

ACCELERATE

WHAT STARTS IN FLORIDA DOESN'T STOP.



UNIVERSITY OF FLORIDA ANNUAL FINANCIAL REPORT | 2024-2025



CONTENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

4	University Overview
6	Introduction from the Senior Vice President and Chief Financial Officer
8	Independent Auditor's Report on Financial Statements
12	Management's Discussion and Analysis
24	Basic Financial Statements
24	Statement of Net Position
26	Statement of Revenues, Expenses, and Changes in Net Position
27	Statement of Cash Flows
28	Notes to the Financial Statements
73	Other Required Supplementary Information
76	Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
78	University of Florida Board of Trustees



DRIVEN BY DISCOVERY

The University of Florida is a comprehensive learning institution built on a land-grant foundation. We are the Gator Nation, a diverse community dedicated to excellence in education and research and shaping a better future for Florida, the nation, and the world.

MISSION

The University's mission is to enable students to lead and influence the next generation and beyond for economic, cultural, and societal benefit by striving to offer broad-based, inclusive public education, leading research, and public service. The fusion of these three endeavors stimulates a remarkable intellectual vitality and generates a synthesis that represents the University's greatest strength.

Education is a fundamental purpose of this University at both the graduate and undergraduate levels. Research and scholarship are integral to the education process and to the expansion of our understanding of the natural world, the intellect, and the senses. Service reflects the University's obligation to share the benefits of its research and knowledge for the public good.

These three interlocking elements span all academic disciplines and represent the University's commitment to lead and serve by pursuing and disseminating new knowledge while building upon the experiences of the past. The University of Florida aspires to advance by strengthening the human condition and improving the quality of life.

HISTORY

The University of Florida, the State's oldest university, traces its beginning of rich history to 1853, when the state-funded East Florida Seminary acquired the Kingsbury Academy in Ocala. After the end of the Civil War, the institution relocated to Gainesville, ultimately consolidated with the State's land grant Florida Agricultural College and was renamed the University of Florida in 1906. At the time, the University was an all-male institution with only 102 students.

Until 1947, the University of Florida was one of only three State universities, along with the Florida State College for Women (now Florida State University) and Florida A&M University. Women attended as early as 1916, and the student body grew to 601 women and 8,177 men when the Legislature removed all barriers for female enrollment in 1947.

Today, the University is one of the largest in the nation, boasting an enrollment of more than 60,000 students. The

campus consists of 2,000 acres and more than 1,000 buildings, including the first Leadership in Energy and Environmental Design (LEED) Platinum-certified building in the State of Florida. The University is comprised of 16 colleges (plus Hamilton School for Classical and Civic Education) offers over 100 bachelor programs and over 200 masters, doctoral, and professional programs. The University's programs and facilities span more than 180 locations around the State and the globe.

FACULTY

The University faculty, which numbers over 6700, has 20 funded Eminent Scholar Chair positions and 29 elections to the National Academies of Science, Engineering, and Medicine and 18 elections to the American Academy of Arts and Sciences. UF distinguished computer science professor, Juan Gilbert, Ph.D., has been appointed to the National Science Board (2024) by President Joe Biden. Present and past faculty include Pulitzer Prize winners, a pioneer in aviation engineering, a leading scholar on econometrics, three winners of NASA's top award for research, one of the four charter members of the Solar Hall of Fame, and a winner of the Smithsonian Institution's award for conservation.

Christine Schmidt, Distinguished Professor in Biomedical Engineering, was elected to the National Academy of Medicine. The American Association for the Advancement of Science (AAAS) honors 12 faculty from UF as lifetime fellows in its newest class (April 2024). UF ranks second in the nation, for two years in a row, in producing Fulbright Scholars. Twelve faculty and staff from UF were selected for the Fulbright Top Scholar Program (Feb 2025). Pierre Sikivie, Distinguished Professor of Physics, won the Galileo Galilei Medal for 2025, from the National Institute for Nuclear Physics (Feb 2025). UF won the first grand prize in the Tambellini Group's Future Campus Award, recognizing UF's pioneering work in integrating AI across the curriculum (June 2024). UF won the 2024 International Impact Award for Global Teaching & Learning from the Association of Public and Land-grant Universities (APLU) (Nov 2024).

From pharmacy and public relations to pain mitigation and materials engineering, the University of Florida is a recognized leader in a wide variety of specialties and areas. University researchers and scientists have made significant developments and discoveries in many fields, including astronomy, microbiology, metallurgy, and medical technology.



The University has installed HiPerGator AI – higher education’s most powerful artificial intelligence (AI) supercomputer – for training and research purposes and is the first institution to adopt an “AI Across the Curriculum” approach to providing every student in every major the opportunity to acquire competence and expertise in AI and Data Science.

RESEARCH

The University of Florida is a world leader in research, contributing significantly to nearly every field of endeavor. UF has been re-designated as a National Center of Academic Excellence in Cyber Defense Research (CAE-R) through AY2024 putting UF in the elite group of universities that meet the federal government’s criteria for providing educational and research opportunities in cybersecurity. Since 1985, the University of Florida has been a member of the Association of American Universities, which is comprised of 71 leading research universities in the United States and Canada.

Scholars at UF increased research expenditures \$1.27 billion in FY2024. UF ranked 15th among public universities and 25th among all universities in FY2023. UF leads all universities in Florida. UF is one of 33 universities with more than \$1 billion in research (NSF HERD). Federal research funding at UF increased 9.8% to \$581 million in FY2024. UF ranked 17th among public universities and 33rd among all universities in FY2023 (NSF HERD). University researchers have pioneered new therapies and better treatments in the fights against aging and disease. They have developed renewable energy sources that offer great promise in reducing our dependence on fossil fuels, as well as engineered healthier foods, developed more energy-efficient and sustainable construction techniques, and established better ways to protect the environment.

Through the years of research, University of Florida scientists, inventors, engineers, and researchers have developed products and practices that have been distributed and applied with an international reach, improving the lives of millions of people in Florida and around the world.

STUDENTS

The University of Florida’s freshman retention rate of 98 percent speaks to the outstanding quality of the University’s entire academic experience. Fall 2024 figures indicate an enrollment of over 60,000 students, with about 73 percent of first-time undergraduates coming from Florida. Almost every state in the nation is represented in the University

of Florida student body, and the University has a large international enrollment, approximately 5,000 international students representing about 150 countries.

University of Florida students also receive many opportunities to participate in extracurricular activities. There are nearly 1,000 student organizations on campus, and students attend numerous campus concerts, art exhibits, theatrical productions, guest lectures, sporting events, as well as other events each year.

The University of Florida is named 1st among US public universities in tech transfer, for moving new discoveries from the lab to the real world. The report was produced by Heartland Forward, a nonprofit think tank (May 2022). UF ranks 5th in Forbes Top Public Colleges (2025), 7th (tied) among public colleges and universities in the U.S. News & World Report Best Colleges (2026 ed.), and ranks 23rd in Princeton Review’s Best Value Public Schools That Pay You Back (2025). UF Online is ranked #2 among the best online bachelor’s degree programs. UF Online also has the #1 Business program, the #3 Psychology program, and is ranked as the best program for veterans and active-duty service members (US News, Online Bachelors, Jan 2025).

Additionally, UF graduate programs are among some of the top programs in the nation; 53 graduate programs in the top 50 nationally, 16 of which in the top 20 in U.S. News Best Graduate Schools (2026 ed.), 12 online graduate programs in the top 10 of U.S. News Online Best Graduate Programs (2025). UF is also recognized among the top universities in the world; ranks 24 among U.S. Public Universities from the Shanghai Institute (2025), and 21 among U.S Publics from Times Higher Education World Universities (2025). UF ranks 21st among U.S. Public Universities in the QS World University Ranking (2026 ed.). Forty-five UF graduate programs are ranked No. 1 in Florida. UF awarded 795 research doctorates, 1,097 professional doctorates and 5,556 master’s degrees (US News, Best Graduate Schools, April 2025).

UF Innovate – Sid Martin Biotech named top global incubator for record third time, receiving the International Business Innovation Association’s highest honor, the Randall M. Whaley Incubator of the Year Award. UF Sid Martin Biotechnology Institute named Incubator of the Year for 2017 among more than 7,500 incubators worldwide. The University’s consistent ranking among the nation’s top universities is a result of the commitment to provide the highest quality education at the best value.

WELCOME

From the Office of the Senior Vice President and Chief Financial Officer

I am pleased to present the University of Florida's Annual Financial Report for fiscal year 2025. These financial statements reflect the University's continued financial strength, disciplined stewardship, and ability to sustain momentum amid a dynamic and evolving higher education environment.

During FY25, the University strengthened its overall financial position while maintaining a deliberate and disciplined approach to resource management. Total assets increased year over year, driven primarily by growth in investments and continued capital investment across the institution. At the same time, the University reduced outstanding debt, reinforcing its commitment to prudent leverage while continuing to advance strategic priorities.

The University's financial profile continues to benefit from its scale, diversity of revenues, and strong operating and capital support from the State of Florida. These characteristics, combined with intentional financial planning and enterprise-wide cost discipline, support the University's strong credit quality. During FY25, the University's issuer credit ratings were affirmed at Aa1 by Moody's and AA+ by both Standard & Poor's and Fitch, with Standard & Poor's revising the outlook to Positive citing UF's market position and track record of financial resilience.

In addition to its financial performance, FY25 reflected continued momentum across the University in areas central to our mission:

- **Record Research Activity:** University of Florida faculty conducted a record \$1.33 billion in research expenditures, further strengthening UF's position among the nation's leading public research universities. The University also set a new record for innovation activity, with 446 invention disclosures submitted for discoveries with commercialization potential.

- **National Reputation & Student Demand:** In Fall of 2024 UF saw continued growth in applications and increased selectivity in undergraduate admissions. UF also held its position as 7th among all public universities according to US News and World Report and was named No. 1 overall among public and private universities in the City Journal rankings highlighted by *The Wall Street Journal*.

- **Leadership in Artificial Intelligence:** In the Fall, UF unveiled the latest iteration of HiPerGator, now recognized as the nation's fastest university-owned supercomputer. This milestone reflects the continued maturation of UF's artificial intelligence initiative and its role as a national model for advancing AI research, education, and workforce development.

- **Athletics and Competitive Excellence:** UF's athletics program continued to demonstrate national excellence, highlighted by the men's basketball team winning the NCAA national championship in April, making UF the only school with three national championships in both football and men's basketball.

As the higher education sector faces increasing uncertainty and structural pressure, the University of Florida enters the next fiscal year from a position of strength. The results reflected in FY25 demonstrate the value of our University across many areas as well as a deliberate emphasis on financial discipline, flexibility, and long-term sustainability.

We invite readers to review the accompanying financial statements and notes for a detailed discussion of the University's financial position and results of operations for the fiscal year ended June 30, 2025.

Nick Kozlov
Senior Vice President and Chief Financial Officer





Sherrill F. Norman, CPA
Auditor General

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the University of Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the University of Florida and of its aggregate discretely presented component units as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units, which represent 100 percent of the transactions and account balances of the discretely presented component units columns as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical

requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with 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 **MANAGEMENT'S DISCUSSION AND ANALYSIS**, the **Schedule of University's Proportionate Share of the Total Other Postemployment Benefits Liability**, **Schedule of University's Proportionate Share of the Net Pension Liability – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of University Contributions – Florida Retirement System (FRS) Defined Benefit Pension Plan**, **Schedule of University's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan**, and **Schedule of University Contributions – Health Insurance Subsidy (HIS) Defined Benefit Pension Plan** 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 this report. The other information comprises the University Overview and Introduction from the Senior Vice President and Chief Financial Officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Partial Comparative Information

We have previously audited the University of Florida's 2023-24 fiscal year financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 26, 2025. In our opinion, the partial comparative information presented as of and for the fiscal year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2026, on our consideration of the University of Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts,

and grant agreements and other matters included under the heading **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**. 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 of Florida's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with a large initial "S" and "N".

Sherrill F. Norman, CPA
Tallahassee, Florida
February 20, 2026
Audit Report No. 2026-104

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of the University of Florida for the fiscal year ended June 30, 2025, and should be read in conjunction with the financial statements and notes thereto.

rGator



THE UNIVERSITY OF FLORIDA (the University) is a component unit of the State of Florida and has the distinction of land, sea, and space grant status. In addition, the University has the law, medicine, agriculture, and veterinary medicine colleges on one central campus, as well as undergraduate and graduate degrees available via distance and online learning. With a 2,000-acre campus and more than 1,000 buildings, including the first Leadership in Energy and Environmental Design (LEED) Platinum-certified building in the State of Florida, the University has more green building certifications than any other public higher education institution in the country.

The University continues to cement its strong reputation, Forbes has named the University of Florida the No. 5 public university in the nation and among the top institutions in the country for return on investment. It also maintained its top 10 status in the U.S. News & World Report rankings as the 7th ranked public university in the U.S. (2026 Ed.).

As the University sustains its commitment to excellence, it remains highly accessible to its student population of over 60,000. The current student-faculty ratio is 16:1, and its sixteen colleges (and Hamilton School for Classical and Civic Education) offer students more than 100 undergraduate majors and more than 200 graduate programs, with an affordable tuition that allows more than half of the University's graduates to leave with no student loan debt.

As the flagship university of the nation's third-most-populous state, the University is committed to leading and serving the State of Florida, with over 150 mission-focused units statewide and a presence in all of Florida's 67 counties. The University's artificial intelligence (AI) infrastructure is one of the strongest in the country, home to the fastest supercomputer in higher education and 300 faculty members teaching AI courses or using AI in their research. As a result of the University's commitment to AI, the University is one of the nation's first universities to offer its students AI Across the Curriculum with courses in AI available in all 16 colleges.

The financial reporting entity for the financial statements includes the University and its component units. Note 1 to the financial statements provides detailed information on the financial reporting entity and discretely presented component units.

This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements Nos. 37 and 38. The MD&A, financial statements, and notes thereto, are the responsibility of University management. The MD&A contains financial activity of the University for the fiscal years ended June 30, 2025, and June 30, 2024.

Financial Highlights

The University continues to maintain and protect its strong financial position, with assets of \$7.4 billion at June 30, 2025. This reflects a \$801.2 million, or 12.2%, increase from the 2023-24 fiscal year. The primary investment objective of the University is the safety of the University's principal and liquidity, with the optimization of investment income

secondary to financial stewardship. During the fiscal year, the University saw total investments increase \$543.1 million, succeeding in both objectives and maximizing the use of available funds in a prudent manner.

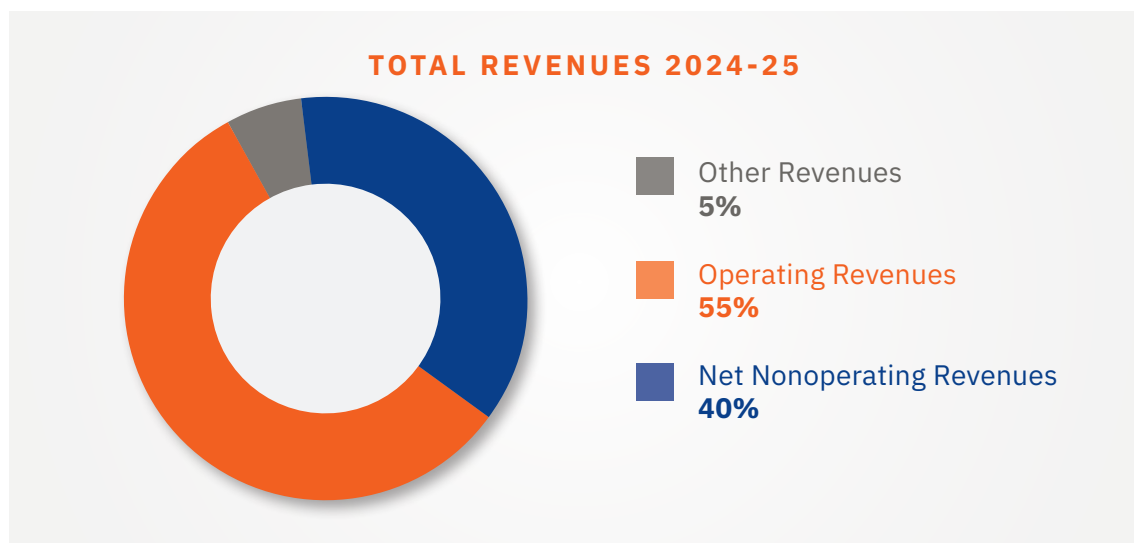
Capital assets increased \$183.6 million, primarily due to capitalization of buildings and equipment, as the University invests in leading-edge facilities that support the University's strategic plan, including modern research laboratories, classrooms and advanced technology.

