Financial Report 2025

JUNE 30, 2025

Creighton
UNIVERSITY

KPMG

CREIGHTON UNIVERSITY

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

CREIGHTON UNIVERSITY

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Independent Auditors' Report

The Board of Trustees
Creighton University:

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated 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.

KPMG LLP

Omaha, Nebraska
October 24, 2025

CREIGHTON UNIVERSITY

Consolidated Statements of Financial Position

June 30, 2025 and 2024

(All amounts in thousands)

Assets		2025	2024
Cash and cash equivalents	$	63,062	29,306
Restricted cash and cash equivalents		61,161	13,237
Accounts receivable, net		36,665	36,766
Contributions receivable, net		51,900	44,020
Student loans receivable, net of reserve for doubtful accounts of $1,083 and $939 in 2025 and 2024, respectively		20,149	21,136
Prepaid expenses, inventories, and other assets		22,255	21,220
Investments		1,210,620	1,106,906
Land, buildings, and equipment, net		708,023	687,965
Total assets	$	2,173,835	1,960,556
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	69,966	52,980
Deferred and unearned income		67,251	62,162
Other liabilities		21,348	21,800
Interest rate swap liability		—	5,518
Refundable government student loan funds		15,120	16,276
Bonds and notes payable		317,746	262,589
Total liabilities		491,431	421,325
Net assets:			
Without donor restrictions		978,157	951,870
With donor restrictions:			
Time or purpose		338,495	246,858
Perpetual		365,752	340,503
Total net assets		1,682,404	1,539,231
Total liabilities and net assets	$	2,173,835	1,960,556

See accompanying notes to consolidated financial statements.

CREIGHTON UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2025

(All amounts in thousands)

	Without donor restrictions	With donor restrictions	Total
Net operating revenue:			
Tuition and fees	$ 279,924	—	279,924
Educational support contract revenue	45,331	—	45,331
Healthcare services revenue	17,349	—	17,349
Grants and contracts	26,622	—	26,622
Contributions	8,034	—	8,034
Investment income appropriated for operations	48,845	—	48,845
Auxiliary enterprises	58,310	—	58,310
Other revenue	14,147	—	14,147
Capital gifts appropriated for operations	11,948	—	11,948
Net assets released from restrictions	17,240	—	17,240
Total net operating revenue	527,750	—	527,750
Operating expenses:			
Salaries, wages, and benefits	318,469	—	318,469
Contracted services	57,622	—	57,622
Supplies and materials	26,383	—	26,383
Depreciation	53,763	—	53,763
Interest	9,076	—	9,076
Utilities and communications	11,907	—	11,907
Other operating	56,963	—	56,963
Total operating expenses	534,183	—	534,183
Decrease in net assets from operating activities	(6,433)	—	(6,433)
Nonoperating changes in net assets:			
Investment return over amounts appropriated for operations	18,003	66,078	84,081
Loss on extinguishment of debt	(346)	—	(346)
Change in fair value of interest rate swaps	(546)	—	(546)
Contributions for nonoperating purposes	33	99,154	99,187
Other changes in net assets	(4,043)	461	(3,582)
Capital gifts appropriated to operations	(11,948)	—	(11,948)
Net assets released from restrictions	31,567	(48,807)	(17,240)
Net nonoperating changes in net assets	32,720	116,886	149,606
Increase in net assets	26,287	116,886	143,173
Net assets, beginning of year	951,870	587,361	1,539,231
Net assets, end of year	$ 978,157	704,247	1,682,404

See accompanying notes to consolidated financial statements.

CREIGHTON UNIVERSITY

Consolidated Statement of Activities

Year ended June 30, 2024

(All amounts in thousands)

	Without donor restrictions	With donor restrictions	Total
Net operating revenue:			
Tuition and fees	$ 261,713	—	261,713
Educational support contract revenue	48,230	—	48,230
Healthcare services revenue	16,495	—	16,495
Grants and contracts	26,716	—	26,716
Contributions	7,325	—	7,325
Investment income appropriated for operations	49,190	—	49,190
Auxiliary enterprises	56,907	—	56,907
Other revenue	13,561	—	13,561
Capital gifts appropriated for operations	11,741	—	11,741
Net assets released from restrictions	11,798	—	11,798
Total net operating revenue	503,676	—	503,676
Operating expenses:			
Salaries, wages, and benefits	301,439	—	301,439
Contracted services	57,519	—	57,519
Supplies and materials	24,914	—	24,914
Depreciation	47,848	—	47,848
Interest	8,402	—	8,402
Utilities and communications	11,099	—	11,099
Other operating	51,749	—	51,749
Total operating expenses	502,970	—	502,970
Increase in net assets from operating activities	706	—	706
Nonoperating changes in net assets:			
Investment return over amounts appropriated for operations	6,890	51,669	58,559
Change in fair value of interest rate swaps	1,931	—	1,931
Contributions for nonoperating purposes	(271)	74,238	73,967
Other changes in net assets	—	(626)	(626)
Capital gifts appropriated to operations	(11,741)	—	(11,741)
Net assets released from restrictions	117,330	(129,128)	(11,798)
Net nonoperating changes in net assets	114,139	(3,847)	110,292
Increase (decrease) in net assets	114,845	(3,847)	110,998
Net assets, beginning of year	837,025	591,208	1,428,233
Net assets, end of year	$ 951,870	587,361	1,539,231

See accompanying notes to consolidated financial statements.

CREIGHTON UNIVERSITY

Consolidated Statements of Cash Flows

Years ended June 30, 2025 and 2024

(All amounts in thousands)

	2025	2024
Cash flows from operating activities:		
Increase in net assets	$ 143,173	110,998
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Receipt of contributed securities	(32,498)	(2,173)
Proceeds from sale of contributed securities without donor restrictions	2,480	1,283
Depreciation, amortization, and accretion	52,975	47,103
Loss on sale of land, buildings, and equipment, net	865	809
Actuarial loss on annuities payable	887	317
Actuarial adjustment on contributions receivable	(2,546)	(2,504)
Cash contributions for nonoperating purposes	(61,355)	(69,135)
Change in fair value of interest rate swap agreements	546	(1,931)
Payments on termination of interest rate swap agreements	(6,064)	—
Net realized and unrealized gains on investments	(119,641)	(91,727)
Loss on extinguishment of debt	346	—
Changes in operating assets and liabilities:		
Accounts receivable	101	(9,614)
Contributions receivable	(5,334)	(2,659)
Prepaid expenses, inventories, and other assets	(1,035)	2,373
Accounts payable and accrued expenses	12,400	(6,568)
Deferred and unearned income	5,090	29,365
Other liabilities	(375)	(16,206)
Net cash used in operating activities	(9,985)	(10,269)
Cash flows from investing activities:		
Repayments on student loans	4,141	4,547
Student loans issued	(3,155)	(3,195)
Proceeds from the sales of investments	217,179	547,598
Purchases of investments	(201,233)	(528,356)
Proceeds from the sale of land, buildings, and equipment	245	239
Purchases of land, buildings, and equipment	(70,345)	(87,219)
Net cash used in investing activities	(53,168)	(66,386)
Cash flows from financing activities:		
Cash contributions for nonoperating purposes	61,355	69,135
Proceeds from sale of contributed securities with donor restrictions	30,018	890
Proceeds from the issuance of long-term debt	146,993	—
Payments on long-term debt	(91,370)	(7,955)
Proceeds from the issuance of short-term debt	10,000	—
Payments on short-term debt	(10,000)	—
(Decrease) increase in federal student loan funds	(1,156)	802
Net (payments) receipts on annuity agreements	(1,007)	678
Net cash provided by financing activities	144,833	63,550
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	81,680	(13,105)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	42,543	55,648
Cash, cash equivalents, and restricted cash and cash equivalents, end of year	$ 124,223	42,543
Supplemental cash flow data:		
Cash paid for interest	$ 5,577	13,242
Capital assets acquired in ending accounts payable	10,190	5,604
Contributed securities	32,498	2,173

