THE UNIVERSITY OF ARIZONA

Annual Comprehensive

FINANCIAL REPORT

Year Ended June 30, 2026

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



100 YEARS OF BEAR DOWN

The Spirit. The Legacy. The Call to Keep Going.



Cover Image

In 1926, the tragic passing of University of Arizona student body president and quarterback John Byrd “Button” Salmon transformed a moment of loss into a message that still echoes today.

“Bear Down!” isn’t just a motto; it’s a call to fight, keep faith, and persevere in every challenge. For 100 years, these two words have inspired Wildcats to push further, dream bigger, and stand together through triumphs and trials alike.



Photo: Tom Kubik

Photos at top: © Special Collections, The University of Arizona Libraries, University of Arizona Photograph Collection

Annual Comprehensive

FINANCIAL REPORT

Year Ended June 30, 2026

Prepared by Finance & Budget

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

THE UNIVERSITY OF ARIZONA

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INTRODUCTORY SECTION

Fiscal Year 2026 Annual Comprehensive Financial Report

THE UNIVERSITY OF ARIZONA

Message From The President

Dear Members of the Arizona Board of Regents,

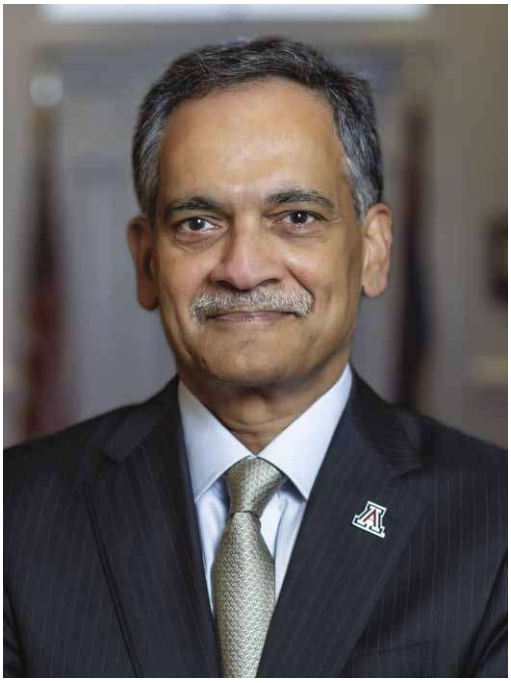


Photo: Chris Richards, The University of Arizona

This has been an excellent year for the University of Arizona, as we celebrated 100 years of Bear Down, the rallying cry for our campus. More than a simple motto, Bear Down encapsulates the U of A's distinctive spirit and our capacity to persevere through every challenge, and indeed, to thrive.

It has also been a year since we published *Delivering on our Promise*, the strategic imperatives driving us to build on our strengths and better serve the needs of the people of our state and the nation. We've been building momentum around these imperatives—Success for Every Student, Research that Shapes the Future, and Engagement with our Communities to Create Opportunity—by making progress on our Academic Success Goals and strategic research initiatives.

We have continued to solidify our fiscal foundation, with a balanced budget in FY 2026 and a stable credit rating according to S&P Global Ratings. We are also freezing tuition and fees for all undergraduate and graduate students for the coming year, marking four consecutive years of frozen resident undergraduate tuition. Our leadership team has also continued to come together, building the cohesion and alignment necessary to drive our long-term vision forward. We completed comprehensive organizational reviews of University Information Technology Services, Human Resources, and Facilities Management, implementing changes in each that reduce duplication and clarify responsibilities, and we've fully integrated health sciences administrative functions into university operations, creating a unified academic and research enterprise that elevates health as a university-wide priority.

As always, the University of Arizona remains committed to excellence, and I am grateful to our faculty, staff, students, alumni, community partners, and our regents, who have all helped position our institution as a world-leader.

Best wishes,

Suresh Garimella



Photo: The University of Arizona

Letter of Transmittal

October 30, 2026

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

I respectfully submit the University of Arizona Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. The ACFR includes the Management's Discussion and Analysis (MD&A) and the basic financial statements, as well as other supplemental information that helps provide an understanding of the university's financial position and activities, and the economic landscape of the surrounding area. Responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the university's management. We believe, to the best of our knowledge, the information is accurate in all material respects and fairly presents the university's financial position, revenues, expenses, and other changes in net position.

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



Photo: The University of Arizona

John Arnold,
Chief Financial Officer

The university's ACFR is intended to fulfill the State of Arizona Transparency Law, Arizona Revised Statutes § 41-725. Additionally, federal guidelines and bond covenants require that the university's accounting and financial records be subject to an annual independent audit. The university's annual audit is performed by the Arizona Auditor General. The reports resulting from the audit are public documents and are shared with university management and the Arizona Board of Regents. The Independent Auditors' Report on page 14 of the Financial Section includes the auditors' unmodified opinion on the fair presentation of the university's financial statements.

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

Institutional Profile

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

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

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

Enrollment: The university serves 79,698 students through 20 colleges and the University of Arizona Global Campus, a separately accredited institution that is a business unit of the University of Arizona. The university offers 488 degree programs and is ranked among the leading research universities in the country.

Enrollment Statistics: Academic Year 2025-26

Undergraduate enrollment, Fall 2025	62,409
Graduate and Professional enrollment, Fall 2025	17,289
Degrees awarded, Bachelor's	14,567
Degrees awarded, Advanced	6,761
Degrees awarded, Associate	148
Certificates awarded	816
Tuition and fees for main campus full-time student, Resident	$13,906
Tuition and fees for main campus full-time student, Non-resident	$43,068

The university's faculty and graduate teaching and research assistants and associates educate a diverse student population. The university's student population is 56.3% female, 24.3% Hispanic or Latino, 12.1% African American or Black, 4.5% Asian, and 1.3% American Indian or Alaska Native. It includes students from all 50 states, the District of Columbia, and 128 foreign countries. International students represented 4.8% of the Fall 2025 enrollment; this figure is primarily represented by 16.2% from China, 16.2% from India, 4.3% from Saudi Arabia, 4.0% from Mexico, and 3.3% from Kuwait.