While total assets increased, liabilities also increased by \$248.0 million, or 8.4%, totaling \$3.2 billion at June 30, 2025, primarily due to the change in Accounts Payable and Other Postemployment Benefits. The Other Postemployment Benefits Liability is determined by an actuarial valuation for the expected payments needed to fund projected plan benefits.

Net position represents the residual interest in the University's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. The University's net position increased by \$731.2 million, which resulted in a year-end balance of \$4.2 billion.

The University has a strong and diverse revenue base. Operating revenues, which are revenues generated by the University in fulfilling its instruction, research, and public service missions, totaled \$2.9 billion for the 2024-25 fiscal year, with a 6.6% increase over the 2023-24 fiscal year. Major components of operating revenues are Student Tuition and Fees and Grants and Contracts. While Student Tuition and Fees, net of Scholarship Allowances, increased by \$20.2 million, or 4.4%, Grants and Contracts increased by \$138.3 million, or 6.8%, and contributed to the overall increase in operating revenues.

The following chart provides a graphical presentation of the University's total revenues by category for the 2024-25 fiscal year:



Operating expenses totaled \$4.5 billion for the 2024-25 fiscal year, representing an increase of \$192.9 million or 4.5% compared to the 2023-24 fiscal year. Employee Compensation and Benefits expenses increased due to higher staffing and related fringe benefits, underlining the University's commitment toward recruiting and retaining exceptional faculty and staff.

State Noncapital Appropriations, Net Investment Income, and Noncapital Grants, Contracts, and Gifts are all considered nonoperating revenues as they are not generated by the University's primary, ongoing operations. Net nonoperating revenues and expenses in the 2024-25 fiscal year increased by \$331.8 million compared to the prior year, primarily from increases in State Noncapital Appropriations.

Overview of Financial Statements

Pursuant to GASB Statement No. 35, the University's financial report includes three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The financial statements and notes thereto encompass the University and its component units.

The Statement of Net Position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University by employing the accrual basis of accounting and presents the financial position of the University at a specified time. Net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, is one indicator of the University's current financial condition. The changes in net position that occur over time indicate improvement or deterioration in the University's financial condition.

The Statement of Revenues, Expenses, and Changes in Net Position represents the University's revenue and expense activity, categorized as operating and nonoperating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or nonoperating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either gives or receives something of equal or similar value.

The majority of the University's expenses are operating expenses as defined by GASB Statement No. 35. GASB gives financial reporting entities the choice of reporting operating expenses in the functional or the natural classifications. The University has chosen to report the expenses in their natural classification on the Statement of Revenues, Expenses, and Changes in Net Position and has displayed the functional classification in the Operating Expenses table and in the notes to the financial statements.

Certain revenue sources that the University relies on to provide funding for operations, including State Noncapital Appropriations, certain gifts and grants, and investment income, are defined by GASB as nonoperating. Nonoperating expenses include capital financing costs and other costs related to capital assets.

Other Revenues are composed of State Capital Appropriations and Capital Grants, Contracts, and Donations.

The Statement of Cash Flows provides information about the University's financial results by reporting the major sources and uses of Cash and Cash Equivalents. This statement assists in evaluating the University's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities reflect the net cash used by the operating activities of the University. Cash flows from capital and related financing activities include activities of the capital funds and related long-term debt. Cash flows from investing activities reflect the net source and use of cash related to the purchases and sales of investments and income earned on those investments. Cash flows from noncapital financing activities include those activities not covered in the other sections.

The University's basic financial statements include discretely presented component units categorized as follows:

Direct-Support Organizations are separate, not-for-profit corporations organized and operated exclusively to assist the University in achieving excellence by providing supplemental resources from private gifts, bequests, and valuable education support services.

Health Science Center Affiliates are the several corporations closely affiliated with the University of Florida J. Hillis Miller Health Science Center, including the Faculty Practice Plans.

Shands Hospital and Others includes Shands Teaching Hospital and Clinics, Inc., a not-for-profit corporation that is contractually obligated to manage, operate, maintain, and insure the hospital facilities in support of the programs of the Health Science Center at the University of Florida. In addition, this category includes the University of Florida Self-Insurance Program and the University of Florida Healthcare Education Insurance Company.



Statement of Net Position

The following table summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30:

CONDENSED STATEMENT OF NET POSITION (in millions)		
	2024-25	2023-24
Assets:		
Current Assets	\$ 3,849.7	\$ 3,204.0
Capital Assets, Net	2,855.0	2,671.4
Other Noncurrent Assets	649.6	677.7
Total Assets	<u>7,354.3</u>	<u>6,553.1</u>
Deferred Outflows of Resources	580.8	438.1
Total Assets and Deferred Outflows of Resources	<u>7,935.1</u>	<u>6,991.2</u>
Liabilities:		
Current Liabilities	680.4	610.9
Noncurrent Liabilities	2,532.6	2,354.1
Total Liabilities	<u>3,213.0</u>	<u>2,965.0</u>
Deferred Inflows of Resources	487.5	522.8
Total Liabilities and Deferred Inflows of Resources	<u>3,700.5</u>	<u>3,487.8</u>
Net Position:		
Net Investment in Capital Assets	2,482.9	2,345.9
Restricted	1,349.2	1,128.3
Unrestricted	402.5	29.2
Total Net Position	<u>\$ 4,234.6</u>	<u>\$ 3,503.4</u>



The increase in assets is largely driven by an increase in investments of \$543.1 million, itself primarily a result of the increase in Private Equity Funds investments, of \$447.7 million.

The large increase in noncurrent liabilities is primarily driven by the increase in Other Postemployment Benefits Payable driven by the change in benefits terms and assumptions around deferred outflows.

The reported deferred outflows of resources and deferred inflows of resources are also required under GASB Statements No. 68 and No. 75.

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes the University's activity for the 2024-25 and 2023-24 fiscal years:

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (in millions)		
	2024-25	2023-24
Operating Revenues	\$ 2,872.8	\$ 2,694.7
Operating Expenses	(4,471.4)	(4,278.5)
Operating Loss	(1,598.6)	(1,583.8)
Net Nonoperating Revenues	2,062.8	1,731.0
Income Before Other Revenues	464.2	147.2
Other Revenues	267.0	288.3
Increase in Net Position	731.2	435.5
Net Position, Beginning of Year	3,503.4	3,067.9
Net Position, End of Year	\$ 4,234.6	\$ 3,503.4

The University continues to maintain a diverse revenue stream, enabling the University to resist revenue loss and position the University for future growth.

Operating Revenues

The following table summarizes the operating revenues by source that were used to fund operating activities during the 2024-25 and 2023-24 fiscal years:

OPERATING REVENUES (in millions)		
	2024-25	2023-24
Grants and Contracts	\$ 2,168.4	\$ 2,030.1
Student Tuition and Fees, Net of Scholarship Allowances	476.4	456.2
Sales and Services of Auxiliary Enterprises, Net of Scholarship Allowances	140.8	126.6
Sales and Services of Educational Departments	82.0	77.0
Other	5.2	4.8
Total Operating Revenues	\$ 2,872.8	\$ 2,694.7

Total operating revenues exhibited growth from the prior year due to receiving more Grants and Contracts revenues from additional research funding from various agencies.

Operating Expenses

The following table summarizes the operating expenses for each method of classification for the 2024-25 and 2023-24 fiscal years:

OPERATING EXPENSES (in millions)		
Natural Classification	2024-25	2023-24
Employee Compensation and Benefits	\$ 3,141.2	\$ 2,997.2
Services and Supplies	849.9	810.0
Scholarships, Fellowships and Waivers*	209.6	194.3
Depreciation	192.1	195.0
Utilities and Communications	78.6	82.0
Total Operating Expenses	\$ 4,471.4	\$ 4,278.5
Functional Classification	2024-25	2023-24
Public Service	\$ 1,201.9	\$ 1,122.1
Research	1,005.2	975.5
Instruction	902.0	900.0
Academic Support	339.9	285.4
Institutional Support	228.9	223.2
Scholarships, Fellowships and Waivers *	209.6	194.3
Depreciation	192.1	195.0
Operation and Maintenance of Plant	185.5	176.7
Auxiliary Enterprises	141.5	145.3
Student Services	64.8	61.0
Total Operating Expenses	\$ 4,471.4	\$ 4,278.5

* Net of Scholarship Allowances of \$320.0 million in the 2024-25 fiscal year and \$296.9 million in the 2023-24 fiscal year.

Operating expenses primarily increased due to an increase in Employee Compensation and Benefits and Services and Supplies driven by more staffing, inflation, and increased research activity. Comparing expenses under the functional classification, Public Service remained the University's top expense classification, as UF Health continues to expand.

Nonoperating Revenues and Expenses

The following table summarizes the University's nonoperating revenues and expenses for the 2024-25 and 2023-24 fiscal years:

NONOPERATING REVENUES (EXPENSES) (in millions)		
	2024-25	2023-24
State Noncapital Appropriations	\$ 1,305.1	\$ 1,096.6
Federal and State Student Financial Aid	270.5	247.3
Noncapital Grants, Contracts, and Gifts	258.6	210.2
Investment Income, Net of Expenses	113.4	80.7
Net Increase (Decrease) in Fair Value of Investments	110.7	90.3
Other Nonoperating Revenues	21.6	27.9
Interest on Capital Asset-Related Debt	(12.7)	(12.8)
Other Nonoperating Expenses	(4.4)	(9.2)
Net Nonoperating Revenues	\$ 2,062.8	\$ 1,731.0

Net Nonoperating Revenues increased when compared to the prior year. The State Noncapital Appropriations increased by \$208.5 million due to additional funding for operations support, preeminence funding, and support for the Florida Semiconductor Institute, Lastinger Center, and Scripps.

Other Revenues

The following table summarizes the University's other revenues for the 2024-25 and 2023-24 fiscal years:

OTHER REVENUES (in millions)		
	2024-25	2023-24
State Capital Appropriations	\$ 250.8	\$ 254.5
Capital Grants, Contracts, and Donations	16.2	33.8
Total Other Revenues	\$ 267.0	\$ 288.3

Other Revenues decreased \$21.3 million as the University experienced a decrease in Capital Grants, Contracts and Donations from the Component Units compared to the prior year.

Statement of Cash Flows

The following table summarizes cash flows for the 2024-25 and 2023-24 fiscal years:

CONDENSED STATEMENT OF CASH FLOWS (in millions)		
	2024-25	2023-24
Cash Provided (Used) by:		
Operating Activities	\$ (1,304.1)	\$ (1,268.9)
Noncapital Financing Activities	1,843.2	1,587.1
Capital and Related Financing Activities	(240.4)	(156.9)
Investing Activities	(329.7)	(145.9)
Net Increase (Decrease) in Cash and Cash Equivalents	(31.0)	15.4
Cash and Cash Equivalents, Beginning of Year	38.2	22.8
Cash and Cash Equivalents, End of Year	\$ 7.2	\$ 38.2

The University's Statement of Cash Flows is based on the reporting structure outlined by GASB. A significant portion of the University's cash used to fund operating expenses is provided from non-exchange transactions such as State Appropriations, Financial Aid and Noncapital Grants, Contracts, and Gifts. These revenues are considered non-operating under GASB standards and are reflected as such in the University's Statement of Cash Flows.

Major sources of funds for the University came from Grants and Contracts (\$2,179.4 million), State Noncapital Appropriations (\$1,305.1 million), Student Tuition and Fees, Net (\$473.2 million), Federal and State Financial Aid (\$270.5 million), and Noncapital Grants, Contracts, and Gifts (\$258.6 million). Major uses of funds were for Payments to Employees (\$3,101.6 million), Payments to Suppliers for Goods and Services (\$876.7 million), and the Purchase or Construction of Capital Assets (\$375.1 million).

Capital Assets, Capital Expenses and Commitments, and Debt Administration

CAPITAL ASSETS

At June 30, 2025, the University had approximately \$6.3 billion in Capital Assets, less accumulated depreciation of \$3.4 billion, for Net Capital Assets of \$2.9 billion. Depreciation charges for the current fiscal year totaled \$192.1 million. Total Capital Assets increased in the 2024-25 fiscal year as construction continued on major projects, reflecting the University's continued dedication to an infrastructure and learning environment that supports its mission and strategic plan. The following table summarizes the University's Capital Assets, net of accumulated depreciation, at June 30:

TOTAL CAPITAL ASSETS, NET (in millions)		
	2025	2024
Land	\$ 73.5	\$ 36.2
Buildings	1,815.0	1,798.6
Infrastructure and Other Improvements	78.5	63.3
Furniture and Equipment	339.9	294.1
Library Resources	37.9	40.2
Leasehold Improvements	11.3	11.0
Right-to-Use Lease Assets	10.8	8.7
Subscription-Based Information Technology Arrangements	5.7	7.9
Other Capital Assets	5.2	5.1
Construction in Progress	477.2	406.3
Total Capital Assets (Nondepreciable and Depreciable, Net)	\$ 2,855.0	\$ 2,671.4

Additional information about the University's capital assets is presented in Note 7 to the financial statements.

CAPITAL EXPENSES AND COMMITMENTS

Major capital expenses were incurred during the fiscal year on the University's largest projects, including the Whitney Laboratory for Marine Bioscience (\$26.4 million), Bruno E. & Maritza F. Ramos Collaboratory and Renovation of Existing Building (\$27.1 million) and Honors Residential College (\$17.3 million), which are expected to transform the associated learning and research environments for the continued growth and health of the campus community.

The University's construction commitments at June 30, 2025, are as follows:

MAJOR CONSTRUCTION COMMITMENTS (in millions)		
Total Commitments	\$	1,106.4
Completed to Date		466.4
Balance Committed	\$	640.0

Additional information about the University's construction commitments is presented in Note 13 to the financial statements.

DEBT ADMINISTRATION

The University is mindful of its financial stewardship and commitment to effective resource management, including the prudent use of debt to finance capital projects. At June 30, 2025, the University had \$414.5 million in outstanding Capital Asset-Related Debt. Capital Asset-Related Debt primarily consists of bonds issued to fund major construction projects such as student housing, research buildings, student activity centers, and parking garages. The following table summarizes the outstanding Capital Asset-Related Debt by type of debt at June 30:

CAPITAL ASSET-RELATED DEBT (in millions)		
	2025	2024
Capital Improvement Debt	\$ 376.5	\$ 394.5
Loans and Notes	2.0	22.1
Installment Purchase Agreements	20.1	2.0
Leases	10.9	9.1
Subscription Arrangements	5.0	7.1
Total Capital Asset-Related Debt	\$ 414.5	\$ 434.8

Additional information about the University's capital asset-related debt is presented in Note 11 to the financial statements.

Economic Factors That Will Affect the Future

Credit ratings are an indicator of the University's effectiveness in managing its financial resources. Stronger credit ratings reflect greater financial strength and flexibility. The University remains in a strong financial position, as demonstrated by its issuer ratings of Aa1, AA+, and AA+ as rated by Moody's, Standard & Poor's (S&P), and Fitch, respectively. In its report issued in May 2025, S&P referenced credit strengths including:

- Solid institutional characteristics as Florida's flagship university and healthy state support for operating and capital appropriations
- Large and high-quality student base and wide range of graduate and professional offerings
- Ample financial resources compared with debt (including debt of UF's DSO's); and
- A history of sound university-wide fundraising characterized by completion of a \$4.6 billion comprehensive campaign in December 2022 with fundraising remaining strong thereafter.

S&P revised the University's credit outlook to positive from stable as part of its review, while Moody's affirmed the existing ratings.

The University of Florida's favorable credit quality incorporates the flagship university's excellent brand and strategic positioning and large scale with Moody's-adjusted operating revenue of \$4.2 billion. Strong operating and capital support from the State of Florida bolsters the comprehensive university's credit strength. Other strengths include total wealth of \$5.6 billion, a low debt burden, and well-diversified revenue streams. Offsetting factors include thin operating performance, limited liquidity relative to expenses, political limits on tuition price setting and patient care exposure through closely integrated component units.