See accompanying notes to consolidated financial statements.

(1) Summary of Significant Accounting Policies

(a) Nature of Operations

Creighton University (Creighton or the University) is a private, Catholic, Jesuit, comprehensive university located primarily in Omaha, Nebraska and Phoenix, Arizona. Creighton offers degree programs through four colleges, four professional schools, and a graduate school. Creighton's students come from nearly every state in the country, as well as from numerous foreign countries, with the majority of students coming from the Midwestern region of the United States.

Sources of operating revenue to Creighton predominantly consist of student tuition and fees, and also include charges for educational support, healthcare services, grants and contracts, contributions, investment earnings, auxiliary services, and others.

(b) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and include the accounts of Creighton University and Creighton University Student Groups LLC (CUSG), a wholly owned non-profit disregarded entity. Creighton University and CUSG are together referred to as the University. All material transactions between the parent and CUSG have been eliminated in consolidation.

Resources are reported in two separate categories of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into categories as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.
- Net assets with donor restrictions – Net assets whose use by the University is subject to donor-imposed stipulations as follows:
  - Net assets with donor restrictions (time or purpose) – Net assets whose use by the University is subject to donor-imposed stipulations that will be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.
  - Net assets with donor restrictions (perpetual) – Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on these assets for purposes consistent with the donor's intent. Such assets primarily include the University's permanent endowment funds and irrevocable trusts held by others.

Expenses are generally reported as decreases in net assets without donor restrictions.

Net assets with donor restrictions (time or purpose) for which donor-imposed restrictions are met in subsequent reporting periods are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Net assets released from restrictions also include net assets without donor restrictions or net assets with donor restrictions for which donors have added, changed, or removed restrictions on contributions. Net assets without donor-imposed restrictions, as well as contributions for which donors have stipulated restrictions that are met within the same reporting period, are reported as support without donor restrictions.

A promise to give is conditional based on whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. Conditional promises to give are not recorded until one or more barriers are overcome for the recipient to be entitled to the assets transferred. Unconditional promises to give are recorded as receivables and revenue at fair value in the period the promise is made. Unconditional promises to give with payments due in future periods are reported as support with donor restrictions. Amounts due more than one year from the consolidated statements of financial position date are recorded at the net realizable discounted cash flow, while amounts due in one year or less are recorded at undiscounted net realizable value. The fair value of the pledge is estimated based on anticipated future cash payments discounted using a risk-adjusted rate commensurate with the duration of the planned payments. Pledges receivable are net of an allowance for uncollectible amounts. Allowance for uncollectible pledges is calculated based on the University's past collection experience. Intentions to give that clearly and explicitly allow resource providers to rescind their indications are not considered promises to give and therefore are not recorded in the consolidated financial statements.

Gifts of land, building, equipment, or other assets are reported at fair value as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used are reported as support with donor restrictions. The University reports expirations of donor restrictions on long-lived assets as the assets are placed in service.

(c) Use of Estimates

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

(d) Measure of Operations

The increase or decrease in net assets without donor restrictions from operating activities reflected on the accompanying consolidated financial statements includes primarily activities closely related to the educational, healthcare, research, auxiliary, and administrative functions of the University. Amounts not included in the measure of operations consist of contributions for nonoperating or long-term purposes, equity earnings/losses in minority-owned affiliates, gains/losses on extinguishment of debt, investment income on endowments in excess of or (under) the established spending policy, certain amounts released from restrictions, the change in the fair value of interest rate swaps, and other changes in net assets that are nonrecurring. Operating results also include a reclassification associated with the amortization of capital gifts placed in service, as described in note 1(e).

(e) Capital Gifts to Acquire or Construct Long-Lived Assets

Capital gifts to acquire or construct a long-lived asset are recorded as a donor restricted gift until the related asset is placed in service, at which time the capital gift is released from net assets with donor restrictions to net assets without donor restrictions within the nonoperating section and subsequently amortized into operations over the estimated useful life of the acquired or constructed asset. This amortization, which amounted to $11,948 and $11,741 for the years ended June 30, 2025 and 2024, respectively, is recorded as a reclassification between the nonoperating and operating sections of the change in net assets without donor restrictions in the consolidated statements of activities under capital gifts appropriated to and for operations.

(f) Amortization of Prepaid Implementation Costs

Consistent with ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*, the University amortized $1,221 and $1,351 of prepaid implementation costs to Contracted Services for the years ended June 30, 2025 and 2024, respectively. Prepaid implementations costs of $2,257 and $2,204 as of the June 30, 2025 and 2024, respectively, included within prepaid expenses, inventories, and other assets, are being amortized over useful lives ranging from 27 to 60 months.

(g) Tuition and Fees

Tuition and fees represent charges for educational programs and services. Tuition discounts and scholarship allowances represent a reduction of the tuition transaction price. Advance payments for tuition, room, and board related to the next semester have been deferred and will be reported as revenue in the year in which the services are rendered.

Deferred tuition revenue is fully recognized in the following fiscal year and amounted to $21,916 and $29,828 as of June 30, 2025 and 2024, respectively, and is recognized in deferred and unearned income in the consolidated statements of financial position.

The University bills tuition and fees in advance for each academic term. Tuition and fees revenue is recognized ratably over time as the services are provided over the academic year, which generally aligns with the University's fiscal year.

(Continued)

(All amounts in thousands)

The composition of student tuition and fees revenue was as follows for the years ended June 30, 2025 and 2024:

		2025	2024
Undergraduate	$	203,273	192,442
Graduate/professional		191,246	174,132
Other tuition and fees		35,836	33,322
Tuition and fees at standard rates		430,355	399,896
Less:			
Tuition discount and scholarship allowances		(150,431)	(138,183)
Tuition and fees	$	279,924	261,713

(h) Educational Support Contract Revenue

Educational support contract revenue represents contract payments received for services and programs, which support the University's educational mission, and is recorded at the amount the University expects to be entitled in exchange for services provided. These primarily include payments from health systems for the services of medical residents, physicians, and other medical staff from the University's Health Sciences schools. Educational support is billed on a monthly basis under terms of the specific contract. Educational support is recognized over time based on costs incurred for services provided.