Component Units: The basic financial statements of the university include the operations of the University of Arizona Foundation, Inc., Campus Research Corporation, Law College Association of the University of Arizona, Arizona Sports Enterprises, University of Arizona Applied Research Corporation, and Eller Executive Education, all discretely presented component units. More information relating to the component units can be found in Notes 2 and 15 to the financial statements.

Budget: The university is responsible for planning, developing, and controlling its budget and expenses in accordance with Arizona Board of Regents and university policies and state and federal laws and regulations. The Arizona Board of Regents approves the university's annual operating budget in accordance with ABOR Policy 3-403 and university Financial Policy 4.1. The budget includes the general purpose (State general funds, tuition and fees, investment income, administrative service charge, and indirect cost recovery), designated, and restricted funds budgets. The State Legislature reviews the university's local collections budget and adopts and appropriates the general purpose budget through legislation.

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

Economic Condition

Local Economy: Arizona's economy continued to expand in 2026, although growth remained modest amid federal policy uncertainty, elevated interest rates, labor force constraints, and housing affordability challenges. As reported by the University of Arizona Eller College of Management Economic and Business Research Center in June 2026, State job growth remained slow in 2026, primarily reflecting a slowdown in hiring.

Arizona employment growth improved from 0.1% in 2025 to 0.5% in 2026. Based on data through June 2026, the Tucson area experienced its largest job gains in professional and business services, mining and logging, financial activities, manufacturing, government, private education and health services, and construction.

Population grew 1.2% in 2026, slightly below the 1.3% growth reported in 2025, with net migration continuing to be the primary driver behind population growth in Arizona. Although home price appreciation has moderated, housing affordability remains a challenge and continues to place pressure on housing permit activity.

Other economic indicators showed improvement during 2026. State personal income growth increased from 4.3% in 2025 to 5.1% in 2026, while retail sales growth increased from 4.0% to 4.4%. According to the June 2026 Index of State Economic Momentum, Arizona ranked No. 8 nationally in population growth, No. 10 in economic momentum, No. 10 in employment growth, and No. 13 in personal income growth.

Long-Term Planning

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

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

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

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

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

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



Photo: Carlos Moreno

Major Initiatives

Established in 1885, the University of Arizona is the state's keystone, land-grant institution. The university ranks among America's top institutions, focusing on student access and success while driving a $1 billion research enterprise and engaging communities throughout the state, nation, and world. As a leading Research 1 institution and member of the Association of American Universities, the university advances the frontiers of interdisciplinary scholarship and entrepreneurial partnerships. With two accredited medical schools, designation as a Hispanic-Serving Institution by the U.S. Department of Education, recognition as a premier university for service members, distinguished programs in management information systems, planetary sciences, dance, photography, and public and applied humanities, the U of A offers the world to its students while uplifting Arizona.

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

The following are notable activities of fiscal year 2026:

Pandora: The University of Arizona-led Pandora satellite mission launched into orbit in January, where it will study at least 20 exoplanets and their host stars over long periods of time. The mission will be operated by the U of A's Multi-Mission Operation Center, or MMOC, which is part of the Arizona Space Institute.

Rural Health: The University of Arizona College of Medicine – Phoenix and Onvida Health in Yuma are partnering to launch Arizona's first rural regional medical school branch. Deeply rooted in community, the partnership will address the severe physician shortage facing the rural regions of the state.

PFAS: The 2026 National PFAS Conference took place at the University of Arizona, the fifth gathering in a series that began at Northeastern University in 2017. The conference, held every other year, is one of the few national conferences devoted entirely to PFAS, and one of the only ones designed around the people living with the contamination very closely. U of A research found that the negative health impacts from contamination by so-called "forever chemicals" in drinking water costs the contiguous U.S. at least $8 billion a year in social costs.

National Security: The University of Arizona announced the launch of the Kyl Institute for National Security, marking a strategic, expanded university commitment to translating research breakthroughs into solutions that safeguard U.S. national security interests and armed services personnel amid an increasingly complex geopolitical landscape.

Study Abroad: The University of Arizona has received a $20.0 million gift commitment from the Garcia Family Foundation to expand access to credit-bearing study abroad programs for students with financial need. The investment, the largest of its kind for the university's study abroad

program, will help make study abroad a defining feature of the U of A student experience.

VetMed Applications: More than 2,500 prospective students sought a spot in the University of Arizona College of Veterinary Medicine's incoming class. The American Association of Veterinary Medical Colleges lists the program as the third-most popular choice in the United States among up-and-coming veterinarians.

Banner Partnership: The University of Arizona and Banner Health celebrated the 10th anniversary of their partnership to redefine academic medicine and healthcare delivery across the region. According to a new study, the partnership has generated an estimated $59.0 billion in total economic impact for the state of Arizona.

Bennu's Surface: In one of the biggest surprises of NASA's OSIRIS-REx mission, its target asteroid, Bennu, turned out to be a jagged, rugged world covered in large boulders, with few of the smooth patches that earlier observations from Earth-based instruments had indicated.

Naming Rights: In November, the University of Arizona and Casino Del Sol, an enterprise of the Pascua Yaqui Tribe, announced a landmark 20-year naming rights agreement for Arizona Stadium valued at more than $60.0 million. Under the partnership, the venue will be known as Casino Del Sol Stadium. Three months later, Arizona Athletics and Arizona Sports Enterprises announced a 15-year, $27.7 million naming rights partnership with ALKEME Insurance, designating the venue as McKale Center at ALKEME Arena.