Requests for Information

Questions concerning information provided in the MD&A, financial statements and notes thereto, and other required supplementary information, or requests for additional financial information should be addressed to Matthew Ellis, Assistant Vice President and University Controller, P.O. Box 113200, Gainesville, Florida 32611.

Statement of Net Position

As of June 30, 2025 (amounts expressed in thousands)	University of Florida		Component Units		
	2025	2024	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 1)	\$ 5,448	\$ 31,436	\$ 53,394	\$ 68,307	\$ 332,811
Investments (Note 3)	2,880,108	2,313,901	157,516	37,515	879,646
Accounts Receivable, Net (Note 4)	155,070	162,457	146,291	195,251	582,986
Loans and Notes Receivable, Net (Note 4)	1,378	1,772	-	-	-
Due From State (Note 5)	697,124	585,251	-	-	31,820
Due From Component Units/University (Note 6)	92,301	94,431	349,190	68,074	133,601
Inventories	5,897	6,257	247	-	104,503
Other Current Assets	12,374	8,556	43,008	3,973	227,819
Total Current Assets	3,849,700	3,204,061	749,646	373,120	2,293,186
Noncurrent Assets:					
Restricted Cash and Cash Equivalents (Note 1)	1,830	6,832	-	-	-
Restricted Investments (Note 3)	283,801	336,990	2,812,584	6,835	748,707
Other Noncurrent Investments (Note 3)	350,830	320,794	-	-	-
Loans and Notes Receivable, Net (Note 4)	11,728	13,035	777	-	-
Depreciable Capital Assets, Net (Note 7)	2,299,657	2,224,482	304,248	227,021	1,988,308
Nondepreciable Capital Assets (Note 7)	555,323	446,922	118,618	6,725	643,018
Other Noncurrent Assets	1,418	-	6,513	21,971	209,601
Total Noncurrent Assets	3,504,587	3,349,055	3,242,740	262,552	3,589,634
TOTAL ASSETS	7,354,287	6,553,116	3,992,386	635,672	5,882,820
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Pension Resources (Note 9)	296,014	292,584	-	-	112,531
Deferred Outflows of Other Postemployment Benefits Payable (Note 9)	275,862	136,251	-	-	272
Other Deferred Outflows (Note 9)	8,948	9,239	-	-	42,619
TOTAL DEFERRED OUTFLOWS OF RESOURCES	580,824	438,074	-	-	155,422
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,935,111	\$ 6,991,190	\$ 3,992,386	\$ 635,672	\$ 6,038,242
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 187,523	\$ 130,554	\$ 23,773	\$ 84,848	\$ 340,152
Salaries and Wages Payable	44,087	36,014	-	18,789	156,750
Due To Component Units/University (Note 6)	314,371	316,148	211,790	21,957	129,143
Unearned Revenue (Note 10)	55,187	60,309	78,116	9,665	195,166
Deposits Held in Custody	7,141	6,904	4	199	-
Other Current Liabilities	-	-	5,180	84	1,148
Long-Term Liabilities - Current Portion: (Note 11)					
Capital Improvement Debt Payable	16,380	15,669	-	-	-
Bonds Payable	-	-	7,870	4,836	26,580
Loans and Notes Payable	400	1,236	33	-	-
Installment Purchase Agreements Payable	1,182	801	-	-	-
Leases Payable	3,416	2,407	296	11,862	19,964
Subscription Arrangements Payable	2,206	2,142	-	2,255	23,242
Compensated Absences Payable	17,195	16,292	240	-	-
Other Postemployment Benefits Payable	31,357	22,409	-	-	-
Liability for Self-Insured Claims	-	-	43,426	-	7,180
Total Current Liabilities	680,445	610,885	370,728	154,495	899,325

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

As of June 30, 2025 (amounts expressed in thousands)	University of Florida		Component Units		
	2025	2024	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
Noncurrent Liabilities: (Note 11)					
Capital Improvement Debt Payable	\$ 360,125	\$ 378,786	\$ -	\$ -	\$ -
Bonds Payable	-	-	127,025	81,902	1,629,376
Loans and Notes Payable	1,600	20,888	332	-	-
Installment Purchase Agreements Payable	18,894	1,169	-	-	-
Leases Payable	7,581	6,697	433	102,043	157,304
Subscription Arrangements Payable	2,752	4,958	-	4,513	58,480
Compensated Absences Payable	158,613	139,795	3,159	-	-
Other Postemployment Benefits Payable	1,096,828	839,006	-	-	2,566
Net Pension Liability (Note 12)	874,944	951,654	-	-	-
Liability for Self-Insured Claims	-	-	-	-	38,669
Other Noncurrent Liabilities	11,212	11,126	37,842	-	45,378
Total Noncurrent Liabilities	2,532,549	2,354,079	168,791	188,458	1,931,773
TOTAL LIABILITIES	3,212,994	2,964,964	539,519	342,953	2,831,098
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Pension Resources (Note 9)	103,377	27,147	-	-	16,211
Deferred Inflows of Other Postemployment Benefits Payable (Note 9)	384,132	495,649	-	-	1,232
Other Deferred Inflows	-	-	28,813	14,061	86,176
TOTAL DEFERRED INFLOWS OF RESOURCES	487,509	522,796	28,813	14,061	103,619
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,700,503	3,487,760	568,332	357,014	2,934,717
NET POSITION					
Net Investment in Capital Assets	2,482,930	2,345,897	286,878	26,339	945,315
Restricted:					
Nonexpendable:					
Endowment	-	-	1,737,236	-	2,805
Expendable:					
Endowment	-	-	1,152,200	-	15,696
Loans	35,147	35,478	-	-	-
Capital Projects	838,112	718,492	-	-	-
Debt Service	9,465	8,410	-	-	-
Other	466,431	365,904	667	-	259,857
Unrestricted	402,523	29,249	247,073	252,319	1,879,852
TOTAL NET POSITION	4,234,608	3,503,430	3,424,054	278,658	3,103,525
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 7,935,111	\$ 6,991,190	\$ 3,992,386	\$ 635,672	\$ 6,038,242

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

Statement of Revenues, Expenses, and Changes In Net Position

<i>for the Fiscal Year Ended June 30, 2025 (amounts expressed in thousands)</i>	University of Florida		Component Units		
	2024-25	2023-24	Direct-Support Organizations	Health Science Center Affiliates	Shands Hospital and Others
OPERATING REVENUES					
Student Tuition and Fees, Net of Scholarship Allowances (Note 17)	\$ 476,435	\$ 456,185	\$ -	\$ -	\$ -
Federal Grants and Contracts	755,524	726,829	-	-	-
State and Local Grants and Contracts	95,121	77,430	-	-	-
Nongovernmental Grants and Contracts	1,317,780	1,225,800	-	-	-
Sales and Services of Auxiliary Enterprises, Net of Scholarship Allowances (Note 17)	140,753	126,625	-	-	-
Sales and Services of Educational Departments	81,979	77,050	-	-	-
Sales and Services of Component Units	-	-	207,916	-	9,020
Hospital Revenues	-	-	-	1,428,177	5,095,603
Gifts and Donations - Component Units	-	-	247,131	-	-
Royalties and Licensing Fees - Component Units	-	-	48,408	-	-
Other Operating Revenues	5,161	4,780	9,224	292,584	118,983
Total Operating Revenues	2,872,753	2,694,699	512,679	1,720,761	5,223,606
OPERATING EXPENSES					
Employee Compensation and Benefits	3,141,168	2,997,209	87,412	171,843	2,027,388
Services and Supplies	849,936	810,017	502,297	498,462	2,764,231
Utilities and Communications	78,572	81,928	-	-	-
Scholarships, Fellowships, and Waivers, Net	209,601	194,316	-	-	-
Depreciation	192,135	195,004	16,143	27,299	245,729
Self-Insured Claims and Expenses	-	-	-	-	291
Total Operating Expenses (Note 18)	4,471,412	4,278,474	605,852	697,604	5,037,639
Operating Income (Loss)	(1,598,659)	(1,583,775)	(93,173)	1,023,157	185,967
NONOPERATING REVENUES (EXPENSES)					
State Noncapital Appropriations	1,305,177	1,096,576	18,246	-	7,050
Federal and State Student Financial Aid	270,497	247,266	-	-	-
Noncapital Grants, Contracts, and Gifts	258,577	210,272	-	-	-
Investment Income, Net of Expenses	113,437	80,779	296,076	2,124	150,340
Net Increase (Decrease) in the Fair Value of Investments	110,652	90,251	142	(1,957)	1,201
Other Nonoperating Revenues	21,595	27,863	13,474	5,375	48,095
Interest on Capital Asset-Related Debt	(12,716)	(12,780)	(4,014)	(3,279)	(55,913)
Other Nonoperating Expenses	(4,404)	(9,194)	(59,881)	(1,045,978)	(29,401)
Net Nonoperating Revenues (Expenses)	2,062,815	1,731,033	264,043	(1,043,715)	121,372
Income (Loss) Before Other Revenues	464,156	147,258	170,870	(20,558)	307,339
State Capital Appropriations	250,847	254,480	-	-	-
Capital Grants, Contracts, and Donations	16,175	33,810	-	-	16,996
Additions to Permanent Endowments	-	-	72,960	-	-
Total Other Revenues	267,022	288,290	72,960	-	16,996
Increase (Decrease) in Net Position	731,178	435,548	243,830	(20,558)	324,335
Net Position, Beginning of Year	3,503,430	3,067,882	3,181,466	299,216	2,779,190
Adjustment to Beginning Net Position (Note 2)	-	-	(1,242)	-	-
Adjusted Net Position, Beginning of Year, as Restated	3,503,430	3,067,882	3,180,224	299,216	2,779,190
Net Position, End of Year	\$ 4,234,608	\$ 3,503,430	\$ 3,424,054	\$ 278,658	\$ 3,103,525

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

Statement of Cash Flows

<i>for the Fiscal Year Ended June 30, 2025 (amounts expressed in thousands)</i>	University of Florida	
	2024-25	2023-24
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees, Net	\$ 473,247	\$ 455,156
Grants and Contracts	2,179,432	2,037,398
Sales and Services of Auxiliary Enterprises, Net	140,034	128,362
Sales and Services of Educational Departments	83,428	78,156
Repayment of Loans and Notes Receivable from Students	5,578	6,214
Other Operating Receipts	5,479	8,221
Payments to Employees	(3,101,641)	(2,897,626)
Payments to Suppliers for Goods and Services	(876,707)	(886,258)
Payments to Students for Scholarships and Fellowships	(209,601)	(194,316)
Loans Issued to Students	(3,349)	(4,235)
Net Cash Used by Operating Activities	(1,304,100)	(1,268,928)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Noncapital Appropriations	1,305,177	1,096,576
Federal and State Financial Aid	270,497	247,266
Noncapital Grants, Contracts, and Gifts	258,577	210,272
Direct Loan Program Receipts	212,080	213,372
Direct Loan Program Disbursements	(212,110)	(213,353)
Net Change in Funds Held for Others	(2,349)	11,398
Other Nonoperating Receipts	16,476	27,108
Other Nonoperating Disbursements	(5,124)	(5,450)
Net Cash Provided by Noncapital Financing Activities	1,843,224	1,587,189
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	-	45,747
State Capital Appropriations	133,977	49,986
Capital Grants, Contracts, and Donations	14,155	34,454
Proceeds from Sale of Capital Assets and Other Receipts for Capital	6,023	1,837
Purchase or Construction of Capital Assets	(375,070)	(274,284)
Principal Paid on Capital Debt and Leases	(17,687)	(11,009)
Interest Paid on Capital Debt and Leases	(1,810)	(3,697)
Net Cash Used by Capital and Related Financing Activities	(240,412)	(156,966)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of Investments	3,619,117	4,050,578
Purchase of Investments	(4,057,198)	(4,276,751)
Investment Income	108,379	80,270
Net Cash Used by Investing Activities	(329,702)	(145,903)
Net Increase (Decrease) in Cash and Cash Equivalents	(30,990)	15,392
Cash and Cash Equivalents, Beginning of Year	38,268	22,876
Cash and Cash Equivalents, End of Year	\$ 7,278	\$ 38,268
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (1,598,659)	\$ (1,583,775)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	192,512	195,379
Change in Assets, Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources:		
Receivables, Net	9,061	15,538
Due From Component Units	2,128	(2,594)
Inventories	360	(380)
Other Assets	(1,469)	1,827
Accounts Payable	52,534	3,867
Salaries and Wages Payable	8,074	1,508
Unearned Revenue	(126)	1,627
Deposits Held in Custody	31	-
Other Postemployment Benefits Payable	266,770	46,898
Compensated Absences Payable	19,721	12,524
Net Pension Liability	(76,710)	137,244
Deferred Outflows - Pension and OPEB	(143,040)	31,929
Deferred Inflows - Pension and OPEB	(35,287)	(130,520)
NET CASH USED BY OPERATING ACTIVITIES	\$ (1,304,100)	\$ (1,268,928)
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES: <i>The following items are recognized on the Statement of Net Position or the Statement of Revenues, Expenses, and Changes in Net Position, but are not cash transactions for the Statement of Cash Flows:</i>		
Unrealized gain on investment	\$ 110,652	\$ 90,251
Gain (loss) on disposal of capital assets	545	(3,228)

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

30	Summary of Significant Accounting Policies
37	Accounting Changes and Adjustment to Beginning Net Position
38	Investments
43	Receivables
43	Due From State
43	Due From and To Component Units/University
44	Capital Assets
45	Museum and Art Collections
45	Deferred Outflows/Inflows Of Resources
45	Unearned Revenue
46	Long-Term Liabilities
55	Retirement Plans
64	Construction Commitments
65	State Self-Insurance Programs
65	University Self-Insurance Programs
66	Litigation and Contingencies
66	Scholarship Allowance
66	Functional Distribution of Operating Expenses
67	Component Units
67	Segment Information



1. Summary of Significant Accounting Policies

The significant accounting policies followed by the University of Florida (University) are described below to enhance the usefulness of the financial statements.

A. REPORTING ENTITY

The University is a separate public instrumentality that is part of the State university system of public universities, which is under the general direction and control of the Florida Board of Governors. The University is directly governed by a Board of Trustees (Trustees) consisting of thirteen members. The Governor appoints six citizen members, and the Board of Governors appoints five citizen members. These members are confirmed by the Florida Senate and serve staggered terms of five years. The chair of the faculty senate and the president of the student body of the University are also members. The Board of Governors establishes the powers and duties of the Trustees.

The Trustees are responsible for setting policies for the University, which provide governance in accordance with State law and Florida Board of Governors' Regulations. The Trustees select the University President. The University President serves as the executive officer and the corporate secretary of the Trustees and is responsible for administering the policies prescribed by the Trustees.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, the University is a component unit of the State of Florida, and its financial balances and activities are discretely presented in the State's Annual Comprehensive Financial Report.

B. DISCRETELY PRESENTED COMPONENT UNITS

Based on the application of the criteria for determining component units, certain affiliated organizations are required to be included within the University reporting entity as discretely presented component units because of the significance of their relationship with the University. These organizations are legally separate from the University and are governed by separate boards. The University further categorizes its component units as Direct-Support Organizations, Health Science Center Affiliates, and Shands Hospital and Others. An annual audit of each organization's financial statements is conducted by independent certified public accountants. The annual reports are submitted to the Auditor General and the University Board of Trustees. Additional information is presented in Note 19.

However, financial activities of certain component units are not included in the University's financial statements and are denoted below with an asterisk (*). The total assets and operating revenues related to these component units are \$37.7 million and \$19.9 million, respectively. These amounts represent less than one percent of the total aggregate component units' assets and operating revenues.

C. DIRECT-SUPPORT ORGANIZATIONS

The University's direct-support organizations, as provided for in Section 1004.28, Florida Statutes, and Board of Governors Regulation 9.011, are considered component units of the University of Florida and, therefore, the latest audited financial statements of these organizations are discretely presented in the financial statements of the University. These legally separate, not-for-profit corporations are organized and operated exclusively to assist the University in achieving excellence by providing supplemental resources from private gifts and bequests and valuable education support services. Florida Statutes authorize these organizations to receive, hold, invest, and administer property and to make expenditures to or for the benefit of the University. These organizations and their purposes are explained as follows:

- **University of Florida Foundation, Inc.**, solicits, collects, manages, and directs contributions to the various academic departments and programs of the University and assists the University in fund raising, public relations, and maintenance of alumni records. Their financial statements include the activities of the University of Florida Alumni Association, Inc.
- **The University Athletic Association, Inc.**, conducts various inter-collegiate athletic programs for and on behalf of the University.
- **University of Florida Research Foundation, Inc.**, promotes, encourages, and assists research activities of the University through income derived from or related to the development and commercialization of intellectual properties, which include inventions, discoveries, processes, and work products.
- **GatorCare Health Management Corporation** coordinates and facilitates the management of the self-insured health insurance plan of the University and its participating affiliated employers, collecting and paying employer and employee premiums.
- **Florida Foundation Seed Producers, Inc.**, supplies Florida farmers and producers with crop seed and nursery stock. This organization stocks foundation seed of the best-known varieties acceptable to Florida climate and soils in adequate quantities and at reasonable prices.



