and facilities. The number of students enrolled in graduate and professional programs was 13,303, representing 27% of the student body, an important part of the University's commitment to its increasing prominence as a major research institution.

Financial and Operating Highlights

- **Internal Loan Program.** The University utilizes an Internal Loan Program (ILP) to support the long-term stewardship of the University's financial resources. The ILP allows the University to manage these financial resources holistically across the system. The ILP seeks to decouple external financings and internal lending such that the University can strategically reinvest in future projects and initiatives.
- **Growth in Net Position.** Net position of the University grew by \$264 million or 5% and is attributable to several factors. Invested in capital assets and expendable plant construction net position increased a combined \$97 million, fueled by ongoing work for the \$95 million Rural Health Education Building at Kearney as well as the completion of the \$147 million "Go Big" North Stadium Expansion project. Unrestricted net position saw additional growth of \$118 million in 2025 to a total of \$2,025 million. An increase in the University's share of equity in a joint venture of \$81 million aided this increase. Nonexpendable permanent endowment increased \$16 million as a result of strong stock market returns.
- **New Capital Construction.** Investments in capital projects followed University priorities, with many of these projects coming courtesy of private support. The following endeavors align behind the educational, research, and public service missions and make the University more competitive in continuing to attract high caliber students and faculty.
 - UNK and UNMC continue construction of the \$95 million Rural Health Education Building in Kearney. This three-story, 110,000 square foot structure will feature state-of-the-art classrooms, extensive simulation and clinical skills laboratories for pre-clinical education and complex clinical scenarios and simulated primary care spaces.
 - UNMC continues work on Project Health, a new \$2 billion health care facility at UNMC and Nebraska Medicine. This facility will serve as a clinical learning center to train the next generation of health care providers, conduct research and offer other clinical trials.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

- UNL construction continues for the Westbrook Music Building Replacement project at a total budget of \$83 million. This project will add a variety of features, including a recording studio, rehearsal halls, a 300-seat recital hall and refurbished recital facilities.
- **Indebtedness.** Overall, bonded indebtedness decreased in 2025 by approximately \$37 million on a base of \$1,165 million at June 30, 2024, as a result of bond payments made in the ordinary course of business. Furthermore, no new bond issues were made in 2025.
- **State appropriations and tuition.** The Nebraska Legislature appropriated a 4.7% increase in state support of University operations for 2025 compared to a 3% increase in 2024 and a 3% increase in 2023. The Board of Regents approved a 3.5% tuition rate increase in 2025 following a tuition increase of 3.5% in 2024 and tuition freeze in 2023.
- **Federal Grants and Contracts.** Revenues from Federal grants and contracts increased by 4% from 2024 to 2025 compared to a 2% increase from 2023 to 2024. Revenues from Federal sources support the research and discovery efforts of the University and provide financial aid to students.
- **Capital grants and gifts.** Capital grants and gifts continue to be an important source of funding for facilities at the University. Capital grants and gifts totaled \$88 million in 2025 compared to \$107 million in 2024, and \$87 million in 2023. The decrease in capital gifts in 2025 primarily resulted from pausing the renovation plans for the Memorial Stadium Improvements project at UNL.

Using the Financial Statements

The financial statements of the University include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements are prepared in accordance with GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*. The statements and related footnotes are presented on a combined basis for the University as a whole.

Statement of Net Position. The Statement of Net Position includes all of the assets, deferred outflows, liabilities, and deferred inflows of the University and its component units on the accrual basis of accounting. The difference between total assets and deferred outflows and total liabilities and deferred inflows represents the net position of the University and is one indicator of its overall current financial condition. Over time, increases or decreases in the University's net position are indicative of whether its financial health is improving or deteriorating.

Assets classified as non-current are those that are expected to mature beyond a one-year period or represent special accounts such as those established to comply with revenue bond covenants.

Capital assets are presented net of accumulated depreciation and right-to-use assets are presented net of accumulated amortization.

Net position is divided into three parts:

- Net investment in capital assets: The University's total investment in capital assets, net of accumulated depreciation and amortization, reduced by outstanding bond and lease obligations incurred to acquire, construct, or improve those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

- Restricted:
 - Expendable: A fund externally restricted by creditors, grantors, or donors and includes grant and research funds, funds for plant construction and debt service on bond obligations.
 - Non-expendable: Permanent endowments and the Perkins student loan program.
- Unrestricted: Comprised of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Revenues, Expenses, and Changes in Net Position disclose the revenues and expenses of the University during the year. Revenues and expenses are classified as either operating or non-operating. Revenues realized from operating activities are offset by operating expenses, including depreciation and amortization, resulting in an operating income or loss. Most significantly, GASB requires that certain funding sources that are significant to the University, including State appropriations, gifts, certain Federal student aid programs, and investment income, be classified as non-operating revenues. In large public land-grant institutions, this, by definition, will invariably create operating losses on the statement of revenues and expenses and negative cash flows from operations in the statement of cash flows.

Scholarships and fellowships granted to students are shown as a reduction of tuition and other revenues, while stipends and other cash payments made directly to students are reported as scholarship and fellowship expenses.

Statement of Cash Flows. The Statement of Cash Flows provides information about the cash receipts and cash payments made by the University during the year. When used with related disclosures and information in the other financial statements, this statement should help assess the University's ability to generate future cash flows, its ability to meet its obligations when they come due, its needs for financing, the reasons for differences between operating income and associated cash receipts, and payments and the effects on the University's financial position by investing, capital, and financing transactions during the year.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Condensed Financial Statements and Analysis Condensed Statements of Net Position

	June 30,		
	2025	2024	2023
Assets and Deferred Outflows			
Current assets	\$ 2,001,697	\$ 1,968,820	\$ 1,990,461
Capital assets, net of accumulated depreciation	3,577,565	3,430,534	3,233,669
Other non-current assets	1,661,076	1,616,137	1,538,974
Total assets	7,240,338	7,015,491	6,763,104
Deferred Outflows of Resources	25,313	27,054	28,372
Liabilities, Deferred Inflows, and Net Position			
Current liabilities	528,346	513,197	467,208
Non-current liabilities	1,202,278	1,266,215	1,310,006
Total liabilities	1,730,624	1,779,412	1,777,214
Deferred Inflows of Resources	63,762	55,397	58,630
Net position:			
Net investment in capital assets	2,399,382	2,331,199	2,262,801
Restricted for:			
Nonexpendable:			
Permanent endowment	283,676	267,460	227,637
Loan funds	15,131	15,127	14,419
Expendable:			
Externally restricted funds	456,170	429,213	473,111
Plant construction	240,815	212,454	123,982
Debt service	51,177	45,195	60,080
Unrestricted	2,024,914	1,907,088	1,793,602
Total net position	\$ 5,471,265	\$ 5,207,736	\$ 4,955,632

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30,		
	2025	2024	2023
Operating Revenues:			
Tuition and fees	\$ 385,087	\$ 424,434	\$ 410,864
Federal grants and contracts - restricted	441,849	423,987	414,234
Private grants and contracts - restricted	281,701	297,551	247,037
State grants and contracts - restricted	52,504	45,931	83,820
Sales and services of educational activities	78,154	75,120	63,614
Sales and services of health care entities	30,315	28,957	27,794
Sales and services of auxiliary operations	381,313	357,839	342,438
Other operating revenues	30,157	25,370	24,382
Total operating revenues	1,681,080	1,679,189	1,614,183
Operating Expenses:			
Compensation and benefits	1,687,849	1,635,485	1,563,313
Supplies and services	806,637	812,876	670,468
Depreciation of capital assets	165,943	155,966	150,615
Amortization of right-to-use assets	22,960	17,740	16,133
Scholarships and fellowships	41,711	81,719	75,625
Total operating expenses	2,725,100	2,703,786	2,476,154
Transfers	(29,429)	23,651	-
Operating Loss	(1,073,449)	(1,000,946)	(861,971)
Non-operating Revenues (Expenses):			
State of Nebraska non-capital appropriations	699,858	667,849	649,841
Federal grants	119,494	83,625	58,254
Gifts	183,223	193,302	186,169
Investment income	98,196	45,731	82,143
Interest on bond obligations	(46,926)	(34,478)	(41,375)
Equity in joint venture	165,174	84,171	31,329
Other non-operating revenues	10,121	90,785	24,805
Net non-operating revenues	1,229,140	1,130,985	991,166
Income before Other Revenues, Expenses, Gains or Losses	155,691	130,039	129,195
Other Revenues, Expenses, Gains or Losses:			
State of Nebraska capital appropriations	19,550	14,737	19,823
Capital grants and gifts	88,233	107,253	87,393
Additions to permanent endowments	55	75	357
Net other revenues, expenses, and gains or losses	107,838	122,065	107,573
Increase in net position	263,529	252,104	236,768
Net position, beginning of year	5,207,736	4,955,632	4,718,864
Net position, end of year	\$ 5,471,265	\$ 5,207,736	\$ 4,955,632

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Analysis of Financial Position. Cash and cash equivalents represent the majority of current assets of the University and increased \$94 million in 2025, from \$1,201 million to \$1,295 million, as compared to a decrease of \$175 million in 2024, from \$1,376 million to \$1,201 million.

Non-current assets of the University are led by the investment in capital assets. At June 30, 2025, total investment in capital assets was \$5.6 billion, yielding a net investment, after accumulated depreciation and amortization, of \$3.7 billion. The increase in capital assets was \$151 million, consisting of net additions of \$340 million less depreciation and amortization of \$189 million. Changes in capital assets are further detailed in the capital asset section of this discussion.

Capital gifts from the Foundation contributed to funding the construction of Kiewit Hall, the North Stadium Expansion, and the Westbrook Music Building replacement at UNL, the Core Building and Student Housing projects at UNMC, and funds for debt service on certain UNFC projects. All other projects were funded or partially funded from UNFC bond issues, capital appropriations, and certain designated internal funds.

Net bonded indebtedness decreased by \$37 million in 2025, following a decrease of \$55 million in 2024 and decrease of \$68 million in 2023. No indebtedness was issued in the past three years.

Analysis of Operations – Overview. The University generated \$1,681 million of operating revenues during 2025, an increase of \$2 million over 2024, while operating expenses were \$2,725 million, up \$21 million over the prior year. These changes resulted in an increase in the operating loss of \$73 million to \$1.1 billion in 2025 compared to losses of \$1 billion and \$860 million for 2024 and 2023. As disclosed earlier, because of the mandated financial reporting regarding classification of State appropriations and other funding sources, statements of activities for large public land-grant universities will invariably report an operating loss. If non-capital appropriations were added to the operating loss as displayed in the statements of revenues, expenses, and changes in net position, the University's "operating loss after appropriations" would have been \$374 million in 2025 compared to similar "losses" of \$333 million in 2024 and \$212 million in 2023.

The Nebraska Legislature provided \$700 million in non-capital appropriations for 2025, an increase of \$32 million over 2024 following an increase of \$18 million over 2023. The University, in conjunction with the Foundation, generated non-operating and capital gifts of approximately \$271 million that, when combined with all other non-operating revenues and expenses including investment income of \$98 million, netted an overall increase in net position of approximately \$264 million.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Revenues. The following charts depict the operating revenues for 2025 and 2024 and the comparative changes that occurred between those years.

	2025		2024		2025-2024 Change	
	Amount	% of Total	Amount	% of Total	Dollars	Percent
Tuition and fees	\$ 385,087	23%	\$ 424,434	25%	\$ (39,347)	(9)%
Federal grants and contracts - restricted	441,849	26	423,987	25	17,862	4
Private grants and contracts - restricted	281,701	17	297,551	18	(15,850)	(5)
State grants and contracts - restricted	52,504	3	45,931	3	6,573	14
Sales and services of educational activities	78,154	5	75,120	4	3,034	4
Sales and services of health care entities	30,315	2	28,957	2	1,358	5
Sales and services of auxiliary operations	381,313	23	357,839	21	23,474	7
Other operating revenues	30,157	1	25,370	2	4,787	19
Total operating revenues	<u>\$ 1,681,080</u>	<u>100%</u>	<u>\$ 1,679,189</u>	<u>100%</u>	<u>\$ 1,891</u>	<u>0%</u>

The University's operating revenues remained stable in fiscal year 2025. A three-year comparison of revenues for the years 2025, 2024, and 2023 is presented on page 21.

- The largest decrease in revenue was in tuition and fees, which decreased \$39 million or 9%. This decrease was driven by the University's adoption of NACUBO's updated advisory on calculating scholarship allowances. The new method allocates institutional aid and waivers to tuition and fees based on actual student account activity rather than historical ratios. As a result, the calculation of scholarship allowances increased by \$68 million for 2025 as this was not applied retroactively. The change affects presentation only and does not impact total net position. Sales and services of auxiliary operations increased by \$23 million or 7% primarily due to an increase of about \$25 million in UNL athletic operations.

Expenses. The following chart shows the University's operating expenses for 2025 and 2024 and comparative changes that occurred between those years. A three-year comparison of operating expenses for the years 2025, 2024, and 2023 is presented on page 21.

	2025		2024		2025-2024 Change	
	Amount	% of Total	Amount	% of Total	Dollars	Percent
Compensation and benefits	\$ 1,687,849	62%	\$ 1,635,485	60%	\$ 52,364	3%
Supplies and services	806,637	30	812,876	30	(6,239)	(1)
Depreciation and amortization	188,903	7	173,706	7	15,197	9
Scholarships and fellowships	41,711	1	81,719	3	(40,008)	(49)
Total operating expenses	<u>\$ 2,725,100</u>	<u>100%</u>	<u>\$ 2,703,786</u>	<u>100%</u>	<u>\$ 21,314</u>	<u>1%</u>

Operating expenses increased by \$21 million for the 2025 fiscal year. Changes in the major expense classifications follow.

- Compensation and benefits increased by \$52 million from an approved 3% pool for merit-based salary increase for non-unionized faculty and staff.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

- Scholarships and fellowships expense decreased by \$40 million or 49% due to a change in methodology of tuition allowance calculation that was implemented in 2025, as described in the revenues section above.

Non-Operating Revenues (Expenses). Net non-operating revenues increased \$98 million during 2025 compared to 2024. An increase in Federal grant revenue of about \$36 million contributed to the increase as well as an increase in investment income in 2025 which was driven primarily by a \$48 million swing in realized gains on Foundation-held investments.

Other Revenues, Expenses, Gains, or Losses. Net other revenues, expenses, gains, or losses decreased by \$14 million. The primary driver was a decrease in capital gifts related to the pausing of the Memorial Stadium Improvements project at UNL.

Capital Assets

The University made significant investments in capital assets during the current year. Major construction projects and acquisitions completed were:

- At UNK, renovation of the Calvin T. Ryan Library was completed with building capitalized value of \$23 million. This project will improve the layout, appearance and functionality of the building. Included in the project is an emphasis on open design and increased access to individual and group study and lounge spaces, technology labs, and a lecture hall.
- At UNL, the North Stadium Expansion Project, also known as the “Go Big” project, was a major athletic facility expansion project completed with a capitalized value of \$147M. This project created the Tom Osborne Legacy Complex, which was designed to improve and enhance the student athlete service spaces and to revitalize the fan game day experience.
- At UNL, the Architecture Hall Complex addition named “HDR Pavilion” was capitalized with a value of \$25M in Fall 2024. The pavilion will positively impact student experience, including the expansion and renovation of an existing lecture hall and the addition of 14 new studio spaces, adjoining classrooms and indoor and outdoor collaboration spaces for students to work with each other, instructors and industry partners.
- At UNMC, the Catalyst Building, located in the EDGE district on 48th and Saddle Creek Road, was capitalized at a total cost of \$29 million. This building allows for UNMC researchers, scientists, health care professionals and innovators to mingle with local entrepreneurs and Omaha’s startup ecosystem.
- At UNO, the Health and Kinesiology Building Renovation was completed with total expenditures of \$8 million. This project transformed about 26,000 square feet of existing vacant space into laboratories, graduate student workspace and support spaces for the Research on Emotions and Cognition in Health (REACH) program.

More information on capital asset activity is disclosed in the Notes to the Financial Statements included in this report on page 50.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Debt Activity

Bond Financings. The University had no new bond financings in 2025.

UNFC met all debt service requirements during 2025. The State of Nebraska Legislature has reaffirmed and appropriated funds for their portion of the debt service pertaining to the Deferred Maintenance Projects, the UNL NCTA Education Center/Student Housing Project, and the UNL Health Center and College of Nursing Projects. The Foundation continues to receive funds from donor gifts pledged toward the funding of the UNO/Community Facility Refunding and the UNMC Cancer Center. Funds from internal University sources continue to meet expectations allowing the service of UNFC-related debt obligations in their normal course.

More information on debt financing is disclosed beginning on page 51 in the Notes to Financial Statements included in this report.

Economic Outlook and Subsequent Events That Will Affect the Future

The University of Nebraska's economic outlook for 2025-2026 is still cautiously optimistic, highlighting steady growth in the state's GDP. Consumer spending is stable, supported by rising real incomes and low unemployment. Non-farm personal income is forecast to grow by 3.6% in 2025 and 3.8% in 2026, while inflation is projected to be moderate (2% to 2.5% in both years.)

Additional key factors to consider include:

Agriculture

- Nebraska farm income remains historically strong—near record levels—supported by high livestock prices and solid crop receipts, though slower growth is expected as global demand normalizes. Nebraska's net farm income is projected to increase to \$8.42 billion for 2025, partially due to increased government payments.
- The Kansas City Fed reports that across Nebraska and neighboring states, farm loan performance is stable, and farmland values remain steady.

Insurance Industry

- Nebraska and neighboring states continue to benefit from their strong insurance and financial-services presence, especially in Nebraska.
- Employment growth in insurance is steady but modest, reflecting national trends of technological efficiency and slow premium growth.

Telecommunications

- Broadband expansion initiatives across Nebraska, Iowa, and South Dakota continue, but cost pressures and supply constraints limit the pace of deployment.
- Regional telecom providers are focusing on fiber-to-home upgrades, but profitability pressures keep investment growth moderate.

THE UNIVERSITY OF NEBRASKA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2025 and 2024 (UNAUDITED) (Columnar Amounts in Thousands)

Overall, Nebraska's outlook combines modest, steady growth with significant opportunities, driven by a robust workforce, strategic industry leadership, and strong agricultural performance. This positions the state for a promising 2025-2026.