Coral Reefs: Stocking the Biosphere 2 Ocean with corals, researchers kicked off a multi-year experiment to help develop new solutions that could make coral reefs more resilient to threats from rising sea temperatures across the globe.

Space Domain Awareness: The University of Arizona has signed a three-year, $8.6 million cooperative agreement with the U.S. Space Force to develop a new imaging system that will advance space domain awareness – the ability to monitor and understand objects and activity in space.

Class of 2026 Celebration: At its 162nd Commencement on May 15, the University of Arizona conferred approximately 10,000 bachelor's, master's, doctoral, and professional degrees.

Awards and Acknowledgments

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the university for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the thirteenth consecutive year that the university has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Other notable acknowledgements include:

- U.S. News & World Report's 2026-2027 Best Global Universities rankings placed the university at No. 1 among public universities and No. 3 globally in the U.S. in space sciences. In water resources, the university ranked No. 3 in the U.S.
- In the most recent ranking (fiscal year 2024), the National Science Foundation ranked the University of Arizona No. 2 among all public and private U.S. institutions in astronomy science expenditures. Overall, the NSF ranked the university 19th among public research universities, fourth among public universities in NASA-funded activity, fourth among public universities for research expenditures in the physical sciences, and 35th among all colleges and universities.
- The university ranked as the fourth-highest producer of Fulbright Scholars.
- The Center for World University Rankings ranked the university No. 105 globally, No. 50 in the U.S., and No. 27 among public colleges and universities, placing the U of A among the top 0.5% of more than 21,400 colleges and universities worldwide.
- The University of Arizona Air Force ROTC program earned the title of best large detachment of the nation's 145 Air Force ROTC units.
- The university ranks among the nation's leaders in producing founders of billion-dollar startups relative to its size, according to a new Stanford Graduate School of Business analysis.

- The School of Theatre, Film & Television ranked No. 4 among public film schools by The Wrap.
- The university ranked among the top 25 U.S. public colleges and universities in Times Higher Education's World University Rankings 2026.
- The university ranked No. 1 in Arizona in Flinn Scholars.
- The university is home to the No. 1 entomology program in the U.S., according to Edurank.
- Per U.S. News & World Report, the university ranks No. 2 among public graduate institutions in earth sciences. The same report ranks the university No. 4 among public graduate programs for speech-language pathology, No. 5 among public graduate programs in rehabilitation counseling, No. 6 among public graduate programs in management information systems, and No. 6 among public graduate programs for legal writing.
- Arizona Online tied for No. 15 out of 350 programs in the 2025 Best Online Bachelor's Programs rankings by U.S. News & World Report. Arizona Online also earned a No. 9 ranking overall for its bachelor's program offerings for veterans.
- The university earned a spot in The Princeton Review's "Best Value Colleges."
- The University of Arizona is the top doctorate-granting institution for American Indian/Alaska Native students, according to the National Science Foundation's most recent survey of earned doctorates.

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

Respectfully Submitted,

John Arnold
Chief Financial Officer



Photo: Chris Richards

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University of Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025