- **University of Florida Development Corporation** develops and maintains Innovation Square where the University-owned Florida Innovation Hub is located.
- **Gator Boosters, Inc.**, solicits funds for the benefit of the University athletic programs.
- **Citrus Research and Development Foundation, Inc.**, advances disease and production research and product development activities to ensure the survival and competitiveness of Florida's citrus growers through innovation.
- **University of Florida Alumni Association, Inc.**, supports activities of the alumni of the University of Florida. Its financial transactions are reflected in the financial statements of the University of Florida Foundation, Inc.
- **Florida 4-H Club Foundation, Inc.**,* promotes the educational objectives of the 4-H Youth Development Program, an official part of the Florida Cooperative Extension Service.
- **University of Florida Leadership and Education Foundation, Inc.**,* furthers agriculture and natural resources education and related activities, promotes agriculture and natural resources leadership, and makes contributions to and confers benefits upon the University.
- **University of Florida Investment Corporation*** promotes the educational purposes of the University of Florida by providing investment research, advice, counsel, and management to and for the University Board of Trustees and affiliated organizations of the University.
- **UF Historic St. Augustine, Inc.**,* ensures the long-term preservation and interpretation of State-owned historic properties in St. Augustine.
- **Cattle Enhancement Board, Inc.**,* promotes research, education, and extension at, or for the benefit of, the Institute of Food and Agricultural Sciences at the University of Florida on issues related to the Florida cattle industry, including, but not limited to production, disease prevention, forage development, and genetic research and technology.

D. HEALTH SCIENCE CENTER AFFILIATES

The corporations listed below, except Faculty Clinic, Inc., are Faculty Practice Plans, as provided for in Board of Governors Regulation 9.017. The Faculty Practice Plans provide educationally oriented clinical practice settings and opportunities through which faculty members provide health, medical, veterinary, and dental care to patients as an integral part of their academic activities and their employment as faculty. Because these faculty practice activities generate income, the colleges are authorized to regulate fees generated from faculty practice and maintain Faculty Practice Plans for the orderly collection and distribution of fees. These organizations provide significant support for the clinical instruction function of the University of Florida J. Hillis Miller Health Science Center (JHMHC) and are component units of the University of Florida.

- **Florida Clinical Practice Association, Inc.**, bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Medicine.
- **University of Florida Jacksonville Physicians, Inc.**, bills and collects professional fees from the clinical practice of the University of Florida physicians in order to fund and promote the educational, clinical and research missions, and support the clinical activities, of the Jacksonville campus of the College of Medicine.
- **Faculty Associates, Inc.**, bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Dentistry.
- **Florida Veterinary Medicine Faculty Association, Inc.**, bills and collects clinical professional fees to support the educational, research, and service programs of the University of Florida College of Veterinary Medicine.

- **University of Florida College of Pharmacy Faculty Practice Association, Inc.**, performs billing and collection of fees to support the educational, research, and service programs of the University of Florida College of Pharmacy.
- **Faculty Clinic, Inc.**,* operates primarily as a facility management company that leases space to Shands Jacksonville and University of Florida Jacksonville Physicians, Inc.
- **University of Florida College of Nursing Faculty Practice Association, Inc.**,* performs billing and collection of professional fees to support the educational, research, and service programs of the University of Florida College of Nursing.
- **Florida Health Professions Association, Inc.**,* performs billing and collection of clinical professional fees to support the educational, research, and service programs of the University of Florida College of Public Health and Health Professions.

E. SHANDS HOSPITAL AND OTHERS

- **Shands Teaching Hospital and Clinics, Inc.**, (Shands) was incorporated October 15, 1979, as a not-for-profit corporation. Shands, a major tertiary care teaching institution, is a leading referral center in the State of Florida and the southeast United States and facilitates medical education programs at the University.

Shands entered into a contractual agreement with the State Board of Education as of July 1, 1980, as subsequently restated and amended, to provide for the use of hospital facilities at the JHMHC through December 31, 2057, with renewal provisions. The contractual agreement also provides for the transfer to Shands of all other assets and liabilities arising from the operation of the hospital facilities prior to July 1, 1980. At termination of the contractual agreement, the net position of Shands reverts to the State Board of Education. Legal title to all buildings and improvements transferred to Shands remains with the State of Florida during the term of the contractual agreement. The contractual agreement provides for a 12-month grace period for any event of default, other than the bankruptcy of Shands. In addition, the contractual agreement limits the right of the State Board of Education to terminate the contractual agreement solely to the circumstance in which Shands declares bankruptcy and, in such event, requires net revenues derived from the operation of the hospital facilities to continue to be applied to the payment of Shands' debts.

Under the terms of the contractual agreement, Shands is obligated to manage, operate, maintain, and insure the hospital facilities in support of the programs of the JHMHC and further agrees to contract with the State Board of Education for the provision of these programs. By operation of law, the Trustees have become the successor-in-interest to the State Board of Education.

- **Shands Jacksonville HealthCare, Inc.**, (Shands Jacksonville) is a Florida not-for-profit corporation. Shands Jacksonville was organized primarily to provide healthcare and related services to the community, including the City of Jacksonville and surrounding counties, and to support the teaching and research missions of the University.
- **University of Florida Self-Insurance Program** (the Program) was created by the Florida Board of Regents, succeeded by the Florida Board of Governors, pursuant to Section 1004.24, Florida Statutes. The Program provides comprehensive general liability and professional liability (malpractice) coverage for the University of Florida and affiliated teaching hospitals that provide education in healthcare or veterinary services.
- **University of Florida Healthcare Education Insurance Company** (HEIC) was created on September 1, 1994, as a self-insurance mechanism created pursuant to Section 1004.24, Florida Statutes. HEIC writes coverage for the participants in the Self-Insurance Program (the Program) for loss exposure above the Program's retention. HEIC obtains excess loss reinsurance coverage from commercial insurance carriers for certain layers of exposure.

F. BASIS OF PRESENTATION

The University's accounting policies conform with accounting principles generally accepted in the United States of America applicable to public colleges and universities as prescribed by GASB. The National Association of College and University Business Officers (NACUBO) also provides the University with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB). GASB allows public universities various reporting options. The University has elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and entity-wide reporting including the following components:

- Management's Discussion and Analysis
- Basic Financial Statements:
 1. Statement of Net Position
 2. Statement of Revenues, Expenses, and Changes in Net Position
 3. Statement of Cash Flows
 4. Notes to the Financial Statements
- Other Required Supplementary Information

G. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues, expenses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The University and its component units' financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The University and its component units follow GASB standards of accounting and financial reporting.

Significant interdepartmental sales between auxiliary service departments and other institutional departments have been eliminated from revenues and expenses for reporting purposes.

The University's principal operating activities consist of instruction, research, and public service. Operating revenues and expenses generally include all fiscal transactions directly related to these activities as well as administration, operation, and maintenance of capital assets and depreciation on capital assets. Nonoperating revenues include State noncapital appropriations, Federal and State student financial aid, and investment income. Interest on capital asset-related debt is a nonoperating expense. Other revenues generally include revenues for capital construction projects.

The Statement of Net Position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the University's policy to first apply the restricted resources to such programs, followed by the use of the unrestricted resources.

The Statement of Revenues, Expenses, and Changes in Net Position is presented by major sources and is reported net of tuition scholarships, discounts, and allowances. Tuition scholarships, discounts, and allowances are the differences between the stated charge for goods and services provided by the University and the amount that is actually paid by a student or a third-party making payments on behalf of the student. The University applied the “Direct Method” as prescribed in NACUBO Advisory Report 2023-01 to determine the reported net tuition scholarship allowances. Under this method, the University computes these amounts by allocating the cash payments to students, excluding payments for services, using a high-level estimation by fiscal year.

The Statement of Cash Flows is presented using the direct method in compliance with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

H. CASH AND CASH EQUIVALENTS

The amount reported by the University as cash and cash equivalents consists of cash on hand and cash in demand accounts. University cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida’s multiple financial institution collateral pool required by Chapter 280, Florida Statutes. Cash and cash equivalents that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets or other restricted assets, are classified as restricted.

I. INVESTMENTS AND FAIR VALUE MEASUREMENT

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The University reports certain investments at net asset value as allowed per GASB Statement No. 72, *Fair Value Measurement and Application*.



J. CAPITAL ASSETS

University capital assets consist of land, construction in progress, works of art and historical treasures, buildings, infrastructure and other improvements, furniture and equipment, library resources, leasehold improvements, right-to-use lease assets, subscription-based information technology arrangements (SBITAs), computer software, and other capital assets. These assets are capitalized and recorded at cost at the date of acquisition or at estimated fair value on the date received in the case of gifts and purchases of State surplus property. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The University has a capitalization threshold of \$4 million for intangible assets, which includes computer software, \$10,000 for tangible personal property, and \$250 for library resources. The costs of all new buildings and projects adding new square footage are capitalized. Infrastructure and leasehold improvements have a \$250,000 capitalization threshold. For building renovations, the threshold is \$250,000, or the entire amount if the costs are at least 25% of the cost basis of the building. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Buildings – 5 to 50 years, depending on construction
- Infrastructure and Other Improvements – 10 to 50 years
- Furniture and Equipment – 3 to 20 years
- Library Resources – 10 years
- Leasehold Improvements – up to 50 years
- Right-to-Use Lease Assets – 5 to 50 years or the term of the lease, whichever is shorter
- SBITAs and Computer Software – 5 years

K. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of capital improvement debt payable, loans and notes payable, installment purchase agreements payable, leases payable, SBITA payable, compensated absences payable, other postemployment benefits payable, net pension liabilities, and other noncurrent liabilities that are not scheduled to be paid within the next fiscal year. Capital improvement debt payable is reported net of unamortized premiums or discounts and losses on refunding. The University amortizes debt premiums and discounts over the life of the debt using the straight-line method. Losses on refunding are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method.

L. LEASES

Leases consist of contracts that convey control of the right-to-use an underlying asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The University recognizes an intangible right-to-use lease asset and lease liability when it is the lessee party to a contract. The expected payments are discounted using an estimated incremental borrowing rate. The University applies a materiality threshold of \$5,000 for equipment and \$100,000 for space based on the annualized value of each lease. The University calculates the lease liability as the present value of payments expected to be made during the lease term (less any lease incentives) using an estimated incremental borrowing rate. The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term. Lease amounts are amortized over the contract term.

M. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

SBITAs consist of contracts that convey the right-to-use information technology software — an intangible asset — for a term exceeding 12 months. The University recognizes a right-to-use asset and a corresponding subscription liability. The University applies a materiality threshold of \$4 million based on the present value of expected payments for each arrangement using an estimated incremental borrowing rate. The intangible asset is measured at the amount of the initial measurement of the SBITA liability.

N. PENSIONS

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and HIS fiduciary net positions have been determined on the same basis as they are reported by the FRS and the HIS plans. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

2. Accounting Changes and Adjustment to Beginning Net Position

The University implemented GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences and requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The adoption of this statement did not have a material impact on the consolidated basic financial statements.

The beginning net positions of The University Athletic Association, Inc. and Gator Boosters, Inc. were decreased by \$1,148,130 and \$93,682 respectively due to the retroactive application of GASB Statement No. 101 for fiscal year 2024. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the consolidated basic financial statements include the financial position and changes in financial position and cash flows of The University Athletic Association, Inc. and Gator Boosters, Inc. as if the application occurred at the beginning of the earliest period presented. The University Athletic Association, Inc. and Gator Boosters, Inc. recognized, measured and combined the assets, deferred outflows, liabilities, deferred inflows and net position of The University Athletic Association, Inc. and Gator Boosters, Inc. based upon GASB accounting principles applied at July 1, 2024.

Table 1 summarizes the adjustment to the beginning net position reported in the University Athletic Association, Inc. and Gator Boosters, Inc. columns of the Statement of Revenues, Expenses, and Changes in Net Position:

Description	Direct-Support Organizations	
The University Athletic Association, Inc.	\$	1,148,130
Gator Boosters, Inc.		93,682
Total Adjustment to Beginning Net Position	\$	1,241,812

3. Investments

Section 1011.42(5), Florida Statutes, authorizes universities to invest funds with the State Treasury and State Board of Administration (SBA), and requires that universities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The Trustees have adopted a written investment policy providing that surplus funds of the University shall be invested in those institutions and instruments permitted under the provisions of Florida Statutes. Pursuant to Section 218.415(16), Florida Statutes, the University is authorized to invest in the Florida PRIME investment pool administered by the SBA; interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the Trustees, as authorized by law. Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted. Investments of the University and its component units at June 30, 2025, are reported at fair value and shown in Tables 2 through 7.

TABLE 2. UNIVERSITY INVESTMENTS				
Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pool:				
State Treasury Special Purpose Investment Account	\$ 359,551,548	\$ -	\$ -	\$ 359,551,548
State Board of Administration Debt Service Accounts	111,520	111,520	-	-
Total Investments by Fair Value Level	359,663,068	\$ 111,520	\$ -	\$ 359,551,548
Investments Measured at the Net Asset Value (NAV)				
Private Equity Funds	2,421,010,094			
Investments at Amortized Cost				
SBA Florida Prime	734,065,747			
Total University Investments	\$ 3,514,738,909			

TABLE 3. UNIVERSITY INVESTMENTS MEASURED AT NAV				
Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Private Equity Funds	\$ 2,421,010,094	\$ -	N/A	N/A

University investments measured at net asset value are comprised of the following category:

- **Private Equity Funds** – This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

TABLE 4. COMPONENT UNIT INVESTMENTS				
Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
External Investment Pools:				
State Treasury Special Purpose Investment Account	\$ 24,864,421	\$ -	\$ -	\$ 24,864,421
Commercial Paper	5,210,595	-	5,210,595	-
U.S. Guaranteed Obligations	52,352,383	52,121,878	230,505	-
Federal Agencies	12,139,783	503,950	11,635,833	-
Domestic Bonds and Notes	90,750,826	36,545,844	54,204,982	-
Domestic Stock	8,129,644	8,096,073	33,571	-
Swap Contracts	1,041,777	-	-	1,041,777
Bond Mutual Funds	232,383,708	128,840,017	103,543,691	-
Equity Mutual Funds	190,286,024	104,191,844	76,303,418	9,790,762
Other Investments	2,641,405	349,390	-	2,292,015
Real Estate Investments Not Measured at NAV	4,042,000	4,042,000	-	-
Total Investments by Fair Value Level	623,842,566	\$ 334,690,996	\$ 251,162,595	\$ 37,988,975
Investments Measured at the Net Asset Value (NAV)				
International Equity	583,732			
Short-term Investments	72,624,489			
Real Estate Investments (Directly Owned)	2,533,565			
Private Equity Funds	<u>3,878,002,966</u>			
Total Investments Measured at the NAV	<u>3,953,744,752</u>			
Total Investments Measured at Fair Value	<u>4,577,587,318</u>			
Other				
Money Market Funds	22,474,878			
Cash Surrender Value of Life Insurance	538,394			
Certificates of Deposits	94,000			
Cash Collateral on Deposit with Swap Counter Party	30,738,187			
Other Investments	<u>11,370,881</u>			
Total Other Investments	<u>65,216,340</u>			
Total Component Unit Investments	<u>\$ 4,642,803,658</u>			

Component unit investments measured at net asset value are comprised of the following categories:

- **International Equity** – This category includes an investment in a foreign-based publicly-traded company focused on providing law enforcement with new tools and technology.
- **Real Estate Investments** – This category includes an investment in the form of real estate with donor restrictions. The real estate is held at fair value less estimated costs to sell.
- **Private Equity Funds** – This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.
- **Short-Term Investment** – This category includes investment in a short term pooled investment program for government entities.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
International Equity	\$ 583,732	\$ -	ILLIQUID	N/A
Short-Term Investments	72,624,489	-	N/A	N/A
Real Estate Investments	2,533,565	-	ILLIQUID	N/A
Private Equity Funds	<u>3,878,002,966</u>	<u>355,076,444</u>	Monthly	30 days
Total Investments Measured at the NAV	<u>\$ 3,953,744,752</u>	<u>\$ 355,076,444</u>		

A. EXTERNAL INVESTMENT POOLS

The University and its discretely presented component units reported investments at fair value totaling \$359,551,548 and \$24,864,421 respectively, at June 30, 2025, in the State Treasury Special Purpose Investment Account (SPIA) investment pool, representing ownership of a share of the pool, not the underlying securities. Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, Florida Statutes. The authorized investment types are set forth in Section 17.57, Florida Statutes. The SPIA investment pool carried a credit rating of AA-f by Standard & Poor’s and had an effective duration of 3.33 years and fair value factor of 1.0030 at June 30, 2025. Participants contribute to the SPIA investment pool on a dollar basis. These funds are commingled, and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed, and a total pool fair value is determined. A fair value factor is calculated by dividing the pool’s total fair value by the pool participant’s total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant’s pool balance. The University relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury investment pool are included in the notes to the financial statements of the State’s Annual Comprehensive Financial Report.