Creighton health sciences programs, located in both Omaha, NE and Phoenix, AZ, require access to patients in order to complete required clinical components of the program.

For the Omaha based students, the University entered into an agreement with Catholic Health Initiatives (CHI), designed to expand access to patients for its medical and other health sciences educational programs.

Annual income received related to CHI educational support is $41,876 and $43,223, for the fiscal years ended June 30, 2025 and 2024, respectively. In addition, Creighton reimburses CHI for the time their employed physicians allocate to teaching undergraduate medical education and performing research activities reflected in salaries totaling $12,465 and $12,076 for the fiscal years ended June 30, 2025 and 2024, respectively.

For the Phoenix based students, the University entered into an agreement with Dignity Health d/b/a Dignity Health Medical Group and St. Joseph's Hospital and Medical Center, District Medical Group and Maricopa County Special Health Care District d/b/a Maricopa Integrated Health System. The agreement establishes the framework for collaboration to enable the parties to leverage their own expertise and resources to facilitate their shared interests in collaboration across multiple disciplines of health science, clinical learning environment, research, and teaching medical students, residents, fellows, nurses, allied health, and related health professionals.

The Phoenix parties formed a 501(c)(3) organization, "Creighton University Arizona Health Education Alliance" ("Arizona Alliance") to run the operations of the Arizona Alliance. The Arizona Alliance reimburses Creighton for employees, primarily medical residents, and other related support which is recorded net against the related expenses (mainly salaries, wages and benefits) in the consolidated statements of activities totaling $34,216 and $33,004 for the fiscal years ended June 30, 2025 and 2024, respectively. Creighton records these reimbursements net against the expense incurred as Creighton has determined they are the agent in the transaction based on the level of control the members of the Arizona Alliance exert. Creighton, in return shares in a portion of the Arizona Alliance's costs reflected in expenses totaling $126 and $173 for the fiscal years ended June 30, 2025 and 2024, respectively. Creighton reimburses other parties of the Arizona Alliance for the time their employed physicians allocate to teaching undergraduate medical education and performing research activities reflected in salaries, wages, and benefits totaling $7,226 and $6,980 for the fiscal years ended June 30, 2025 and 2024, respectively.

In both clinical arrangements, the parties intend that all members continue to be autonomous parties that remain independently governed by their respective governing bodies and management.

(i) Healthcare Services Revenue

Healthcare services revenue represents patient charges for services provided through the University's health sciences clinical operations, including the schools of Medicine, Dentistry, and Pharmacy and Health Professions. Payments for patient charges are generally received through medical insurance arrangements (including Medicare and Medicaid) and payments from patients. Clinical operations revenue reflects the consideration the University expects to be entitled in exchange for providing services. Generally, revenue is recognized over time as patients receive services. The University measures the performance obligation from the commencement of the services to the point when it is no longer required to provide services to the patient. The University bills the patients and third-party payers after the services are performed.

(j) Grants and Contracts

Grants and contracts consist primarily of contractual agreements with governmental and private entities for the conduct of research and other sponsored programs. These agreements generally are considered nonexchange transactions restricted by sponsors for certain purposes and are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Payments received from sponsors in advance of conditions being met are reported as deferred and unearned income, which totaled $25,621 and $21,200 as of June 30, 2025 and 2024, respectively. Conditional awards from governmental and other sponsors not yet recognized was $40,554 and $49,126 as of June 30, 2025 and 2024, respectively.

(k) Auxiliary Enterprises

Auxiliary enterprises include student housing and dining services, intercollegiate athletics, campus recreation, and the student center. Generally, auxiliary enterprises revenue is recognized ratably over time as the services are provided over the academic year, which generally aligns with the University's fiscal year.

(All amounts in thousands)

The composition of auxiliary enterprises revenue was as follows for the years ended June 30, 2025 and 2024:

		2025	2024
Room and board	$	32,651	31,661
Athletic ticket sales		15,148	13,665
Other		10,511	11,581
Auxiliary enterprises	$	58,310	56,907

(l) Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand and highly liquid investments with original maturities of less than three months from the date of purchase. Cash and cash equivalents representing assets of endowment and similar funds are included in investments. Cash and cash equivalents are deposited in demand and money market accounts and deposits held with banks may exceed the amount of insurance provided on such deposits. The University has not experienced any losses on its deposits of cash and cash equivalents.

(m) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent funds maintained in accounts for: 1) unspent bond proceeds from issued bonds; 2) government or University loan funds; 3) contracts with government agencies. Such funds are held in bank or short-term interest-bearing accounts.

The following table provides a reconciliation of cash and cash equivalents, and restricted cash and cash equivalents reported within the consolidated statements of financial position as of June 30, 2025 and 2024 that sum to the total of the same such amounts shown in the accompanying consolidated statements of cash flows:

		2025	2024
Cash and cash equivalents	$	63,062	29,306
Restricted cash and cash equivalents		61,161	13,237
Cash, cash equivalents, and restricted cash and cash equivalents, as shown in consolidated statements of cash flows	$	124,223	42,543

(n) Student Loans Receivable

Student loans receivable consist primarily of loans made to students under U.S. government loan programs. The loans are stated at net realizable value in the accompanying consolidated financial statements. These receivables are not saleable and contain federally mandated interest rates and repayment terms subject to significant restrictions as to their transfer and disposition. The University reviews receivables on an ongoing basis to assess collectability and records an allowance for credit losses based on historical experience. Provision for bad debt and write-off activity related to the allowance for credit losses for student loans is not material to the consolidated financial statements. At June 30, 2025 and 2024, the amount of loans past due under the student loan programs was $1,209 and $1,327, respectively.

(o) Investments

Investments are stated at fair value. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, changes in values may occur in the near term and such changes could materially affect the University's financial position. For alternative investments in funds that do not have readily determinable fair values, including certain hedge funds and limited partnerships, the University records these investments using net asset value (NAV) per share or its equivalent as a practical expedient to fair value.

In accordance with the accounting policy of stating investments at fair value, the change in unrealized appreciation or depreciation of those securities is reflected in investment income within the accompanying consolidated financial statements. The cost of investments sold is determined by use of the specific-identification method for all investments except those in the investment pool. The cost of the investments in the investment pool (note 6) is determined using individual unit values.

Funds held in trust by others represent amounts held by third-party trustees for the beneficial interest of the University under perpetual trust agreements created by donors. The University's interests in the trusts are recorded at fair value, with increases or decreases in fair value being reported as investment gains or losses during the year.

The University owns a minority interest in an affiliated entity, Arizona Alliance. The University's ownership of Arizona Alliance is recorded using the equity method, which is carried at the value of the original investment and adjusted for entity earnings and losses. The carrying value of the investment in the Arizona Alliance is immaterial to the financial statements for the years ended June 30, 2025 and 2024, respectively.