Executive Director/CEO

Arizona Board of Regents

June 30, 2026

Ex-Officio Members

Honorable Katie Hobbs
Governor of Arizona

Honorable Tom Horne
Superintendent of Public Instruction

Appointed Members

Doug Goodyear
Chair, Scottsdale

Jessica Pacheco
Chair Elect, Phoenix

Gregg Brewster
Secretary, Paradise Valley

Cecilia Mata
Treasurer, Sierra Vista

Dr. Michele Halyard
Regent, Phoenix

James McCain
Regent, Cornville

Steve Peru
Regent, Flagstaff

Lee Stein
Regent, Phoenix

Jadyn Fisher
Student Regent, Northern Arizona University

Felipe Garcia
Student Regent, University of Arizona

Executive Administration

June 30, 2026

Suresh Garimella
President

Rachel Reinhardt
Chief of Staff to the President

John Arnold
Chief Financial Officer

Patricia Prelock
Provost and Chief Academic Officer

Tomás Díaz de la Rubia
Senior Vice President, Research and Partnerships

Richard Cate
Senior Advisor to the President for Operations

Steve Voeller
Chief Government Relations Officer

Cliff Iler
General Counsel

Steve Patterson
Chief Safety Officer

Desireé Reed-Francois
R. Ken Coit Director of Athletics

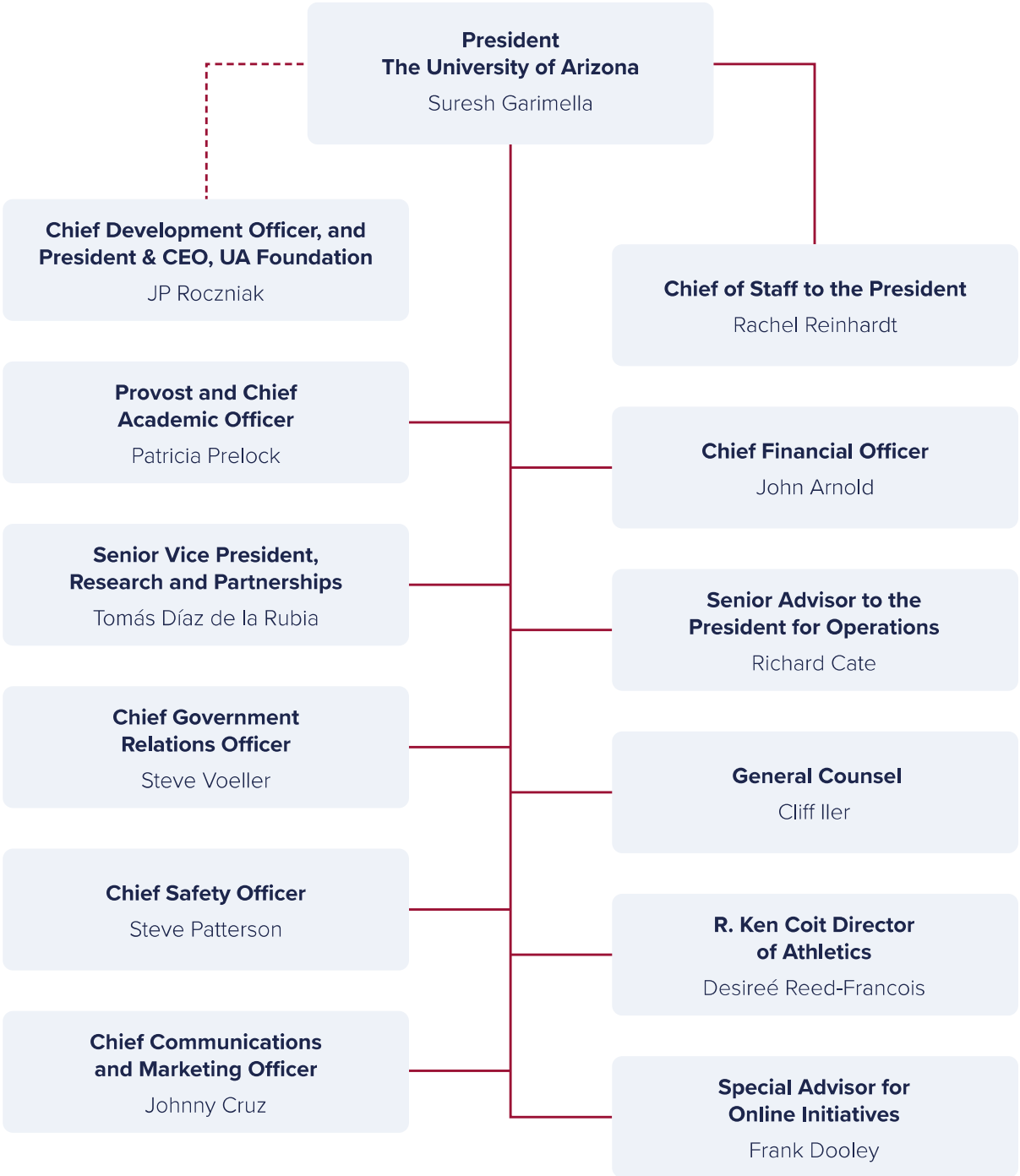
Johnny Cruz
Chief Communications and Marketing Officer

Frank Dooley
Special Advisor for Online Initiatives

JP Roczniak
Chief Development Officer, and President & CEO, UA Foundation

Organization Chart

June 30, 2026



FINANCIAL SECTION

Fiscal Year 2026 Annual Comprehensive Financial Report

THE UNIVERSITY OF ARIZONA

ARIZONA AUDITOR GENERAL

Lindsey A. Perry, Auditor General

Independent auditors' report

Members of the Arizona State Legislature

The Arizona Board of Regents

Report on the audit of the financial statements

Opinions

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of The University of Arizona (University) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and aggregate discretely presented component units of the University as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has 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 other auditors' reports.

Basis for opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The other auditors did not audit the aggregate discretely presented component units' financial statements in accordance with *Government Auditing Standards*.

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

Emphasis of matters

As discussed in Note 1 to the financial statements, the University's financial statements are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only those portions of the business-type activities, major fund, and aggregate discretely presented component units of the State of Arizona that are attributable to the University's transactions. They do not purport to, and do not, present fairly the financial position of the State of Arizona as of June 30, 2026, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, for the year ended June 30, 2026, the University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 105, *Subsequent Events*. Our opinion is not modified with respect to these matters.

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' responsibilities for the audit of the financial statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

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

Required supplementary information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 18 through 29, schedule of the University's proportionate share of the net pension liability—Arizona State Retirement System, schedule of University pension contributions—Arizona State Retirement System, and schedule of University's proportionate share of the total OPEB liability—Arizona Department of Administration on page 70 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The combining statements on pages 71 and 72 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing

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standards. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

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

Other reporting required by Government Auditing Standards

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

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

October 30, 2026

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) provides an overview and analysis of the University of Arizona financial performance and is designed to assist readers in understanding the accompanying financial statements. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles and present the financial position and results of operations of the university as a whole. The MD&A, financial statements, notes to the financial statements, and other required supplementary information are the responsibility of university management. The MD&A should be read in conjunction with the financial statements and notes to the financial statements.

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

The university's financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The discussion that follows provides an overview of these financial statements, with emphasis on significant changes in the university's financial position and results of operations between fiscal years 2026 and 2025. Although the fiscal year 2025 audited financial statements are not presented with this report, condensed comparative financial information is included throughout the MD&A to facilitate year-over-year comparisons.

Key Reporting Changes

For the year ended June 30, 2026, the university implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. The standard revised the presentation of the Statement of Revenues, Expenses and Changes in Net Position by introducing a separate category for noncapital subsidies and a new subtotal combining operating income (loss) and noncapital subsidies. It also revised certain requirements for Management's Discussion and Analysis. The implementation affected the presentation of the financial statements but did not affect the university's financial position or change in net position.

Because GASB Statement No. 103 revised the presentation of the Statement of Revenues, Expenses and Changes in Net Position, the discussion that follows focuses on the underlying factors affecting the university's revenues and expenses, rather than changes attributable solely to the revised presentation.



Photo: The University of Arizona


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Overview of the Financial Statements, Financial Summary, and Detailed Analyses

Statement of Net Position

The Statement of Net Position (SNP) presents the financial position of the university at fiscal year-end. This statement provides information about the university's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, enabling readers to assess the university's financial condition at a point in time. The change in net position is one indicator of whether the university's financial condition has improved or worsened during the fiscal year. The change in net position should be considered in conjunction with nonfinancial factors, including enrollment trends, research activities, and the condition of university facilities.