At June 30, 2025, the University reported investments totaling \$734,065,747 in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The University’s investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The Florida PRIME investment pool carried a credit rating of AAAM by Standard & Poor’s and had a weighted-average days to maturity (WAM) of 47 days as of June 30, 2025. A portfolio’s WAM reflects the average maturity in days, based on final maturity or reset date, in the case of floating-rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in the Florida PRIME investment pool are reported at amortized cost.

Section 218.409(8)(a), Florida Statutes, provides that “the principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the SBA can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the executive director until the trustees are able to meet to review the necessity for the moratorium. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.” As of June 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

B. OTHER INVESTMENTS

In addition to external investment pools, the University and its discretely presented component units invested in various debt and equity securities, money market funds, and mutual funds. For the University, the majority of the other investments are private equity funds managed by the University of Florida Investment Corporation (UFICO). For the University’s discretely presented component units, other investments are those reported primarily by the University of Florida Foundation, Inc., The University Athletic Association, Inc., Florida Clinical Practice Association, Inc., Shands Teaching Hospital and Clinics, Inc., Shands Jacksonville HealthCare, Inc., and the University of Florida Self-Insurance Program. The following risks apply to the University’s and its discretely presented component units’ investments other than external investment pools:

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), Florida Statutes, the University’s investments in securities must provide sufficient liquidity to pay obligations as they come due.



Investments of the University’s component units in debt securities, bonds and notes, and bond mutual funds, and their future maturities at June 30, 2025, are shown in Table 6.

TABLE 6. COMPONENT UNITS DEBT INVESTMENT MATURITIES					
Types of Investments	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
United States Government and Federally-Guaranteed Obligations	\$ 52,352,383	\$ 52,121,878	\$ 230,505	\$ -	\$ -
Federal Agency Obligations	12,139,783	12,139,783	-	-	-
Bonds and Notes	90,750,826	8,057,826	778,000	-	81,915,000
Bond Mutual Funds	232,383,708	17,231,491	199,843,482	15,308,735	-
Total	\$ 387,626,700	\$ 89,550,978	\$ 200,851,987	\$ 15,308,735	\$ 81,915,000

- Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the United States Government or obligations explicitly guaranteed by the United States Government are not considered to have credit risk and do not require disclosure of credit quality. The private equity funds are unrated. At June 30, 2025, the University’s component units had bonds and notes and bond mutual funds, with quality ratings by nationally recognized rating agencies (e.g., Moody’s Investors Service), as shown in Table 7.

TABLE 7. COMPONENT UNITS DEBT INVESTMENTS QUALITY RATINGS					
Types of Investments	Fair Value	AAA/Aaa	AA/Aa	A/Ba	Less than A/Ba or Not Rated
Federal Agency Obligations	\$ 12,139,783	\$ 2,521,933	\$ 7,210,561	\$ 503,950	\$ 1,903,339
Bonds and Notes	90,750,826	3,889,769	2,513,844	1,798,538	82,548,675
Money Market Funds	22,474,878	3,331,559	-	1,122,319	18,021,000
Bond Mutual Funds	232,383,708	-	210,426,868	8,150,101	13,806,739
Total	\$ 357,749,195	\$ 9,743,261	\$ 220,151,273	\$ 11,574,908	\$ 116,279,753

- Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, 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. Exposure to custodial credit risk relates to investment securities that are held by someone other than the University and are not registered in the University’s name. The University has no formal policy on custodial credit risk. The component units manage their custodial credit risk based on various investment policies, which may be obtained separately from the component units.
- Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the University’s investments in a single issuer. The University has no formal policy on concentration of credit risk. The component units manage their concentration of credit risk based on various investment policies, which may be obtained separately from the component units.

4. Receivable

A. ACCOUNTS RECEIVABLE

Accounts receivable represent amounts for grant and contract reimbursements due from third parties, student tuition and fees, various sales and services provided to students and third parties, and interest accrued on investments and loans receivable. Accounts receivable, net of an allowance for uncollectible accounts, reported as of June 30, 2025, are summarized in Table 8.

Description		
Grants and Contracts	\$	123,196,737
Student Tuition and Fees		24,169,735
Sales and Services		6,475,353
Interest		1,227,808
Total Accounts Receivable, Net	\$	155,069,633

B. LOANS AND NOTES RECEIVABLE

Loans and notes receivable represent all amounts owed on promissory notes from debtors, including student loans made under the Federal Perkins Loan Program and other loan programs.

C. ALLOWANCES FOR UNCOLLECTIBLE RECEIVABLES

Allowances for uncollectible accounts and loans and notes receivable are reported based upon management's best estimate as of fiscal year-end, considering type, age, collection history, and other factors considered appropriate. Accounts receivable for student tuition and fees, various sales and services provided to students and third parties, and interest are reported net of an allowance of \$6,343,266 which is 16.6% of total related accounts receivable. Loans and notes receivable are reported net of an allowance of \$1,192,047 which is 8.3% of total related loans and notes receivable. No allowance has been accrued for grants and contracts receivable. University management considers these to be fully collectible.

5. Due From State

This amount consists of \$697,124,248 of Public Education Capital Outlay, Capital Improvement Fee Trust Fund, and general revenue allocations due from the State to the University for construction of University facilities.

6. Due From and To Component Units/University

Component units' due from and due to amounts include receivables and payables between the various component unit columns. Some component units are not presented (see Note 1). Accordingly, amounts reported by the University as due from and to component units on the Statement of Net Position may not agree with amounts reported by the component units as due from and to the University.

7. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2025, is presented in Table 9.

TABLE 9. CAPITAL ASSETS					
Description	Beginning Balance	Adjustments ¹	Additions	Reductions	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 36,173,581	\$ -	\$ 37,350,605	\$ -	\$ 73,524,186
Construction in Progress	406,334,324	-	330,825,645	270,807,517	466,352,452
Intangibles Work in Progress	-	-	10,821,434	-	10,821,434
Works of Art and Historical Treasures	4,413,672	-	210,965	-	4,624,637
Total Nondepreciable Capital Assets	446,921,577	-	379,208,649	270,807,517	555,322,709
Depreciable Capital Assets:					
Buildings	3,852,046,284	-	246,999,557	121,635,131	3,977,410,710
Infrastructure and Other Improvements	172,670,383	-	22,650,105	-	195,320,488
Furniture and Equipment	932,475,114	-	107,556,293	28,580,682	1,011,450,725
Library Resources	400,277,893	-	6,881,379	-	407,159,272
Leasehold Improvements	20,550,325	-	1,157,855	-	21,708,180
Right-to-Use Lease Assets	16,133,797	-	6,074,290	1,579,266	20,628,821
Subscription-Based Information Technology Arrangements	11,324,303	-	-	-	11,324,303
Computer Software	62,886,853	-	-	-	62,886,853
Other Capital Assets	2,294,872	-	63,500	246,330	2,112,042
Total Depreciable Capital Assets	5,470,659,824	-	391,382,979	152,041,409	5,710,001,394
Less Accumulated Depreciation:					
Buildings	2,053,450,031	-	109,102,626	112,563	2,162,440,094
Infrastructure and Other Improvements	109,415,711	2,056	7,362,733	-	116,780,500
Furniture and Equipment	638,362,443	-	60,150,443	27,009,416	671,503,470
Library Resources	360,080,452	-	9,155,638	-	369,236,090
Leasehold Improvements	9,538,772	-	905,417	-	10,444,189
Right-to-Use Lease Assets	7,452,108	-	3,053,855	640,025	9,865,938
Subscription-Based Information Technology Arrangements	3,430,743	-	2,182,679	-	5,613,422
Computer Software	62,886,853	-	-	-	62,886,853
Other Capital Assets	1,560,212	-	222,075	208,868	1,573,419
Total Accumulated Depreciation	3,246,177,325	2,056	192,135,466	27,970,872	3,410,343,975
Total Depreciable Capital Assets, Net	2,224,482,499	(2,056)	199,247,513	124,070,537	2,299,657,419
Total Capital Assets, Net	\$ 2,671,404,076	\$ (2,056)	\$ 578,456,162	\$ 394,878,054	\$ 2,854,980,128

(1) Infrastructure and other improvements were revised to reflect the University's reassessment of the assets' carrying value.

8. Museum and Art Collections

The Florida Museum of Natural History, which is the official State-sponsored and chartered natural history museum and part of the University, maintains a depository of biological, paleontological, archaeological, and ethnographic materials. The Museum's collections contain over 40 million specimens and objects, more than half of which are catalogued, either individually or in lots. While many of the collections are undoubtedly quite valuable and irreplaceable, the University has not placed a dollar value on these items and, accordingly, the financial statements do not include these assets.

The Samuel P. Harn Museum of Art, which is also part of the University, maintains a collection of over 13,000 works of art. In accordance with professional practice among the nation's art museums, and in compliance with museum accreditation standards, the University has not placed a dollar value on these items.

9. Deferred Outflows/Inflows of Resources

Certain changes in the University's proportionate share of the net pension liabilities of the cost-sharing multiple-employer Florida Retirement System and Health Insurance Subsidy defined benefit plans, as well as in the University's proportionate share of the total other postemployment benefits liability of the Division of State Group Insurance, are reported as deferred outflows and inflows of resources. These include changes in actuarial assumptions, differences between actual and expected experience in the measurement of the liabilities, the net difference between projected and actual earnings on pension plan investments as well as changes in the University's proportion of the collective liabilities since the prior measurement date, and changes between the University's contributions and its proportionate share of contributions. In addition, University contributions to the pension and other postemployment benefits plans subsequent to the measurement date for the collective liabilities are reported as deferred outflows of resources. See Note 11 for a discussion of the University's other postemployment benefits payable and the related deferred outflows and inflows of resources. See Note 12 for a complete discussion of the University's defined benefit pension plans and the related deferred outflows and inflows of resources. Other deferred outflows consist of the resources tied to the asset retirement obligation recorded by the University under GASB Statement No. 83. See Note 11 for a complete discussion of the University's asset retirement obligation and the related deferred outflows.

10. Unearned Revenue

Unearned Revenue includes amounts received prior to the end of the fiscal year but related to subsequent accounting periods. Unearned Revenue as of June 30, 2025, is summarized in Table 10.

Description		
Grants and Contracts	\$	43,139,343
Auxiliary Enterprises		6,013,903
Student Tuition and Fees		6,033,406
Total Unearned Revenue	\$	55,186,652

11. Long-Term Liabilities

Long-term liabilities of the University at June 30, 2025, include capital improvement debt payable, loans and notes payable, installment purchase agreements payable, leases payable, subscription arrangements payable, compensated absences payable, other postemployment benefits payable, net pension liability, and other noncurrent liabilities. Long-term liability activity for the fiscal year ended June 30, 2025, is presented in Table 11.

Description	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Capital Asset-Related Debt:					
Capital Improvement Debt Payable	\$ 394,454,826	\$ -	\$ 17,949,655	\$ 376,505,171	\$ 16,380,000
Loans and Notes Payable	22,124,280	2,000,000	22,124,280	2,000,000	400,000
Installment Purchase Agreements Payable	1,969,942	19,577,352	1,471,180	20,076,114	1,181,882
Leases Payable	9,104,722	5,706,052	3,813,913	10,996,861	3,416,279
Subscription Arrangements Payable	7,100,448	-	2,142,370	4,958,078	2,206,433
Total Capital Asset-Related Debt	434,754,218	27,283,404	47,501,398	414,536,224	23,584,594
Other Long-Term Liabilities:					
Compensated Absences Payable	156,086,968	19,721,328	-	175,808,296	17,195,381
Other Postemployment Benefits Payable	861,415,423	317,809,474	51,039,846	1,128,185,051	31,357,481
Net Pension Liability	951,654,179	315,409,263	392,119,175	874,944,267	-
Other Noncurrent Liabilities	11,126,000	177,000	91,000	11,212,000	-
Total Long-Term Liabilities	\$ 2,415,036,788	\$ 680,400,469	\$ 490,751,419	\$ 2,604,685,838	\$ 72,137,456

(1) The change in compensated absences payable is presented as a net change



A. CAPITAL IMPROVEMENT DEBT PAYABLE

Capital improvement debt is issued to construct student housing, parking, and various other University facilities. The outstanding debt for student housing and the parking facilities is secured by a pledged portion of housing rental revenues and parking fees. The outstanding debt for the Clinical Translational Research Building is secured by a pledged portion of indirect cost revenues received by the College of Medicine. The outstanding debt for the renovation and expansion of the student activity center building is secured by a pledged portion of the student and activity fees. Pledged revenues are equal to the remaining debt service requirements to maturity for the capital improvement debt.

A summary of the University's capital improvement debt payable at June 30, 2025, is presented in Table 12.

TABLE 12. CAPITAL IMPROVEMENT DEBT PAYABLE					
Type and Series	Amount of Original Issue	Amount Outstanding		Interest Rates	Maturity Date
		Principal	Interest		
Student Housing Auxiliary Debt:					
2016A Housing	\$ 19,390,000	\$ 8,205,000	\$ 889,400	3.000 to 5.000%	2030
2021A Housing	215,550,000	210,915,000	95,424,738	2.250 to 5.000%	2051
2021B Housing	17,240,000	10,580,000	1,771,250	5.000%	2031
2023A Housing	10,555,000	8,880,000	2,120,500	5.000%	2033
Total Student Housing Debt	262,735,000	238,580,000	100,205,888		
Parking Garage Auxiliary Debt:					
2018A Parking	39,070,000	26,740,000	7,581,800	4.000 to 5.000%	2039
Total Parking Garage Debt	39,070,000	26,740,000	7,581,800		
Other University of Florida Revenue Bonds:					
2020A Clinical Translational Research Building	19,025,000	9,832,000	420,982	1.540%	2030
2023A Student Activity	22,290,000	18,660,000	4,437,250	5.000%	2033
2023A Research (Taxable)	10,680,000	9,830,000	2,617,000	5.000%	2034
2023B Research (Non-Taxable)	39,150,000	39,150,000	33,142,400	4.000 to 5.000%	2053
Total Other University of Florida Revenue Bonds	91,145,000	77,472,000	40,617,632		
Plus: Unamortized Premiums	-	31,895,560	-		
Plus: Unamortized Refunding Gains	-	1,817,611	-		
Total Capital Improvement Debt	\$ 392,950,000	\$ 376,505,171	\$ 148,405,320		

Annual requirements to amortize all capital improvement debt outstanding as of June 30, 2025, are presented in Table 13.