THE UNIVERSITY OF NEBRASKA

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

(Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 907,862	\$ 795,241
Cash and cash equivalents - restricted	211,492	247,154
Cash and cash equivalents held by trustee - unrestricted	40,814	62,242
Cash and cash equivalents held by trustee - restricted	134,986	96,119
Investments - restricted	139,361	130,187
Investments held by trustee - unrestricted	157,472	160,121
Accounts receivable and unbilled charges, net	356,054	425,358
Note receivable from other campuses, net	-	7,351
Public-private partnership receivable	97	848
Loans to students, net	2,265	2,845
Leases receivable, net	10,417	10,920
Other current assets	30,750	29,063
Due from other funds/campuses	10,127	1,371
Total current assets	<u>2,001,697</u>	<u>1,968,820</u>
NON-CURRENT ASSETS:		
Cash and cash equivalents	1,214	911
Cash and cash equivalents - restricted	903	222
Cash and cash equivalents held by trustee - restricted	65,160	222,630
Investments - restricted	540,250	502,333
Investments held by trustee - restricted	22,924	-
Investments held by trustee - unrestricted	-	18,673
Accounts receivable and unbilled charges, net of current portion	2,519	2,792
Note receivable from other campuses, net of current portion	8,222	6,741
Investment in joint venture	868,459	711,970
Loans to students, net of current portion	8,833	9,475
Leases receivable, net of current portion	20,694	23,504
Public-private partnership receivable, net of current portion	5,870	3,794
Capital assets, net of accumulated depreciation	3,577,565	3,430,534
Right-to-use leased assets, net of accumulated amortization	79,058	84,319
Right-to-use subscription assets, net of accumulated amortization	35,185	25,764
Other non-current assets	1,785	3,009
Total non-current assets	<u>5,238,641</u>	<u>5,046,671</u>
Total assets	<u>7,240,338</u>	<u>7,015,491</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on bond refunding	<u>25,313</u>	<u>27,054</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	182,901	201,197
Accrued salaries and wages	52,128	50,906
Accrued compensated absences	73,679	71,196
Note payable	415	415
Note payable to other campuses	126	-
Bond obligations payable	63,195	36,813
Lease obligations payable	5,020	4,750
Subscription obligations payable	14,353	8,816
Unearned revenues and other credits	105,138	110,288
Refundable government grants	1,230	1,755
Health and other insurance claims	30,161	27,061
Total current liabilities	<u>528,346</u>	<u>513,197</u>
NON-CURRENT LIABILITIES:		
Accounts payable, net of current portion	314	584
Accrued salaries and wages, net of current portion	1	4
Accrued compensated absences, net of current portion	30,623	28,208
Note payable, net of current portion	1,634	2,049
Note payable to other campuses, net of current portion	267	-
Bond obligations payable, net of current portion	1,064,700	1,127,893
Lease obligations payable, net of current portion	86,905	89,390
Subscription obligations payable, net of current portion	15,166	14,280
Unearned revenues and other credits, net of current portion	931	869
Refundable government grants, net of current portion	1,737	2,938
Total non-current liabilities	<u>1,202,278</u>	<u>1,266,215</u>
Total liabilities	<u>1,730,624</u>	<u>1,779,412</u>

(Continued)

THE UNIVERSITY OF NEBRASKA

STATEMENTS OF NET POSITION (Continued)

JUNE 30, 2025 AND 2024

(Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	2025	2024
DEFERRED INFLOWS OF RESOURCES:		
Deferred public-private partnership receipts	13,265	4,760
Deferred gain on bond refunding	-	3
Deferred lease arrangement receipts	<u>50,497</u>	<u>50,634</u>
Total deferred inflows of resources	<u>63,762</u>	<u>55,397</u>
NET POSITION:		
Net investment in capital assets	2,399,382	2,331,199
Restricted for:		
Nonexpendable:		
Permanent endowment	283,676	267,460
Loan Funds	15,131	15,127
Expendable:		
Externally restricted funds for scholarships, student aid, and research	456,170	429,213
Plant construction	240,815	212,454
Debt service	51,177	45,195
Unrestricted	<u>2,024,914</u>	<u>1,907,088</u>
Total net position	<u>\$ 5,471,265</u>	<u>\$ 5,207,736</u>

(Concluded)

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

UNIVERSITY OF NEBRASKA FOUNDATION

(A Component Unit of the University of Nebraska)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

(Thousands)

(See Independent Auditors' Reports on Pages 11, 12, 13, 14, and 15)

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 165,163	\$ 128,604
Temporary investments	662,283	616,371
Pledges receivable, net	214,875	213,395
Other receivables	7,467	12,025
Investments	2,791,492	2,611,224
Operating lease right of use assets	9,414	10,361
Property and equipment, net of depreciation	<u>5,035</u>	<u>4,705</u>
Total assets	<u>\$ 3,855,729</u>	<u>\$ 3,596,685</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued liabilities	\$ 14,813	\$ 9,235
University of Nebraska payable	11,878	24,556
Deferred annuities payable	21,330	17,824
Operating lease liabilities	9,605	10,532
Deposits held in custody for others	<u>440,919</u>	<u>431,583</u>
Total liabilities	<u>498,545</u>	<u>493,730</u>
NET ASSETS:		
Without donor restrictions	135,827	121,606
With donor restrictions	<u>3,221,357</u>	<u>2,981,349</u>
Total net assets	<u>3,357,184</u>	<u>3,102,955</u>
Total liabilities and net assets	<u>\$ 3,855,729</u>	<u>\$ 3,596,685</u>

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	2025	2024
OPERATING REVENUES:		
Tuition and fees (net of scholarship allowances of \$289,017 and \$221,084 in 2025 and 2024, respectively)	\$ 385,087	\$ 424,434
Federal grants and contracts - restricted	441,849	423,987
Private grants and contracts - restricted	281,701	297,551
State and local grants and contracts - restricted	52,504	45,931
Sales and services of educational activities	78,154	75,120
Sales and services of health care entities	30,315	28,957
Sales and services of auxiliary operations (net of scholarship allowances of \$22,342 and \$21,108 in 2025 and 2024, respectively)	381,313	357,839
Other operating revenues	30,157	25,370
Total operating revenues	<u>1,681,080</u>	<u>1,679,189</u>
OPERATING EXPENSES:		
Compensation and benefits	1,687,849	1,635,485
Supplies and services	806,637	812,876
Depreciation	165,943	155,966
Amortization of right-to-use assets	22,960	17,740
Scholarships and fellowships	41,711	81,719
Total operating expenses	<u>2,725,100</u>	<u>2,703,786</u>
NET TRANSFERS	<u>(29,429)</u>	<u>23,651</u>
OPERATING LOSS	<u>(1,073,449)</u>	<u>(1,000,946)</u>
NON-OPERATING REVENUES (EXPENSES):		
State of Nebraska non-capital appropriations	699,858	667,849
Federal grants	119,494	83,625
Gifts	183,223	193,302
Investment income (net of investment management fees of \$4,934 and \$4,776 in 2025 and 2024, respectively)	98,196	45,731
Interest on bond obligations and capital debt	(46,926)	(34,478)
Equity in joint venture	165,174	84,171
Other non-operating revenues	10,121	90,785
Net non-operating revenues	<u>1,229,140</u>	<u>1,130,985</u>
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	<u>155,691</u>	<u>130,039</u>
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES:		
State of Nebraska capital appropriations	19,550	14,737
Capital grants and gifts	88,233	107,253
Additions to permanent endowments	55	75
Net other revenues, expenses, gains, or losses	<u>107,838</u>	<u>122,065</u>
INCREASE IN NET POSITION	<u>263,529</u>	<u>252,104</u>
NET POSITION:		
Net position, beginning of year, as previously reported	5,191,302	4,938,049
Correction of errors (Note P)	16,434	17,583
Net position, beginning of year, as revised	<u>5,207,736</u>	<u>4,955,632</u>
Net position, end of year	<u>\$ 5,471,265</u>	<u>\$ 5,207,736</u>

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

UNIVERSITY OF NEBRASKA FOUNDATION
(A Component Unit of the University of Nebraska)
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(Thousands)

(See Independent Auditors' Reports on Pages 11, 12, 13, 14, and 15)

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND GAINS:			
Gifts, bequests, and life insurance proceeds	\$ 3,909	\$ 315,442	\$ 319,351
Investment income (loss), net of expenses	50,596	(15,817)	34,779
Change in value of split-interest agreements	-	(26)	(26)
Realized and unrealized gains, net	4,270	243,625	247,895
Total revenue and gains	58,775	543,224	601,999
EXPENSES:			
Payments to benefit the University:			
Academic and athletic support	129,964	-	129,964
Student assistance	45,452	-	45,452
Faculty assistance	11,872	-	11,872
Research	16,884	-	16,884
Museum, library, and fine arts	4,540	-	4,540
Campus and building improvements	88,637	-	88,637
Alumni associations	598	-	598
Total payments to benefit the University	297,947	-	297,947
Operating expenses:			
Salaries and benefits	35,451	-	35,451
Office expense	1,309	-	1,309
Office rent and utilities	2,148	-	2,148
Professional services	1,444	-	1,444
Dues and subscriptions	1,236	-	1,236
Travel and conferences	1,482	-	1,482
Constituent cultivation expense	2,852	-	2,852
Miscellaneous expense	360	-	360
Contributions to other charities	208	-	208
Paid to beneficiaries	2,758	-	2,758
Depreciation	575	-	575
Total operating expenses	49,823	-	49,823
Total expenses	347,770	-	347,770
Other changes in net assets:			
Change in donor intent	(7,604)	7,604	-
Net assets released from restrictions	310,820	(310,820)	-
Total other changes in net assets	303,216	(303,216)	-
Change in net assets	14,221	240,008	254,229
NET ASSETS at beginning of year	121,606	2,981,349	3,102,955
NET ASSETS at end of year	\$ 135,827	\$ 3,221,357	\$ 3,357,184

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

UNIVERSITY OF NEBRASKA FOUNDATION
(A Component Unit of the University of Nebraska)
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(Thousands)
(See Independent Auditors' Reports on Pages 11, 12, 13, 14, and 15)

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND GAINS:			
Gifts, bequests, and life insurance proceeds	\$ 10,042	\$ 270,906	\$ 280,948
Investment income, net of expenses	49,002	(16,277)	32,725
Change in value of split-interest agreements	-	376	376
Realized and unrealized gains, net	2,510	331,899	334,409
Total revenue and gains	61,554	586,904	648,458
EXPENSES:			
Payments to benefit the University:			
Academic and athletic support	95,039	-	95,039
Student assistance	37,989	-	37,989
Faculty assistance	9,062	-	9,062
Research	10,725	-	10,725
Museum, library, and fine arts	6,194	-	6,194
Campus and building improvements	132,657	-	132,657
Alumni associations	598	-	598
Total payments to benefit the University	292,264	-	292,264
Operating expenses:			
Salaries and benefits	31,132	-	31,132
Office expense	1,296	-	1,296
Office rent and utilities	2,130	-	2,130
Professional services	1,584	-	1,584
Dues and subscriptions	814	-	814
Travel and conferences	1,267	-	1,267
Constituent cultivation expense	2,233	-	2,233
Miscellaneous expense	318	-	318
Contributions to other charities	194	-	194
Paid to beneficiaries	2,409	-	2,409
Depreciation	476	-	476
Total operating expenses	43,853	-	43,853
Total expenses	336,117	-	336,117
Other changes in net assets:			
Net assets released from restrictions	277,020	(277,020)	-
Total other changes in net assets	277,020	(277,020)	-
Change in net assets	2,457	309,884	312,341
NET ASSETS at beginning of year	119,149	2,671,465	2,790,614
NET ASSETS at end of year	\$ 121,606	\$ 2,981,349	\$ 3,102,955

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

(Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants and contracts	\$ 814,962	\$ 698,234
Tuition and fees	381,933	422,320
Sales and services of health care entities	31,847	32,581
Sales and services of auxiliary operations	429,867	336,511
Sales and services of educational activities	72,890	75,648
Student loans collected	5,116	1,360
Other receipts	26,697	28,138
Payments to employees	(1,676,711)	(1,633,641)
Payments to vendors	(823,083)	(788,758)
Scholarships paid to students	(41,699)	(81,707)
Student loans issued	(5,331)	(794)
Other Payments	(19,911)	(50)
Transfers	(29,589)	21,144
Net cash flows from operating activities	(833,012)	(889,014)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State of Nebraska non-capital appropriations	699,858	667,850
Gifts	184,730	193,198
Federal grants	122,728	81,375
Other receipts	68	(301)
Remittance of refundable grant and Perkins Loan collections from students, net	(325)	(354)
Direct lending receipts	206,176	208,438
Direct lending payments	(206,176)	(208,438)
Net cash flows from non-capital financing activities	1,007,059	941,768
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the issuance of bond obligations and lease receivables	13,097	3,597
Gifts	67,342	89,531
State of Nebraska capital appropriations	17,292	14,729
Proceeds from the sale of capital assets	13	65
Purchases of capital assets	(318,235)	(339,032)
Principal paid on bond obligations and capital debt	(45,598)	(81,584)
Interest paid on bond obligations and capital debt	(42,556)	(39,523)
Other receipts	781	2,798
Net cash flows from capital and related financing activities	(307,864)	(349,419)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	135,740	87,578
Interest on investments	97,685	44,878
Distributions received from joint venture	8,685	8,488
Purchases of investments	(170,381)	(101,241)
Net cash flows from investing activities	71,729	39,703
NET DECREASE IN CASH AND CASH EQUIVALENTS	(62,088)	(256,962)
CASH AND CASH EQUIVALENTS, beginning of year	1,424,519	1,681,481
CASH AND CASH EQUIVALENTS, end of year	\$ 1,362,431	\$ 1,424,519

See notes to financial statements.

(Continued)

THE UNIVERSITY OF NEBRASKA

STATEMENTS OF CASH FLOWS (Continued) FOR THE YEARS ENDED JUNE 30, 2025 AND 2024 (Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	2025	2024
CASH AND CASH EQUIVALENTS - END OF YEAR AS PRESENTED IN STATEMENTS OF NET POSITION:		
Cash and cash equivalents (current)	\$ 907,862	\$ 795,241
Cash and cash equivalents - restricted (current)	211,492	247,154
Cash and cash equivalents held by trustee - unrestricted (current)	40,814	62,242
Cash and cash equivalents held by trustee - restricted (current)	134,986	96,119
Cash and cash equivalents (non-current)	1,214	911
Cash and cash equivalents - restricted (non-current)	903	222
Cash and cash equivalents held by trustee - restricted (non-current)	65,160	222,630
	<u>\$ 1,362,431</u>	<u>\$ 1,424,519</u>
Cash and cash equivalents, end of year		
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (1,073,449)	\$ (1,000,946)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation expense	165,943	155,966
Amortization expense	22,960	17,740
Changes in assets and liabilities:		
Accounts receivable and unbilled charges, net	84,919	(107,288)
Loans to students	(237)	504
Other current assets	(338)	3,576
Accounts payable	(49,923)	37,493
Accrued salaries and wages	7,049	(2,665)
Unearned revenues and credits	6,964	3,713
Health and other insurance claims	3,100	2,893
	<u>\$ (833,012)</u>	<u>\$ (889,014)</u>
Net cash flows used in operating activities		
NON-CASH TRANSACTIONS:		
Capital gifts and grants	\$ 298	\$ 4,280
Increase in fair value of investments	12,156	89,305
Acquisition of right-of-use assets through lease obligations	3,735	8,142
Acquisition of right-of-use assets through subscription obligations	25,867	16,679
Equity in earnings	579	518
Capital expenditures in accounts payable	76,377	92,517
Unrelated business income	266	4
Increase in lease receivables through deferred lease arrangements	1,888	451
Increase in public-private partnership receivables through deferred arrangements	9,587	-
Debt forgiveness	-	2,339

(Concluded)

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

UNIVERSITY OF NEBRASKA FOUNDATION
(A Component Unit of the University of Nebraska)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Thousands)

(See Independent Auditors' Report on Pages 11, 12, 13, 14, and 15)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 254,229	\$ 312,341
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation	575	476
Realized and unrealized (gains) on investments, net	(247,895)	(334,409)
Contribution to endowment funds	(62,863)	(63,922)
Real and personal property contributions received	(532)	(264)
Non-cash operating lease expenses	1,062	389
(Increase) Decrease in:		
Pledges receivable	(14,616)	24,780
Other receivables	4,439	(5,734)
(Decrease) Increase in:		
Accounts payable and accrued liabilities	5,578	2,081
University of Nebraska payable	(12,678)	11,375
Deferred annuities payable	3,506	671
Deposits held in custody for others	9,336	29,283
Operating lease liabilities	(1,042)	(273)
Net cash used in operating activities	<u>(60,901)</u>	<u>(23,206)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of temporary investments	(694,518)	(717,076)
Proceeds from sale and maturity of temporary investments	686,292	719,384
Net decrease in student loans	119	156
Purchase of investments	(513,236)	(183,831)
Proceeds from sale and maturity of investments	543,709	196,139
Purchase of property and equipment	(1,002)	(1,349)
Proceeds from sale of property and equipment	97	19
Net cash provided by investing activities	<u>21,461</u>	<u>13,442</u>
CASH FLOWS FROM FINANCING ACTIVITY:		
Contribution to endowment funds	75,999	66,369
Net cash provided by financing activities	<u>75,999</u>	<u>66,369</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,559	56,605
CASH AND CASH EQUIVALENTS, beginning of year	<u>128,604</u>	<u>71,999</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 165,163</u>	<u>\$ 128,604</u>
SUPPLEMENTAL CASH FLOWS INFORMATION:		
Right of use assets obtained in exchange for new operating lease liabilities	\$ 115	\$ 3,761
Changes to lease balances from lease reassessment events	-	9,538

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2025

(Thousands)

(See Independent Auditors' Report on Pages 11, 12, and 13)

	Private-Purpose Trust Funds	Custodial Funds
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,663	\$ 5,828
Investments	3,724	-
Accounts receivable and unbilled charges, net	940	178
Other current assets	-	57
Total current assets	9,327	6,063
NON-CURRENT ASSETS:		
Capital assets	-	865
Total non-current assets	-	865
Total assets	9,327	6,928
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	886	755
Deposits held for others	-	908
Accrued compensated absences	-	43
Health and other insurance claims	3,811	-
Total Current Liabilities	4,697	1,706
NON-CURRENT LIABILITIES:		
Accrued compensated absences, net of current portion	-	48
Total Non-Current Liabilities	-	48
Total Liabilities	4,697	1,754
NET POSITION:		
Restricted for Individuals, Organizations, and Other Governments	4,630	5,174
Total Net Position	\$ 4,630	\$ 5,174

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Thousands)
(See Independent Auditors' Report on Pages 11, 12, and 13)

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS:		
Investment income	\$ 152	\$ 17
Employer sponsored cafeteria plan contributions	58,342	-
Scholarship receipts	-	15,749
Collected on behalf of student activities	-	3,532
Other additions	3,785	3,332
Total additions	<u>62,279</u>	<u>22,630</u>
DEDUCTIONS:		
Compensation and benefits	-	1,244
Employer sponsored cafeteria plan deductions	60,360	-
Scholarship expense	-	15,749
Remitted on behalf of student activities	-	3,830
Other deductions	1,390	1,797
Total deductions	<u>61,750</u>	<u>22,620</u>
INCREASE IN NET POSITION	529	10
NET POSITION:		
Net position, beginning of year, as previously reported	5,974	4,905
Correction of errors (Note P)	(1,873)	259
Net position, beginning of year, as revised	<u>4,101</u>	<u>5,164</u>
Net position, end of year	<u>\$ 4,630</u>	<u>\$ 5,174</u>

See notes to financial statements.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The University of Nebraska (University) is a land-grant University founded in 1869 and governed by an elected eight-member University of Nebraska Board of Regents (Board of Regents). University activities are conducted at four primary campuses, with two located in Omaha and one each in Lincoln and Kearney, Nebraska. While the University is a legally separate entity, it is a component unit of the State of Nebraska (State) because it is financially accountable to the State. The major accounting principles and practices followed by the University are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

These statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). GASB requires the following components of the basic financial statements:

- Management’s Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements

The University follows all applicable GASB pronouncements.

Reporting Entity – In determining its financial reporting entity, the University has considered all potential component units for which it is financially accountable and other organizations which are fiscally dependent on the University or the significance of their relationship with the University is such that exclusion would be misleading. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body and (1) the ability of the University to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the University.

As required by GAAP, these financial statements present the University and its component units. The component units are included in the University’s reporting entity because of the significance of their operational or financial relationships with the University. The following component units and their balances and transactions are blended into the accompanying financial statements and reported in a manner similar to the balances and transactions of the University itself.

- The University of Nebraska Facilities Corporation (UNFC) was organized to finance the construction, repair, and renovation of buildings and the acquisition of land and equipment and to hold them in trust for the University. UNFC is governed by a Board of Directors comprised of the Board of Regents.
- The University Dental Associates (UDA) is a not-for-profit corporation organized for the purpose of billing, collecting, and distributing dental service fees generated by dentists employed by the UNMC. The distribution of fees is governed by the terms of the University of Nebraska Dental Service Plan applicable to member dentists.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

- The UNMC Science Research Fund (SRF) is a not-for-profit corporation organized by the Board of Regents to solely support the research mission of the UNMC and provides services entirely, or almost entirely, to UNMC and advances academic technology transfer globally through fostering strategic collaborations with industry through licensing, research, and new venture agreements.
- UNeHealth, a Nebraska not-for-profit corporation, was organized in 1996 to further the general health care purpose of the UNMC. UNeHealth will increase the efficiency and effectiveness, boost visibility of commercial clinical research and ensure that contract budgets take in consideration the best interests of UNMC, UNMC Physicians (UNMC-P) and The Nebraska Medical Center (TNMC). UNeHealth seeks to create a more appealing environment for industry collaborations.
- The University Technology Development Corporation (UTDC) was organized to solely support the research mission of the University and provides services entirely, or almost entirely, to the University campuses and advances academic technology transfer globally through fostering strategic collaborations with industry through licensing, research, and new venture agreements. The blended entity consists of the UTDC activity and the activities of six non-profit subsidiaries and one for profit subsidiary. UTDC is the sole member/stockholder of each subsidiary.

Separate financial statements for UNFC, UDA, UNMC SRF, UNeHealth, and UTDC may be obtained from the University of Nebraska Office of the President, Varner Hall, 3835 Holdrege, Lincoln, Nebraska 68583-0742.

The University of Nebraska Foundation's (Foundation) financial statements are discretely presented within the University's financial statements. The Foundation is a non-profit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code whose purpose is to provide financial support for the University system. The Foundation reports under FASB standards, including FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented (see Note T).

Fiscal Year-End – All funds of the University, with the exception of UNFC, UDA, UNMC SRF, UNeHealth, and UTDC (blended component units), are reported as of and for the year ended June 30, 2025. The blended component units previously had a June 30 year-end date. As of July 1, 2023, the University of Nebraska Board of Regents mandated that all blended component units switch to a March 31 fiscal year-end. The amounts included in the University's 2025 financial statements for the blended component units is the twelve-month period from April 1, 2024 to March 31, 2025.

Basis of Presentation – The financial statements of the University have been prepared on the accrual basis. The University recognizes revenues, net of discounts and allowances, when it is earned. Expenses are recorded when a liability is incurred. The University first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available. All significant revenues and expenses resulting from intra-University transactions have been eliminated.

The University reports the following fund types on its fiduciary financial statements:

Private-Purpose Trust Funds – These funds account for the University's group health self-insurance program as well as the flexible spending account program available to employees. Employee contributions to each of these programs are reported as fiduciary activities, while employer contributions to the group health program are reported as a business-type activity.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Custodial Funds – These funds account for assets held by the University for outside scholarships, student organizations, Nebraska Statewide Workforce & Educational Reporting System (NSWERS), and other entities associated with the University.