Photo: Chad Holder

Condensed Schedule of Net Position

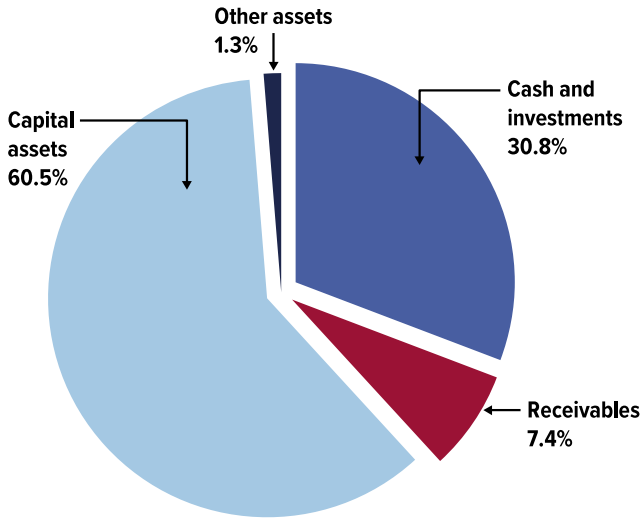
A comparison of the university's assets, deferred outflows of resources (consumption of the university's net position that is applicable to a future reporting period), liabilities, deferred inflows of resources (acquisition of net position by the university that is applicable to a future reporting period), and net position (in thousands of dollars) at June 30, 2026, and June 30, 2025, is as follows:

	FY 2026	FY 2025	% Change
Other assets	$1,874,891	$1,718,870	9.1%
Capital assets	2,874,181	2,843,579	1.1%
Total assets	**$4,749,072**	**$4,562,449**	**4.1%**
Total deferred outflows of resources	**$178,070**	**$211,687**	**(15.9)%**
Other liabilities	$326,717	$288,211	13.4%
Long-term liabilities	2,497,140	2,561,184	(2.5)%
Total liabilities	**$2,823,857**	**$2,849,395**	**(0.9)%**
Total deferred inflows of resources	**$595,654**	**$542,112**	**9.9%**
Net position			
Net investment in capital assets	$1,268,447	$1,218,725	4.1%
Restricted nonexpendable	259,114	234,839	10.3%
Restricted expendable	301,890	274,711	9.9%
Unrestricted (deficit)	(321,820)	(345,646)	6.9%
Total net position	**$1,507,631**	**$1,382,629**	**9.0%**

Total Assets

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

Cash and investments	$1,462,343	30.8%
Receivables	351,454	7.4%
Capital assets	2,874,181	60.5%
Other assets	61,094	1.3%
Total assets	**$4,749,072**	**100.0%**



When compared to fiscal year 2025, the university's total assets increased by $186.6 million. This change is attributed to increases in cash and investments of $155.7 million, capital assets of $30.6 million, and other assets of $5.2 million, offset by a decrease in receivables of $4.9 million. The increase in cash and investments of $155.7 million is primarily due to $401.2 million in proceeds from the issuance of debt, $277.3 million in net cash provided by noncapital financing activities and operating activities, $83.5 million from capital appropriations, commitments, and gifts, $30.3 million in net change in fair value of investments, and $48.5 million in interest and dividends on investments, offset by payment for debt service principal and interest totaling $437.6 million and the purchase of capital assets of $255.5 million. Capital assets increased by $30.6 million, primarily due to additions for building projects totaling $159.5 million, which includes additions in capitalized costs of $70.9 million for the Center for Advanced Molecular and Immunological Therapies Building project (now known as the Medical Innovations Building), $17.0 million for the Electrical and Computer Engineering Micro/Nano Fabrication Renovation project, $13.7 million for deferred maintenance HVAC projects, $8.2 million for the Arizona Public Media Facility equipment project, and $5.1 million for the Health Sciences Building 201 First Floor Renovation. Additional increases include $25.9 million in equipment, $15.8 million in library materials, and $9.4 million in right-to-use assets and computer software. These increases were partially offset by $180.0 million in annual depreciation and amortization. Other assets increased by $5.2 million, primarily due to increases of $5.1 million in the net OPEB asset and $2.6 million in prepaid expenses, offset by decreases of $1.5 million in inventories and $1.0 million in equity interest in joint venture, as discussed in Note 4. The increase in the net OPEB asset is due to actuarial adjustments provided by Arizona State Retirement System (ASRS) and the Public Safety Personnel Retirement System (PSPRS), while the increase in prepaid expenses is primarily related to costs and annual platform fees for the University of Arizona Global Campus (UAGC) student information system. Inventories decreased due to lower Campus Store inventory levels and timing of inventory purchases across various units. Receivables decreased by $4.9 million, primarily due to the timing of payment of $2.8 million for the Technology and Research Infrastructure Fund (TRIF), $1.6 million for the Arizona Teachers Academy, and $1.2 million for Eminent Scholars.