TABLE 13. CAPITAL IMPROVEMENT DEBT PAYABLE - PRINCIPAL & INTEREST					
Fiscal Year Ending June 30	Principal		Interest		Total
2026	\$	16,380,000	\$	12,545,839	\$ 28,925,839
2027		17,143,000		11,789,497	28,932,497
2028		17,908,000		11,028,036	28,936,036
2029		16,536,000		10,266,396	26,802,396
2030		17,265,000		9,536,337	26,801,337
2031-35		61,470,000		37,917,823	99,387,823
2036-40		55,935,000		26,655,423	82,590,423
2041-45		56,045,000		17,946,060	73,991,060
2046-50		64,315,000		9,677,934	73,992,934
2051-53		19,795,000		1,041,975	20,836,975
Total Principal & Interest		342,792,000		148,405,320	491,197,320
Plus: Unamortized Premiums		31,895,560		-	31,895,560
Plus: Unamortized Refunding Gains		1,817,611		-	1,817,611
Total	\$	376,505,171	\$	148,405,320	\$ 524,910,491

B. LOANS AND NOTES PAYABLE

On July 1, 2024 the University borrowed \$2,000,000 at an interest rate of 5.33% to finance the construction, renovation and remodeling of the Architecture building. The University’s outstanding note is secured with collateral of gift agreements that are related to the project. The note contains a provision that in an event of default, the entire principal amount and any accrued interest shall immediately become due and payable. The note matures on July 1, 2029; principal repayments are made annually and interest payments are made monthly.

Annual requirements to amortize the note as of June 30, 2025, are presented in Table 14.

TABLE 14. LOANS AND NOTES PAYABLE – PRINCIPAL & INTEREST					
Fiscal Year Ending June 30	Principal		Interest		Total
2026	\$	400,000	\$	87,057	\$ 487,057
2027		400,000		65,737	465,737
2028		400,000		44,417	444,417
2029		400,000		23,097	423,097
2030		400,000		1,777	401,777
Total	\$	2,000,000	\$	222,085	\$ 2,222,085

C. INSTALLMENT PURCHASE AGREEMENTS PAYABLE

The University has entered into several installment purchase agreements for the purchase of buildings and equipment totaling \$31,818,695. The imputed interest rates ranged from 1.19% to 6.45%. The installment purchases contain a provision that, in an event of default, outstanding amounts become immediately due if the University is unable to make payment. Future minimum principal payments remaining under installment purchase agreements as of June 30, 2025, are presented in Table 15.

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 1,181,882	\$ 681,217	1,863,099
2027	1,027,062	641,872	1,668,934
2028	1,067,617	601,317	1,668,934
2029	1,109,903	559,014	1,668,917
2030	1,117,899	514,878	1,632,777
2031-35	4,998,006	2,030,047	7,028,053
2036-40	5,893,547	1,134,506	7,028,053
2041-43	3,680,198	185,232	3,865,430
Total Minimum Payments	\$ 20,076,114	\$ 6,348,083	\$ 26,424,197

D. LEASES PAYABLE

The University leases equipment and space from external parties for various terms under long-term lease agreements. The leases expire at various dates through 2036 with renewal options available ranging from 1 to 15 years. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the lease 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's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The University does not have any leases featuring payments tied to an index or market rate, or any leases subject to a residual value guarantee. See Note 7 Capital Assets for information on right-to-use assets and the associated accumulated depreciation. Leases payable for the fiscal year ended June 30, 2025, are presented in Table 16:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 3,416,279	\$ 390,116	3,806,395
2027	2,657,221	275,365	2,932,586
2028	1,320,592	198,769	1,519,361
2029	1,078,533	146,995	1,225,528
2030	831,367	94,758	926,125
2031-35	1,676,338	115,342	1,791,680
2036	16,531	269	16,800
Total	\$ 10,996,861	\$ 1,221,614	\$ 12,218,475

E. SUBSCRIPTION ARRANGEMENTS PAYABLE

The University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which establishes a right-to-use subscription asset- an intangible asset—and a corresponding subscription liability. The statement provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. See Note 7 Capital Assets for information on right-to-use subscription assets and the associated accumulated depreciation. Future minimum payments under subscription arrangements payable for the fiscal year ended June 30, 2025, are presented in Table 17:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 2,206,433	\$ 210,274	2,416,707
2027	570,506	121,898	692,404
2028	644,248	96,624	740,872
2029	724,649	68,084	792,733
2030	812,242	35,982	848,224
Total	\$ 4,958,078	\$ 532,862	5,490,940

F. COMPENSATED ABSENCES PAYABLE

Employees earn the right to be compensated during absences for annual leave (vacation) and sick leave earned pursuant to Board of Governors Regulations, University Regulations, and bargaining agreements. Leave earned is accrued to the credit of the employee and records are kept on each employee’s unpaid (unused) leave balance. Compensated absences are estimated and accrued as liabilities to the extent that it is more likely than not that the leave will be used for time off or otherwise paid in cash or settled through noncash means. The University reports a liability for the accrued leave in accordance with its policy regarding leave payment upon separation from employment. However, State noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the University expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations.

At June 30, 2025, the estimated liability for compensated absences, which includes the University’s share of the Florida Retirement System and FICA contributions, totaled \$175,808,296. The current portion of the compensated absences liability, \$17,195,381, is the amount expected to be paid in the coming fiscal year and is based on actual payouts over the last three years, calculated as a percentage of those years’ total compensated absences liability.

G. OTHER POSTEMPLOYMENT BENEFITS PAYABLE

The University follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain postemployment healthcare benefits administered by the Florida Department of Management Services, Division of State Group Insurance.

General Information about the OPEB Plan

- Plan Description** – The Division of State Group Insurance’s Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit health plan administered by the State of Florida. Pursuant to the provisions of Section 112.0801, Florida Statutes, all employees who retire from the University are eligible to participate in the OPEB Plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. A retiree means any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a “retiree” if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. The University subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because retiree healthcare costs are generally greater than active employee healthcare costs. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The OPEB Plan contribution requirements and benefit terms necessary for funding the OPEB Plan each year is on a pay-as-you-go basis as established by the Governor’s recommended budget and the General Appropriations Act. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.
- Benefits Provided** – The OPEB Plan provides healthcare benefits for retirees and their dependents. The OPEB Plan only provides an implicit subsidy as described above.

Proportionate Share of the Total OPEB Liability

The University’s proportionate share of the total OPEB liability of \$1,128,185,051 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024. At June 30, 2024, the University’s proportionate share, determined by its proportion of total benefit payments made, was 11.06%, which increased by 0.77% from its proportionate share measured as of June 30, 2023.

- Actuarial Assumptions and Other Inputs** – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified, as presented in Table 18.

TABLE 18. ACTUARIAL ASSUMPTIONS – OPEB	
Inflation	2.40%
Salary Increases	Varies by FRS Class
Discount Rate	4.21%

Healthcare cost trend rates for the Preferred Provider Organizations (PPO) and Health Maintenance Organizations (HMO), respectively, are 7.86% and 7.68% for the 2024-25 fiscal year, decreasing to a rate of 7.83% and 7.59% in the 2025-26 fiscal year, and decreasing to 4.00% and 4.00% for 2074-75 and later fiscal years.

Retiree premium trend rates for both the PPO and HMO plans are 7.8% for the 2024-25 fiscal year, decreasing to a rate of 7.7% for 2025-26 fiscal year, and gradually decreasing to 4.0% for the 2074-75 and later fiscal years.

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index. Mortality rates were based on the Pub-2010 mortality Tables with fully generational improvement with Scale MP-2018.

While an experience study has not been completed for the OPEB Plan, the actuarial assumptions that determined the total OPEB liability for the OPEB Plan were based on certain results of the most recent experience study for the FRS Plan.

The following changes have been made since the prior valuation:

- Census Data—The census data reflects changes in status for the twenty-four month period since July 1, 2022.
- DROP Participation Period—In conjunction with the passing of Senate Bill 7024, the maximum DROP participation period was extended from 60 months (5 years) to 96 months (8 years) for all groups.
- DROP Entry Window—There were previously constraints on when a member could enter DROP after becoming retirement eligible. These constraints were removed. This was also implemented due to Senate Bill 7024.
- Special Risk Eligibility for those Hired on and after July 1, 2011— Also included in Senate Bill 7024, eligibility was updated for this group. Previously, members became eligible at age 60 with 8 years of Credited Service or with 30 years of Credited service. Eligibility is now age 55 with 8 years of Credited Service or with 25 years of Credited Service.



- Retirement and DROP Participation Rates – In conjunction with the plan changes above associated with Senate Bill 7024, retirement rates and DROP entry rates were updated in alignment with the actuarial valuation of the Florida Retirement System (FRS) conducted by Milliman as of July 1, 2023.
 - Claims Costs and Premium Rates – The assumed claims and premiums reflect the actual claims information that was provided as well as the premiums that are actually being charged to participants. The recent claims experience along with changes in the demographics of the population resulted in pharmacy claims costs higher than projected and lower premium rates than expected. The net result was an increase in liabilities due to claims and premiums as of June 30, 2024.
 - Health Care Cost Aging Factors – Age-related claims were updated to use aging factors developed in a study completed by Dale Yamamoto for the Society of Actuaries. We believe these rates more accurately account for the way in which claims costs vary with age.
 - Trend Rate – We update the medical trend assumption each year based on the Getzen Model. We used medical trend rates consistent with the August 2024 Report on Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgement. The impact of the trend rate changes is a small increase in the liability, due primarily to higher trend rates in the first several years.
 - Discount Rate – The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB 75. The discount rate increased from 4.13% to 4.21%.
- **Sensitivity of the University’s Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate** – Table 19 presents the University’s proportionate share of the total OPEB liability, as well as what the University’s proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current rate:

TABLE 19. SENSITIVITY TO CHANGES IN DISCOUNT RATE - OPEB			
	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
University's Proportionate Share of the Total OPEB Liability	\$ 1,336,890,155	\$ 1,128,185,051	\$ 962,487,944

- **Sensitivity of the University’s Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – Table 20 presents the University’s proportionate share of the total OPEB liability, as well as what the University’s proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

TABLE 20. SENSITIVITY TO CHANGES IN HEALTHCARE COST TREND RATES - OPEB			
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
University's Proportionate Share of the Total OPEB Liability	\$ 946,046,024	\$ 1,128,185,051	\$ 1,366,816,279

- OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2025, the University recognized OPEB expense of \$47,684,376. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB as presented in Table 21.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 160,059,995	\$ 295,738,497
Differences Between Expected and Actual Experience	-	79,210,758
Changes in Proportion and Differences Between University Benefit Payments and Proportionate Share of Benefit Payments	83,758,928	9,182,278
Transactions Subsequent to the Measurement Date	32,042,935	-
Total	\$ 275,861,858	\$ 384,131,533

Of the total amount reported as deferred outflows of resources related to OPEB, \$32,042,935 resulting from transactions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability and included in OPEB expense in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as presented in Table 22.

Fiscal Year Ending June 30	
2026	\$ (49,610,917)
2027	(41,192,008)
2028	(22,598,676)
2029	(22,603,931)
2030	(19,408,710)
Thereafter	15,101,632
Total	\$ (140,312,610)

H. ASSET RETIREMENT OBLIGATION PAYABLE

The University follows GASB Statement No. 83, *Certain Asset Retirement Obligations*, to account for significant asset retirement obligations (AROs). These AROs are included as part of Other Noncurrent Liabilities in Table 11, and the total amount of the AROs for the University was \$11,212,000 as of June 30, 2025. The University’s AROs consist of radioactive and biohazardous tangible capital assets. The University utilizes governmental agency estimates and current remediation costs to estimate the AROs. The source of the obligations are Federal and State regulations, and there are no legally required funding or assurance provisions associated with the AROs. There are no assets restricted for payments of the AROs. The remaining useful lives of the tangible capital assets range from 25 to 50 years. The University amortizes the associated deferred outflows of resources associated with the AROs by applying the straight-line method over the estimated remaining useful lives of the assets.

12. Retirement Plans

A. DEFINED BENEFIT PENSION PLANS

The University follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employer's proportionate share of the net pension liabilities for the FRS and HIS defined benefit plans.

General information about the Florida Retirement System and Health Insurance Subsidy Program

The Florida Retirement System (FRS) was created in Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance. Chapter 121, Florida Statutes, also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the State as well as faculty and specified employees in the State university system.

Essentially all regular employees of the University are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined benefit plans, and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services website (www.dms.myflorida.com).

The University's pension expense totaled \$108,277,068 for the 2024-25 fiscal year for both the FRS Pension Plan and HIS Program.

1. Florida Retirement System Defined Benefit Pension Plan

- **Plan Description** – The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:
 - Regular Class – Members of the FRS who do not qualify for membership in the other classes.
 - Senior Management Service Class – Members in senior management level positions.
 - Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service, and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62, or at any age after 30 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, or at any age after 25 years of creditable service. All vested members enrolled in the Plan on or after July 1, 2011, are eligible for normal retirement benefits at age 65, or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 55, or at any age after 25 years of creditable service. Employees enrolled in the Plan may include up to four years of military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

The DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 96 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

- **Benefits Provided** – Benefits under the Plan are computed on the basis of age, and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits. Table 23 shows the percentage value for each year of service credit earned.

TABLE 23. PERCENTAGE VALUE OF SERVICE CREDIT EARNED PER YEAR	
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Senior Management Service Class	2.00%
Special Risk Class	
Service on and after October 1, 1974	3.00%

As provided in Section 121.101, Florida Statutes, if the member was initially enrolled in the Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3.00% per year. If the member was initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3.00%, determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement, multiplied by 3.00%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

- **Contributions** – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2024-25 fiscal year are shown in Table 24. The University’s contributions to the Plan totaled \$96,499,845 for the fiscal year ended June 30, 2025.

TABLE 24. FLORIDA RETIREMENT SYSTEM CONTRIBUTION RATES

Class	Percent of Gross Salary	
	Employee	Employer (1)
Florida Retirement System, Regular	3.00%	13.63%
Florida Retirement System, Senior Management Service	3.00%	34.52%
Florida Retirement System, Special Risk	3.00%	32.79%
Deferred Retirement Option Program-Applicable to Members from all of the Above Classes	0.00%	21.13%
Florida Retirement System, Reemployed Retiree	(2)	(2)

(1) Employer rates for each membership class include 2.00% for Health Insurance Subsidy. Also, employer rates, other than for DROP participants, include .06% for administrative costs of the Investment Plan.
 (2) Contribution Rates are dependent upon retirement class in which reemployed.

- **Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2025, the University reported a liability of \$626,129,524 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University’s proportionate share of the net pension liability was based on the University’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University’s proportionate share was 1.62%, which was a decrease of 0.11% compared to the proportionate share measured as of June 30, 2023.



For the year ended June 30, 2025, the University recognized a pension expense of \$94,814,055. At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions as presented in Table 25.

TABLE 25. DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS - FRS			
Description		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	63,255,892	\$ -
Change of Assumptions		85,816,776	-
Net Difference Between Projected and Actual Earnings on FRS Plan Investments		-	41,615,825
Changes in Proportion and Difference Between University Contributions and Proportionate Share of Contributions		15,907,417	31,737,124
University FRS Contributions Subsequent to the Measurement Date		96,499,845	-
Total	\$	261,479,930	\$ 73,352,949

The deferred outflows of resources related to pensions totaling \$96,499,845 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in Table 26.

TABLE 26. RECOGNITION OF DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS - FRS		
Fiscal Year Ending June 30		
2026		\$ (10,573,188)
2027		102,354,987
2028		2,803,324
2029		(6,605,036)
2030		3,647,049
Total	\$	91,627,136

- **Actuarial Assumptions** – The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as presented in Table 27.

TABLE 27. ACTUARIAL ASSUMPTIONS - FRS		
Inflation	2.40%	
Salary Increases	3.50%	Average, including inflation
Investment Rate of Return	6.70%	Net of Pension Plan investment expense, including inflation

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation. Mortality rates were based on the PUB-2010 base table, projected

generationally with Scale MP2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2024, valuation were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on Plan investments was not based on historical returns, but instead was based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of long-term expected rates of arithmetic return for each major asset class are summarized in Table 28.

TABLE 28. TARGET ALLOCATION AND EXPECTED RATE OF RETURN

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.30%
Fixed Income	29.00%	5.70%
Global Equity	45.00%	8.60%
Real Estate (Property)	12.00%	8.10%
Private Equity	11.00%	12.40%
Strategic Investments	2.00%	6.60%
Total	100.00%	

- **Discount Rate** – The discount rate used to measure the total pension liability was 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.
- **Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – Table 29 presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.70%) or 1 percentage point higher (7.70%) than the current rate.

TABLE 29. SENSITIVITY TO CHANGES IN DISCOUNT RATE - FRS

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
University's Proportionate Share of the Net Pension Liability	\$ 1,101,339,909	\$ 626,129,524	\$ 228,040,033

- **Pension Plan Fiduciary Net Position** – Detailed information about the Plan's fiduciary net position is available in the separately issued FRS *Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report*.