Cash and Cash Equivalents – Cash and cash equivalents and cash and cash equivalents – restricted are stated at fair value. Cash and cash equivalents – restricted is cash received from external sources designated for specific purposes. Cash is deposited with the Nebraska State Treasurer on a pooled basis in a State fund. Income earned by the pool is allocated to the University based upon average daily balances. These funds are considered to be cash and cash equivalents, which are available for expenditures as needed. The investments of the pool include Commercial Paper, U.S. Government Securities, Federal Agency Debt Instruments, Corporate Bonds, Money Market Funds, and Bank Deposits. Additional information on the pool can be found in the State of Nebraska's Annual Comprehensive Financial Report.

Cash and cash equivalents held by trustee – restricted is cash held by bond fund trustees and held for the purposes designated by the respective bond covenants.

Cash and cash equivalents held by trustee – unrestricted is cash held by the bond trustee, is not restricted by any bond covenants, and is utilized by the ILP.

For purposes of the statements of cash flows, cash includes cash and cash equivalents, both unrestricted and restricted, and cash and cash equivalents held by trustee – restricted and unrestricted, and investments with an original maturity of three months or less when purchased.

Investments – Investments are stated at fair value. Securities that are publicly traded are valued based on quoted market prices. Investments that do not have an established market are reported at estimated fair value. Investments received from donors as gifts are recognized as revenue at fair value at the date of the gift. Income from investments is recognized as earned and includes realized and unrealized gains and losses.

Due from Other Campuses – Due to the University's blended component units fiscal year-end change to March 31, there are timing differences in financial activity between the University and its blended component units. The variance of \$10,127 for due from other campuses primarily represents amounts due between the University and its blended component units for services provided or reimbursements for capital projects.

Note Receivable from Other Campuses – Due to the University's blended component units fiscal year-end change to March 31, there are timing differences in financial activity between the University and its blended component units. The variance of \$8,222 for non-current note receivable from other campuses, current note payable of \$126 and noncurrent note payable of \$267 is the difference between the amount owed to UNFC by the University for internal loans as of March 31 and the amount the University paid between March 31 and June 30.

Transfers – Due to the University's blended component units fiscal year-end change to March 31, there are timing differences in financial activity between the University and its blended component units. The variance of \$(29,429) relates primarily to transfers between the blended component units and the University for operations and capital project funding between March 31 and June 30.

Capital Assets – Land improvements, leasehold improvements, buildings, and equipment are stated at cost at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. At UNL, and for certain research buildings at UNMC, estimated useful lives for buildings are accounted for on a componentized basis. The estimated useful lives are 25 to 50 years for buildings and

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

their components and 20 to 30 years for land improvements. Equipment is generally depreciated from 2 to 10 years depending on its useful life. Leasehold improvements are depreciated using the straight-line method over the aforementioned estimated useful lives or the term of the related lease, if shorter. Maintenance, repairs, and minor replacements are charged to expense as incurred. The University maintains various collections of inexhaustible assets to which no value can be determined. Such collections include contributed works of art, historical treasures, and literature.

Capital assets are defined by the University as assets with initial, individual costs in excess of \$500 for buildings and renovations, \$100 for land improvements, and \$5 for equipment. It is the University's policy that library books are not capitalized.

The University does not capitalize interest cost incurred according to GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

The University has artwork and other collections that it does not capitalize. These collections adhere to the University's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. U.S. generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of purchase rather than be capitalized.

Accrued Compensated Absences – Staff and certain University faculty earn 12 to 25 days of vacation annually. Vacation is no longer earned once an employee accrues 280 hours of unused vacation. Any unused vacation balance is carried over into the next year. Vacation may be used or received as a cash payment upon retirement or termination. In addition, certain classified staff receive a cash payment of one-fourth of accrued sick leave upon retirement from the University. The University has recognized a liability for sick and annual leave earned but not yet taken by its faculty and staff. Certain University faculty and staff also earn five floating holidays each year, subject to a 40 hour cap, which may be taken at any time during the year.

Unearned Revenues and Credits – These consist of advance payments on athletic tickets, fall semester student residence hall contracts, tuition deposits, unearned income on direct financing leases, and cash received in advance for grants and contracts.

Deferred Outflows and Inflows of Resources – Deferred outflows represent the unamortized losses on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt. Deferred inflows represent the unamortized gains on bond refundings, which are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt. Deferred inflows also represent the present value of remaining receivables as a result of public-private partnership and deferred lease arrangements. Revenues from these arrangements are recognized over the respective contract periods.

Classification of Revenues and Expenses – The University has classified its revenues and expenses as either operating or non-operating revenues and expenses according to the following criteria:

Operating Revenues and Expenses – Operating revenues and expenses include activities that have the characteristics of exchange transactions.

Non-Operating Revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, contributions, State appropriations, investment income, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Non-Operating Expenses – Non-operating expenses are activities of non-operating nature and include interest expense on bond obligations and capital debt and loss on disposal of capital assets.

Unrestricted Gifts – Revenue is recognized when an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received.

Scholarships and Fellowships – The University receives funds that are restricted by donors and grantors for aid to students. When these funds are granted to students or when scholarships and fellowships are provided through student tuition waiver, the University records the expense for student aid and the corresponding revenue. Accordingly, at June 30, 2025 and 2024, Federal grants and contracts includes Pell grant awards amounting to \$74,318 and \$58,722, respectively, and are also included in Scholarships and Fellowships expense. For employee tuition waivers, the University records a benefit expense and corresponding revenue. Ford direct student loans amounting to \$206,176 and \$208,283 at June 30, 2025 and 2024, respectively, are treated as agency funds and not included in revenues and expenses.

Health and Other Insurance Claims – The University is partially self-insured for comprehensive general liability, auto liability, property losses, and group health and dental liability. The estimated liability is being funded annually and reflected as an expense.

Environmental – Environmental assessments are performed when environmental issues are identified on property owned by the Board of Regents. The cost of any assessments is expensed as incurred. Any cost of remediation is accrued when the University's obligation is probable and the amount can be reasonably estimated or determined.

Tax Status – The University qualifies as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for Federal or State income taxes is required. However, income from unrelated activities is subject to Federal and State income taxes. No provision is deemed necessary for any income taxes associated with unrelated activities.

Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Principles – In 2024, the University adopted GASB Statement No. 100, Accounting Changes and Error Corrections, ("GASB 100"). This statement prescribes the accounting and financial reporting for (1) changes in accounting principles, changes in accounting estimates, and changes in the financial reporting entity and (2) error corrections. The adoption date of GASB 100 is reflected as of July 1, 2022. For further information regarding the impact of the implementation of GASB 100, please see footnote P.

In 2025, the University adopted GASB Statement No. 101, Compensated Absences ("GASB 101"). This statement establishes accounting and financial reporting requirements for the recognition and measurement of compensated absences, including updated guidance on when liabilities should be recorded. The adoption date of GASB 101 is reflected as of July 1, 2023.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

B. DEPOSITS

Custodial credit risk – In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a formal custodial risk policy. Bank balances of cash and cash equivalents amounted to approximately \$1,459 (book balance of approximately \$805) at June 30, 2025, with approximately \$1,424 covered by Federal depository insurance. Bank balances of cash and cash equivalents amounted to approximately \$1,298 (book balance of approximately \$722) at June 30, 2024, with approximately \$1,161 covered by Federal depository insurance. The remaining bank balances at June 30, 2025 and 2024, were collateralized with securities held by the pledging financial institution, but not in the University's name.

C. INVESTMENTS

Funds held for the support of University operations, excluding endowed funds, are invested according to State statute by the State Investment Officer. Regulatory oversight is provided by the Nebraska Investment Council. The University's fair value in the Nebraska Investment Council's investment pool is equal to its pool units. University endowed funds are invested by the University and its designated investment managers, in accordance with the prudent person rule as established by the University. The prudent person rule places no restrictions on the investment of these funds.

The University utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

In certain cases, the inputs used to measure fair value may fall in different levels of fair value hierarchy. The three levels are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the University has ability to access at the measurement date. Instruments categorized in Level 1 primarily consist of broadly traded range of equity and debt securities.
- Level 2 inputs are those other than quoted prices included in Level 1 that are observable for the asset or liability, whether directly or indirectly.
- Level 3 inputs are unobservable and significant to the fair value measurement of the asset or liability.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The tables below present by Level the asset balances at estimated fair value on a recurring basis.

	Assets at fair value as of June 30, 2025			
	Total	Level 1	Level 2	Level 3
Investments:				
U.S. Government Agencies	\$ 11,628	\$ -	\$ 11,628	\$ -
U.S. Government Treasuries	71,837	-	71,837	-
Corporate Bonds	57,653	-	57,653	-
Mutual Funds-Fixed Income	102,090	102,090	-	-
Common Stock	17,953	17,953	-	-
Domestic Equity	342,800	342,800	-	-
International Equity	101,489	101,489	-	-
Private Equity	8,967	8,967	-	-
Mutual Funds	78,819	78,819	-	-
Multi-Asset Credit	24,986	24,986	-	-
Real Estate held for investment purposes	932	-	-	932
Real Estate Mutual Funds	6,859	6,859	-	-
Money Market Funds	33,994	33,994	-	-
Total	<u>\$ 860,007</u>	<u>\$ 717,957</u>	<u>\$ 141,118</u>	<u>\$ 932</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	Assets at fair value as of June 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments:				
U.S. Government Agencies	\$ 7,229	\$ -	\$ 7,229	\$ -
U.S. Government Treasuries	86,407	-	86,407	-
Certificate of Deposit	156	156	-	-
Municipal Bonds	1,241	-	1,241	-
Corporate Bonds	44,656	-	44,656	-
Mutual Funds-Fixed Income	60,528	60,528	-	-
Common Stock	18,233	18,233	-	-
Domestic Equity	332,785	332,785	-	-
International Equity	125,399	125,399	-	-
Private Equity	3,138	3,138	-	-
Mutual Funds	85,041	85,041	-	-
Multi-Asset Credit	16,850	16,850	-	-
Real Estate held for investment purposes	932	-	-	932
Real Estate Mutual Funds	6,266	6,266	-	-
Money Market Funds	22,453	22,453	-	-
Total	<u>\$ 811,314</u>	<u>\$ 670,849</u>	<u>\$ 139,533</u>	<u>\$ 932</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Investment maturities as of June 30, 2025 are as follows:

		Investment Maturities (in years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Investments type:					
Debt securities:					
U.S. Government Agencies	\$ 11,628	\$ 102	\$ 6,074	\$ 1,737	\$ 3,715
U.S. Government Treasuries	71,837	24,727	32,448	14,662	-
Corporate Bonds	57,653	6,198 (1)	39,571 (2)	7,886 (3)	3,998 (4)
	141,118	<u>\$ 31,027</u>	<u>\$ 78,093</u>	<u>\$ 24,285</u>	<u>\$ 7,713</u>
Other investments:					
Mutual Funds – Fixed Income	102,090				
Common Stock	17,953				
Domestic Equity	342,800				
International Equity	101,489				
Private Equity	8,967				
Mutual Funds	78,819				
Multi-Asset Credit	24,986				
Real Estate Mutual Funds	6,859				
Real Estate held for investment purposes	932				
Money Market Funds	33,994				
Total	\$ 860,007				

(1) This amount includes \$1,049 of bonds callable in less than 1 year.

(2) This amount includes \$23 of bonds callable in less than 1 year, \$3,058 of bonds callable in less than 2 years, \$2,967 of bonds callable in less than 3 years, \$1,273 of bonds callable in less than 4 years, \$3,567 of bonds callable in less than 5 years, and \$561 of bonds callable in less than 6 years.

(3) This amount includes \$353 of bonds callable in less than 1 year, \$1,006 of bonds callable in less than 2 years, \$401 of bonds callable in less than 4 years, \$2,921 of bonds callable in less than 7 years, \$550 of bonds callable in less than 8 years, \$408 of bonds callable in less than 9 years, and \$203 of bonds callable in less than 10 years.

(4) This amount includes \$279 of bonds callable in less than 1 year, \$431 of bonds callable in less than 3 years, \$125 of bonds callable in less than 8 years, and \$290 of bonds callable in less than 13 years.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Investment maturities as of June 30, 2024 are as follows:

		Investment Maturities (in years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
Investment type:					
Debt securities:					
U.S. Government Agencies	\$ 7,229	\$ 176	\$ 995	\$ 2,750	\$ 3,308
U.S. Government Treasuries	86,407	45,217	32,403	8,787	-
Certificate of Deposit	156	156	-	-	-
Municipal Bonds	1,241	1,241	-	-	-
Corporate Bonds	<u>44,656</u>	<u>4,979</u> (1)	<u>29,716</u> (2)	<u>6,039</u> (3)	<u>3,922</u>
	139,689	<u>\$ 51,769</u>	<u>\$ 63,114</u>	<u>\$ 17,576</u>	<u>\$ 7,230</u>
Other investments:					
Mutual Funds – Fixed Income	60,528				
Common Stock	18,233				
Domestic Equity	332,785				
International Equity	125,399				
Private Equity	3,138				
Mutual Funds	85,041				
Multi-Asset Credit	16,850				
Real Estate Mutual Funds	6,266				
Real estate held for investment purposes	932				
Money Market Funds	<u>22,453</u>				
Total	\$ 811,314				

(1) This amount includes \$341 of bonds callable in less than 1 year.

(2) This amount includes \$640 of bonds callable in less than 1 year, \$305 of bonds callable in less than 2 years, \$1,503 of bonds callable in less than 3 years, \$2,523 of bonds callable in less than 4 years, \$1,035 of bonds callable in less than 5 years, and \$1,157 of bonds callable in less than 6 years.

(3) This amount includes \$870 of bonds callable in less than 6 years, \$537 of bonds callable in less than 7 years, and \$1,687 of bonds callable in less than 8 years.

Interest Rate Risk – The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State statutes authorize the University to invest funds in accordance with the prudent person rule: Investments are made, as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The University does not follow a more restrictive policy. Credit ratings for these investments that are rated are as follows:

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	2025						
	Quality Ratings						
	Fair Value	Aaa	Aa	A	Baa	Ba	Unrated
Investment type:							
U.S. Government Agencies	\$ 11,628	\$ 6,881	\$ 4,747	\$ -	\$ -	\$ -	\$ -
U.S. Government Treasuries	71,837	-	71,837	-	-	-	-
Corporate Bonds	57,653	2,200	5,035	35,002	9,955	984	4,477
Mutual Funds – Fixed Income	102,090	-	-	-	-	-	102,090
Common Stock	17,953	-	-	-	-	-	17,953
Domestic Equity	342,800	-	-	-	-	-	342,800
International Equity	101,489	-	-	-	-	-	101,489
Private Equity	8,967	-	-	-	-	-	8,967
Mutual Funds	78,819	-	-	-	-	-	78,819
Multi-Asset Credit	24,986	-	-	-	-	-	24,986
Real Estate Mutual Funds	6,859	-	-	-	-	-	6,859
Real Estate held for investment purposes	932	-	-	-	-	-	932
Money Market Funds	33,994	-	-	-	-	-	33,994
	<u>\$ 860,007</u>	<u>\$ 9,081</u>	<u>\$ 81,619</u>	<u>\$ 35,002</u>	<u>\$ 9,955</u>	<u>\$ 984</u>	<u>\$ 723,366</u>

	2024						
	Quality Ratings						
	Fair Value	Aaa	Aa	A	Baa	Ba	Unrated
Investment type:							
U.S. Government Agencies	\$ 7,229	\$ 7,229	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Government Treasuries	86,407	86,407	-	-	-	-	-
Certificate of Deposit	156	-	-	-	-	-	156
Municipal Bonds	1,241	1,241	-	-	-	-	-
Corporate Bonds	44,656	1,629	3,093	27,091	9,084	-	3,759
Mutual Funds – Fixed Income	60,528	-	-	-	-	-	60,528
Common Stock	18,233	-	-	-	-	-	18,233
Domestic Equity	332,785	-	-	-	-	-	332,785
International Equity	125,399	-	-	-	-	-	125,399
Private Equity	3,138	-	-	-	-	-	3,138
Mutual Funds	85,041	-	-	-	-	-	85,041
Multi-Asset Credit	16,850	-	-	-	-	-	16,850
Real Estate Mutual Funds	6,266	-	-	-	-	-	6,266
Real Estate held for investment purposes	932	-	-	-	-	-	932
Money Market Funds	22,453	-	-	-	-	-	22,453
	<u>\$ 811,314</u>	<u>\$ 96,506</u>	<u>\$ 3,093</u>	<u>\$ 27,091</u>	<u>\$ 9,084</u>	<u>\$ -</u>	<u>\$ 675,540</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The University places no limit on the amount that may be invested in any one issuer. Investment types comprising 5% or more of the University’s portfolio are as follows at June 30:

	Concentration	
	2025	2024
U.S. Government Treasuries	8%	11%

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University does not have a formal custodial credit risk policy. Investments are stated at fair value and are uninsured, unregistered, and held by the trustee or an agent, but not in the name of the University.

D. ACCOUNTS RECEIVABLE, UNBILLED CHARGES, AND LOANS TO STUDENTS

Substantially all amounts included in accounts receivable and unbilled charges represent tuition receivables, grant reimbursements, unbilled charges, patient accounts receivable, and other receivables. Balances are stated net of allowances for doubtful accounts and contractual adjustments of approximately \$7,808 and \$7,549 at June 30, 2025 and 2024, respectively. In addition, the University established an allowance for doubtful collections of student loans of approximately \$501 and \$637 at June 30, 2025 and 2024, respectively.

E. INVESTMENT IN JOINT VENTURE

The University and Bishop Clarkson Memorial Hospital (Clarkson) entered into a Joint Operating Agreement in 1997 forming the Nebraska Health System, a Nebraska non-profit corporation doing business as the Nebraska Medical Center. Effective July 1, 2016, NMC, the University, Clarkson, and UNMC Physicians (UNMCP) entered into a System Integration Agreement (SIA) and a successor Joint Operating Agreement (SJOA) to permanently integrate the businesses of NMC and UNMCP into Nebraska Medicine (NM). Should there be a dissolution of NM, the University and Clarkson will share equally in the remaining net position. As the University has an ongoing financial interest in NM, the University is accounting for the joint venture under the equity method, and accordingly, equity in joint venture in the accompanying statement of net position represents its one-half undivided interest based on the separate financial statements of the venture. The University has recorded 50% equity in earnings of NM for the years ended June 30, 2025 and 2024 totaling \$164,595 and \$83,653, respectively. In addition, to the extent that sufficient funds are available, as determined by the NM Board of Directors, the University will receive an annual capital distribution. Distributions of \$8 million and \$8 million, shared equally by the venturers, were declared and paid for both 2025 and 2024, respectively.

Separate financial statements of NM can be obtained from the Nebraska Medicine, 42nd Street and Dewey Avenue, Omaha, Nebraska 68105.