(p) Land, Buildings, and Equipment

Land, buildings, and equipment are primarily stated at cost of acquisition, less accumulated depreciation. Generally, equipment purchases and renovations equal to or greater than $5 and $25, respectively, are capitalized. The library collection is stated at cost or, if acquired by donation, at the appraised value at the date of donation. Land, buildings, and equipment are removed from the records at the time of disposal. Depreciation is computed on a straight-line basis over the estimated useful life of buildings (10–40 years), library collection (25 years), and equipment (3–15 years). Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges recorded during fiscal year 2025 or 2024. Gifts of land, building, equipment, or other assets are recorded at estimated fair value when received.

(All amounts in thousands)

(q) Refundable Government Student Loan Funds

Refundable government student loan funds consist of amounts advanced by the federal government on the condition that the University administers various campus-based student loan programs subject to federal regulations. Under certain conditions, the funds must be returned to the federal government. The amounts are not saleable and can only be assigned to the U.S. government or its designees.

(r) Bonds and Notes Payable

Bond discounts, premiums, and issuance costs are deferred and amortized over the life of the related indebtedness utilizing the straight-line method which approximates the effective interest rate method.

(s) Income Taxes

The University has been recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The University is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. After evaluating the tax positions for the University, none are considered to be uncertain. As of June 30, 2025, and 2024, the University had no liability for unrecognized tax benefits.

(t) Reclassification

Certain amounts in the 2024 consolidated financial statements have been reclassified to conform to the 2025 presentation.

(2) Net Assets

Net assets without donor restrictions consist of the following:

		2025	**2024**
Board-designated endowment funds (note 6)	$	303,214	283,330
Other net assets without donor restrictions		674,943	668,540
Total net assets without donor restrictions	$	978,157	951,870

(All amounts in thousands)

Net assets with donor restrictions (time or purpose) consist of the following:

		2025	2024
Contributions for buildings yet to be placed in service	$	31,461	505
Contributions receivable, net		50,241	41,773
Annuity funds		1,563	1,449
Unexpended income and contributions for restricted purposes		49,359	36,043
Endowment funds and unappropriated donor-restricted endowment earnings (note 6)		205,871	167,088
Total net assets with donor restrictions (time or purpose)	$	338,495	246,858

Net assets with donor restrictions (perpetual) consist of the following:

		2025	2024
Endowment funds (note 6)	$	332,086	307,365
Endowment funds held in trust by others (note 6)		25,465	24,805
Student loan funds		295	277
Contributions receivable, net		1,659	2,247
Annuity funds		6,247	5,809
Total net assets with donor restrictions (perpetual)	$	365,752	340,503

(3) Accounts Receivable, Net

Accounts receivable, net consist of the following:

		2025	2024
Student accounts receivable	$	12,687	14,327
Grant funds receivable		8,296	6,594
Medical affiliate receivables		7,003	7,497
Miscellaneous receivables		8,679	8,348
Total accounts receivable, net	$	36,665	36,766

Student accounts receivable is recorded net of estimated reserves for uncollectible amounts of $4,487 and $4,287 at June 30, 2025 and 2024, respectively.

(Continued)

(All amounts in thousands)

(4) Financial Assets and Liquidity Resources

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, including capital. Resources available to the University to fund general expenditures, such as operating expenses, scheduled principal and interest payments on debt, and internally funded capital costs, have seasonal variations related to the timing of tuition payments, receipts of gifts and pledge payments, and transfers from the endowment. The University actively manages its resources, utilizing a combination of short and long-term investment strategies to align operating cash inflows with anticipated outflows. As of June 30, 2025, and 2024, respectively, existing financial assets available within one year were as follows:

		2025	2024
Financial assets:			
Cash and cash equivalents	$	63,062	29,306
Accounts receivable, net		36,665	36,766
Contributions receivable, net, due within one year		637	887
Investments not subject to donor restrictions, available within one year		140,504	123,893
Fiscal 2026 and 2025 projected endowment payout:			
Donor-restricted endowments		19,145	18,347
Board-designated endowments		13,262	16,156
Other endowments without donor restrictions		1,093	1,145
Total financial assets available within one year	$	274,368	226,500

Student loans receivable are not considered to be available to meet general expenditures since principal and interest collected on these loans are used to make new loans.

The University included in this analysis the amount of funds authorized by the Board of Trustees to be distributed from the endowment. The University's Board of Trustees has designated a portion of its resources without donor restrictions for endowment and other purposes. These funds are invested for long-term appreciation and current income but remain available, as needed. As of June 30, 2025, and 2024, respectively, the University had $303,214 and $283,330 in funds functioning as endowment, which are available for general expenditure with Board of Trustees approval.

The University maintains two lines of credit which can be drawn upon as needed to meet working capital requirements (see note 10).

(All amounts in thousands)

(5) Investments

University investments as of June 30, 2025 and 2024 comprise the following:

		2025	2024
Short-term investments	$	28,972	15,058
Long-term investments		1,155,544	1,066,423
Funds held in trust by others		26,104	25,425
Total University investments	$	1,210,620	1,106,906

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The University discloses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The lowest-level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. Fair value measurements are categorized as Level 3 when a significant amount of price or other inputs that are considered to be unobservable are used in their valuations.

The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs such as quoted prices in active markets that the University has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices in active markets such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs where there is little or no market data and which require the University to develop its own assumptions about the inputs that market participants would use to price an instrument based on the best available information.

(Continued)

(All amounts in thousands)

The table below summarizes the University's classification of fair value measurements utilized for assets recorded at fair value on a recurring basis and provides a reconciliation to the total investments on the consolidated statements of financial position as of June 30, 2025:

	Total	Level 1	Level 2	Level 3
Investments:				
Investment money markets	$ 1,487	1,487	—	—
Domestic funds	193,540	193,540	—	—
International funds	136,012	136,012	—	—
Global funds	263,041	263,041	—	—
Real assets funds	493	493	—	—
Fixed-income funds	137,353	137,353	—	—
Fixed-income securities and corporate bonds	43,565	—	43,565	—
Real estate	173	—	—	173
Funds held in trust by others	26,104	—	—	26,104
Other	183	183	—	—
Subtotal	801,951	$ 732,109	43,565	26,277
Alternative investments recorded at NAV (*)	408,669			
Total University investments	$ 1,210,620			

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

(All amounts in thousands)

The table below summarizes the University's classification of fair value measurements utilized for assets recorded at fair value on a recurring basis and provides a reconciliation to the total investments on the consolidated statements of financial position as of June 30, 2024:

	Total	Level 1	Level 2	Level 3
Investments:				
Investment money markets	$ 5,619	5,619	—	—
Domestic funds	190,284	190,284	—	—
International funds	122,259	122,259	—	—
Global funds	231,999	231,999	—	—
Real assets funds	341	341	—	—
Fixed-income funds	145,221	145,221	—	—
Fixed-income securities and corporate bonds	29,421	—	29,421	—
Notes and mortgages	2	—	—	2
Real estate	173	—	—	173
Funds held in trust by others	25,425	—	—	25,425
Other	147	147	—	—
Subtotal	750,891	$ 695,870	29,421	25,600
Alternative investments recorded at NAV (*)	356,015			
Total University investments	$ 1,106,906			

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

Fair value of the University's financial instruments is determined using the methods and assumptions as set forth below. While the University believes that its valuation methods are appropriate and consistent with those of other market participants, use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value at the reporting date. There were no changes in valuation methodology from 2024 to 2025.