Health Insurance Subsidy Defined Benefit Pension Plan

- **Plan Description** – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.
- **Benefits Provided** – For the fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement, multiplied by \$7.50. The payments are at least \$45, but not more than \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.
- **Contributions** – The HIS Plan is funded by required contributions from FRS participating employers, as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2.00% of payroll pursuant to Section 112.363, Florida Statutes. The University contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The University’s contributions to the HIS Plan totaled \$15,686,640 for the fiscal year ended June 30, 2025.
- **Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2025, the University reported a liability of \$248,814,743 for its proportionate share of the net pension liability. The current portion of the net pension liability is the University’s proportionate share of benefit payments expected to be paid within 1 year, net of the University’s proportionate share of the HIS Plan’s fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The University’s proportionate share of the net pension liability was based on the University’s 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the University’s proportionate share was 1.66%, which was an increase of 0.01% from its proportionate share of 1.65% measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the University recognized pension expense of \$13,463,013. In addition, the University reported deferred outflows of resources and deferred inflows of resources related to pensions as presented in Table 30.

TABLE 30. DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS - HIS		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,402,475	\$ 477,761
Change of Assumptions	4,403,437	29,456,474
Net Difference Between Projected and Actual Earnings on Plan Investments	-	89,987
Changes in Proportion and Difference Between University Contributions and Proportionate Share of Contributions	12,041,138	-
University Contributions Subsequent to the Measurement Date	15,686,640	-
Total	\$ 34,533,690	\$ 30,024,222

The deferred outflows of resources related to pensions totaling \$15,686,640 resulting from University contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown in Table 31.

TABLE 31. RECOGNITION OF DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS - HIS

Fiscal Year Ending June 30	
2026	(546,061)
2027	(1,516,133)
2028	(3,993,700)
2029	(2,613,540)
2030	(1,865,449)
Thereafter	(642,289)
Total	\$ (11,177,172)

- **Actuarial Assumptions** – The total pension liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as presented in Table 32.

TABLE 32. ACTUARIAL ASSUMPTIONS - HIS

Inflation	2.40%	
Salary Increases	3.50%	Average, including inflation
Municipal Bond Rate	3.93%	

Salary increases were changed from 3.25 percent in the previous valuation to 3.50 percent in the current valuation. Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021. This is a change from the previous valuation in which the mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

- **Discount Rate** – The discount rate used to measure the total pension liability was 3.93%, which was an increase of 0.28% from the prior measurement date. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

- **Sensitivity of the University’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – Table 33 presents the University’s proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current rate.

TABLE 33. SENSITIVITY TO CHANGES IN DISCOUNT RATE - HIS			
	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
University’s Proportionate Share of the Net Pension Liability	\$ 283,243,608	\$ 248,814,743	\$ 220,233,222

- **Pension Plan Fiduciary Net Position** – Detailed information about the HIS Plan’s fiduciary net position is available in the separately issued *FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report*.

B. DEFINED CONTRIBUTION PENSION PLANS

1. FRS Investment Plan

The State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State’s Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. University employees already participating in the State University System Optional Retirement Program or DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member’s account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions as the FRS defined benefit plan; these contributions are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the Investment Plan member investment accounts during the 2024-25 fiscal year are presented in Table 34.

TABLE 34. FLORIDA RETIREMENT SYSTEM - INVESTMENT PLAN RATES	
Class	Percent of Gross Compensation
Florida Retirement System, Regular	11.30%
Florida Retirement System, Senior Management Service	12.67%
Florida Retirement System, Special Risk	19.00%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings regardless of membership class.

If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his or her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the University.

After termination and applying to receive benefits, the member may roll over vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or select any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

There were 5,633 University participants during the 2024-25 fiscal year. The University's Investment Plan pension expense totaled \$44,268,318 for the fiscal year ended June 30, 2025.

2. State University System Optional Retirement Program

Section 121.35, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible university instructors and administrators. The Program is designed to aid State universities in recruiting employees by offering more portability to employees not expected to remain in the FRS for eight or more years.

The Program is a defined contribution plan, which provides full and immediate vesting of all contributions submitted to the participating investment companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers. The employing university contributes 5.14% of the participant's salary to the participant's account, 4.84% to cover the unfunded actuarial liability of the FRS pension plan, and 0.01% to cover administrative costs, for a total of 9.99%. Employees contribute 3.00% of their salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the University to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There were 7,791 University participants during the 2024-25 fiscal year. The University's contributions to the Program totaled \$66,612,082 and employee contributions totaled \$35,501,436 for the 2024-25 fiscal year.

13. Construction Commitments

The University’s construction commitments at June 30, 2025, are presented in Table 35.

TABLE 35. CONSTRUCTION COMMITMENTS			
Project Title	Total Commitment	Completed to Date	Balance Committed
Honors Residential College	\$ 201,286,360	\$ 189,901,045	\$ 11,385,315
Dental Building Addition	148,602,861	898,557	147,704,304
Hamilton Center for Classical and Civic Education	37,873,622	564,899	37,308,723
Whitney Laboratory for Marine Bioscience	52,294,334	36,112,629	16,181,705
Bruno E. & Maritza F. Ramos Collaboratory and Renovation of Existing Bldg.	49,729,310	27,139,121	22,590,189
Chemical Engineering Renovation & Remodeling	27,477,683	1,133,248	26,344,435
Inner Road Surface Treatments Improvement	36,198,000	30,690,821	5,507,179
Health Science Center Investment Grade Audit Energy Service Company	34,000,000	1,207,541	32,792,459
Holland Law Energy Service Company	32,506,013	30,078,403	2,427,610
Center for Applied Artificial Intelligence	31,665,880	526,829	31,139,051
Thompson Center for Earth Systems	29,353,125	4,972,723	24,380,402
Dental Science Building Envelope Repairs	17,624,518	638,382	16,986,136
New Disability Resource Center	12,515,421	366,093	12,149,328
Camp Cherry Lake 4-H Multipurpose Building	11,500,000	5,340	11,494,660
Basic Science Third Floor Renovation	11,449,848	7,715,099	3,734,749
Communicore Third level Remodel/Renovation	11,194,299	279,887	10,914,412
IFAS Microbiology & Cell Sciences Teaching Lab Addition	9,000,000	908,151	8,091,849
Black Hall - Bio-Tech Lab Renovations	8,691,643	208,826	8,482,817
O'Connell Center Pool & Mechanical Equipment Deferred Maintenance	7,000,000	461,387	6,538,613
O'Connell Center Roof Repairs	6,714,800	2,629,104	4,085,696
Flavet Outdoor Recreation Complex	6,552,004	1,436,024	5,115,980
Academic Research Building 4th Floor Renovation	6,200,000	260,570	5,939,430
Reitz Union Utility Improvement	6,107,064	5,981,191	125,873
Harn American Art Wing	5,698,000	691,685	5,006,315
Stetson Medical Science Roof Replace	5,572,948	4,331,272	1,241,676
Subtotal	806,807,733	349,138,827	457,668,906
Projects Under \$5,000,000	299,575,659	117,213,625	182,362,034
Total	\$ 1,106,383,392	\$ 466,352,452	\$ 640,030,940

14. State Self-Insurance Programs

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Pursuant to Section 1001.72(2), Florida Statutes, the University participates in State self-insurance programs providing insurance for property and casualty, workers' compensation, general liability, fleet automotive liability, Federal Civil Rights, and employment discrimination liability. During the 2024-25 fiscal year, for property losses, the State retained the first \$2 million per occurrence for all perils except named windstorm and flood. The State retained the first \$2 million per occurrence with an annual aggregate retention of \$40 million for named windstorm and flood losses. After the annual aggregate retention, losses in excess of \$2 million per occurrence were commercially insured up to \$62.5 million for named windstorm and flood through February 14, 2025, and increased to \$75.3 million starting February 15, 2025. For perils other than named windstorm and flood, losses in excess of \$2 million per occurrence were commercially insured up to \$237.5 million through February 14, 2025, and increased to \$350 million starting February 15, 2025; and losses exceeding those amounts were retained by the State. No excess insurance coverage is provided for workers' compensation, general and automotive liability, Federal Civil Rights and employment action coverage; all losses in these categories are completely selfinsured by the State through the State Risk Management Trust Fund established pursuant to Chapter 284, Florida Statutes. Payments on tort claims are limited to \$200,000 per person and \$300,000 per occurrence as set by Section 768.28(5), Florida Statutes. Calculation of premiums considers the cash needs of the program and the amount of risk exposure for each participant. Settlements have not exceeded insurance coverage during the past 3 fiscal years.

Pursuant to Section 110.123, Florida Statutes, University employees may obtain healthcare services through participation in the State group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as risk of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund. It is the practice of the State not to purchase commercial coverage for the risk of loss covered by this Fund. Additional information on the State's group health insurance plan, including the actuarial report, is available from the Florida Department of Management Services, Division of State Group Insurance.

15. University Self-Insurance Programs

The University of Florida Self-Insurance Program (the Program) and the University of Florida Healthcare Education Insurance Company (HEIC), which are included in the University's reporting entity as discretely presented component units (see Note 1), provide general and professional liability protection for the Trustees on behalf of the six health colleges of the JHMHC, the College of Veterinary Medicine teaching hospitals, the Student Health Care Center, direct-support organizations, and their employees and agents. Hospital professional liability protection, including general liability, is provided to Shands Teaching Hospital and Clinics, Inc., Shands Jacksonville Medical Center, Inc. (a subsidiary of Shands Jacksonville HealthCare, Inc.-Shands Jacksonville), other entities statutorily authorized to participate in the Program, and their employees and agents. The Program and HEIC are distinct from and entirely independent of the self-insurance programs administered by the State described in Note 14.

The Trustees and other immune entities are protected for losses which are subject to Section 768.28, Florida Statutes, including legislative claims bills, that in combination with the waiver of immunity limits described in Section 768.28, Florida Statutes, do not exceed \$1 million per claim and, for voluntary settlements, \$2 million per claim. For those protected entities not subject to Section 768.28, Florida Statutes, the Program provides \$2 million per claim. The per claim limit of liability protection for the participants does not exceed \$2 million per claim in the event more than one protected entity is involved in the same claim or action.

HEIC provides coverage for claims that are in excess of the protections provided by the Program, at limits of \$4 million per legislative claims bill coverage for participants subject to Section 768.28, Florida Statutes.

16. Litigation and Contingencies

The University is involved in certain pending and threatened legal actions. The range of potential loss from all such claims and actions, as estimated by the University’s legal counsel and management, should not materially affect the University’s financial position.

17. Scholarship Allowance

Student Tuition and Fees as well as Sales and Services of Auxiliary Enterprises are reported net of scholarship allowance. Allowances of \$294,825,338 and \$25,178,547 were applied to Student Tuition and Fees and Sales and Services of Auxiliary Enterprises.

18. Functional Distribution of Operating Expenses

The functional classification of operating expenses (instruction, research, etc.) is assigned to each individual transaction based on the nature of the activity. The operating expenses on the Statement of Revenues, Expenses, and Changes in Net Position are presented by natural classification. Table 36 presents those same expenses in functional classification as recommended by NACUBO.

TABLE 36. FUNCTIONAL EXPENSES	
Functional Classification	
Public Service	\$ 1,201,859,189
Research	1,005,213,975
Instruction	901,976,909
Academic Support	339,875,870
Institutional Support	228,933,157
Scholarships, Fellowships, and Waivers, Net	209,600,734
Depreciation	192,135,466
Operation and Maintenance of Plant	185,484,410
Auxiliaries	141,462,639
Student Services	64,870,133
Total Operating Expenses	\$ 4,471,412,482

19. Component Units

The University's financial statements include 17 discretely presented component units as discussed in Note 1. These component units comprise 100% of the transactions and account balances of the aggregate discretely presented component units columns of the financial statements. Summary financial information from the most recently available audited financial statements for these component units is presented on the following pages in Tables 37, 38, and 39.

20. Segment Information

A segment is defined as an identifiable activity (or grouping of activities) that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's related revenues, expenses, gains, losses, assets, and liabilities are required to be accounted for separately. Transportation and Parking Services provides the University with safe and adequate parking facilities. Several parking garages have been constructed from the proceeds of revenue-backed debt instruments. The Department of Housing and Residence Education provides safe and affordable living space for students of the University of Florida. Capital improvement debt has been issued over the years to provide funding for the construction of facilities to house students of the University. A summary of the financial activity for these segments is presented in Table 40.



TABLE 37. DIRECT-SUPPORT ORGANIZATIONS (amounts expressed in thousands)

	University of Florida Foundation, Inc. (1)	The University Athletic Association, Inc.	University of Florida Research Foundation, Inc.	GatorCare Health Management Corporation
CONDENSED STATEMENT OF NET POSITION				
Assets				
Due from Component Units/University	\$ 123,775	\$ 7,813	\$ 178,538	\$ -
Other Current Assets	165,238	95,026	10,235	88,400
Capital Assets, Net	104,533	303,577	-	1
Other Noncurrent Assets	2,752,254	60,649	-	1,185
Total Assets	3,145,800	467,065	188,773	89,586
Liabilities				
Due to Component Units/University	43,720	35,181	78,359	37,905
Other Current Liabilities	5,980	63,636	4,925	44,044
Noncurrent Liabilities	36,035	132,519	-	-
Total Liabilities	85,735	231,336	83,284	81,949
Deferred Inflows of Resources				
Other Deferred Inflows	22,668	-	-	-
Total Liabilities and Deferred Inflows of Resources	108,403	231,336	83,284	81,949
Net Position				
Net Investment in Capital Assets	104,168	167,964	-	1
Restricted-Nonexpendable Endowment	1,736,698	-	-	-
Restricted-Expendable Endowment	1,152,200	-	-	-
Restricted-Expendable Other	-	-	-	-
Unrestricted	44,331	67,765	105,489	7,636
Total Net Position	\$ 3,037,397	\$ 235,729	\$ 105,489	\$ 7,637
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
Operating Revenues	\$ 186,422	\$ 204,177	\$ 46,222	\$ 1,818
Operating Expenses	(317,745)	(195,367)	(54,351)	(1,936)
Operating Income (Loss)	(131,323)	8,810	(8,129)	(118)
Nonoperating Revenues (Expenses) and Other Revenues, Expenses, Gains, or Losses				
Investment Income (Loss), Net of Expenses	281,978	6,954	683	2,990
Net Increase (Decrease) in the Fair Value of Investments	(12)	-	154	-
Other Nonoperating Revenues	-	11,150	2,300	-
Other Nonoperating Expenses	-	(13,885)	-	-
Addition to Permanent Endowments	72,958	-	-	-
Change in Net Position	223,601	13,029	(4,992)	2,872
Adjustments to Beginning Net Position	-	(1,148)	-	-
Net Position, Beginning of Year	2,813,796	223,848	110,481	4,765
Net Position, End of Year	\$ 3,037,397	\$ 235,729	\$ 105,489	\$ 7,637

(1) Includes financial transactions for the University of Florida Alumni Association, Inc.