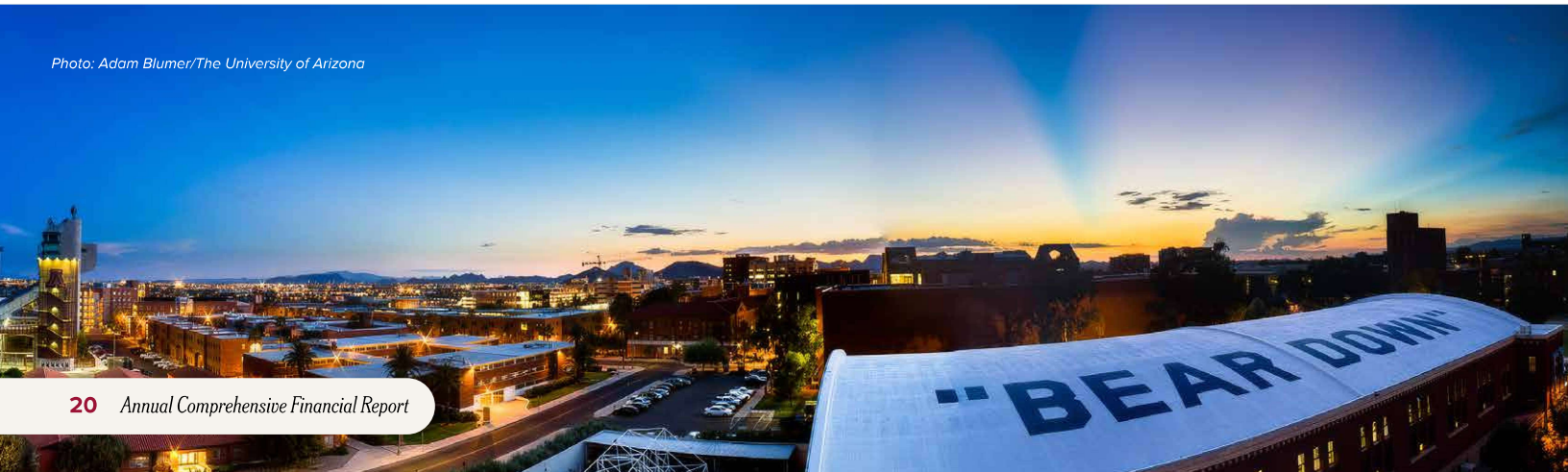
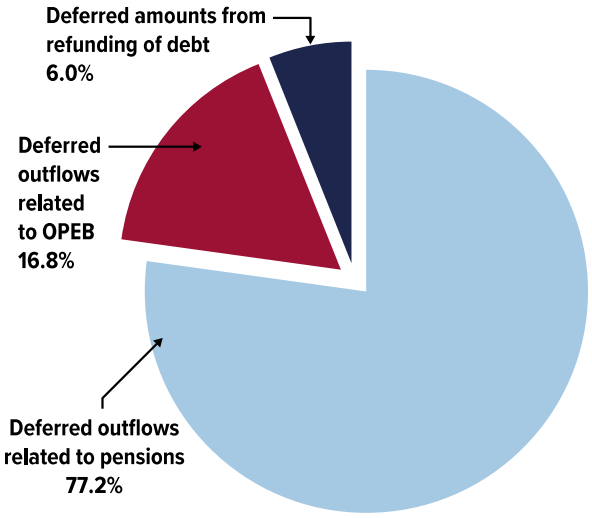


Photo: Adam Blumer/The University of Arizona

Total Deferred Outflows of Resources

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

Deferred outflows related to pensions	$137,463	77.2%
Deferred outflows related to OPEB	29,854	16.8%
Deferred amounts from refunding of debt	10,753	6.0%
Total deferred outflows of resources	**$178,070**	**100.0%**

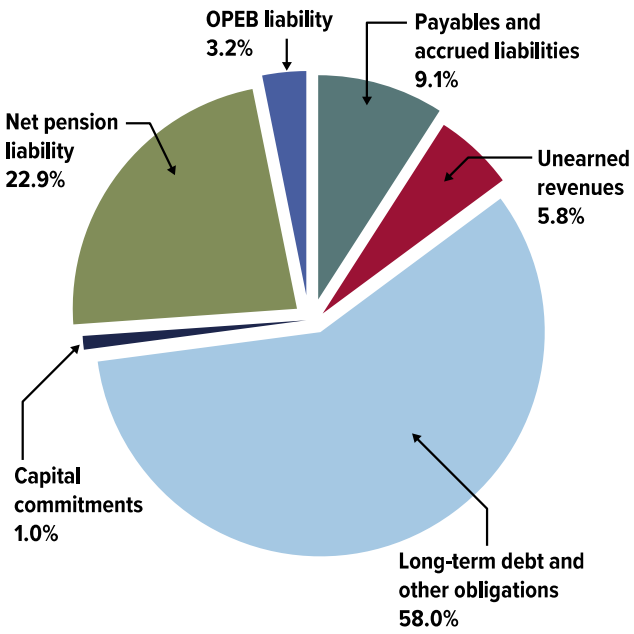


Deferred outflows decreased by $33.6 million, primarily due to a $24.8 million decrease in deferred outflows of resources related to other postemployment benefits (OPEB) and pensions due to actuarial adjustments provided by ASRS, PSPRS, and the Arizona Department of Administration (ADOA). Additionally, there was a decrease of $8.8 million in deferred amounts from refunding of debt due to a $10.6 million reduction associated with the refunding of the System Revenue Bonds (SRB) Series 2016 and 2016A and $1.6 million of annual amortization of deferred outflows associated with prior debt refundings, offset by a $3.4 million increase associated with the issuance of the 2026A SRB this fiscal year.