Investment money market funds – Investment money market funds are recorded at fair value using quoted market prices. These are classified as Level 1 as they are traded in an active market for which closing prices are readily available.

Domestic, international, global, real asset, fixed-income funds – These securities are mainly measured using quoted market prices at the reporting date multiplied by the quantity held. These are classified as Level 1 if they are traded in an active market for which closing market prices are readily available.

(All amounts in thousands)

Fixed-income securities and corporate bonds – Investments in fixed-income securities are comprised of government and agency obligations, and corporate bonds. When quoted prices of identical investment securities in active markets are not available, the fair values for these investment securities are obtained primarily from pricing services; one evaluated price is received for each security. The fair values provided by the pricing services are estimated using matrix pricing or other pricing models, where the inputs are based on observable market inputs or recent trades of similar securities. Such investment securities are generally classified as Level 2.

Real estate, notes and mortgages – Investments in real property represent various real properties donated to the University and initially valued at appraised value on the date of receipt. Valuations for real properties are classified as Level 3 and the properties are valued based upon market comparisons. The fair value of notes and mortgages is based upon the principal outstanding that approximates estimated net present value of estimated future cash flows.

Funds held in trust by others – Funds held in trust by others represent the University's beneficial interest in certain assets held by third parties. The valuation of these funds is based on fair value information received from external trustees and is calculated based upon information received from the trustee times the University's percentage of ownership. These interests are classified as Level 3.

Other – Items included in this category include primarily accrued interest that is reported at fair value at the reporting date and futures contracts, which are recorded at fair value based on quoted market prices.

The following tables summarize the changes in fair value of Level 3 investments for the years ended June 30, 2025 and 2024:

		Notes and mortgages	Real estate investments	Funds held in trust by others	Total Level 3
Balance at June 30, 2024	$	2	173	25,425	25,600
Investment income		—	—	—	—
Unrealized gains (losses), net		—	—	679	679
Purchases		—	—	—	—
Sales		—	—	—	—
Mortgage payments		(2)	—	—	(2)
Balance at June 30, 2025	$	—	173	26,104	26,277
Total gains included in changes in net assets attributable to the change in unrealized gains and losses on assets still held at the reporting date	$	—	—	679	679

(All amounts in thousands)

		Notes and mortgages	Real estate investments	Funds held in trust by others	Total Level 3
Balance at June 30, 2023	$	2	338	25,578	25,918
Investment income		—	(165)	—	(165)
Unrealized gains (losses), net		—	—	(153)	(153)
Purchases		—	—	—	—
Sales		—	—	—	—
Balance at June 30, 2024	$	2	173	25,425	25,600
Total losses included in changes in net assets attributable to the change in unrealized gains and losses on assets still held at the reporting date	$	—	—	(153)	(153)

The estimated fair value of certain alternative investments, such as private equity funds, private credit funds, private real assets funds and hedge funds was supplied by the respective fund administrator or trust. For these alternative investments, the University used the NAV (or its equivalent) reported by the underlying fund to estimate the fair value of the investment as a practical expedient to fair value. Below is a summary of investments accounted for at NAV as of June 30, 2025 and 2024:

Fiscal year ended June 30, 2025		Fair value	Unfunded commitment	Redemption frequency (if currently eligible)	Redemption notice period	Investment strategy
Private equity funds (a)	$	272,837	100,080	Illiquid	—	Multiple strategies
Real assets (a)		51,196	19,510	Illiquid	—	Multiple strategies
Hedge fund		84,636	—	Monthly	60–90 days	Multiple strategies
Total	$	408,669	119,590			

(a) These funds are expected to liquidate within 1 to 12 years.

(All amounts in thousands)

Fiscal year ended June 30, 2024		Fair value	Unfunded commitment	Redemption frequency (if currently eligible)	Redemption notice period	Investment strategy
Private equity funds (a)	$	230,808	111,938	Illiquid	—	Multiple strategies
Real assets (a)		51,944	25,519	Illiquid	—	Multiple strategies
Hedge fund		73,263	—	Monthly	60–90 days	Multiple strategies
Total	$	356,015	137,457			

(a) These funds are expected to liquidate within 1 to 12 years.

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

(6) Endowment Fund

The University's endowment consists primarily of funds invested in an externally managed pooled endowment fund. The composition of the total endowment fund as of June 30, 2025 and 2024 is as follows:

		2025	2024
University share of pooled endowment fund	$	1,138,725	1,050,410
Operational and other funds invested in the pooled fund		(305,334)	(297,129)
Endowment funds held in trust by others		25,465	24,805
Nonpooled assets, including cash and cash equivalents, notes receivable, real estate, and other		7,780	4,502
Total endowment	$	866,636	782,588

Certain assets of the endowment fund are pooled on a market value basis. Each individual pooled endowment fund subscribes to or disposes of units on the basis of the per-unit market value at the beginning of the calendar month within which the transaction takes place. The following table illustrates the relative percentage composition of the investments at June 30, 2025 and 2024 by security type, based upon the function that the investment serves in the portfolio:

(All amounts in thousands)

	2025	**2024**
Equities – domestic	18 %	18 %
Equities – international	11	11
Equities – global	23	22
Fixed-income securities	14	16
Hedge funds	7	7
Private capital and real assets funds	26	25
Cash and cash equivalents	1	1
	100 %	100 %

The total rate of return on the pooled endowment fund was 12.5% for the year ended June 30, 2025 and 11.2% for the year ended June 30, 2024.

(a) UPMIFA

The University applies the provisions of the Nebraska Uniform Prudent Management of Institutional Funds Act (the Act) and the related provisions of Accounting Standards Codification (ASC) 958-205-05, *Reporting Endowment Funds*, in managing its endowment. ASC 958-205-05 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Act and also requires certain disclosures about both donor-restricted and board-designated endowment funds.

The University's endowment consists of nearly 1,400 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the University's Board of Trustees to function as endowments. Net assets associated with the endowment, including the board-designated funds, are classified and reported based upon the presence or absence of donor-imposed restrictions.