In addition, the University and NM have entered into an Academic Affiliation Agreement for Education and Research. In connection with the agreement, NM has agreed to financially support certain educational, research, operational, and clinical activities of the University College of Medicine that further the mission and objectives of NM. During the fiscal years ended June 30, 2025 and 2024, the University received approximately \$115,386 and \$96,989, respectively, of support in connection with the agreement.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

F. CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2025 and 2024 is as follows:

	2025				
	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance
Capital assets not being depreciated:					
Land	\$ 122,479	\$ 4,810	\$ -	\$ -	\$ 127,289
Construction work in progress	498,943	229,907	318,876	-	409,974
Total capital assets not being depreciated	621,422	234,717	318,876	-	537,263
Capital assets, being depreciated/amortized:					
Land improvements	386,457	28,066	7,508	-	407,015
Leasehold improvements	50,874	5,359	-	-	56,233
Buildings	3,500,156	317,696	56,904	-	3,760,948
Equipment	658,780	52,440	24,826	-	686,394
Right-to-use lease assets	107,440	3,873	4,100	(387)	106,826
Right-to-use subscription assets	42,000	25,868	5,980	266	62,154
Total capital assets, being depreciated/amortized	4,745,707	433,302	99,318	(121)	5,079,570
Less accumulated depreciation/amortization for:					
Land improvements	158,178	16,124	6,672	-	167,630
Leasehold improvements	25,394	2,403	-	-	27,797
Buildings	1,088,741	104,641	54,519	-	1,138,863
Equipment	514,842	42,775	21,619	-	535,998
Right-to-use lease assets	23,121	7,443	2,701	(95)	27,768
Right-to-use subscription assets	16,236	15,517	4,675	(109)	26,969
Total accumulated depreciation/amortization	1,826,512	188,903	90,186	(204)	1,925,025
Capital assets, net	\$ 3,540,617	\$ 479,116	\$ 328,008	\$ 83	\$ 3,691,808

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	2024			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 116,774	\$ 5,705	\$ -	\$ 122,479
Construction work in progress	<u>405,488</u>	<u>298,575</u>	<u>205,120</u>	<u>498,943</u>
Total capital assets not being depreciated	<u>522,262</u>	<u>304,280</u>	<u>205,120</u>	<u>621,422</u>
Capital assets, being depreciated/amortized:				
Land improvements	372,523	14,362	428	386,457
Leasehold improvements	50,864	10	-	50,874
Buildings	3,341,565	203,785	45,194	3,500,156
Equipment	627,657	49,482	18,359	658,780
Right-to-use lease assets	106,176	8,142	6,878	107,440
Right-to-use subscription assets	<u>34,920</u>	<u>16,679</u>	<u>9,599</u>	<u>42,000</u>
Total capital assets, being depreciated/amortized	<u>4,533,705</u>	<u>292,460</u>	<u>80,458</u>	<u>4,745,707</u>
Less accumulated depreciation/amortization for:				
Land improvements	142,957	15,451	230	158,178
Leasehold improvements	23,138	2,256	-	25,394
Buildings	1,024,398	97,024	32,681	1,088,741
Equipment	490,709	41,235	17,102	514,842
Right-to-use lease assets	20,426	7,130	4,435	23,121
Right-to-use subscription assets	<u>12,968</u>	<u>10,610</u>	<u>7,342</u>	<u>16,236</u>
Total accumulated depreciation/amortization	<u>1,714,596</u>	<u>173,706</u>	<u>61,790</u>	<u>1,826,512</u>
Capital assets, net	<u>\$ 3,341,371</u>	<u>\$ 423,034</u>	<u>\$ 223,788</u>	<u>\$ 3,540,617</u>

G. ACCRUED COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30:

	Beginning Balance	Net Additions (Reductions)	Ending Balance	Current Portion
2025	<u>\$ 99,404</u>	<u>\$ 4,898</u>	<u>\$ 104,302</u>	<u>\$ 73,679</u>
2024	<u>\$ 96,119</u>	<u>\$ 3,285</u>	<u>\$ 99,404</u>	<u>\$ 71,196</u>

H. BOND OBLIGATIONS PAYABLE

Effective for fiscal year 2024, University of Nebraska Facilities Corporation changed its fiscal year end to March 31. Thus, any references to 'June 30' in this footnote represent balances and assertions held as of March 31, 2025 and March 31, 2024.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Bond obligations payable are as follows at June 30:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
2025					
Revenue Bonds	\$ 1,095,455	\$ -	\$ 31,120	\$ 1,064,335	\$ 53,915
Revenue Bonds - Direct Placement	<u>5,615</u>	<u>-</u>	<u>375</u>	<u>5,240</u>	<u>4,650</u>
Total	<u>\$ 1,101,070</u>	<u>\$ -</u>	<u>\$ 31,495</u>	<u>\$ 1,069,575</u>	<u>\$ 58,565</u>
2024					
Revenue Bonds	\$ 1,139,045	\$ -	\$ 43,590	\$ 1,095,455	\$ 31,120
Revenue Bonds - Direct Placement	<u>12,300</u>	<u>-</u>	<u>6,685</u>	<u>5,615</u>	<u>375</u>
Total	<u>\$ 1,151,345</u>	<u>\$ -</u>	<u>\$ 50,275</u>	<u>\$ 1,101,070</u>	<u>\$ 31,495</u>

Bond obligations payable at June 30, 2025 and 2024 consist of the following:

	Coupon Rate	Annual Installment	Principal Amount Outstanding	
			2025	2024
Obligations of blended entities:				
University of Nebraska Facilities Corporation:				
Revenue Bonds:				
Series 2021A (Facilities Program Bonds)	2.50 - 5.00%	\$9,905 - 34,540	\$ 266,470	\$ 266,470
Series 2021B (Facilities Program Bonds)	3.00 - 5.00%	16,465 - 25,600	89,405	89,405
Series 2019A (System Facilities Bonds)	1.83 - 3.19%	950 - 50,160	524,930	525,880
Series 2019B (System Facilities Bonds)	5.00%	6,265	-	6,265
Series 2018 (Deferred Maintenance Bonds)	5.00%	7,870 - 11,630	61,965	70,640
Series 2017A (Deferred Maintenance Bonds)	4.00 - 5.00%	6,585 - 9,410	50,470	57,630
Series 2017B (UNO/Community Facility Refunding)	2.75 - 5.00%	1,015 - 2,075	29,840	30,905
Series 2017 (UNMC Global Experiential Learning Center)	4.00 - 5.00%	1,015 - 11,050	11,050	12,065
Series 2016 (UNL Health Center and College of Nursing)	3.00 - 5.00%	740 - 2,245	7,960	8,875
Series 2016 (UNMC Cancer Center)	2.63 - 5.00%	2,215 - 2,900	16,035	18,385
Series 2016 (UNMC Utility Improvement Project)	4.00 - 5.00%	1,415 - 1,590	1,590	3,105
Series 2014B (Qualified Energy Conservation Bonds)	3.65 - 4.25%	405 - 510	1,920	2,355
Series 2011 (NCTA Education Center/Student Housing Project)	4.60% - 5.50%	85 - 1,645	2,700	3,475
Revenue Bonds, Direct Placement:				
Series 2015 (UNO Arena and UNL College of Business)	2.00%	185 - 4,460	4,460	4,645
Series 2015 (UNMC Qualified Energy Conservation Bonds)	4.25%	185 - 200	<u>780</u>	<u>970</u>
Total University of Nebraska Facilities Corporation			<u>1,069,575</u>	<u>1,101,070</u>
Add unamortized bond premium			58,332	63,650
Less unamortized bond discount			<u>(12)</u>	<u>(14)</u>
Total bond obligations payable			<u>\$ 1,127,895</u>	<u>\$ 1,164,706</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Annual maturities subject to mandatory redemption at June 30, 2025, are as follows:

Year	University of Nebraska Facilities Corporation					
	Revenue Bonds		Revenue Bonds (Direct Placement)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 53,915	\$ 35,784	\$ 4,650	\$ 78	\$ 58,565	\$ 35,862
2027	40,695	33,708	195	25	40,890	33,733
2028	42,330	32,196	195	17	42,525	32,213
2029	33,915	30,625	200	8	34,115	30,633
2030	40,045	29,268	-	-	40,045	29,268
2031-2035	118,320	129,977	-	-	118,320	129,977
2036-2040	97,780	115,167	-	-	97,780	115,167
2041-2045	117,135	98,803	-	-	117,135	98,803
2046-2050	177,480	79,318	-	-	177,480	79,318
2051-2055	82,845	53,640	-	-	82,845	53,640
2056-2060	160,185	33,487	-	-	160,185	33,487
2061-2065	99,690	6,086	-	-	99,690	6,086
	<u>\$1,064,335</u>	<u>\$ 678,059</u>	<u>\$ 5,240</u>	<u>\$ 128</u>	<u>\$1,069,575</u>	<u>\$ 678,187</u>

At June 30, 2025 and 2024, the University and trustees for these bond funds held cash and investments in the amount of approximately \$380,797 and \$532,504, respectively, which is reflected as cash and cash equivalents held by trustee - unrestricted, cash and cash equivalents held by trustee - restricted, and investments held by trustee - unrestricted, on the statements of net position.

University of Nebraska Facilities Corporation

UNFC has a resolution establishing the general requirements for the issuance of bonds. The bonds are not obligations of the State of Nebraska; no tax shall ever be levied to raise the funds for the principal payment thereof or the interest or premium thereon, and the bonds do not constitute debt of the Regents but shall be payable solely out of moneys derived from designated tuition revenue, legislative appropriations, donor gifts, and or other available funds.

UNFC Bond Issuances

University Facilities Program Bonds, Series 2021A and Series 2021B – On June 9, 2021, UNFC issued \$266,470 of Facilities Program Bonds, Series 2021A, and \$89,405 of Facilities Program Bonds, Series 2021B (Green Bonds). The proceeds of the bonds will be used to finance new projects for the University system. Principal and interest payments will come from moneys derived by UNFC under a financing agreement with the Board of Regents.

Events of Default and Acceleration Provisions – University Facilities Program Bonds, Series 2021A and 2021B (Green Bonds)

The below-described events of default and acceleration provisions are contained in the legal documentation for the University Facilities Program Bonds, Series 2021A and Series 2021B (Green Bonds).

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Events of default under the bond resolution include default of payment of principal and interest on the bonds; a covenant default that continues for 60 days after written notice to UNFC or the bond trustee; the institution of bankruptcy proceedings with regards to the Board; and an event of default under the financing agreement. Upon the occurrence of an event of default under the bond resolution, the bond trustee may, and upon the written direction of the holders of not less than 25% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 15 business days or a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. If the Board fails to make payment upon acceleration, UNFC may, and upon the written direction of the holders of at least a majority of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable.

Events of Default and Acceleration Provisions – University System Facilities Bonds, Series 2019A and 2019B

The below-described events of default and acceleration provisions are contained in the legal documentation for the University System Facilities Bonds, Series 2019A and Series 2019B.

Events of default under the bond indenture include default of payment of principal or interest on the bonds; a covenant default that continues for 30 days after written notice to UNFC and the University by the bond trustee; or an event of default under the related financing agreement. Upon the occurrence of an event of default under the bond indenture, the bond trustee may, and upon the written direction of the holders of not less than a majority of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders are also entitled to equitable and legal remedies to enforce their rights under the bond indenture.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 3 business days or a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. If the Board fails to make payment upon acceleration, UNFC may, and upon the written direction of the holders of at least a majority of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable.

Events of Default and Acceleration Provisions – UNFC Deferred Maintenance Bonds

The below-described events of default and acceleration provisions are contained within the respective legal documentation for the following bond issues of UNFC:

- Facilities Bonds, Series 2018
- Facilities Bonds, Series 2017A

Events of default under the bond resolution include default of payment of principal or interest, or a covenant default that continues for 60 days after written notice to UNFC or the bond trustee. Upon the occurrence of an event of default under the bond resolution, the bond trustee may, and upon the written direction of the holders of not less than 25% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders of not less than 10% of bonds outstanding are also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The third amended and restated financing agreement for the Facilities Bonds, Series 2018 also governs the Board's obligations under UNFC's Deferred Maintenance Refunding Bonds, Series 2016 and Facilities Bonds, Series 2017A. UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 15 days and a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. UNFC may, and upon the written direction of the holders of at least 25% of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the third amended and restated financing agreement to the bond trustee.

Events of Default and Acceleration Provisions – Certain UNFC Bonds

The below-described events of default and acceleration provisions are contained within the respective legal documentation for the following bond issues of UNFC:

- UNO/Community Facility Refunding Bonds, Series 2017B

Events of default under the bond resolution include default of payment of principal or interest, or a covenant default that continues for 60 days after written notice to UNFC or the bond trustee. Upon the occurrence of an event of default under the bond resolution, the bond trustee may, and upon the written direction of the holders of not less than 25% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders of not less than 10% of bonds outstanding are also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 15 days and a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. UNFC may, and upon the written direction of the holders of at least 25% of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the financing agreement to the bond trustee.

The below-described events of default and acceleration provisions are contained within the respective legal documentation for the following bond issues of UNFC:

- UNMC Global Experiential Learning Center, Series 2017
- UNL Health Center and College of Nursing Projects, Series 2016
- UNMC Utility Improvements Project, Series 2016
- UNMC Cancer Center Bonds, Series 2016
- UNMC Qualified Energy Conservation Bonds, Series 2014B

Events of default under the bond resolution include default of payment of principal or interest on the bonds; a covenant default that continues for 30 days after written notice to UNFC or the bond trustee; the institution of bankruptcy proceedings with regards to the Board; and an event of default under the financing agreement. Upon the occurrence of an event of default under the bond resolution, the bond trustee may, and upon the written direction of the holders of not less than 25% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

that is not remedied within 15 days and a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. UNFC may, and upon the written direction of the holders of at least 25% of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the financing agreement to the bond trustee.

Events of Default and Acceleration Provisions – UNO Arena and UNL College of Business, Series 2015

Events of default under the bond resolution include default of payment of principal or interest on the bonds; a covenant default that continues for 30 days after written notice to UNFC or the bondholder; the institution of bankruptcy proceedings with regards to the Board; and an event of default under the financing agreement. Upon the occurrence of an event of default under the bond resolution, the bondholder may declare all outstanding principal and accrued interest due and payable immediately. The bondholder is also entitled to equitable and legal remedies to enforce its rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 5 days and a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. UNFC may, and upon the written direction of the bondholder shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the financing agreement to the bondholder.

Events of Default and Acceleration Provisions – UNMC Qualified Energy Conservation Bond, Series 2015

Events of default under the bond resolution include default of payment of principal or interest on the bonds; a covenant default that continues for 30 days after written notice to UNFC or the bondholder; the institution of bankruptcy proceedings with regards to the Board; and an event of default under the financing agreement. Upon the occurrence of an event of default under the bond resolution, the bond trustee may, and upon the written direction of the holders of not less than 25% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders are also entitled to equitable and legal remedies to enforce their rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the financing agreement upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default that is not remedied within 5 days and a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice. UNFC may, and upon the written direction of the holders of at least 25% of bonds outstanding shall, take possession of the facilities constituting the projects and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the financing agreement to the bond trustee.

Events of Default and Acceleration Provisions – NCTA Education Center/Student Housing Project, Series 2011

Events of default under the bond indenture include default of payment of principal or interest, or a covenant default that continues for 30 days after written notice to UNFC or the bond trustee. Upon the occurrence of an event of default under the bond indenture, the bond trustee may, and upon the written direction of the holders of not less than 10% of bonds outstanding shall, declare all outstanding principal and accrued interest due and payable immediately. Bondholders are also entitled to equitable and legal remedies to enforce its rights under the bond resolution.

UNFC also has the right to accelerate the Board's obligations under the lease upon an event of default by the Board of Regents. Events of default under the financing agreement include a payment default; a failure of the Board to perform any covenant or obligation thereunder that is not remedied within 30 days of notice or if the

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Board is not diligently working to cure such failure; an admission by the Board in writing that it is unable to pay its debts when due; the institution of bankruptcy proceedings with regards to the Board; appointment of receivership or similar proceedings; a writ or warrant of attachment or similar process against all or a substantial portion of the Board's property, which is not contested or stayed within 60 days; or if the Board shall abandon the project and it shall remain uncared for or unoccupied for a period of 60 days. UNFC may, and upon the written direction of the trustee shall declare the bonds due and payable, take possession of the facilities constituting the project and take such other action, including the lease thereof, as it shall deem advisable. For these purposes, UNFC has assigned its rights under the lease to the bond trustee.

Bond Resolutions

The bond resolutions specify the funds that need to be established and the required transfers between funds. The bond resolutions also require that specified amounts be deposited with the trustee for certain funds. At June 30, 2025 and 2024, the University and UNFC were in compliance with these requirements

I. LEASE OBLIGATIONS

The University defines right-to-use lease assets as having an initial cost in excess of \$50 over the lease term.

Lessee

The University leases office space and land from external parties, as well as office, medical, research, athletics, residential, custodial and telecommunications equipment. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease obligations based on the present value of expected payments over the term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University of Nebraska's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. For leases featuring payments tied to an index or market rate, the valuation is based on the initial index or market rate. The University does not have any leases subject to a residual value guarantee. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The amount of right-to-use leased assets by major classes of underlying assets at June 30, 2025 and 2024, respectively, are as follows:

Year ended June 30, 2025

Asset Class	Right-to-use leased assets	Right-to-use leased assets accumulated amortization	Right-to-use leased assets, net
Buildings	\$ 101,397	\$ (25,462)	\$ 75,935
Equipment	5,429	(2,306)	3,123
	<u>\$ 106,826</u>	<u>\$ (27,768)</u>	<u>\$ 79,058</u>

Year ended June 30, 2024

Asset Class	Right-to-use leased assets	Right-to-use leased assets accumulated amortization	Right-to-use leased assets, net
Buildings	\$ 101,453	\$ (20,089)	\$ 81,364
Equipment	5,987	(3,032)	2,955
	<u>\$ 107,440</u>	<u>\$ (23,121)</u>	<u>\$ 84,319</u>

As of June 30, 2025, the scheduled fiscal year maturities of lease obligations and related interest expense are as follows:

Ending June 30,	Principal	Interest
2026	\$ 5,002	\$ 5,468
2027	4,820	5,316
2028	4,709	5,150
2029	4,216	4,982
2030	3,306	4,837
2031-2035	18,543	21,636
2036-2040	17,401	16,412
2041-2045	26,199	8,248
2046-2050	5,411	657
2051-2055	284	360
2056-2060	444	303
2061-2065	649	217
2066-2070	910	94
	<u>\$ 91,894</u>	<u>\$ 73,680</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

During the years ended June 30, 2025 and 2024, the University paid \$91 and \$114, respectively, in variable lease payments not previously included in the measurement of the related lease liabilities.

Lease obligation activity for the year ended June 30 is as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Current Portion
2025 Lease obligations	<u>\$ 94,140</u>	<u>\$ 3,730</u>	<u>\$ 5,605</u>	<u>\$ (340)</u>	<u>\$ 91,925</u>	<u>\$ 5,020</u>
2024 Lease obligations	<u>\$ 92,372</u>	<u>\$ 9,158</u>	<u>\$ 7,390</u>	<u>\$ -</u>	<u>\$ 94,140</u>	<u>\$ 4,750</u>

Note: In fiscal year 2025 the University changed software being used to account for leases. As a result, there were slight adjustments to beginning balances. See Note P for further information.

Lessor

The University leases office space and land to external parties. In accordance with GASB Statement No. 87, the University records lease receivables and deferred inflows of resources based on the present value of remaining lease payments expected to be received during the lease term plus any payments received at or before the commencement of the lease term that relate to future periods. The expected receipts are discounted using the interest rate charged on the lease, if known, or the University of Nebraska's incremental borrowing rate. Variable receipts are excluded from the valuations unless they are fixed in substance. Future recognition of the deferred inflow of resources as revenue is performed in a systematic and rational manner over the term of the lease. During the years ended June 30, 2025 and 2024, the University recognized revenues related to these lease agreements totaling \$3,633 and \$3,253, respectively.

J. SUBSCRIPTION OBLIGATIONS

The University utilizes subscription-based information technology arrangements as part of its business operations. In accordance with GASB Statement No. 96, the University records right-to-use assets and subscription obligations based on the present value of expected payments over the term of the respective subscriptions. Right-to-use subscription assets are defined by the University as having an initial cost in excess of \$100 over the subscription term. The expected payments are discounted using the interest rate charged on the subscription, if available, or are otherwise discounted using the University of Nebraska's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. For subscriptions featuring payments tied to an index or market rate, the valuation is based on the initial index or market rate. The right-to-use assets are amortized over the shorter of the subscription term or the underlying asset useful life.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The amount of right-to-use subscription assets by major classes of underlying assets at June 30, 2025 and 2024, respectively, are as follows:

Year ended June 30, 2025

Asset Class	Right-to-use subscription assets	Right-to-use subscription assets accumulated amortization	Right-to-use subscription assets, net
Software	\$ 62,154	\$ (26,969)	\$ 35,185

Year ended June 30, 2024

Asset Class	Right-to-use subscription assets	Right-to-use subscription assets accumulated amortization	Right-to-use subscription assets, net
Software	\$ 42,002	\$ (16,238)	\$ 25,764

As of June 30, 2025, the scheduled fiscal year maturities of subscription obligations and related interest expense are as follows:

Ending June 30,	Principal	Interest
2026	\$ 14,353	\$ 1,116
2027	9,658	615
2028	3,669	182
2029	1,226	53
2030	613	13
	<u>\$ 29,519</u>	<u>\$ 1,979</u>

Subscription obligation activity for the year ended June 30 is as follows:

	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Current Portion
2025 Subscription obligations	<u>\$ 23,096</u>	<u>\$ 25,432</u>	<u>\$ 18,899</u>	<u>\$ (110)</u>	<u>\$ 29,519</u>	<u>\$ 14,353</u>
2024 Subscription obligations	<u>\$ 20,329</u>	<u>\$ 15,544</u>	<u>\$ 12,777</u>	<u>\$ -</u>	<u>\$ 23,096</u>	<u>\$ 8,816</u>

Note: In fiscal year 2025 the University changed software being used to account for subscriptions. As a result, there were slight adjustments to beginning balances. See Note P for further information.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

K. HEALTH AND OTHER INSURANCE CLAIMS

Activity in the health and other insurance claims programs is as follows:

	General Liability	Health and Dental	Total
Claim reserve, July 1, 2022	\$ 8,182	\$ 8,578	\$ 16,760
Incurring claims	7,839	166,689	174,528
Payments on claims	<u>(4,688)</u>	<u>(162,432)</u>	<u>(167,120)</u>
Claim reserve, June 30, 2023	11,333	12,835	24,168
Incurring claims	6,796	180,927	187,723
Payments on claims	<u>(4,482)</u>	<u>(180,348)</u>	<u>(184,830)</u>
Claim reserve, June 30, 2024	13,647	13,414	27,061
Incurring claims	10,556	181,457	192,013
Payments on claims	<u>(6,419)</u>	<u>(182,495)</u>	<u>(188,914)</u>
Claim reserve, June 30, 2025	<u>\$ 17,784</u>	<u>\$ 12,376</u>	<u>\$ 30,160</u>

The Board of Regents provides for protection against comprehensive general liability and property losses through a partially self-insured general liability program. The self-insured program also covers the retained deductible for directors and officers liability and miscellaneous claims not covered by insurance. The Board of Regents has purchased all-risk “blanket” policies for risks not covered by the partially self-insured general liability program. A bank administers the general liability trust including the investments and payment of approved claims. The University estimates a range of loss for general liability and property claims using actuarial studies conducted by an outside actuarial firm. The estimate of the claim reserves used by the actuaries was undiscounted for general liability. The estimate is accrued in the accompanying financial statements and includes a reserve for known claims as well as incurred but unreported incidents.

The University participates in the State Excess Liability Fund that provides coverage for medical malpractice claims.