Total Liabilities

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

Payables and accrued liabilities	$256,912	9.1%
Unearned revenues	162,632	5.8%
Long-term debt and other obligations	1,639,164	58.0%
Capital commitments	28,000	1.0%
Net pension liability	647,535	22.9%
OPEB liability	89,614	3.2%
Total liabilities	**$2,823,857**	**100.0%**



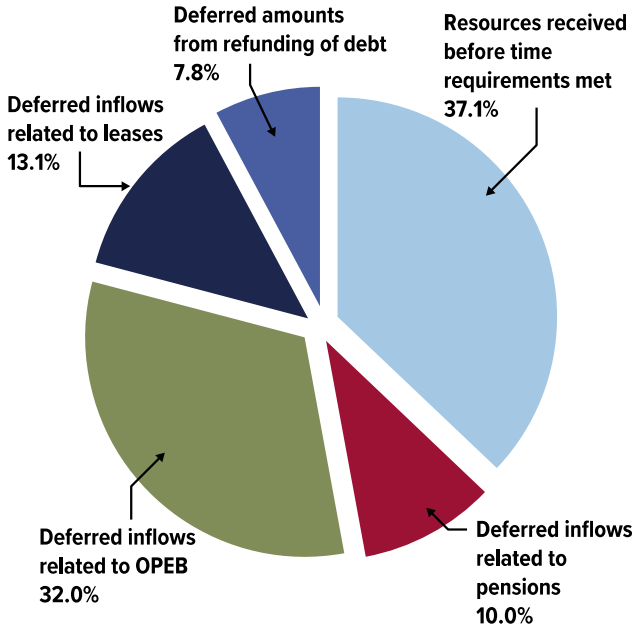
Total liabilities decreased by $25.5 million as compared to fiscal year 2025 due to decreases in OPEB liability of $32.8 million, net pension liability of $29.1 million, and capital commitments of $5.0 million, offset by increases in payables and accrued liabilities of $26.2 million, unearned revenues of $14.3 million, and long-term debt and other obligations of $0.9 million. The decrease in OPEB liability and net pension liability of $61.9 million is due to actuarial adjustments as provided by ASRS, PSPRS, and ADOA. The decrease in capital commitments of $5.0 million is due to the fiscal year 2026 payment associated with the fifth amendment to the university's commitment to the Giant Magellan Telescope Organization (GMTO), as discussed in Note 4. Payables and accrued liabilities increased by $26.2 million due to increases of $15.5 million in accounts payable, $8.7 million in accrued payroll and benefits, and $2.0 million in accrued compensated absences. The increase of $15.5 million in accounts payable is primarily due to the timing of $18.2 million in payments to the Arizona Health Care Cost Containment System (AHCCCS) for the Graduate

Medical Education (GME) program, offset by a decrease of $3.9 million related to purchasing card programs due to volume fluctuations and timing. Accrued payroll and benefits increased by $8.7 million due to an increase in the number of days accrued in fiscal year 2026. Accrued compensated absences increased by $2.0 million, primarily due to fluctuations in vacation usage. Unearned revenues increased by $14.3 million, primarily due to an $8.0 million increase related to UAGC from higher student enrollment fees collected for summer and future-term courses and a $4.1 million increase related to the timing of payments for sponsored projects.

Total Deferred Inflows of Resources

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

Resources received before time requirements met	$220,865	37.1%
Deferred inflows related to pensions	59,373	10.0%
Deferred inflows related to OPEB	190,504	32.0%
Deferred inflows related to leases	78,327	13.1%
Deferred amounts from refunding of debt	46,585	7.8%
Total deferred inflows of resources	**$595,654**	**100.0%**



Deferred inflows increased by $53.5 million due to increases of $23.4 million in deferred amounts from refunding of debt, $16.8 million in deferred inflows related to pensions, $16.5 million in resources received before time requirements were met related to the Academic Enhancement Fund (AEF) Trust Agreement, and $2.0 million in deferred inflows related to OPEB, offset by a decrease of $5.2 million in deferred inflows related to leases where the university is the lessor. The increases related to pensions and OPEB were due to actuarial adjustments as provided by ASRS, PSPRS, and ADOA. The increase related to the AEF Trust Agreement reflects a $35.2 million increase for cost and fair value changes of AEF investments, offset by the annual $18.7 million distribution to the university.

Total Net Position

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

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

Net investment in capital assets	$1,268,447	84.1%
Restricted	561,004	37.2%
Unrestricted (deficit)	(321,820)	(21.3)%
Total net position	**$1,507,631**	**100.0%**

Total net position increased by $125.0 million in fiscal year 2026, which is attributed to increases in restricted, net investment in capital assets, and unrestricted net position. Restricted net position increased by $51.5 million, primarily due to increases of $22.5 million in the fair value of endowments, $16.6 million in decreased personnel and general expenses across various departments and programs, $15.5 million in funding received from the Arizona

Board of Regents for Technical Research Initiative Fund (TRIF) initiatives, and $5.1 million related to the net OPEB asset due to actuarial adjustments as provided by ASRS, PSPRS, and ADOA. These increases were offset by a $12.0 million decrease primarily due to expenditures for restricted construction funds across various capital projects during the fiscal year. Net investment in capital assets increased by $49.7 million primarily due to a net increase of $44.8 million in unspent bond proceeds associated with the issuance of the 2026A SPEED Revenue Bonds and 2026B System Revenue bonds. Unrestricted net position increased by $23.8 million primarily due to a $21.0 million increase from actuarial adjustments related to pension and OPEB obligations as provided by ASRS, PSPRS, and ADOA.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the university's revenues earned and the expenses incurred during fiscal year 2026, regardless of when cash is received or paid. Operating revenues generally result from activities associated with providing educational services, conducting research, and delivering auxiliary and other goods and services. Operating expenses represent the costs incurred in carrying out the university's mission, including depreciation and amortization of capital assets. As required by GASB Statement No. 103, the statement separately presents operating activities, noncapital subsides, and other nonoperating revenues and expenses. Noncapital subsidies primarily consist of state appropriations and noncapital gifts, while other nonoperating revenues and expenses include investment income and expenses, interest expense on debt, additions to permanent endowments, and capital-related revenues, including capital gifts, grants, and conveyances, capital appropriations, and capital commitments.