(b) Interpretation of Relevant Law

The University's Board of Trustees has interpreted the Act as allowing the University to appropriate for expenditure or accumulate as much of an endowment fund as the University determines is prudent for the uses, benefits, purposes, and direction for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. As a result of this interpretation, the University classifies as net assets with donor restrictions (perpetual) (a) the original value of the gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

(Continued)

(All amounts in thousands)

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions (perpetual) is classified as net assets with donor restrictions (time or purpose) until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by the Act.

In accordance with the Act, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds in cases where the endowment funds are underwater: 1) the duration and preservation of the fund; 2) the purposes of the University and the donor-restricted endowment fund; 3) general economic conditions; 4) the possible effect of inflation and deflation; 5) the expected total return from income and appreciation of the investments; 6) other resources of the University; and 7) the investment policies of the University.

(c) *Endowment Net Asset Composition by Fund Type*

The endowment composition by type of fund is illustrated in the following tables:

		Without donor restrictions	With donor restrictions (time or purpose)	With donor restrictions (perpetual)	Total
June 30, 2025:					
Donor-restricted endowments	$	—	205,871	357,551	563,422
Board-designated endowments		303,214	—	—	303,214
Endowment totals	$	303,214	205,871	357,551	866,636

		Without donor restrictions	With donor restrictions (time or purpose)	With donor restrictions (perpetual)	Total
June 30, 2024:					
Donor-restricted endowments	$	—	167,088	332,170	499,258
Board-designated endowments		283,330	—	—	283,330
Endowment totals	$	283,330	167,088	332,170	782,588

(All amounts in thousands)

(d) Endowment Net Asset Reconciliation

		Without donor restrictions	With donor restrictions	Total
Beginning balance, July 1, 2024	$	283,330	499,258	782,588
Investment income, net		37,364	59,807	97,171
Contributions		33	23,906	23,939
Amounts appropriated for expenditure		(16,905)	(19,649)	(36,554)
Other changes		(608)	100	(508)
Ending balance, June 30, 2025	$	303,214	563,422	866,636

		Without donor restrictions	With donor restrictions	Total
Beginning balance, July 1, 2023	$	295,179	450,220	745,399
Investment income, net		30,009	46,465	76,474
Contributions		29	20,016	20,045
Amounts appropriated for expenditure		(13,085)	(16,864)	(29,949)
Other changes		(28,802)	(579)	(29,381)
Ending balance, June 30, 2024	$	283,330	499,258	782,588

(e) Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the University to retain as a fund of perpetual duration. The University considers funds for which the fair value of the assets is less than the value of all contributions to the fund to be deficient and such funds are referred to as “underwater” funds. As of June 30, 2025, and 2024, funds with an original gift value of $20,699 and $26,663 were “underwater” by $3,230 and $3,693, respectively. Deficiencies of this nature were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions with donor restrictions and continued appropriation for certain programs as deemed prudent.

(f) Return Objectives and Risk Parameters

The University has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the spending rate and long-term inflation rate while assuming a prudent level of investment risk. Over a market cycle, the University expects its endowment funds to provide an average nominal rate of return, net of investment fees, of approximately 7.00% annualized. Actual returns in any given year may vary from this amount.

(g) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places emphasis on investments in equities, fixed income, hedge funds, private markets, and other strategies to achieve its long-term return objectives within prudent risk constraints.

(h) Endowment Spending Policy

The University endowment spending formula is designed to provide a measure of stability for budgeting purposes and help preserve the purchasing power of the endowment over the long-term. There is also a spending cap of 5% and a floor of 3% to mitigate significant fluctuations in spending. The distribution is calculated as:

- The three-year rolling average of market values as of December 31st X 4.9%. Endowments less than three-years old will use the market value determination of one-year or two-year rolling averages as applicable.

The amounts calculated for distribution are further reviewed for any funds that are underwater. Based on the review and assessment of the specific factors described above, the distribution may be reduced or suspended for the applicable year.

In establishing the spending policy, the University considered the expected return on its endowment and, accordingly, expects the current spending policy to allow the endowment to maintain its purchasing power by growing at a rate equal to planned distributions over the long-term. Additional real growth will be provided through new gifts and any excess investment return.

(All amounts in thousands)

(7) Land, Buildings, and Equipment, Net

Land, buildings, and equipment, net consist of the following:

	2025	2024
Land	$ 56,238	55,501
Land improvements	48,721	50,020
Buildings	867,090	852,505
Equipment	176,858	167,617
Library collection	77,823	76,717
Construction in progress	53,011	14,439
	1,279,741	1,216,799
Accumulated depreciation	(571,718)	(528,834)
	$ 708,023	687,965

Depreciation expense was $53,763 and $47,848 for the fiscal years ended June 30, 2025 and 2024, respectively.

(8) Contributions Receivable, Net

Unconditional promises to give are included in the consolidated financial statements as contributions receivable and revenue within the appropriate net asset category. Values expected to be received are discounted to net present value using risk-adjusted discount rates, ranging from 3.00% to 5.54%. Unconditional promises to give are expected to be realized in the following periods:

	2025	2024
One year or less	$ 30,964	13,408
Between one and five years	24,490	34,183
More than five years	2,504	2,966
Less discount and allowance for uncollectible accounts	(6,058)	(6,537)
	$ 51,900	44,020

In addition, donors to the University have indicated intentions to contribute in future periods of approximately $55,244 and $44,879 at June 30, 2025 and 2024, respectively. These amounts are not included in contributions receivable because they do not constitute unconditional promises to give. It is not practicable to estimate the net realizable value of these intentions to contribute or the period over which they will be collected.

(All amounts in thousands)

(9) Bonds and Notes Payable

Bonds and notes payable, net of premium, discount and issuance costs at June 30, 2025 and 2024 consist of the following:

		2025	2024
$3,517 issuance of note payable (Sodexo); monthly principal and interest payments through 2032; interest rate 3.2%	$	2,712	3,102
$141,215 issuance of loan notes (Douglas County Educational Facilities Revenue and Refunding Bonds 2025); annual principal and interest payments through 2053; interest rates 4.25% to 5.25%; (collateralized by unrestricted receipts, revenue, and income of the University)		147,301	—
$43,155 issuance of loan notes (Douglas County Educational Facilities Loan Notes 2021A); annual principal and interest payments through 2051; interest rates 3.00% to 4.00%; (collateralized by unrestricted receipts, revenue, and income of the University)		47,703	47,940
$94,075 issuance of loan notes (Douglas County Educational Facilities Loan Notes 2021B); annual principal and interest payments through 2035; interest rates variable, 2.27% to 4.94% for 2025 (collateralized by unrestricted receipts, revenue, and income of the University)		—	90,943
$62,645 issuance of bonds (Maricopa IDA Educational Facilities Revenue Bonds Series 2020); interest only payments through 2036; annual principal and interest payments through 2051; interest rates 4.00% to 5.00%; (collateralized by unrestricted receipts, revenue, and income of the University)		71,022	71,371
$72,250 issuance of loan notes (Douglas County Educational Facilities Loan Notes 2017); annual principal and interest payments through 2047; interest rates 3.00% to 5.00%; (collateralized by unrestricted receipts, revenue, and income of the University)		49,008	49,233
Total bonds and notes payable		317,746	262,589
Less current portion of bonds and notes payable		(4,472)	(1,158)
Noncurrent portion of bonds and notes payable	$	313,274	261,431

On April 22, 2025, the University issued $141,215 tax-exempt Series 2025 bonds through the County of Douglas, Nebraska. The proceeds from the Series 2025 bonds were used to refinance the $91,325 outstanding of the Series 2021B bonds. Additional proceeds were used to fund construction of and equipment for the new sophomore residence hall and other permissible capital projects. The bonds were issued on a serial basis with various maturities and will bear interest at a fixed rate paid on a semi-annual basis.