Settled claims have not exceeded commercial insurance coverage in any of the past three years.

The Board of Regents provides for faculty and staff group health and dental benefits through a self-insurance program. The University accrued an estimate for known as well as incurred but not reported claims based on claim history adjusted for current trends. A trust agreement with a bank provides for the collection, investment, and administration of premiums and for payment to the third-party administrators for claims paid.

At June 30, 2025 and 2024, the trustees for the health and other insurance claims programs held cash and cash equivalents and investments totaling approximately \$65,304 and \$53,958, respectively, whose use is limited to the payment of claims under the programs. These amounts are included in cash and cash equivalents and investments – restricted on the statements of net position.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

L. RETIREMENT PLANS

The University sponsors a defined contribution retirement plan that the Board of Regents established and has the authority to amend. The plan covers all academic faculty, administrative, and classified staff and provides investment options administered by Teachers Insurance and Annuity Association/College Retirement Equity Fund and Fidelity Investments. Under the plan, faculty and staff are required to contribute 3.5% or 5.5% if they participate in either Tier 1 or Tier 2 of the plan, respectively. The University matches faculty and staff participation by contributing 6.5% and 8.0% for Tier 1 and Tier 2, respectively. The University's policy is to fund costs accrued on an annual basis.

The University's total payroll for fiscal years 2025 and 2024 was approximately \$1,327,765 and \$1,280,539, respectively, of which approximately \$960,335 and \$922,440 was covered by the plan. The University's contribution during 2025 and 2024 was approximately \$74,912, or 7.80%, and \$72,050, or 7.81%, of covered payroll, respectively, and the faculty and staff's contribution was approximately \$50,280, or 5.24%, and \$48,413, or 5.25%, of covered payroll, respectively.

Faculty and staff (at least 0.5 FTE) who attain age 26 and have completed 24 months of continuous service are eligible to participate in the retirement plan. Faculty and staff (at least 0.5 FTE) attaining age 30 following 24 months of continuous service are required to participate. The plan benefits are fully vested at the date of contribution.

M. COMMITMENTS AND CONTINGENCIES

The University has budgeted for the construction of facilities that are estimated to cost approximately \$1,130,352 and \$1,094,934 at June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the approximate remaining costs to complete these facilities were \$304,064 and \$369,490, respectively, which will be financed as follows:

	2025	2024
Bond funds	\$ 130,862	\$ 169,810
Federal funds	7,003	45,295
University funds	34,386	26,737
Private gifts, grants, and contracts	<u>131,813</u>	<u>127,648</u>
	<u>\$ 304,064</u>	<u>\$ 369,490</u>

During the normal course of business, the University receives funds from the U.S. Government, State and local governments, and private donors for student loans, special projects, research grants, and research contracts. Substantially all of these funds are subject to audit by various Federal and State agencies; however, it is the University's opinion that resulting adjustments, if any, would not have a material effect upon the accompanying financial statements.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The University established its Agricultural Research and Development Center (ARDC) on approximately 9,000 acres acquired from the Nebraska Ordnance Plant (NOP) from 1962 to 1971. The Federal government produced munitions at NOP during World War II and the Korean Conflict, exposing the area to contaminants. The University legally disposed of certain materials at the site in the 1970s.

In 1990, the NOP became a Federal Superfund site. An administrative order has been entered into between the Board of Regents and the Environmental Protection Agency (EPA) requiring a remedial investigation/feasibility study to determine the extent of contamination and removal actions necessary. This study was completed and the consulting firm made recommendations to the University for the removal and disposal of the contaminants at the site.

The Board of Regents and the EPA subsequently agreed to an action for the remediation and restoration of the area, which was completed pending acceptance of the final remedial investigation feasibility study report by the EPA. In 2011, the University received a proposed plan from the EPA for additional remedial activities, such as installation of a landfill cap, an establishment of a monitoring well network, and treatment for a groundwater contaminant. In 2013, the EPA submitted a record of decision of an approved remedy and, in 2014, the University and the EPA signed a consent decree and statement of work to complete the remediation work, which decree was approved by the United States District Court in June 2015.

The University and the EPA have agreed that an amendment to the record of decision is necessary to reduce the scope of remediation efforts at NOP. Current cost estimates are approximately \$138 per year until the amendment process is complete, at which time more precise costs will be known.

The University has other claims and litigation pending, none of which is expected to result in any material loss to the University.

N. RELATED-PARTY TRANSACTIONS

The University routinely has transactions with Nebraska Medicine (NM). The members of the faculty at the University are also members of the medical staff of NM, and in many other areas, the operations of the University and NM are integrated and overlap. The University provides certain operational and support services, as well as certain direct financial support to NM. For the fiscal years ended June 30, 2025 and 2024, NM purchased approximately \$32,851 and \$31,358 of goods and services from UNMC. In addition, during 2025 and 2024, UNMC paid NM \$32,533 and \$34,048, respectively, for support services provided by NM.

On March 26th, 2014, UNMC entered into a lease agreement between the Board of Regents of the University of Nebraska ("Landlord") and The Nebraska Medical Center ("Tenant") for space within the Comprehensive Cancer Center. In the lease agreement, the tenant agrees to pay to landlord an amount equal to the debt service for all its bonded indebtedness and bond indebtedness of its affiliates. During 2025 and 2024, UNMC had lease receivables due from The Nebraska Medical Center in the amounts of \$16,697 and \$19,780, respectively, included in footnote I.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

O. FUNCTIONAL CLASSIFICATIONS OF EXPENSES

For the year ended June 30, 2025:

	Compensation	Supplies and Services	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 579,977	\$ 63,456	\$ 12,340	\$ -	\$ 655,773
Research	328,970	188,856	10,573	-	528,399
Public service	98,610	46,890	769	-	146,269
Academic support	165,160	113,796	1,100	-	280,056
Student services	34,551	6,766	905	-	42,222
Institutional support	135,734	38,838	82	-	174,654
Operation and maintenance of plant	50,520	87,131	6	-	137,657
Healthcare entities	88,603	28,490	521	-	117,614
Scholarships and fellowships	7,136	431	18,313	-	25,880
Auxiliary operations	198,588	231,983	(2,898)	-	427,673
Depreciation and amortization	-	-	-	188,903	188,903
Total expenses	<u>\$ 1,687,849</u>	<u>\$ 806,637</u>	<u>\$ 41,711</u>	<u>\$ 188,903</u>	<u>\$ 2,725,100</u>

For the year ended June 30, 2024:

	Compensation	Supplies and Services	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	\$ 546,644	\$ 107,002	\$ 12,167	\$ -	\$ 665,813
Research	313,339	196,396	8,677	-	518,412
Public service	98,959	45,069	448	-	144,476
Academic support	181,464	55,969	1,062	-	238,495
Student services	34,529	10,959	874	-	46,362
Institutional support	129,443	32,852	16	-	162,311
Operation and maintenance of plant	54,700	119,837	-	-	174,537
Healthcare entities	82,919	27,785	760	-	111,464
Scholarships and fellowships	7,178	301	54,559	-	62,038
Auxiliary operations	186,310	216,706	3,156	-	406,172
Depreciation and amortization	-	-	-	173,706	173,706
Total expenses	<u>\$ 1,635,485</u>	<u>\$ 812,876</u>	<u>\$ 81,719</u>	<u>\$ 173,706</u>	<u>\$ 2,703,786</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

P. Restatement

Restatement of Beginning Fiduciary Net Position

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, the beginning fiduciary net position for the year ended June 30, 2025, has been restated. This restatement applies to beginning fiduciary net position for private-purpose trust funds and custodial funds. For private-purpose trust funds, the restatement reflects a change in the methodology used to estimate self-insurance reserves to better reflect current claims experience and actuarial assumptions. The cumulative effect of this change resulted in a decrease to beginning fiduciary net position of \$1,873. For custodial funds, the restatement reflects a change in the methodology used to eliminate Fund B student fees from fiduciary activity. The cumulative effect of this change resulted in an increase to beginning fiduciary net position of \$259.

Implementation of New Lease and Subscription Accounting System

During fiscal year 2025, the University implemented a new system, DebtBook, to manage and account for leases and subscription-based information technology arrangements in accordance with GASB Statements No. 87 and No. 96. DebtBook replaces the previous system, LeaseVision. The new system provides enhanced functionality and more sophisticated calculations related to lease and subscription term determinations, discount rate applications, and amortization schedules.

As a result of these refinements, beginning balances as of July 1, 2024 for right-of-use assets and corresponding lease and subscription liabilities were adjusted to reflect more precise calculations. The adjustments do not represent a change in accounting principle but rather improvements in estimation methodologies and system capabilities. The impact of these adjustments on net position was not material to the financial statements.

Update to Scholarship Allowance Estimation Methodology

During fiscal year 2025, the University refined its methodology for calculating the scholarship allowance in accordance with NACUBO Advisory 2023-01. The updated approach incorporates more detailed student-level data and improved allocation assumptions to better determine the portion of institutional aid applied to student charges.

These refinements resulted in adjustments to Tuition and Fees Revenue and the related Scholarship Allowance to reflect more precise estimates. The changes represent an enhancement in estimation techniques rather than a change in accounting principle and had no impact on net position.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Beginning net position as of July 1, 2023 was restated for error corrections as follows:

Financial Statement Line Items Impacted	CWIP Process Change	Other Restatements	Total
NON-CURRENT ASSETS			
Capital assets, net of accumulated depreciation	\$ 19,846	\$ -	\$ 19,846
CURRENT LIABILITIES			
Accrued compensated absences	-	136	136
NON-CURRENT LIABILITIES			
Accrued compensated absences	-	2,127	2,127
NET POSITION	19,846	(2,263)	17,583
June 30, 2023 net position as originally reported			\$ 4,938,049
Impact of error corrections to net position			17,583
July 1, 2023 net position as restated			<u>\$ 4,955,632</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The Statement of Net Position as of June 30, 2024 was restated for error corrections as follows:

Financial Statement Line Items Impacted	Reclass Interest Payable on Debt	Group Health Adjustments	CWIP Process Change	Other Restatements	Total
CURRENT ASSETS					
Accounts receivable and unbilled charges, net	\$ -	\$ -	\$ -	\$ (1,610)	\$ (1,610)
NON-CURRENT ASSETS					
Right-to-use subscription assets, net of accumulated amortization	-	-	-	1,718	1,718
Capital assets, net of accumulated depreciation	-	-	26,846	-	26,846
CURRENT LIABILITIES					
Accounts payable	-	1,881	-	81	1,962
Accrued compensated absences	-	-	-	122	122
Lease obligations payable	-	-	-	1	1
Subscription obligations payable	-	-	-	398	398
Health and other insurance claims	-	4,659	-	-	4,659
NON-CURRENT LIABILITIES					
Accrued compensated absences	-	-	-	2,065	2,065
Subscription obligations payable, net of current portion	-	-	-	1,313	1,313
NET POSITION					
Invested in capital assets, net of related debt	16,786	-	26,846	(76)	43,556
Unrestricted	(16,786)	-	-	(3,796)	(20,582)
Expendable externally restricted funds	-	(6,540)	-	-	(6,540)
NET POSITION	-	(6,540)	26,846	(3,872)	16,434
June 30, 2024 net position as originally reported					\$ 5,191,302
Impact of error corrections to net position					16,434
June 30, 2024 net position as restated					<u>\$ 5,207,736</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2024 was restated for error corrections as follows:

Financial Statement Line Items Impacted	Group Health Adjustments	CWIP Process Change	Other Restatements	Total
OPERATING REVENUES				
Federal grants and contracts	\$ -	\$ -	\$ 158	\$ 158
Private grants and contracts	-	-	108	108
State and local grants and contracts	-	-	473	473
Sales and services of educational activities	-	-	(3)	(3)
Other operating revenues	-	-	(851)	(851)
OPERATING EXPENSES				
Compensation and benefits	6,540	-	(78)	6,462
Supplies and services	-	(7,001)	1,032	(5,969)
Amortization of right-to-use assets	-	-	429	429
Scholarships and fellowships	-	-	12	12
NON-OPERATING REVENUES (EXPENSES)				
Interest on bond obligations and capital debt	-	-	(81)	(81)
Gifts	-	-	3	3
Other non-operating revenues (expenses)	-	-	(24)	(24)
NET TRANSFERS	-	-	2	2
INCREASE/(DECREASE) IN NET POSITION	(6,540)	7,001	(1,610)	(1,149)
Cumulative effect of error corrections to beginning net position	-	19,846	(2,263)	17,583
NET POSITION	(6,540)	26,847	(3,873)	16,434
June 30, 2024 net position as originally reported				\$ 5,191,302
Impact of error corrections to net position				16,434
June 30, 2024 net position as restated				<u>\$ 5,207,736</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The Statement of Cash Flows for the year ended June 30, 2024 was restated for error corrections as follows:

Financial Statement Line Items Impacted	Group Health Adjustments	CWIP Process Change	Other Restatements	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Grants and contracts	\$ -	\$ -	\$ 739	\$ 739
Tuition and fees	-	-	1,610	1,610
Sales and services of educational activities	-	-	(3)	(3)
Payments to vendors	1,881	7,001	(981)	7,901
Payments to employees	(1,881)	-	2	(1,879)
Other receipts	-	-	(850)	(850)
Net cash flows from operating activities	-	7,001	517	7,518
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of capital assets	-	(7,001)	-	(7,001)
Principal paid on bond obligations and capital debt	-	-	(435)	(435)
Interest paid on bond obligations and capital debt	-	-	(82)	(82)
Net cash flows from capital and related financing activities	-	(7,001)	(517)	(7,518)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ -	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss	\$ (6,540)	\$ 7,001	\$ (1,508)	\$ (1,047)
Adjustments to reconcile operating loss to net cash from operating activities:				
Amortization expense	-	-	429	429
Changes in assets and liabilities:				
Accounts payable	1,881	-	62	1,943
Accrued salaries, wages, and post-retirement benefits	-	-	(75)	(75)
Accounts receivable	-	-	1,609	1,609
Health and other insurance claims	4,659	-	-	4,659
Net cash used in operating activities	\$ -	\$ 7,001	\$ 517	\$ 7,518
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Purchase of RTU assets through subscription obligations	\$ -	\$ -	\$ 2,148	\$ 2,148
Increase in lease receivables through deferred lease arrangements	\$ -	\$ -	\$ 91	\$ 91

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Q. CONDENSED COMPONENT UNIT FINANCIAL INFORMATION

Condensed financial information, before the elimination of certain intra-University transactions, for each of the University's Component Units follows (in thousands):

	For the year ended June 30, 2025				
	UTDC	UNFC	UNeHealth	UDA	SRF
Condensed Statement of Net Position					
Assets and Deferred Outflows of Resources					
Assets:					
Current assets	\$ 30,944	\$ 329,538	\$ 8,670	\$ 778	\$ 22,834
Non-current assets					
Capital assets	15,001	-	-	185	-
Other non-current assets	4,954	477,938	2,390	82	184,576
Total assets	50,899	807,476	11,060	1,045	207,410
Deferred Outflows of Resources					
Deferred loss on bond refunding	-	25,313	-	-	-
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities:					
Current liabilities	12,234	96,311	3,665	544	4,605
Non-current liabilities	9,615	1,064,700	2,018	280	314
Total liabilities	21,849	1,161,011	5,683	824	4,919
Deferred Inflows of Resources					
Deferred lease agreements	11,191	-	-	-	-
Deferred service concession arrangement receipts	-	-	-	-	-
Net Position:					
Net investment in capital assets	4,451	-	-	264	-
Restricted:					
Expendable	148	-	-	-	75,944
Debt service	-	51,177	-	-	-
Unrestricted	13,260	(379,399)	5,377	(43)	126,547
Total net position	\$ 17,859	\$ (328,222)	\$ 5,377	\$ 221	\$ 202,491

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	UTDC	UNFC	UNeHealth	UDA	SRF
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating revenues					
Grants and contracts	\$ 28,941	\$ -	\$ -	\$ -	\$ -
Sales and services of educational activities	6,555	-	-	-	-
DDIF revenue	-	-	-	-	41,610
Sales and services of health care entities	-	-	12,854	2,236	-
Other operating revenue	1,733	57,247	-	-	10,467
Operating expenses:					
Depreciation	2,237	-	-	22	-
Amortization	1,407				
Other operating expenses	41,096	1,327	11,729	2,686	142
Operating income	<u>(7,511)</u>	<u>55,920</u>	<u>1,125</u>	<u>(472)</u>	<u>51,935</u>
Non-operating income (expense)	8,151	(123,015)	32	-	(49,118)
Increase (decrease) in net position	640	(67,095)	1,157	(472)	2,817
Net position - beginning of year, as previously presented	17,219	(261,127)	3,876	708	199,674
Restatement	-	-	344	(15)	-
Net position – beginning of year, as restated	<u>17,219</u>	<u>(261,127)</u>	<u>4,220</u>	<u>693</u>	<u>199,674</u>
Net position - end of year	<u>\$ 17,859</u>	<u>\$ (328,222)</u>	<u>\$ 5,377</u>	<u>\$ 221</u>	<u>\$ 202,491</u>
Condensed Statement of Cash Flows					
Net cash flows from operating activities	\$ (3,809)	\$ -	\$ 416	\$ (118)	\$ 51,274
Net cash flows from noncapital financing activities	-	-	-	-	(59,556)
Net cash flows from capital and related financing activities	5,947	(173,546)	-	(243)	-
Net cash flows from investing activities	163	20,237	32	-	1,582
Net change in cash and cash equivalents	2,301	(153,309)	448	(361)	(6,700)
Cash and cash equivalents - beginning of year	<u>11,740</u>	<u>353,710</u>	<u>4,672</u>	<u>852</u>	<u>10,291</u>
Cash and cash equivalents - end of year	<u>\$ 14,041</u>	<u>\$ 200,401</u>	<u>\$ 5,120</u>	<u>\$ 491</u>	<u>\$ 3,591</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

For the year ended June 30, 2024

	UTDC	UNFC	UNeHealth	UDA	SRF
Condensed Statement of Net Position					
Assets and Deferred Outflows of Resources					
Assets:					
Current assets	\$ 28,098	\$ 330,579	\$ 7,449	\$ 1,232	\$ 30,287
Non-current assets					
Capital assets	17,238	-	-	37	-
Other non-current assets	4,910	599,411	1,613	-	170,928
Total assets	50,246	929,990	9,062	1,269	201,215
Deferred Outflows of Resources					
Deferred loss on bond refunding	-	27,054	-	-	-
Liabilities, Deferred Inflows of Resources, and Net Position					
Liabilities:					
Current liabilities	12,246	90,275	3,913	423	957
Non-current liabilities	10,077	1,127,893	1,273	138	584
Total liabilities	22,323	1,218,168	5,186	561	1,541
Deferred Inflows of Resources					
Deferred lease agreements	10,704	-	-	-	-
Deferred service concession arrangement receipts	-	3	-	-	-
Net Position:					
Net investment in capital assets	6,428	-	-	37	-
Restricted:					
Expendable	104	-	-	-	79,366
Debt service	-	45,195	-	-	-
Unrestricted	10,687	(306,322)	3,876	671	120,308
Total net position	\$ 17,219	\$ (261,127)	\$ 3,876	\$ 708	\$ 199,674

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	<u>UTDC</u>	<u>UNFC</u>	<u>UNeHealth</u>	<u>UDA</u>	<u>SRF</u>
Condensed Statement of Revenues, Expenses and Changes in Net Position					
Operating revenues					
Grants and contracts	\$ 25,848	\$ -	\$ -	\$ -	\$ -
Sales and services of educational activities	5,154	-	-	-	-
DDIF revenue	-	-	-	-	9,007
Sales and services of health care entities	-	-	8,564	1,930	-
Other operating revenue	2,878	-	-	-	-
Operating expenses:					
Depreciation	1,641	-	-	5	-
Amortization	810				
Other operating expenses	59,339	327	7,934	1,749	54
Operating income	<u>(27,910)</u>	<u>(327)</u>	<u>630</u>	<u>176</u>	<u>8,953</u>
Non-operating income (expense)	9,622	(58,711)	16	-	12,511
Increase (decrease) in net position	(18,288)	(59,038)	646	176	21,464
Net position - beginning of year	<u>35,507</u>	<u>(202,089)</u>	<u>3,230</u>	<u>532</u>	<u>178,210</u>
Net position - end of year	<u>\$ 17,219</u>	<u>\$ (261,127)</u>	<u>\$ 3,876</u>	<u>\$ 708</u>	<u>\$ 199,674</u>
Condensed Statement of Cash Flows					
Net cash flows from operating activities	\$ (26,504)	\$ -	\$ 644	\$ (12)	\$ 8,809
Net cash flows from noncapital financing activities	-	-	-	-	(5,176)
Net cash flows from capital and related financing activities	6,578	(96,379)	-	(7)	-
Net cash flows from investing activities	<u>428</u>	<u>(27,258)</u>	<u>17</u>	<u>-</u>	<u>(1,296)</u>
Net change in cash and cash equivalents	(19,498)	(123,637)	661	(19)	2,337
Cash and cash equivalents - beginning of year	<u>31,238</u>	<u>477,347</u>	<u>4,011</u>	<u>871</u>	<u>7,954</u>
Cash and cash equivalents - end of year	<u>\$ 11,740</u>	<u>\$ 353,710</u>	<u>\$ 4,672</u>	<u>\$ 852</u>	<u>\$ 10,291</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

R. SUBSEQUENT EVENTS

The University of Nebraska has evaluated subsequent events from the balance sheet date through December 11, 2025, the date at which the financial statements were available to be issued. No additional items were identified that would require disclosure.