Florida Foundation Seed Producers, Inc.	University of Florida Development Corporation	Gator Boosters, Inc.	Citrus Research and Development Foundation, Inc.	Total Direct-Support Organizations
\$ -	\$ -	\$ 39,064	\$ -	\$ 349,190
21,374	5,674	10,792	3,717	400,456
7,360	7,385	10	-	422,866
-	5,248	538	-	2,819,874
<u>28,734</u>	<u>18,307</u>	<u>50,404</u>	<u>3,717</u>	<u>3,992,386</u>
9,067	-	7,558	-	211,790
2,830	484	33,989	3,050	158,938
-	-	237	-	168,791
<u>11,897</u>	<u>484</u>	<u>41,784</u>	<u>3,050</u>	<u>539,519</u>
125	6,020	-	-	28,813
<u>12,022</u>	<u>6,504</u>	<u>41,784</u>	<u>3,050</u>	<u>568,332</u>
7,360	7,385	-	-	286,878
-	-	538	-	1,737,236
-	-	-	-	1,152,200
-	-	-	667	667
9,352	4,418	8,082	-	247,073
<u>\$ 16,712</u>	<u>\$ 11,803</u>	<u>\$ 8,620</u>	<u>\$ 667</u>	<u>\$ 3,424,054</u>
\$ 2,343	\$ 1,923	\$ 68,157	\$ 1,617	\$ 512,679
(1,119)	(2,402)	(11,927)	(21,005)	(605,852)
1,224	(479)	56,230	(19,388)	(93,173)
464	425	2,473	109	296,076
-	-	-	-	142
24	-	-	18,246	31,720
(435)	-	(49,575)	-	(63,895)
-	-	2	-	72,960
1,277	(54)	9,130	(1,033)	243,830
-	-	(94)	-	(1,242)
15,435	11,857	(416)	1,700	3,181,466
<u>\$ 16,712</u>	<u>\$ 11,803</u>	<u>\$ 8,620</u>	<u>\$ 667</u>	<u>\$ 3,424,054</u>

TABLE 38. HEALTH SCIENCE CENTER AFFILIATES (amounts expressed in thousands)						
	Florida Clinical Practice Association, Inc.	University of Florida Jacksonville Physicians, Inc.	Faculty Associates, Inc.	Florida Veterinary Medicine Faculty Association, Inc.	University of Florida College of Pharmacy Faculty Practice Association, Inc.	Total Health Science Center Affiliates
CONDENSED STATEMENT OF NET POSITION						
Assets						
Due from Component Units/University	\$ 45,044	\$ 13,030	\$ -	\$ 10,000	\$ -	\$ 68,074
Other Current Assets	160,665	97,256	39,341	7,375	409	305,046
Capital Assets, Net	152,825	80,748	-	173	-	233,746
Other Noncurrent Assets	27,216	1,590	-	-	-	28,806
Total Assets	385,750	192,624	39,341	17,548	409	635,672
Liabilities						
Due to Component Units/University	16,988	2,491	-	2,478	-	21,957
Other Current Liabilities	78,261	52,540	534	1,097	106	132,538
Noncurrent Liabilities	137,121	51,259	-	78	-	188,458
Total Liabilities	232,370	106,290	534	3,653	106	342,953
Deferred Inflows of Resources						
Other Deferred Inflows	13,428	633	-	-	-	14,061
Total Liabilities and Deferred Inflows of Resources	245,798	106,923	534	3,653	106	357,014
Net Position						
Net Investment in Capital Assets	4,095	22,244	-	-	-	26,339
Unrestricted	135,857	63,457	38,807	13,895	303	252,319
Total Net Position	\$ 139,952	\$ 85,701	\$ 38,807	\$ 13,895	\$ 303	\$ 278,658
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION						
Operating Revenues	\$ 1,218,125	\$ 441,961	\$ 29,440	\$ 29,916	\$ 1,319	\$ 1,720,761
Operating Expenses	(454,604)	(238,663)	(2,304)	(2,033)	-	(697,604)
Operating Income	763,521	203,298	27,136	27,883	1,319	1,023,157
Nonoperating Revenues (Expenses)						
Investment Income, Net of Expenses	1,107	(146)	1,163	-	-	2,124
Net Decrease in the Fair Value of Investments	(1,358)	(599)	-	-	-	(1,957)
Other Nonoperating Revenues	1,334	4,041	-	-	-	5,375
Other Nonoperating Expenses	(786,773)	(209,078)	(24,675)	(27,315)	(1,416)	(1,049,257)
Change in Net Position	(22,169)	(2,484)	3,624	568	(97)	(20,558)
Net Position, Beginning of Year	162,121	88,185	35,183	13,327	400	299,216
Net Position, End of Year	\$ 139,952	\$ 85,701	\$ 38,807	\$ 13,895	\$ 303	\$ 278,658

TABLE 39. SHANDS HOSPITAL AND OTHERS (amounts expressed in thousands)

	Shands Teaching Hospital & Clinics, Inc.	Shands Jacksonville HealthCare, Inc.	University of Florida Self-Insurance Program	University of Florida Healthcare Education Insurance Company	Total Shands Hospital and Others
CONDENSED STATEMENT OF NET POSITION					
Assets					
Due from Component Units/University	\$ 48,892	\$ 11,986	\$ -	\$ 72,723	\$ 133,601
Other Current Assets	1,347,532	503,234	294,525	14,294	2,159,585
Capital Assets, Net	2,058,762	571,117	1,447	-	2,631,326
Other Noncurrent Assets	853,191	105,117	-	-	958,308
Total Assets	4,308,377	1,191,454	295,972	87,017	5,882,820
Deferred Outflows of Resources					
Deferred Amounts Related to Pensions	103,716	8,815	-	-	112,531
Deferred Amounts Related to OPEB	-	272	-	-	272
Other Deferred Outflows	34,030	8,589	-	-	42,619
Total Assets and Deferred Outflows of Resources	4,446,123	1,209,130	295,972	87,017	6,038,242
Liabilities					
Due to Component Units/University	33,749	22,671	72,723	-	129,143
Other Current Liabilities	522,694	236,954	7,963	2,571	770,182
Noncurrent Liabilities	1,356,525	535,372	29,856	10,020	1,931,773
Total Liabilities	1,912,968	794,997	110,542	12,591	2,831,098
Deferred Inflows of Resources					
Deferred Amounts Related to Pensions	15,744	467	-	-	16,211
Deferred Amounts Related to OPEB	-	1,232	-	-	1,232
Other Deferred Inflows	33,320	52,856	-	-	86,176
Total Liabilities and Deferred Inflows of Resources	1,962,032	849,552	110,542	12,591	2,934,717
Net Position					
Net Investment in Capital Assets	674,146	271,169	-	-	945,315
Restricted-Nonexpendable Endowment	2,805	-	-	-	2,805
Restricted-Expendable Endowment	10,670	5,026	-	-	15,696
Other Restricted Net Position	-	-	185,431	74,426	259,857
Unrestricted	1,796,470	83,383	(1)	-	1,879,852
Total Net Position	\$ 2,484,091	\$ 359,578	\$ 185,430	\$ 74,426	\$ 3,103,525
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION					
Operating Revenues	\$ 3,901,643	\$ 1,311,548	\$ 9,056	\$ 1,359	\$ 5,223,606
Operating Expenses	(3,811,949)	(1,224,021)	(3,815)	2,146	(5,037,639)
Operating Income (Loss)	89,694	87,527	5,241	3,505	185,967
Nonoperating Revenues (Expenses)					
Investment Income, Net of Expenses	112,908	11,559	19,435	6,438	150,340
Net Increase in the Fair Value of Investments	1,201	-	-	-	1,201
Other Nonoperating Revenues	55,178	(33)	-	-	55,145
Other Nonoperating Expenses	(55,069)	(25,286)	(4,959)	-	(85,314)
Capital Grants, Contracts, and Donations	-	16,996	-	-	16,996
Change in Net Position	203,912	90,763	19,717	9,943	324,335
Net Position, Beginning of Year	2,280,179	268,815	165,713	64,483	2,779,190
Net Position, End of Year	\$ 2,484,091	\$ 359,578	\$ 185,430	\$ 74,426	\$ 3,103,525

TABLE 40. SEGMENT INFORMATION

	Transportation and Parking Services	Department of Housing and Residence Education
CONDENSED STATEMENT OF NET POSITION		
Assets		
Current Assets	\$ 33,476,704	\$ 51,016,715
Capital Assets, Net	44,826,903	284,794,802
Other Noncurrent Assets	94,614	8,300,987
Total Assets	78,398,221	344,112,504
Liabilities		
Current Liabilities	4,730,580	11,485,386
Noncurrent Liabilities	27,625,613	256,373,073
Total Liabilities	32,356,193	267,858,459
Net Position		
Net Investment in Capital Assets	16,332,638	33,219,310
Restricted	-	(3,516,417)
Unrestricted	29,709,390	46,551,152
Total Net Position	\$ 46,042,028	\$ 76,254,045
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Operating Revenues (Expenses):		
Operating Revenues	\$ 16,133,727	\$ 74,630,345
Depreciation Expense	(3,082,887)	(6,492,374)
Other Operating Expenses	(7,178,376)	(47,134,804)
Operating Income	5,872,464	21,003,167
Nonoperating Revenues (Expenses):		
Investment Income	155,134	1,635,273
Interest on Capital Asset-Related Debt	(1,199,883)	(8,623,150)
Other Nonoperating Expenses	(2,068,825)	(23,598,670)
Net Nonoperating Expenses	(3,113,574)	(30,586,547)
Change in Net Position	2,758,890	(9,583,380)
Net Position, Beginning of Year	43,283,138	85,837,425
Net Position, End of Year	\$ 46,042,028	\$ 76,254,045
CONDENSED STATEMENT OF CASH FLOWS		
Net Cash Provided (Used) by:		
Operating Activities	\$ 6,637,181	\$ 27,670,669
Noncapital Financing Activities	(212,420)	7,302,422
Capital and Related Financing Activities	(5,734,760)	(53,041,267)
Investing Activities	(691,026)	18,068,176
Net Decrease in Cash and Cash Equivalents	(1,025)	-
Cash and Cash Equivalents, Beginning of Year	1,025	900
Cash and Cash Equivalents, End of Year	\$ -	\$ 900

A photograph of two men walking through a field of tall, golden-brown grass in a forest. The man on the left is wearing a light-colored, short-sleeved button-down shirt and blue jeans. The man on the right is wearing a dark polo shirt and khaki pants. They are both looking towards the right. The background shows several tall, thin tree trunks and a misty or hazy atmosphere. The top half of the image is overlaid with a blue gradient and white wavy lines.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Schedule of University's Proportionate Share of the Total Other Postemployment Benefits Liability (amounts expressed in thousands)			
	2024 (1) (3)	2023 (1) (3)	2022 (1) (3)
University's Proportion of the OPEB Liability	11.06%	10.29%	10.38%
University's Proportionate Share of the Total OPEB Liability	\$ 1,128,185	\$ 861,415	\$ 814,517
University's Covered Payroll	\$ 1,439,306	\$ 1,424,795	\$ 1,316,348
University's Proportionate Share of the Total OPEB Liability as a Percentage of Covered Payroll	78.38%	60.46%	61.88%

Change of assumptions - In 2024, amounts reported as changes of assumptions resulted from an increase in the discount rate from 4.13 percent to 4.21 percent, as well as updated healthcare costs and premiums, updated health care cost trend rates, updated claims aging rates, and an updated DROP participation assumption to 48 months; No assets are accumulated in a trust that meets the criteria in paragraph 4, GASB Statement No. 75 to pay related benefits. The discount rate was updated to utilize the mandated discount rate based on a 20-year S&P Municipal Bond Rate Index as of the measurement date, as required under GASB Statement No. 75.

Schedule of University's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Defined Benefit Pension Plan (amounts expressed in thousands)			
	2024 (1)	2023 (1)	2022 (1)
University's Proportion of the FRS Net Pension Liability	1.62%	1.73%	1.74%
University's Proportionate Share of the FRS Net Pension Liability	\$ 626,130	\$ 689,801	\$ 648,682
University's Covered Payroll (2)	\$ 1,439,306	\$ 1,424,795	\$ 1,316,348
University's Proportionate Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	43.50%	48.41%	49.28%
FRS Plan Fiduciary Net Position as a Percentage of the FRS Total Pension Liability	83.70%	82.38%	82.89%

Schedule of University Contributions - Florida Retirement System (FRS) Defined Benefit Pension Plan (amounts expressed in thousands)			
	2025 (1)	2024 (1)	2023 (1)
Contractually Required FRS Contribution	\$ 96,500	\$ 91,652	\$ 83,279
FRS Contributions in Relation to the Contractually Required FRS Contribution	(96,500)	(91,652)	(83,279)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
University's Covered Payroll (2)	\$1,490,421	\$1,439,306	\$1,424,795
FRS Contributions as a Percentage of Covered Payroll	6.47%	6.37%	5.84%

Change of assumptions - As of June 30, 2024, salary increases including inflation increased from 3.25 percent to 3.5 percent and the mortality assumptions were updated.

Schedule of University's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (amounts expressed in thousands)			
	2024 (1)	2023 (1)	2022 (1)
University's Proportion of the HIS Net Pension Liability	1.66%	1.65%	1.56%
University's Proportionate Share of the HIS Net Pension Liability	\$ 248,815	\$ 261,853	\$ 165,729
University's Covered Payroll (3)	\$ 601,975	\$ 562,469	\$ 492,903
University's Proportionate Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	41.33%	46.55%	33.62%
HIS Plan Fiduciary Net Position as a Percentage of the HIS Total Pension Liability	4.80%	4.12%	4.81%

Schedule of University Contributions - Health Insurance Subsidy (HIS) Defined Benefit Pension Plan (amounts expressed in thousands)			
	2025 (1)	2024 (1)	2023 (1)
Contractually Required HIS Contribution	\$ 15,687	\$ 14,043	\$ 10,846
HIS Contributions in Relation to the Contractually Required HIS Contribution	(15,687)	(14,043)	(10,846)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
University's Covered Payroll (3)	\$ 651,445	\$ 601,975	\$ 562,469
HIS Contributions as a Percentage of Covered Payroll	2.41%	2.33%	1.93%

Change of assumption - The municipal rate used to determine total pension liability increased from 3.65% to 3.93%, and the demographic and coverage election assumptions were updated.

- Notes:**
- (1) The amounts presented for each fiscal year were determined as of June 30.
 - (2) Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, State University Optional Retirement Program, and DROP because total employer contributions are determined on a uniform basis (blended rate) as required by Part 111 of Chapter 121, Florida Statutes.
 - (3) Covered payroll includes active employees who are members of the following plans: defined benefit, Investment Plan, and DROP.

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)
	10.37%	10.39%	9.79%	9.89%	9.89%	9.92%
\$	1,092,903	\$ 1,069,008	\$ 1,239,001	\$ 1,043,548	\$ 1,069,104	\$ 1,171,492
\$	1,302,872	\$ 1,237,961	\$ 1,188,019	\$ 1,151,733	\$ 1,103,905	\$ 1,120,516
	83.88%	86.35%	104.29%	90.61%	96.85%	104.55%

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
	1.64%	1.61%	1.62%	1.62%	1.53%	1.56%	1.59%
\$	123,559	\$ 697,662	\$ 558,624	\$ 487,418	\$ 453,912	\$ 393,640	\$ 204,920
\$	1,302,872	\$ 1,237,961	\$ 1,188,019	\$ 1,151,733	\$ 1,103,905	\$ 1,120,516	\$ 1,066,940
	9.48%	56.36%	47.02%	42.32%	41.12%	35.13%	19.21%
	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)
\$	74,394	\$ 62,313	\$ 53,483	\$ 50,296	\$ 46,118	\$ 39,948	\$ 38,018
	(74,394)	(62,313)	(53,483)	(50,296)	(46,118)	(39,948)	(38,018)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$1,316,348	\$1,302,872	\$1,237,961	\$1,188,019	\$1,151,733	\$1,103,905	\$1,120,516
	5.65%	4.78%	4.32%	4.23%	4.00%	3.62%	3.39%

	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)	2015 (1)
	1.52%	1.50%	1.49%	1.48%	1.47%	1.47%	1.46%
\$	185,948	\$ 183,670	\$ 166,255	\$ 156,701	\$ 157,259	\$ 171,405	\$ 148,826
\$	483,686	\$ 471,174	\$ 452,885	\$ 442,718	\$ 431,630	\$ 435,952	\$ 413,619
	38.44%	38.98%	36.71%	35.40%	36.43%	39.32%	35.98%
	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016 (1)
\$	9,468	\$ 8,910	\$ 8,668	\$ 8,251	\$ 8,029	\$ 7,784	\$ 7,538
	(9,468)	(8,910)	(8,668)	(8,251)	(8,029)	(7,784)	(7,538)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	492,903	\$ 483,686	\$ 471,174	\$ 452,885	\$ 442,718	\$ 431,630	\$ 435,952
	1.92%	1.84%	1.84%	1.82%	1.81%	1.80%	1.73%



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

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*

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 (*Government Auditing Standards*), the financial statements of the University of Florida, a component unit of the State of Florida, and its aggregate discretely presented component units as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 20, 2026, included under the heading **INDEPENDENT AUDITOR'S REPORT**. Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on the University's financial statements. 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 opinions 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 University'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 were not 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, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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 results 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 University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 20, 2026
Audit Report No. 2026-104

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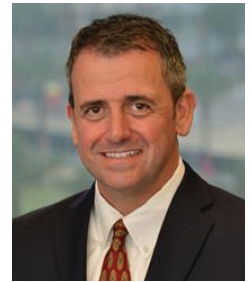
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