On June 20, 2023, the University received $3,517 pursuant to terms set forth in the University's contract with Sodexo, its campus food services provider. The proceeds are being used to expand and upgrade Sodexo's operations. The note will amortize on a straight-line basis over 10 years and will bear interest at a fixed rate paid on a semi-annual basis.

On August 5, 2021, the University issued $43,155 tax-exempt Series 2021A bonds through the County of Douglas, Nebraska. The proceeds from the Series 2021A bonds were used to fund construction of and equipment for the CL Werner Center for Health Sciences and the new freshmen residence hall. The bonds were issued on a serial basis with various maturities and will bear interest at a fixed rate paid on a semi-annual basis.

On September 1, 2021, the University issued $94,075 tax-exempt Series 2021B bonds through the County of Douglas, Nebraska. The Series 2021B bonds were redeemed with proceeds from the Series 2025 Issuance in May 2025.

On December 12, 2019, the University issued $62,645 tax-exempt Series 2020 bonds through the Industrial Development Authority of the County of Maricopa, Arizona. The proceeds from the Series 2020 bonds were used to fund construction of and equipment for a new health sciences facility in Phoenix. The bonds were issued on a serial basis with various maturities and will bear interest at a fixed rate paid on a semi-annual basis.

On December 4, 2017, the University issued $72,250 tax-exempt Series 2017 bonds through the County of Douglas, Nebraska. The proceeds from the Series 2017 bonds were used to fund construction of and equipment for a new dental school facility and to refinance $29,610 outstanding of the Series 2010A bonds. The Series 2010A debt service reserve fund was redeemed as part of this transaction and the amount applied against the outstanding Series 2010A amount. The bonds were issued on a serial basis with various maturities and will bear interest at a fixed rate paid on a semi-annual basis.

(All amounts in thousands)

Repayments of bond and note principal, including amortization of premium, discount, and debt issuance costs, in each of the five fiscal years subsequent to June 30, 2025 are scheduled as follows:

Year ending June 30:		
2026	$	3,436
2027		4,776
2028		4,996
2029		5,236
2030		5,481
Thereafter		268,292
		292,217
Unamortized bond issue costs		(663)
Unamortized net premium/discounts		26,192
Total payments	$	317,746

Interest expense on long-term debt was $8,999 in 2025 and $8,321 in 2024. Bond discounts, premiums, and issuance costs totaled $25,529 and $19,871 for the fiscal years ended June 30, 2025 and 2024, respectively, and are deferred and amortized over the life of the related indebtedness utilizing the straight-line method, resulting in amortization of $812 and $768 for the fiscal years ended June 30, 2025 and 2024, respectively.

Interest Rate Swap Agreements

Prior to termination of these agreements in April 2025, the University used derivative financial instruments to offset interest rate risk or to otherwise modify the characteristics of its debt portfolio. The interest rate swap agreements were not entered into for trading or speculative purposes. All such financial instruments and derivatives were marked to market and recorded at estimated fair value. These financial instruments necessarily involved counterparty credit exposure. The counterparties for these swap transactions were major financial institutions that met the University's criteria for financial stability and creditworthiness.

The swap agreements were considered derivative financial instruments and the estimated fair values were reported in other liabilities in the consolidated statements of financial position at June 30, 2025 and 2024. The swap agreements did not qualify for hedge accounting. Accordingly, the net changes in the estimated fair value of the agreements were reported as a component of nonoperating changes in net assets in the consolidated statements of activities for the years ended June 30, 2025 and 2024.

The swap agreements involved the exchange of floating and fixed-rate interest payments over the life of the agreements without an exchange of the underlying principal amount. The differential paid or received was recognized as an adjustment to interest expense related to the debt. In April 2025, the University terminated its interest rate swap agreements by paying an aggregate termination fee of $6.1 million to the counterparties. Such termination was executed in conjunction with the redemption of the Series 2021B bonds.

(All amounts in thousands)

The University's interest rate swaps outstanding had the following changes in fair value for the years ended at June 30, 2025 and 2024:

Purchase date	University pays	University receives	2025 Change in fair value	2024 Change in fair value
July 2001	4.455 %	68% of 1-month LIBOR	$ (89)	645
March 2003	3.520	70% of 1-month LIBOR	(154)	316
August 2004	3.600	68% of 1-month LIBOR	(115)	333
February 2005	3.642	Greater of 67% of 1-month LIBOR or 63% of 1-month LIBOR plus 0.20%	(61)	121
February 2005	3.642	Greater of 67% of 1-month LIBOR or 63% of 1-month LIBOR plus 0.20%	(67)	125
April 2005	3.769	67% of 1-month LIBOR	(60)	391
Total change in fair value for the years ended June 30, 2025 and 2024			$ (546)	1,931

The following schedule presents the notional principal amounts and estimated fair values of the University's interest rate swaps at June 30, 2025 and 2024:

2025	2024	Expiration dates	Estimated fair value of swaps at June 30 2025	2024
$ 25,000	25,000	August 1, 2030	$ —	(2,305)
19,150	19,150	March 1, 2033	—	(621)
17,575	17,575	August 1, 2031	—	(905)
8,500	8,500	September 18, 2031	—	(283)
8,500	8,500	September 18, 2031	—	(292)
13,000	13,000	August 23, 2035	—	(1,112)
$ 91,725	91,725		$ —	(5,518)

Prior to their termination, the University's interest rate swaps were valued at fair value using Level 2 inputs of the fair value hierarchy by the swap managers using a discounted cash flow analysis. The LIBOR reference rate was no longer quoted as of June 30, 2023. As such, the University adopted a protocol that allowed for the floating rate component to be calculated using the Secured Overnight Financing Rate (SOFR).

(All amounts in thousands)

(10) Short-Term Borrowings

The University has two current revolving lines of credit established for daily operating needs as of June 30, 2025. One operating line of credit has a maximum borrowing capacity of $25,000 and expires May 31, 2026. The interest rate payable on this line of credit is established at Term SOFR Rate plus a 1.55% margin, or 5.87% at June 30, 2025. The University will pay a 0.10% non-use fee on the daily unused portion of the maximum borrowing capacity, payable quarterly in arrears. The outstanding balances on this line of credit were $0 at June 30, 2025 and 2024.