S. UNIVERSITY OF NEBRASKA FOUNDATION

The Foundation is a separate, nonprofit organization incorporated in the State of Nebraska and has as its purpose to encourage private financial support of the University from individuals, corporations, and other foundations. Oversight of the Foundation is the responsibility of a separate and independent Board of Trustees, not otherwise affiliated with the University. In carrying out its responsibilities, the Board of Trustees of the Foundation employs management, forms policy, and maintains fiscal accountability over funds administered by the Foundation.

Although the University does not control the timing or amount of receipts from the Foundation, the resources that the Foundation holds and invests, or the income thereon, are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation are primarily used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements. Based on the Foundation's audited financial statements as of June 30, 2025 and 2024, the Foundation's net assets (including unrealized gains) totaled \$3,357,184 and \$3,102,955, respectively.

During the years ended June 30, 2025 and 2024, the Foundation contributed \$209 million and \$159 million, respectively, to the University for academic support, student assistance, faculty assistance, research, museums, and libraries. In addition, the Foundation provided capital gifts of \$89 million and \$133 million during 2025 and 2024, respectively, to the University. These contributions provided support for several projects, including the construction of Kiewit Hall, the North Stadium Expansion, and the Westbrook Music Building replacement at UNL, as well as the Core Building and Student Housing projects at UNMC.

Complete financial statements for the Foundation can be obtained from the University of Nebraska Foundation, 1010 Lincoln Mall, Suite 300, Lincoln, Nebraska 68508-2886.

T. COMPONENT UNIT DISCLOSURES

Note 1: Summary of Significant Accounting Policies

Nature of the Entity and Principles of Consolidation

The University of Nebraska Foundation (the Foundation) is a nonprofit corporation whose purpose is to provide financial support to the University of Nebraska system (the University). The accompanying consolidated financial statements include the Foundation's wholly owned subsidiaries, UNF Investments, LLC and UNF Charitable Gift Fund (UNFCGF). All significant intercompany accounts and transactions have been eliminated upon consolidation.

The University of Nebraska (the University) considers the University of Nebraska Foundation a Component Unit under Government Accounting Standards Board Statements and therefore includes the audited financial statements of the Foundation in the University's Annual Financial Report.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Basis of Accounting and Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Resources are reported for accounting purposes into separate classes of net assets based on the existence or absence of donor-imposed restrictions. Net assets that have similar characteristics have been combined into similar categories as follows:

Net assets without donor restrictions – Net assets and contributions not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations outlining a specific use or time restriction, which can be temporary or perpetual in nature. After the donor-imposed time or purpose restriction is satisfied or after the Foundation's board appropriates their expenditures in the case of gains and income on endowment funds maintained in perpetuity, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported within the consolidated statements of activities as net assets released from restrictions.

Revenue is reported as increases in net assets without donor restrictions unless use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on investments and any other assets or liabilities are reported as increases (decreases) in net assets without donor restrictions, unless their use is limited by donor stipulation or by laws. Expirations of temporary restrictions on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets. If a restriction is fulfilled in the same time period in which the funds are received, the Foundation reports the funds as a component of net assets without donor restrictions. At times, the Foundation receives requests by donors or their designees to change the use for which the gifts were originally intended. The requests are reviewed by the Foundation for approval. Approved changes, depending on the donor's request, may result in the reclassification due to change in donor intent in the consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Gifts, Bequests, and Life Insurance Proceeds

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are recognized when they become unconditional. A promise to give is conditional based on whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. A conditional promise to give becomes an unconditional promise to give when the barriers in the agreement are overcome. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restriction.

The Foundation recognizes a receivable and revenue at the time a pledge is made by the donor if the pledge is verifiable, measurable, probable of collection, and meets all applicable eligibility requirements. Pledges extending beyond one year are discounted to recognize the present value of the future cash flows. In subsequent years, this discount is accreted and reported as additional contribution revenue in accordance with donor-imposed restrictions, if any, and is recorded in gifts, bequests, and life insurance proceeds on the statements of activities. The discount rate utilized for 2025 and 2024 was 3.79% and ranged from 0.37% – 4.33% respectively. In addition, pledges are reported net of an allowance, which includes specific reserves for items that are past due in payments as well as a general reserve set at 3% of pledges receivable balance.

Included in gifts, bequests, and life insurance proceeds, is an advancement fee assessed on incoming expendable contributions, with certain predetermined exclusions. During the years ended June 30, 2025 and 2024, the fee was \$2,192 and \$1,941, respectively, and is included as an increase in net assets without donor restriction within gifts, bequests, and life insurance proceeds within the consolidated statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid instruments with original maturity of three months or less when purchased, excluding those amounts held as part of the investment and temporary investment portfolios.

The Foundation maintains cash balances and certificates of deposit at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. At various times during the fiscal year, the Foundation's cash in bank balances exceeded the federally insured limits. The Foundation has maintained its cash balances and certificates of deposit at financial institutions in accordance with all Foundation policies and procedures. At June 30, 2025, the Foundation's cash accounts exceeded federally insured limits by approximately \$7,108.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Investments and Temporary Investments

Investments and temporary investments in equity securities with readily determinable fair values and debt securities are reported at fair value. For alternative investments in funds that do not have readily determinable fair values, including certain hedge funds and limited partnerships, the Foundation records these investments using net asset value per share or its equivalent as a practical expedient to fair value. These investments in alternative investments are valued based upon the most recent net asset value or capital account information available from the fund manager, adjusted for subsequent cash flows as necessary. The Foundation applies the practical expedient to its investments on an investment-by-investment basis and consistently with the Foundation's entire position in a particular investment unless it is probable that the Foundation will sell a portion of an investment at an amount different from the net asset valuation.

Real estate, mortgage and promissory notes, and the cash value of insurance policies are recorded at amortized cost. They are reviewed for impairment on an annual basis.

Temporary investments comprise short-term investments used to maintain liquidity and are comprised mainly of a mix of U.S., state, and local government fixed income securities and corporate bonds. Investments comprise a mix of equities, fixed income, other investments, and alternative investments, which have a longer-term focus (generally endowment funds).

Donated investments are reported at estimated fair value at the date of receipt. Realized gains and losses on sales of investments are recognized in the consolidated statements of activities as specific investments are sold. Interest income is recognized as earned. Dividend income is recognized on the ex-dividend date.

Investment Income (Loss)

Investment income is comprised of dividends, interest, and other investment income and is shown net of external investment management and custody fees. Included in investment income is a management fee charged by the Foundation to endowment accounts within each net asset class for which the Foundation manages investments. This management fee is calculated annually based on the market value of the endowment and is charged ratably over the year on a monthly basis. These fees are used to support the Foundation's management and fund-raising operations. During the years ended June 30, 2025 and 2024, \$24,695 and \$22,404, respectively, was charged to donor restricted investment income and credited to investment income without donor restriction in the consolidated statements of activities related to the management fee for endowment funds. Also, included in investment income without donor restriction for the years ended June 30, 2025 and 2024, is \$4,745 and \$4,432, respectively, of a management fee charged by the Foundation to agency funds, which is calculated annually based on the market value of the agency funds and is charged ratably over the year on a monthly basis.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Deposits Held in Custody for Others

Deposits held for others represent funds held in a fiduciary capacity. The assets are included in investments and the corresponding liability for these funds are reflected on the consolidated statements of financial position, however, the transactional activity of these funds is not reflected in the consolidated statements of activities as the Foundation is acting as an agent for these funds. Such funds approximated \$441 million and \$432 million at June 30, 2025 and 2024, respectively, and are recorded as a liability on the consolidated statements of financial position. These funds are held on behalf of the University and other related entities.

Benefits Paid to University

The Foundation recognizes an expense related to benefits to the University when the University submits a request that meets the requirements of each fund or donor agreement. A payable is recognized for any requests made that meet requirements of the fund agreement but are not yet paid as of period end.

Deferred Annuities Payable

The Foundation is the beneficiary of split interest agreements in the form of charitable gift annuities, charitable remainder trusts, and pooled income funds. The liability is established at the time of the contribution using actuarial tables and an assumed interest rate. The interest rates used for the establishment of the liability was 2.8% for the years 2025 and 2024. In connection with certain agreements, the Foundation has committed to the payment of an annual annuity to the donor. Assets held are recorded at fair value of \$47,763 and \$40,155 as of June 30, 2025 and 2024, respectively, and are included in the investments in the consolidated statements of financial position. Liabilities associated with these agreements as of June 30, 2025 and 2024, are \$21,331 and \$17,824, respectively, and have been reflected as deferred annuities payable on the consolidated statements of financial position. Annuity obligations are adjusted annually for actuarial changes in life expectancy. The increases and decreases to the liability are reflected as change in the value of split interest agreements with donor restriction in the consolidated statements of activities, which is consistent with the method used to initially record the contribution.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Foundation's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Income Taxes

The Foundation has been recognized as a not-for-profit corporation by the Internal Revenue Service as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Such tax positions, which are more than 50% likely of being realized, are measured at their highest value. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Foundation believes it is no longer subject to income tax examinations for years prior to 2020. During 2025 and 2024, management determined that there are no income tax positions requiring recognition in the consolidated financial statements.

Revisions

Certain immaterial revisions have been made to the 2024 financial statements to increase cash and cash equivalents of \$67,200 and decrease temporary investments by \$67,200 on the statements of financial position and statements of cash flows. The statements of cash flows included an additional revision resulting in a decrease of \$134,944 in purchase of investments and proceeds from sale and maturity of investments. In addition, the financial assets available within one year in the financial assets and liquidity resources disclosure in Note 7, and investment type classifications in the fair value investments and investments disclosures in Note 2 and 3 respectively were updated for these changes. These revisions did not have a significant impact on the financial statement line items impacted.

Note 2: Fair Value Investments

The Foundation uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The tables below present the balances of assets measured at June 30, 2025 and 2024 at estimated fair value on a recurring basis and the level within the fair value hierarchy in which the measurements fall:

	2025			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments				
Certificates of deposit and money market funds	\$ 14,329	\$ 14,249	\$ 80	\$ -
U.S. government securities and sovereign debt	3,812	-	3,812	-
International Bonds	4	-	4	-
Corporate bonds	151	-	151	-
Common stock	275,118	275,118	-	-
Mutual funds – equity	194,286	194,286	-	-
Mutual funds – fixed income	14,114	14,114	-	-
Mutual funds – international	105,233	-	105,233	-
Preferred stock	30	-	30	-
Commingled funds – public equity	806,948	-	806,948	-
Index funds – public equity	793,511	793,511	-	-
Temporary investments				
U.S. treasuries	42,071	-	42,071	-
Certificates of deposit and money funds	1,514	1,514	-	-
State government securities	14,111	-	14,111	-
Local government securities	18,471	-	18,471	-
Corporate bonds	287,779	-	287,779	-
Exchange traded funds – equity	218,025	218,025	-	-
Investments measured at net asset value ⁽¹⁾				
Hedge funds	929	-	-	-
Limited partnerships	563,779	-	-	-
Temporary Investments measured at net asset value ⁽¹⁾				
Limited partnerships	80,312	-	-	-
	<u>\$ 3,434,527</u>	<u>\$ 1,510,817</u>	<u>\$ 1,278,690</u>	<u>\$ -</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Investments				
Certificates of deposit and money market funds	\$ 10,127	\$ 10,102	\$ 25	\$ -
U.S. government securities and sovereign debt	7,895	-	7,895	-
International bonds	3	-	3	-
Corporate bonds	3,720	-	3,720	-
Common stock	255,158	180,811	-	74,347
Mutual funds – equity	182,198	182,198	-	-
Mutual funds – fixed income	11,178	11,178	-	-
Preferred stock	81	-	81	-
Commingled funds – public equity	500,596	-	500,596	-
Index funds – public equity	1,119,836	1,119,836	-	-
Temporary investments				
U.S. treasuries	35,577	-	35,577	-
Certificates of deposit and money funds	47,430	37,394	10,036	-
State government securities	40,748	-	40,748	-
Local government securities	23,557	-	23,557	-
Corporate bonds	237,971	-	237,971	-
Exchange traded funds – equity	199,190	199,190	-	-
Investments measured at net asset value ⁽¹⁾				
Hedge funds	1,165	-	-	-
Limited partnerships	497,362	-	-	-
Temporary Investments measured at net asset value ⁽¹⁾				
Limited partnerships	31,898	-	-	-
	<u>\$ 3,205,690</u>	<u>\$ 1,740,709</u>	<u>\$ 860,209</u>	<u>\$ 74,347</u>

- (1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The fair values of the financial instruments shown in the above tables represent the amounts that would be received to sell those assets in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, available observable and unobservable inputs.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

For alternative investments valued at net asset value, due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundation's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Certificates of deposit and money market funds: Money market funds are recorded at fair value using quoted market prices. These are classified as Level 1 as they are traded in an active market for which closing prices are readily available. Certificates of deposit are reported at face value plus accrued interest at the reporting date. These investments are classified as Level 2.

Corporate bonds, U.S. Treasuries, State Government Securities, Local Government Securities, U.S. government securities and sovereign debt obligations, and International bonds: Investments include fixed-income securities comprised of U.S. government securities, sovereign debt, international bonds, and corporate bonds. Actively traded fixed-income securities are classified as Level 1 and valued based upon observable market prices on the reporting date. When quoted prices of identical investment securities in active markets are not available, the fair values for these investment securities are obtained primarily from pricing services; one evaluated price is received for each security. The fair values provided by the pricing services are estimated using matrix pricing or other pricing models, where the inputs are based on observable market inputs or recent trades of similar securities. Such investment securities are generally classified as Level 2.

Common and preferred stock, mutual funds, index funds, and exchange traded funds: These securities are mainly measured using quoted market prices at the reporting date multiplied by the quantity held. These are classified as Level 1 securities as they are traded in an active market for which closing prices are readily available. Included within common stock is closely held stock valued at \$0 and \$74,347, respectively, as of June 30, 2025 and 2024. The closely held stock is classified as Level 3 as these are securities without readily observable inputs or measures. The closely held stock is recorded at fair value determined using book value of equity of the closely held company as similar public companies in the industry trade near book value based on independent audit reports and third party valuations. This closely held stock was sold in fiscal year 2025.

Commingled funds: Commingled funds have readily determinable fair values but are not traded on national exchanges. These funds are private funds where the fund stands ready to transact with investors at net asset value at certain time periods under the fund governing agreements. Price quotes for the underlying assets are available for identical assets. Commingled public equity funds are limited to once a month and as such limit the activity of the markets. These funds are classified as Level 2.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Note 3: Investments

Investments consist of the following at June 30, 2025 and 2024:

	2025	2024
Investments stated at fair value or net asset value:		
Certificates of deposit and money market funds	\$ 14,329	\$ 10,127
U.S. government securities and sovereign debt	3,812	7,895
International bonds	4	3
Corporate bonds	151	3,720
Common stock	275,118	255,158
Mutual funds – equity	194,286	182,198
Mutual funds – fixed income	14,114	11,178
Mutual funds – International	105,233	-
Preferred stock	30	81
Limited partnerships	563,779	497,362
Commingled funds – public equity	806,948	500,596
Index funds – public equity	793,511	1,119,836
Hedge funds	929	1,165
Investments stated at other than fair value:		
Real estate	13,415	15,822
Real estate mortgage and promissory notes	745	551
Other	2,190	2,548
Cash value of life insurance	2,898	2,984
	<u>\$ 2,791,492</u>	<u>\$ 2,611,224</u>
	2025	2024
Temporary investments stated at fair value or net asset value:		
U.S. treasuries	\$ 42,071	\$ 35,577
Certificates of deposit and money market funds	1,514	47,430
State government securities	14,111	40,748
Local government securities	18,471	23,557
Corporate bonds	287,779	237,971
Exchange traded funds – equity	218,025	199,190
Limited partnerships	80,312	31,898
	<u>\$ 662,283</u>	<u>\$ 616,371</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Alternative Investments

The estimated value of hedge funds and limited partnerships was provided by the respective fund managers. For these alternative investments, the Foundation uses the net asset value (or its equivalent) reported by the underlying fund to estimate the fair value of the investment. Below is a summary of investments accounted for at net asset value at June 30, 2025 and 2024:

2025				
	Net asset value	Unfunded Commitments	*Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private equity/venture capital (A)	\$ 474,125	\$ 480,375	N/A	N/A
Natural resources (B)	57,930	62,465	N/A	N/A
Real estate funds (C)	112,036	122,369	N/A	N/A
Hedge funds:				
Credit strategies (D)	929	3,200	q/sa/a	90-365 days
	<u>\$ 645,020</u>	<u>\$ 668,409</u>		

* q – quarterly, sa – semiannual, a – annual

2024				
	Net asset value	Unfunded Commitments	*Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private equity/venture capital (A)	\$ 404,788	\$ 389,576	N/A	N/A
Natural resources (B)	56,776	47,056	N/A	N/A
Real estate funds (C)	67,696	112,516	N/A	N/A
Hedge funds:				
Credit strategies (D)	1,165	3,200	q/sa/a	90-365 days
	<u>\$ 530,425</u>	<u>\$ 552,348</u>		

* q – quarterly, sa – semiannual, a – annual

(A) This class includes private equity funds that primarily invest in venture capital, buyout, debt, and other private equity assets. Such funds may invest directly or through secondary investments in funds pursuing a similar strategy. The fair value of the funds in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through liquidation of underlying assets of the fund. If these investments were held, it is estimated the underlying assets of the funds would be liquidated over 3 to 12 years.

(B) This class includes natural resource funds that invest primarily in interests of energy and agriculture. These investments can never be redeemed with the funds. Instead, distributions will be received from the production and marketing of such resources and upon final sale of the underlying interests. It is estimated that the underlying assets of the funds will be liquidated over 3 to 12 years.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

- (C) This class includes private real estate related funds that invest across multiple property types. These investments can never be redeemed with the funds. Instead, distributions will be received primarily through liquidation of underlying assets of the fund or secondarily through income generated by the underlying assets. It is estimated that the underlying assets of the funds will be liquidated over 2 to 10 years.
- (D) This class includes funds that invests in a mix of securities including credit/debt, equities, real estate, financial services, real assets and special situations. These funds have a multi-strategy approach. The investment can be redeemed within three months to a year of June 30, 2025.

Note 4: Pledges Receivable

Pledges receivable with donor restrictions are due to be collected as follows as of June 30, 2025 and 2024:

	2025	2024
Gross amount due in:		
One year or less	\$ 76,968	\$ 74,681
One to five years	150,113	150,605
More than five years	8,920	8,106
	<u>236,001</u>	<u>233,392</u>
Less discount to present value	<u>(13,474)</u>	<u>(13,398)</u>
	222,527	219,994
Less allowance for doubtful accounts	<u>(7,652)</u>	<u>(6,599)</u>
	<u>\$ 214,875</u>	<u>\$ 213,395</u>

The discount will be recognized as contribution income in years 2026 through 2035.

In addition, the Foundation has been informed of intentions to give in the form of possible future bequests and conditional pledges, in the amount of \$229,186 and \$68,160 at June 30, 2025 and 2024, respectively. These amounts are not included in pledges receivable as they do not constitute unconditional promises to give and are contingent on the Foundation overcoming a donor imposed barrier to be entitled to the funds, such as obtaining matching funds, meeting capital project milestones, fulfillment of positions/staffing, etc. It is not practicable to estimate the net realizable value of these intentions to contribute or the period over which they will be collected.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Note 5: Leases

Accounting Policies

The Foundation determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or terminate the lease that the Foundation is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Foundation has elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Operating Leases

The Foundation has leases for office space and equipment that expire in various years through 2044. These leases generally contain renewal options for periods ranging from 3 to 10 years and require the Foundation to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule, which range from a 5 to 7 percent increase at varying time throughout the lease. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

As of June 30, 2025, the Foundation has entered into additional operating leases for office space, that have not yet commenced with future cash payments of approximately \$27,000. These operating leases will commence between fiscal year 2026 and fiscal year 2027 with lease terms of 15 to 20 years.

The Foundation has no material related-party leases. The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The operating lease costs for the years ended June 30, 2025 and 2024 were \$1,497 and \$688, respectively. The other required information for the years ended June 30, 2025 and 2024, are:

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

	2025	2024
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 1,497	\$ 688
Right-of-use assets obtained in exchange for new operating lease liabilities	115	3,761
Weighted-average remaining lease term (years)		
Operating leases	14.55	14.84
Weighted-average discount rate		
Operating leases	4.21%	4.23%

Future minimum lease payments and reconciliation to the consolidated statements of financial position at June 30, 2025, are as follows:

	Operating Leases
2026	\$ 1,512
2027	1,441
2028	889
2029	611
2030	606
Thereafter	7,882
Total future undiscounted lease payments	12,941
Less imputed interest	3,336
Lease liabilities	\$ 9,605

Note 6: Net Assets

Net Assets With Donor Restrictions

Net assets are restricted by donors for various purposes in support of activities at the University, including the campuses at Lincoln, Kearney, Omaha, the Medical Center in Omaha, and Nebraska Medicine. The purposes include scholarships, fellowships, research, academic support, and campus building and improvements. Net assets with donor restrictions include gifts contributed for a specified period or until the occurrence of some future event or unspent earnings on endowed funds.