The second operating line of credit has a maximum borrowing capacity of $25,000 and expires December 1, 2025. The interest rate payable on this line of credit is established at prime rate minus 1.55%. The interest rate was 5.95% at June 30, 2025. The outstanding balances on this line of credit were $0 at June 30, 2025 and June 30, 2024.

(11) Functional Expenses

Natural expenses allocated by functional category are as follows for the years ended June 30, 2025 and 2024:

	Academic, instructional, and research	Healthcare services	Student services and auxiliary	Institutional support	Total
Salaries, wages, and benefits	$ 226,939	17,232	43,144	31,154	318,469
Contracted services	16,468	824	27,490	12,840	57,622
Supplies and materials	12,497	7,437	5,111	1,338	26,383
Depreciation	22,357	1,198	28,762	1,446	53,763
Interest	3,438	214	5,140	284	9,076
Utilities and communications	4,371	298	6,184	1,054	11,907
Other operating	22,584	2,390	28,877	3,112	56,963
2025 Total	$ 308,654	29,593	144,708	51,228	534,183

(All amounts in thousands)

	Academic, instructional, and research	Healthcare services	Student services and auxiliary	Institutional support	Total
Salaries, wages, and benefits	$ 218,083	16,492	39,802	27,062	301,439
Contracted services	15,598	876	27,550	13,495	57,519
Supplies and materials	12,422	6,655	4,660	1,177	24,914
Depreciation	20,087	1,060	25,423	1,278	47,848
Interest	3,182	198	4,758	264	8,402
Utilities and communications	4,060	284	5,714	1,041	11,099
Other operating	19,900	851	27,688	3,310	51,749
2024 Total	$ 293,332	26,416	135,595	47,627	502,970

Included under Academic, instructional, and research are instructional, student aid, sponsored research, libraries, public service, and academic support. Costs related to the operation and maintenance of physical plant, including depreciation of plant assets and interest expense on external debt, are allocated to operating programs and supporting activities based upon square footage. Included under Institutional support in the table above are University fundraising expenses of $8,623 and $8,593 for the fiscal years ended June 30, 2025 and 2024, respectively.

(12) Retirement Plan

A defined-contribution retirement plan is available to employees who have met certain employment requirements. Contributions by employees and the University are used to purchase individual annuities or interests in mutual funds. University contributions during the years ended June 30, 2025 and 2024 were $12,016 and $11,489, respectively.

(13) Self-Insured Benefit Plans

The University has a self-insured health benefit plan covering active employees and their dependents. The plan also covers medical house staff whose cost of participation is paid by the organizations for whom they provide services. Total claims paid under the plan for the fiscal years 2025 and 2024 were $29,109 and $27,431, respectively. The University carries stop-loss insurance coverage that limits the University’s claim liability to $225 per individual. The University has also contracted with an insurance carrier to provide administrative services for the plan. The liability estimated by the University for claims incurred but not reported was $2,510 and $2,430 at June 30, 2025 and 2024, respectively. The University is also partially self-insured for workers’ compensation and accrues an estimated liability for claims incurred but not paid based on studies performed by an outside actuarial firm. The liability amounts are included in accounts payable and accrued expenses in the consolidated statements of financial position.

(14) Commitments and Contingencies

The University is involved in various litigation arising in the normal course of operations. On the basis of information presently available and the advice of legal counsel, management is of the opinion that any liability, to the extent not provided for through reserves or otherwise, for pending litigation is not likely to be material in relation to the University's financial position or activities.

The University executed a 25-year energy services contract in May 2019. Payments by the University are based upon volume levels and energy prices.

The University has remaining contractual obligations of $33,022 related to the construction of a new residence hall with a mixture of study and living spaces for sophomore students. Construction began on the new building in summer 2024 and is expected to be completed in summer 2026. Total cost of the build is expected to be $52,500.

The University has remaining contractual obligations of $12,517 related to renovations of Creighton Hall. Construction began spring 2025 and is expected to be completed in spring 2026. Total cost of the renovations is to be $18,500.

The University has remaining contractual obligations of $15,253 related to the construction of a new baseball field. Construction began on the field in summer 2025 and is expected to be completed in summer 2026. Total cost of the build is expected to be $17,600.

The University has remaining contractual obligations of $2,337 related to the construction of a new softball complex. Construction began on the field in fall 2024 and is expected to be completed in fall 2025. Total cost of the build is expected to be $16,100.

The University has remaining contractual obligations of $5,903 related to the construction of a new athletics performance center for student athletes. Construction began on the performance center in summer 2025 and is expected to be completed in spring 2027. Total cost of the build is expected to be $65,000.

Research grants and contracts normally provide for the recovery of direct and indirect costs. Recovery of indirect costs on U.S. government grants is recorded at fixed or predetermined rates negotiated with the government. Indirect cost recovery rates have been established with the U.S. government through fiscal year 2026.

(15) Related Parties

(a) Board of Trustees

The University has a written conflict of interest policy that requires, among other things, that no member of the Board of Trustees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Trustee is requested to certify compliance with the conflict-of-interest policy on an annual basis and indicate whether the University does business with an entity in which a trustee has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the University, and in accordance with applicable conflict of interest laws.

Board members contributed $30,102 and $5,353 for the years ended June 30, 2025 and 2024, respectively, for the purposes of purchasing and constructing capital assets, granting scholarships, programming, and general operations. Additionally, the University receives services from entities where Creighton Board of Trustee members are also trustees or hold key management positions. The University reported $6,405 and $4,657 of operating expenses and $6 and $101 of building construction related costs for the years ended June 30, 2025 and 2024, respectively from these entities.

(b) Other

The University owns a minority interest in an affiliated entity, Arizona Alliance.

(16) Subsequent Events

The University has evaluated subsequent events through October 24, 2025, the date the consolidated financial statements were issued, and noted no additional items to disclose.

The Creighton University Mission

Creighton is a Catholic and Jesuit comprehensive university committed to excellence in its selected undergraduate, graduate and professional programs.

As Catholic, Creighton is dedicated to the pursuit of truth in all its forms and is guided by the living tradition of the Catholic Church.

As Jesuit, Creighton participates in the tradition of the Society of Jesus, which provides an integrating vision of the world that arises out of a knowledge and love of Jesus Christ.

As comprehensive, Creighton's education embraces several colleges and professional schools and is directed to the intellectual, social, spiritual, physical and recreational aspects of students' lives and to the promotion of justice.

Creighton exists for students and learning. Members of the Creighton community are challenged to reflect on transcendent values, including their relationship with God, in an atmosphere of freedom of inquiry, belief and religious worship. Service to others, the importance of family life, the inalienable worth of each individual and appreciation of ethnic and cultural diversity are core values of Creighton.

Creighton faculty members conduct research to enhance teaching, to contribute to the betterment of society, and to discover new knowledge. Faculty and staff stimulate critical and creative thinking and provide ethical perspectives for dealing with an increasingly complex world.