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The amounts of net assets with donor restrictions as of June 30, 2025 and 2024 are as follows:

	2025	2024
Charitable trusts and annuities	\$ 20,434	\$ 17,251
Temporarily restricted for specific purposes	1,337,061	1,196,316
Permanent endowment pool subject to spending policy	1,863,862	1,767,782
	<u>\$ 3,221,357</u>	<u>\$ 2,981,349</u>

Net Assets Without Donor Restrictions

The Foundation had net assets without donor restrictions of \$135,827 and \$121,606 at the end of 2025 and 2024, respectively, of which \$81,142 and \$73,590 was board designated as an endowment to support operations of the Foundation.

Net Assets Released from Restrictions

Net assets of \$310,820 and \$277,020 were released from donor restrictions during 2025 and 2024, respectively, by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

Note 7: Financial Assets and Liquidity Resources

Financial assets available to meet cash needs for general expenditures within one year as of June 30, 2025 and 2024:

	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 165,163	\$ 128,604
Temporary investments	662,283	616,371
Pledges	214,875	213,395
Other receivables	7,467	12,025
Investments	2,791,492	2,611,224
Financial assets, at the end of the year	<u>3,841,280</u>	<u>3,581,619</u>
Less those unavailable for general expenditure within one year due to:		
Permanent endowment pool subject to spending policy	1,863,862	1,767,782
Other receivables due in more than one year	2,269	2,389
Deposits held in custody for others	440,919	431,583
Donor funds available for specific purpose	1,357,495	1,213,567
Total unavailable for general expenditure within one year	<u>3,664,545</u>	<u>3,415,321</u>
Total financial assets available within one year	<u>\$ 176,735</u>	<u>\$ 166,298</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

The Foundation regularly monitors liquidity required to meet its operating need and other contractual commitments while also striving to maximize return on investment of its donor restricted funds. As the Foundation's donor restricted net assets requires resources to be used in a particular manner or in a future period, these financial assets including amounts which will become spendable, are not available for general expenditure within one year.

Note 8: Functional Expenses

The Foundation solicits and distributes funds for the benefit of the University. Expenses related to those activities providing these services for the years ended June 30, 2025 and 2024 are as follows:

	2025			
	Program Support	Management and General	Fundraising	Total
Payments to benefit the University	\$ 297,947	\$ -	\$ -	\$ 297,947
Contributions to other charities	208	-	-	208
Salaries and benefits	-	12,758	22,693	35,451
Office expense	-	515	794	1,309
Office rent and utilities	-	845	1,303	2,148
Professional services	-	548	896	1,444
Dues and subscriptions	-	486	750	1,236
Travel and conferences	-	583	899	1,482
Cultivation expenses	-	-	2,852	2,852
Miscellaneous expense	-	76	284	360
Paid to beneficiaries	-	2,758	-	2,758
Depreciation	-	226	349	575
Total expense	<u>\$ 298,155</u>	<u>\$ 18,795</u>	<u>\$ 30,820</u>	<u>\$ 347,770</u>

	2024			
	Program Support	Management and General	Fundraising	Total
Payments to benefit the University	\$ 292,264	\$ -	\$ -	\$ 292,264
Contributions to other charities	194	-	-	194
Salaries and benefits	-	11,237	19,895	31,132
Office expense	-	506	790	1,296
Office rent and utilities	-	832	1,298	2,130
Professional services	-	970	614	1,584
Dues and subscriptions	-	318	496	814
Travel and conferences	-	495	772	1,267
Cultivation expenses	-	-	2,233	2,233
Miscellaneous expense	-	61	257	318
Paid to beneficiaries	-	2,409	-	2,409
Depreciation	-	186	290	476
Total expense	<u>\$ 292,458</u>	<u>\$ 17,014</u>	<u>\$ 26,645</u>	<u>\$ 336,117</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Expenses are allocated to the various functions based on either the underlying purpose of the expense or allocated based on the percentage of time employees spend on each function for those that can be attributable to more than one function.

Note 9: Endowments

The Nebraska Uniform Prudent Management of Institutional Funds Act (NUPMIFA) sets out guidelines to be considered when managing and investing donor-restricted endowment funds.

The Foundation's endowment consists of approximately 6,500 individual funds established for a variety of purposes. The Foundation holds endowment funds for support of its programs and operations. As required by U.S. GAAP, net assets and the changes therein associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted NUPMIFA as allowing the Foundation to appropriate the expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment, and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Interest, dividends, and net appreciation of the donor-restricted endowment funds are classified according to donor stipulations, if any. Absent any donor-imposed restrictions, interest, dividends, and net appreciation of donor-restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by NUPMIFA. In accordance with NUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation/depreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policy of the Foundation

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Endowment net asset composition by type of fund as of June 30, 2025 and 2024 is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,226,904	\$ 2,226,904
Board-designated endowment funds	81,142	-	81,142
Endowment funds	<u>\$ 81,142</u>	<u>\$ 2,226,904</u>	<u>\$ 2,308,046</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 2,087,826	\$ 2,087,826
Board-designated endowment funds	73,590	-	73,590
Endowment funds	<u>\$ 73,590</u>	<u>\$ 2,087,826</u>	<u>\$ 2,161,416</u>

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 73,590	\$ 2,087,826	\$ 2,161,416
Contributions	3,909	78,264	82,173
Change in donor intent	(7,604)	7,604	-
Investment income, net of expenses	14,031	134,908	148,939
Amounts appropriated for expenditures	(2,784)	(81,698)	(84,482)
Endowment net assets, end of year	<u>\$ 81,142</u>	<u>\$ 2,226,904</u>	<u>\$ 2,308,046</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 57,147	\$ 1,841,307	\$ 1,898,454
Contributions	10,042	76,781	86,823
Investment income, net of expenses	9,097	244,347	253,444
Amounts appropriated for expenditures	(2,696)	(74,609)	(77,305)
Endowment net assets, end of year	<u>\$ 73,590</u>	<u>\$ 2,087,826</u>	<u>\$ 2,161,416</u>

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Investment Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted investment and spending policies, approved by the Board of Directors of the Foundation, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity, debt securities, and illiquid alternative investments that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4.25%, while growing the funds if possible. The Foundation expects its endowment assets, over time, to earn a real (inflation-adjusted) rate of return of at least 6.5% per year net of investment management fees and investment operations expenses, when measured over a rolling five-year period. Actual return in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy and How the Investment Objectives Relate to the Appropriate Policy

The Foundation has a policy of appropriating for distribution each year 4.25% of the average fair market value of the prior 20 quarters of the unitized endowment shares as of June 30 each year, for the following 12-month period beginning October 1. In establishing this policy and in the annual review of the policy, the Foundation considers the long-term expected return on its investment assets, the nature, and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NUPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation considers funds for which the fair value of the assets is less than the value of all contributions to the fund to be deficient and such funds are referred to as “underwater” funds. The Foundation has interpreted NUPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. As of June 30, 2025, and 2024, funds with an original gift value of \$34,591 and \$139,359 were “underwater” by \$1,185 and \$4,202, respectively. Deficiencies of this nature were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions with donor restrictions and continued appropriation for certain programs as deemed prudent.

Note 10: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

THE UNIVERSITY OF NEBRASKA

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 and 2024 (Thousands)

Contributions

At June 30, 2025, there are no significant concentrations within pledges receivable. At June 30, 2024, approximately 11% of gross pledges receivable was from one donor.

General Litigation

The Foundation is involved in several legal actions in the ordinary course of business. The Foundation believes it has defenses for all such claims, believes the claims are substantially without merit, and is vigorously defending the actions. In the opinion of management, the final dispositions of these matters will not have a material effect on the Foundation's financial position.

Investments

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

At June 30, 2025 and 2024, approximately 47% and 19%, respectively of all investments were in two and one index funds, respectively.

Note 11: Subsequent Events

In preparing the consolidated financial statements, the Foundation has evaluated subsequent events for potential recognition or disclosure through September 18, 2025, the date the consolidated financial statements were available to be issued and determined there are no other items to disclose.



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov

PO Box 98917

State Capitol, Suite 2303

Lincoln, Nebraska 68509

402-471-2111, FAX 402-471-3301

auditors.nebraska.gov

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Regents of the University of Nebraska
Lincoln, Nebraska:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the University of Nebraska (University) (a component unit of the State of Nebraska) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 11, 2025. Our report includes a reference to other auditors who audited the financial statements of the University of Nebraska Foundation (Foundation), a discretely presented component unit of the University; the University of Nebraska Facilities Corporation, the University Technology Development Corporation, the University Dental Associates, the UNeHealth, and the UNMC Science Research Fund, blended component units of the University (collectively identified as the Blended Component Units), as described in our report on the University's financial statements. The financial statements of the Foundation, and the Blended Component Units were not audited in accordance with *Government Auditing Standards*; accordingly, this report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

University's Findings

We did note certain other matters that we reported to management of the University in a separate letter dated December 11, 2025.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Mark Avery", with a long, sweeping horizontal line extending to the right.

Lincoln, Nebraska
December 11, 2025

Mark Avery, CPA
Assistant Deputy Auditor

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL



**THE UNIVERSITY OF NEBRASKA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025
TABLE OF CONTENTS**

STATISTICAL SECTION (Unaudited)

This part of the University of Nebraska’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the University’s overall financial health.

Page

Financial Trends:

These schedules contain trend information to help the reader understand how the University’s financial performance and well-being have changed over time.

Schedule of Revenues and Expenses and Changes in Net Position	100
Schedule of Net Position Components	102

Market, Demographic and Economic Information:

These schedules contain information to help the reader assess the University’s revenue sources, and also offer demographic and economic indicators to help the reader understand the environment within which the University’s financial activities take place.

Non-Capital Appropriations	103
State of Nebraska Population and Personal Income Per Person	104
Ten Largest Employers in State of Nebraska.....	105

Debt Information:

The bond debt service schedule presents debt service coverage and related information to help the reader assess the University’s current levels of outstanding debt and its ability to issue additional debt in the future.

Bond Debt Service Coverage by Campus and Issue	106
Lease and Subscription Obligations Payable	108

Operating Information:

These schedules contain capital asset and operating data to help the reader understand how the information in the University’s financial report relates to the services the University provides and the activities it performs.

Schedule of Capital Asset Information.....	109
Freshman Selectivity and Matriculation Data.....	110
Student Full Time Equivalents, Tuition, and Discounts	111
Faculty and Staff Full Time Equivalents	112
Tenure Density Data	113
Retention Rates of Freshman and Baccalaureate Graduation Rates	114
Degrees Earned	115
Accreditation	116

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year and provided by the Office of the Senior Vice President | CFO

THE UNIVERSITY OF NEBRASKA

FINANCIAL TRENDS

SCHEDULE OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION (THOUSANDS) (UNAUDITED)

YEARS ENDED JUNE 30

	(Dollars)					(Percent of Total)				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
Revenues:										
Tuition and fees*	\$ 385,087	\$ 424,434	\$ 410,864	\$ 422,275	\$ 445,618	13 %	14 %	15 %	16 %	17 %
Grants and contracts - restricted	776,054	767,469	745,091	616,489	586,934	25	26	27	24	23
Sales and services of educational activities	78,154	75,120	63,614	65,389	64,568	3	2	2	2	2
Sales and services of health care entities	30,315	28,957	27,794	27,606	16,191	1	1	1	1	1
Sales and services of auxiliary operations	381,313	357,839	342,438	334,707	235,248	12	12	12	13	9
Other operating revenues	30,157	25,370	24,382	20,644	24,418	1	1	1	1	1
Total operating revenues	1,681,080	1,679,189	1,614,183	1,487,110	1,372,977	55	56	58	57	53
State of Nebraska noncapital appropriations	699,858	667,849	649,841	633,915	616,545	23	23	24	24	24
Other non-operating revenues, net	684,046	619,679	490,273	502,429	595,186	22	21	18	19	23
Total revenues	3,064,984	2,966,717	2,754,297	2,623,454	2,584,708	100 %	100 %	100 %	100 %	100 %
Expenses:										
Compensation and benefits	1,687,849	1,635,485	1,563,313	1,461,496	1,406,314	61 %	60 %	62 %	58 %	63 %
Supplies and services	806,637	812,876	670,468	582,521	535,280	29	30	27	23	24
Depreciation and amortization	188,903	173,706	166,748	163,988	152,754	7	6	6	6	7
Scholarships and fellowships*	41,711	81,719	75,625	116,781	91,345	2	3	3	5	4
Total operating expenses	2,725,100	2,703,786	2,476,154	2,324,786	2,185,693	99	99	98	92	98
Other non-operating expenses, net	46,926	34,478	41,375	198,552	34,894	1	1	2	8	2
Total expenses	2,772,026	2,738,264	2,517,529	2,523,338	2,220,587	100 %	100 %	100 %	100 %	100 %
Net Transfers:	(29,429)	23,651	-	-	-			-	-	-
Increase in net position	\$ 263,529	\$ 252,104	\$ 236,768	\$ 100,116	\$ 364,121					

(Continued)

*In 2025, the University prospectively adopted a new methodology for calculating scholarship allowances. This increased the contra-revenue related to tuition and fees and reduced scholarships and fellowships expense. There was no effect on net position with regard to this change.

THE UNIVERSITY OF NEBRASKA

FINANCIAL TRENDS

SCHEDULE OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION (THOUSANDS) (UNAUDITED)

YEARS ENDED JUNE 30

	(Dollars)					(Percent of Total)				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Revenues:										
Tuition and fees	\$ 444,681	\$ 434,084	\$ 438,867	\$ 425,860	\$ 376,599	18 %	18 %	19 %	19 %	17 %
Grants and contracts - restricted	574,649	553,022	494,284	484,668	444,877	24	23	22	21	20
Sales and services of educational activities	65,627	66,931	75,204	68,531	98,992	3	3	3	3	4
Sales and services of health care entities	25,325	22,359	26,210	27,437	23,557	1	1	1	1	1
Sales and services of auxiliary operations	321,340	342,875	338,848	302,606	297,825	13	14	15	13	14
Other operating revenues	28,342	22,477	13,745	12,956	13,238	1	1	1	1	1
Total operating revenues	1,459,964	1,441,748	1,387,158	1,322,058	1,255,088	60	60	61	58	57
State of Nebraska noncapital appropriations	591,939	574,746	559,188	576,559	561,079	25	24	25	26	25
Other non-operating revenues, net	348,834	367,149	321,033	361,605	387,697	15	16	14	16	18
Total revenues	2,400,737	2,383,643	2,267,379	2,260,222	2,203,864	100 %	100 %	100 %	100 %	100 %
Expenses:										
Compensation and benefits	1,428,928	1,349,318	1,304,999	1,263,594	1,221,257	63 %	62 %	61 %	62 %	61 %
Supplies and services	565,478	572,218	562,190	567,470	540,357	25	26	26	28	27
Depreciation	143,050	142,862	139,408	120,111	115,216	6	7	7	6	6
Scholarships and fellowships	82,078	69,656	73,216	68,639	63,600	4	3	3	3	4
Total operating expenses	2,219,534	2,134,054	2,079,813	2,019,814	1,940,430	98	98	97	99	98
Other non-operating expenses, net	59,337	46,988	60,287	24,044	47,069	2	2	3	1	2
Total expenses	2,278,871	2,181,042	2,140,100	2,043,858	1,987,499	100 %	100 %	100 %	100 %	100 %
Increase in net position	\$ 121,866	\$ 202,601	\$ 127,279	\$ 216,364	\$ 216,365	-				

THE UNIVERSITY OF NEBRASKA

FINANCIAL TRENDS

SCHEDULE OF NET POSITION COMPONENTS (THOUSANDS) (UNAUDITED)

YEARS ENDED JUNE 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 2,399,382	\$ 2,331,199	\$ 2,262,801	\$ 2,183,702	\$ 2,124,926	\$ 2,114,854	\$ 2,031,214	\$ 1,944,552	1,777,515	\$ 1,953,065
Restricted for:										
Nonexpendable:										
Permanent endowment	283,676	267,460	227,637	209,177	280,281	207,915	225,959	233,949	225,490	207,481
Loan fund	15,131	15,127	14,419	15,664	16,692	17,315	18,375	17,914	-	-
Expendable:										
Externally restricted funds	456,170	429,213	473,111	404,595	386,743	359,742	351,703	348,546	344,631	227,970
Loan fund	-	-	-	-	-	-	-	-	43,439	43,110
Plant construction	240,815	212,454	123,982	116,507	92,552	87,138	122,269	117,039	211,566	243,917
Debt service	51,177	45,195	60,080	54,615	56,146	53,067	170,249	155,395	145,500	144,167
Unrestricted	<u>2,024,914</u>	<u>1,907,088</u>	<u>1,793,602</u>	<u>1,734,604</u>	<u>1,638,763</u>	<u>1,391,951</u>	<u>1,182,385</u>	<u>1,082,158</u>	<u>1,038,704</u>	<u>750,771</u>
Total net position	<u>\$ 5,471,265</u>	<u>\$ 5,207,736</u>	<u>\$ 4,955,632</u>	<u>\$ 4,718,864</u>	<u>\$ 4,596,103</u>	<u>\$ 4,231,982</u>	<u>\$ 4,102,154</u>	<u>\$ 3,899,553</u>	<u>\$ 3,786,845</u>	<u>\$ 3,570,481</u>
Reconciliation of Adjusted Unrestricted Assets:										
Unrestricted net position per statements	\$ 2,024,914	\$ 1,907,088	\$ 1,793,602	\$ 1,734,604	\$ 1,638,763	\$ 1,391,951	\$ 1,182,385	\$ 1,082,158	\$ 1,038,704	\$ 750,771
Less: Investment in joint venture	<u>868,459</u>	<u>711,970</u>	<u>636,287</u>	<u>613,461</u>	<u>602,157</u>	<u>515,282</u>	<u>483,410</u>	<u>443,182</u>	<u>415,573</u>	<u>385,080</u>
Adjusted unrestricted net position	<u>\$ 1,156,455</u>	<u>\$ 1,195,118</u>	<u>\$ 1,157,315</u>	<u>\$ 1,121,143</u>	<u>\$ 1,036,606</u>	<u>\$ 876,669</u>	<u>\$ 698,975</u>	<u>\$ 638,976</u>	<u>\$ 623,131</u>	<u>\$ 365,691</u>
Reconciliation of outstanding indebtedness:										
Bond obligations payable	\$ 1,069,575	\$ 1,101,070	\$ 1,151,345	\$ 1,212,625	\$ 1,256,735	\$ 969,720	\$ 878,545	\$ 857,575	\$ 851,640	\$ 826,625
Lease obligations payable*	91,925	94,140	92,372	95,972	94,224	52,015	49,582	49,409	49,130	48,523
Subscription obligations payable**	<u>29,519</u>	<u>23,096</u>	<u>20,329</u>	<u>18,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outstanding indebtedness	<u>\$ 1,191,019</u>	<u>\$ 1,218,306</u>	<u>\$ 1,264,046</u>	<u>\$ 1,327,392</u>	<u>\$ 1,350,959</u>	<u>\$ 1,021,735</u>	<u>\$ 928,127</u>	<u>\$ 906,984</u>	<u>\$ 900,770</u>	<u>\$ 875,148</u>
Ratio of adjusted unrestricted net position to total outstanding indebtedness (times)	<u>0.97</u>	<u>0.98</u>	<u>0.92</u>	<u>0.84</u>	<u>0.77</u>	<u>0.86</u>	<u>0.75</u>	<u>0.70</u>	<u>0.69</u>	<u>0.42</u>

* Effective for fiscal year 2022, the University implemented GASB 87 - Leases, which established new requirements for calculating and reporting lease activities. Fiscal year 2021 has been restated.

** Effective for fiscal year 2023, the University implemented GASB 96 - Subscription-Based Information Technology Arrangements, which established new requirements for calculating and reporting subscription activities. Fiscal year 2022 has been restated.

THE UNIVERSITY OF NEBRASKA

MARKET, DEMOGRAPHIC, AND ECONOMIC INFORMATION NON-CAPITAL APPROPRIATIONS (THOUSANDS) (UNAUDITED)

Year	Appropriations		University as Percent of State
	State General Fund	University Non-capital	
2016	4,265,178	563,886	13
2017	4,411,691	583,069	13
2018	4,390,295	559,189	13
2019	4,456,284	574,746	13
2020	4,624,672	592,105	13
2021	4,783,767	616,436	13
2022	4,810,652	632,043	13
2023	5,125,672	649,841	13
2024	5,354,644	667,849	12
2025	5,413,728	699,858	12

Source: Legislative Fiscal Office Biennial Budget Report

THE UNIVERSITY OF NEBRASKA

MARKET, DEMOGRAPHIC, AND ECONOMIC INFORMATION STATE OF NEBRASKA POPULATION, AND PERSONAL INCOME PER PERSON CALENDAR YEARS 2015 - 2024 (UNAUDITED)

Year	Calendar Years 2015 - 2024		
	Population	Personal Income (In Millions)	Personal Income Per Person
2015	1,904,766	94,682	49,708
2016	1,921,616	93,560	48,688
2017	1,934,551	95,824	49,533
2018	1,945,483	100,068	51,436
2019	1,954,962	104,616	53,513
2020	1,963,387	111,734	56,909
2021	1,964,537	125,058	63,658
2022	1,972,246	130,889	66,365
2023	1,987,864	142,167	71,517
2024	2,005,465	145,799	72,701

Source: U.S. Department of Commerce, Bureau of Economic Analysis and U.S. Census Bureau, Population Division

UNIVERSITY OF NEBRASKA

State of Nebraska

TEN LARGEST EMPLOYERS

2024 and 2015

December 2024				December 2015		
Total Employment		1,018,378		Total Employment		983,856
NAME OF COMPANY	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYMENT
Nebraska Medicine	1	19,680	1.932%			
State of Nebraska (excluding University)	2	18,823	1.848%	2	16,445	1.671%
US Government (excluding Department of Defense*)	3	17,319	1.701%			
University of Nebraska**	4	14,892	1.462%	1	16,563	1.683%
CommonSpirit Health	5	12,548	1.232%			
Walmart, Inc.	6	9,169	0.900%	5	9,605	0.976%
Omaha Public Schools	7	7,936	0.779%	6	7,351	0.747%
Hy-Vee, Inc.	8	7,502	0.737%	7	6,210	0.631%
Lincoln Public Schools	9	6,737	0.662%	9	5,839	0.593%
Peter Kiewit Sons', Inc.	10	5,984	0.588%			
Alegent Health				3	11,512	1.170%
Tyson Foods, Inc.				4	10,760	1.094%
Crete Carrier				8	6,000	0.610%
First National Bank				10	4,440	0.451%

SOURCE: The Nebraska Department of Economic Development, Hoovers, a Dun and Bradstreet data base, and Employers

NOTES:

* Sources did not track US Government employment in Nebraska for 2015

** University of Nebraska - Medical Center, University of Nebraska - Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney for 2015

THE UNIVERSITY OF NEBRASKA

DEBT INFORMATION

BOND DEBT SERVICE COVERAGE BY CAMPUS AND ISSUE

FOR THE PAST TEN YEARS AS OF JUNE 30 (THOUSANDS) (UNAUDITED)

Year	Description	Bonds Outstanding	Revenues Available for Debt Service			Debt Service	Coverage	Required Coverage
			Dedicated Revenues	Related Expenses	Net			
2025	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 1,069,575 - <u>\$ 1,069,575</u>						
2024	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 1,101,070 - <u>\$ 1,101,070</u>						
2023	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 1,139,345 12,000 <u>\$ 1,151,345</u>						
2022	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 1,200,625 12,000 <u>\$ 1,212,625</u>						
2021	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 1,242,700 14,035 <u>\$ 1,256,735</u>						
		2025	2024	2023	2022	2021		
Bonded Debt per student FTE: (in dollars)								
Master Trust Indenture		\$ -	\$ -	\$ -	\$ -	\$ -		
All bonded indebtedness		24,661	25,400	27,015	28,467	29,150		

(Continued)

THE UNIVERSITY OF NEBRASKA

DEBT INFORMATION

BOND DEBT SERVICE COVERAGE BY CAMPUS AND ISSUE

FOR THE PAST TEN YEARS AS OF JUNE 30 (THOUSANDS) (UNAUDITED) (CONTINUED)

Year	Description	Bonds Outstanding	Revenues Available for Debt Service			Debt Service	Coverage	Required Coverage
			Dedicated Revenues	Related Expenses	Net			
2020	University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 954,170 15,550 <u>\$ 969,720</u>						
2019	University of Nebraska Master Trust Indenture University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 429,615 431,940 16,990 <u>\$ 878,545</u>	\$ 142,815	\$ 81,119	\$ 61,696	\$ 37,797	1.63	1.15
2018	University of Nebraska Master Trust Indenture University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 449,135 390,030 18,410 <u>\$ 857,575</u>	\$ 139,317	\$ 80,827	\$ 58,490	\$ 35,372	1.65	1.15
2017	University of Nebraska Master Trust Indenture University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 467,365 364,515 19,760 <u>\$ 851,640</u>	\$ 140,589	\$ 80,171	\$ 60,418	\$ 35,192	1.72	1.15
2016	University of Nebraska Master Trust Indenture University of Nebraska Facilities Corporation Nebraska Utility Corporation	\$ 476,715 328,860 21,050 <u>\$ 826,625</u>	\$ 136,702	\$ 77,680	\$ 59,022	\$ 35,193	1.68	1.15
		2020	2019	2018	2017	2016		
Bonded Debt per student FTE: (in dollars)								
Master Trust Indenture		\$ -	\$ 9,823	\$ 10,135	\$ 10,462	\$ 10,697		
All bonded indebtedness		21,950	20,088	19,352	19,065	18,549		

THE UNIVERSITY OF NEBRASKA

DEBT INFORMATION

LEASE AND SUBSCRIPTION OBLIGATIONS PAYABLE

FOR THE PAST TEN YEARS AS OF JUNE 30 (THOUSANDS) (UNAUDITED)

Year	At June 30,	
	Outstanding Lease Obligations*	Outstanding Subscription Obligations**
2025	\$ 91,925	\$ 29,519
2024	94,140	23,096
2023	92,372	20,329
2022	95,972	18,795
2021	94,224	-
2020	52,015	-
2019	49,582	-
2018	49,409	-
2017	49,130	-
2016	48,523	-

* Effective for fiscal year 2022, the University implemented GASB 87 - Leases, which established new requirements for calculating and reporting lease activities. Fiscal year 2021 has been restated.

** Effective for fiscal year 2023, the University implemented GASB 96 - Subscription Based Information Technology Arrangements, which established new requirements for calculating and reporting subscription activities. Fiscal year 2022 has been restated. Information prior to fiscal year 2022 is not available.

THE UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

SCHEDULE OF CAPITAL ASSET INFORMATION (THOUSANDS) (UNAUDITED)

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Land	\$ 127,289	\$ 122,479	\$ 116,774	\$ 114,413	\$ 109,063	\$ 98,887	\$ 92,016	\$ 91,273	\$ 89,773	\$ 91,299
Land improvements	407,015	386,457	372,523	368,519	348,892	335,821	322,654	300,125	262,532	251,411
Leasehold improvements	56,233	50,874	50,864	44,510	44,510	44,510	44,445	44,445	42,958	40,626
Buildings	3,760,948	3,500,156	3,341,565	3,286,857	3,211,642	3,085,765	2,979,368	2,954,470	2,745,740	2,347,924
Equipment	686,394	658,780	627,657	597,026	590,790	571,782	539,324	516,422	499,150	470,985
Construction work in progress	409,974	498,943	405,488	227,961	142,561	231,647	224,995	118,840	252,972	426,895
Right-to-use lease assets*	106,826	107,440	106,176	105,614	99,056	-	-	-	-	-
Right-to-use subscription assets**	62,154	42,000	34,920	24,939	-	-	-	-	-	-
Total capital assets	<u>5,616,833</u>	<u>5,367,129</u>	<u>5,055,967</u>	<u>4,769,839</u>	<u>4,546,514</u>	<u>4,368,412</u>	<u>4,202,802</u>	<u>4,025,575</u>	<u>3,893,125</u>	<u>3,629,140</u>
Less accumulated depreciation/amortization for:										
Land improvements	167,630	158,178	142,957	140,384	131,942	118,946	107,511	98,729	88,635	79,943
Leasehold improvements	27,797	25,394	23,138	20,805	19,073	17,107	15,148	13,130	10,394	7,901
Buildings	1,138,863	1,088,741	1,024,398	968,137	896,409	858,780	810,208	751,755	678,499	620,296
Equipment	535,998	514,842	490,709	464,564	453,426	423,748	391,157	364,762	347,503	332,194
Right-to-use lease assets*	27,768	23,121	20,426	14,067	6,934	-	-	-	-	-
Right-to-use subscription assets**	26,969	16,236	12,968	5,443	-	-	-	-	-	-
Total depreciation/amortization	<u>1,925,025</u>	<u>1,826,512</u>	<u>1,714,596</u>	<u>1,613,400</u>	<u>1,507,784</u>	<u>1,418,581</u>	<u>1,324,024</u>	<u>1,228,376</u>	<u>1,125,031</u>	<u>1,040,334</u>
Capital assets, net	<u>\$ 3,691,808</u>	<u>\$ 3,540,617</u>	<u>\$ 3,341,371</u>	<u>\$ 3,156,439</u>	<u>\$ 3,038,730</u>	<u>\$ 2,949,831</u>	<u>\$ 2,878,778</u>	<u>\$ 2,797,199</u>	<u>\$ 2,768,094</u>	<u>\$ 2,588,806</u>
Age of plant (in years) (1):	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

(1) Computed as accumulated depreciation divided by depreciation expense. This calculation does not factor in right-to-use lease or subscription assets and their related amortization.

* Effective for fiscal year 2022, the University implemented GASB 87 - Leases, which established new requirements for calculating and reporting lease activities. Fiscal year 2021 has been restated.

** Effective for fiscal year 2023, the University implemented GASB 96 - Subscription Based Information Technology Arrangements, which established new requirements for calculating and reporting subscription activities. Fiscal year 2022 has been restated. Information prior to fiscal year 2022 is not available.

THE UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

FRESHMAN SELECTIVITY AND MATRICULATION DATA (UNAUDITED)

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
UNL	Applications	18,571	17,841	18,354	19,102	17,866	17,497	16,829	14,956	12,321	11,193
	Accepted	16,355	15,609	14,146	15,022	15,110	13,603	13,165	11,906	7,524	8,425
	<i>Selectivity</i>	88.1%	87.5%	77.1%	78.6%	84.6%	77.7%	78.2%	79.6%	61.1%	75.3%
	Enrolled	4,734	4,650	4,699	4,640	4,736	4,771	4,775	4,816	4,905	4,860
	<i>Matriculation</i>	28.9%	29.8%	33.2%	30.9%	31.3%	35.1%	36.3%	40.5%	65.2%	57.7%
	Composite ACT Scores	24.0	24.0	24.4	24.4	24.8	25.4	25.5	25.4	25.3	25.2
UNO	Applications	8,887	8,706	9,891	8,808	8,821	8,864	8,565	8,170	5,036	5,551
	Accepted	7,750	7,589	8,583	7,251	7,696	7,294	7,148	6,673	4,628	4,799
	<i>Selectivity</i>	87.2%	87.2%	86.8%	82.3%	87.2%	82.3%	83.5%	81.7%	91.9%	86.5%
	Enrolled	2,198	2,116	2,385	2,340	2,166	2,226	2,069	2,151	2,105	2,069
	<i>Matriculation</i>	28.4%	27.9%	27.8%	32.3%	28.1%	30.5%	28.9%	32.2%	45.5%	43.1%
	Composite ACT Scores	22.7	22.5	22.3	22.2	21.7	22.3	22.5	22.6	22.0	22.0
UNK	Applications	5,223	5,283	7,254	6,794	6,076	5,359	5,324	5,518	2,594	2,815
	Accepted	4,475	4,728	6,231	5,842	5,488	4,738	4,535	4,809	2,181	2,395
	<i>Selectivity</i>	85.7%	89.5%	85.9%	86.0%	90.3%	88.4%	85.2%	87.2%	84.1%	85.1%
	Enrolled	803	875	898	846	958	833	863	944	904	1,008
	<i>Matriculation</i>	17.9%	18.5%	14.4%	14.5%	17.5%	17.6%	19.0%	19.6%	41.4%	42.1%
	Composite ACT Scores	21.9	21.6	21.6	22.4	21.9	22.5	23.2	22.7	21.1	23.0
Total	Applications	32,681	31,830	35,499	34,704	32,763	31,720	30,718	28,644	19,951	19,559
	Accepted	28,580	27,926	28,960	28,115	28,294	25,635	24,848	23,388	14,333	15,619
	<i>Selectivity</i>	87.5%	87.7%	81.6%	81.0%	86.4%	80.8%	80.9%	81.7%	71.8%	79.9%
	Enrolled	7,735	7,641	7,982	7,826	7,860	7,830	7,707	7,911	7,914	7,937
	<i>Matriculation</i>	27.1%	27.4%	27.6%	27.8%	27.8%	30.5%	31.0%	33.8%	55.2%	50.8%

Selectivity computed as accepted freshman as a percent of applications.

Matriculation computed as enrolled freshman as a percent of acceptances.

Beginning in 2018, the University moved to one application for resident first-time freshman for UNL, UNO, and UNK for a single application fee. This significantly increased the duplicate applications across campuses, bringing downward pressure on the matriculation rate.

UNMC's curriculum is comprised mainly of professional programs and, therefore, freshman data is not included.

Source: University of Nebraska Central Administration Office of Institutional Research and Planning

THE UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

STUDENT FTE'S, TUITION, AND DISCOUNTS (UNAUDITED)

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Level										
Undergraduate	34,212	34,070	33,581	33,869	34,581	35,394	35,115	35,524	35,850	35,913
Graduate	5,749	5,957	5,759	5,527	5,848	5,650	5,662	5,839	5,943	5,868
Professional	3,410	3,322	3,279	3,201	2,682	3,134	2,958	2,951	2,878	2,784
Total	43,371	43,349	42,619	42,597	43,111	44,178	43,735	44,314	44,671	44,565
Percent										
Undergraduate	79 %	79 %	79 %	80 %	80 %	80 %	80 %	80 %	80 %	81 %
Graduate	13	14	14	13	14	13	13	13	13	13
Professional	8	8	8	8	6	7	7	7	6	6
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Gross tuition and fees (thousands)			\$ 614,349	\$ 621,619	\$ 639,556	\$ 624,211	\$ 601,834	\$ 581,240	\$ 552,017	\$ 493,776
Tuition discounts and allowances (thousands)			(205,999)	(199,344)	(193,911)	(179,676)	(169,445)	(142,373)	(126,157)	(117,177)
Net tuition revenue and fees (thousands)			<u>\$ 408,350</u>	<u>\$ 422,275</u>	<u>\$ 445,645</u>	<u>\$ 444,535</u>	<u>\$ 432,389</u>	<u>\$ 438,867</u>	<u>\$ 425,860</u>	<u>\$ 376,599</u>
Net tuition revenue and fees per FTE			\$ 9,581	\$ 9,913	\$ 10,337	\$ 10,062	\$ 9,887	\$ 9,904	\$ 9,533	\$ 8,451
Percent of tuition discounts and allowances (1)			34 %	32 %	30 %	30 %	28 %	24 %	23 %	24 %

(1) Tuition discounts and allowances as a percent of gross tuition and fees.

Student FTE includes NCTA starting in 2024

Source: University of Nebraska Enterprise Data Solutions

*In 2025, the University prospectively adopted a new methodology for calculating scholarship allowances. This increased the contra-revenue related to tuition and fees and reduced scholarships and fellowships expense. There was no effect on net position with regard to this change.

Source: University of Nebraska Enterprise Data Solutions

THE UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

FACULTY AND STAFF FTE (UNAUDITED)

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty	4,856	4,816	4,842	4,802	4,679	4,531	4,486	4,365	4,468	4,429
Staff *	<u>12,851</u>	<u>12,718</u>	<u>12,837</u>	<u>12,588</u>	<u>12,201</u>	<u>12,304</u>	<u>12,891</u>	<u>12,270</u>	<u>11,961</u>	<u>12,166</u>
Total Employees	<u>17,707</u>	<u>17,534</u>	<u>17,679</u>	<u>17,390</u>	<u>16,880</u>	<u>16,835</u>	<u>17,377</u>	<u>16,635</u>	<u>16,429</u>	<u>16,595</u>
Student FTE per Faculty FTE	<u>9 %</u>	<u>9 %</u>	<u>9 %</u>	<u>9 %</u>	<u>9 %</u>	<u>10 %</u>	<u>10 %</u>	<u>10 %</u>	<u>10 %</u>	<u>10 %</u>

Staff includes all non-faculty employees (administrative, managerial-professional, graduate assistants and students.)

Student FTE includes NCTA starting in 2024

Source: University of Nebraska Enterprise Data Solutions

THE UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

TENURE DENSITY DATA

FOR THE YEARS ENDED JUNE 30 (UNAUDITED)

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
UNL	Tenured Faculty	830	845	857	865	855	852	869	855	873	877
	Tenure-Track	211	219	234	227	262	284	311	323	327	326
	Percent of tenured and tenure track	79.7%	79.4%	78.6%	79.2%	76.5%	75.0%	73.6%	72.6%	72.8%	72.9%
UNMC	Tenured Faculty	273	280	277	272	276	271	245	245	264	263
	Health Professionals	927	894	889	860	825	796	677	639	578	564
	Percent of tenured	22.8%	23.9%	23.8%	24.0%	25.1%	25.4%	26.6%	27.7%	31.4%	31.8%
UNO	Tenured Faculty	346	332	341	341	330	327	334	333	332	327
	Tenure-Track	139	147	152	155	165	137	128	131	126	127
	Percent of tenured and tenure track	71.3%	69.3%	69.2%	68.8%	66.7%	70.5%	72.3%	71.8%	72.5%	72.0%
UNK	Tenured Faculty	178	180	189	180	184	178	177	164	169	162
	Tenure-Track	48	59	66	76	81	69	86	93	93	74
	Percent of tenured and tenure track	78.8%	75.3%	74.1%	70.3%	69.4%	72.1%	67.3%	63.8%	64.5%	68.6%

Source: University of Nebraska Enterprise Data Solutions

Total Tenured	1,627	1,637	1,664	1,658	1,645	1,628	1,625	1,597	1,638	1,629
Total Tenure-Track	1,325	1,319	1,341	1,318	1,333	1,286	1,202	1,186	1,124	1,091
%	55.1%	55.4%	55.4%	55.7%	55.2%	55.9%	57.5%	57.4%	59.3%	59.9%
Total	2,952	2,956	3,005	2,976	2,978	2,914	2,827	2,783	2,762	2,720

UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

RETENTION RATES OF FRESHMAN AND BACCALAUREATE GRADUATION RATES
FOR THE YEARS ENDED JUNE 30 (UNAUDITED)

**Retention Rates of First-Time
Full-Time Freshmen After One Year**

<u>Fall Cohort</u>	<u>UNL</u>	<u>UNO</u>	<u>UNK</u>
2015	82 %	78 %	84 %
2016	83	76	79
2017	83	75	80
2018	84	75	80
2019	85	76	81
2020	80	69	76
2021	82	74	74
2022	84	76	77
2023	86	78	80
2024	86	77	81

Baccalaureate Graduation Rate After Six Years

<u>Fall Cohort</u>	<u>UNL</u>	<u>UNO</u>	<u>UNK</u>
2010	67 %	45 %	57 %
2011	70	47	61
2012	69	49	58
2013	68	52	60
2014	67	50	60
2015	62	52	58
2016	67	52	54
2017	64	49	60
2018	67	49	57
2019	69	53	62

Source: University of Nebraska Enterprise Data Solutions

2019 rates are preliminary

UNIVERSITY OF NEBRASKA

OPERATING INFORMATION

DEGREES EARNED

FOR THE YEARS ENDED JUNE 30, 2025 (UNAUDITED)

BACHELOR'S

<u>Year</u>	<u>UNL</u>	<u>UNO</u>	<u>UNMC</u>	<u>UNK</u>
2012	3,719	2,172	607	788
2013	3,716	2,205	452	889
2014	3,864	2,410	466	927
2015	3,716	2,280	434	876
2016	3,657	2,405	420	995
2017	3,964	2,233	639	890
2018	4,102	2,301	660	964
2019	4,464	2,224	646	850
2020	4,302	2,375	659	843
2021	4,418	2,492	695	874
2022	4,188	2,481	696	747
2023	4,255	2,414	623	856
2024	4,023	2,400	614	863
2025	4,069	2,334	648	844

MASTER'S

<u>Year</u>	<u>UNL</u>	<u>UNO</u>	<u>UNMC</u>	<u>UNK</u>
2012	1,017	793	157	373
2013	859	717	306	399
2014	852	698	262	327
2015	859	834	257	397
2016	852	907	248	397
2017	953	880	405	435
2018	943	891	406	435
2019	951	878	409	456
2020	956	793	432	473
2021	917	833	434	498
2022	1,032	872	454	339
2023	971	869	473	487
2024	897	880	504	529
2025	909	937	491	498

DOCTOR'S

<u>Year</u>	<u>UNL</u>	<u>UNO</u>	<u>UNMC</u>
2012	391	32	309
2013	463	21	336
2014	445	29	319
2015	464	27	368
2016	442	29	368
2017	412	40	361
2018	403	50	356
2019	453	46	406
2020	454	40	409
2021	403	41	391
2022	456	40	455
2023	454	31	399
2024	424	38	460
2025	437	37	455

Source: University of Nebraska Enterprise Data Solutions

ACCREDITATION

Accreditation in colleges and universities indicates the dedication of the faculty and administration of the University to meet rigorous standards of academic quality. These standards include such factors as professional attainments of faculty, quality of research, library holdings, physical facilities and general support for programs by funding authorities.

The University of Nebraska has been accredited by the North Central Association of Colleges and Secondary Schools since the Association first began accrediting colleges and universities in 1913. In addition, various colleges, schools, and departments are accredited by their respective professional agencies