Photo: Jason Ryder

Condensed Schedule of Revenues, Expenses and Changes in Net Position

A comparison of the university's operations (in thousands of dollars) for the fiscal years ended June 30, 2026, and 2025 is as follows:

	FY 2026^	FY 2025	% Change†
Operating revenues			
Student tuition and fees, net	$952,485	$978,165	(2.6)%
Grants and contracts	1,032,178	633,872	
Financial aid grants (primarily Pell grants)	143,216		
Auxiliary enterprises, net	249,326	248,679	0.3%
Other	102,665	92,927	10.5%
Total operating revenues	**$2,479,870**	**$1,953,643**	**26.9%**
Operating expenses			
Instruction and academic support	$1,175,908	$1,093,685	7.5%
Research and public service	772,642	770,298	0.3%
Student services and scholarships	276,560	289,210	(4.4)%
Institutional support and operation of plant	413,900	412,221	0.4%
Auxiliary enterprises	228,300	208,445	9.5%
Depreciation and amortization	218,665	225,482	(3.0)%
Total operating expenses	**$3,085,975**	**$2,999,341**	**2.9%**
Operating loss	**$(606,105)**	**$(1,045,698)**	**(42.0)%**
Noncapital subsidies			
State appropriations	$339,596		
Share of state sales tax revenues	73,714		
Gifts	143,584		
Subsidies and other appropriations	85,285		
Total noncapital subsidies	**$642,179**		
Operating loss and noncapital subsidies	**$36,074**		
Other nonoperating revenues (expenses)			
Investment income	$59,582		
Other capital and endowment additions	60,546		
Capital appropriations	26,250		
Interest expense on debt	(48,736)		
Other nonoperating expenses	(8,714)		
Total other nonoperating revenues (expenses)	**$88,928**		
Non-operating revenues (expenses)			
State appropriations		$345,328	
Grants, contracts, and gifts		646,337	
Share of State sales tax revenues		58,706	
Investment income		66,972	
Interest expense on debt		(48,321)	
Other non-operating revenues, net		8,420	
Net non-operating revenues		**$1,077,442**	
Income before capital and endowments		$31,744	
Capital appropriations		26,014	
Other capital and endowment additions		121,085	
Total capital and endowments		**$147,099**	

Condensed Schedule of Revenues, Expenses and Changes in Net Position (Continued)

Increase in net position	**$125,002**	**$178,843**	**(30.1)%**
Net position, beginning of year	**$1,382,629**	**$1,176,580**	**17.5%**
Adjustment to and restatement of beginning net position*		**27,206**	**(100.0)%**
Net position, beginning of year, as restated*		**$1,203,786**	
Net position, end of year	**$1,507,631**	**$1,382,629**	**9.0%**

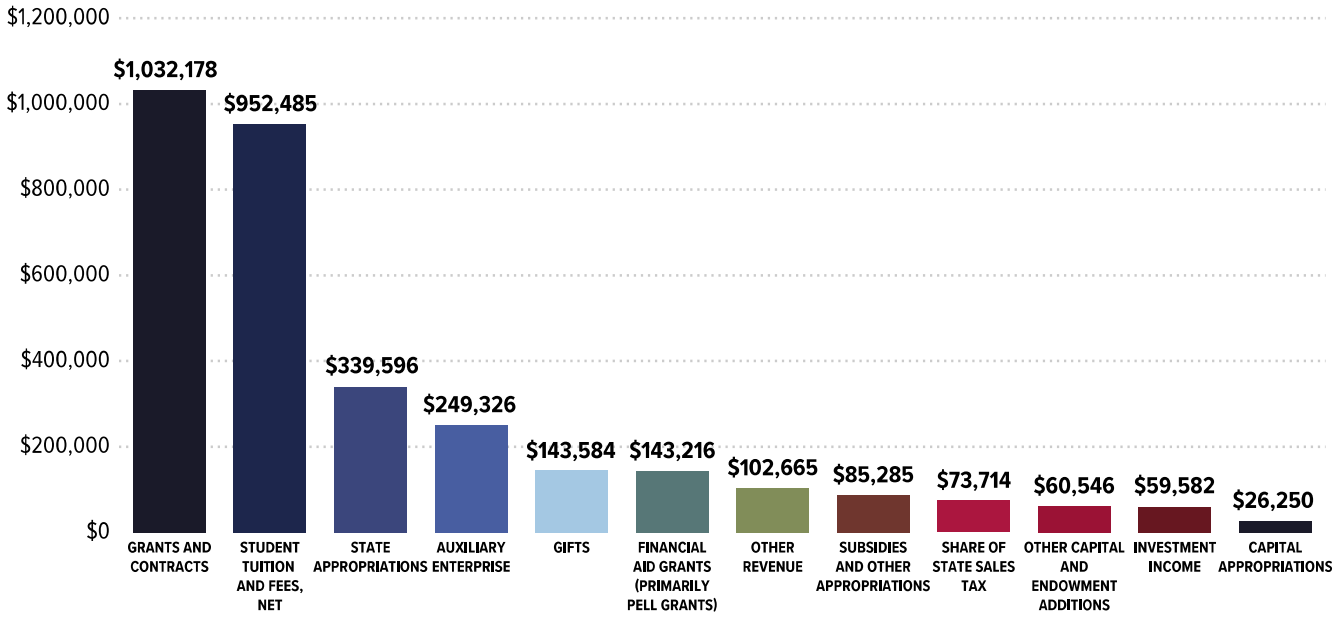
** Fiscal year 2025 beginning net position was restated due to the implementation of GASB Statement No. 101, Compensated Absences, in fiscal year 2025.*

^ Fiscal year 2026 amounts reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year amounts have not been reclassified to conform to the fiscal year 2026 presentation; accordingly, certain line items and totals are new, and the composition and classification of certain amounts differ between fiscal years 2026 and 2025.

† Percentage changes are not presented for certain line items and totals that are not comparable due to the revised presentation requirements of GASB Statement No. 103.

Total Revenues

The following chart represents total revenues of $3,268,427 for fiscal year 2026:



Total revenues increased by $41.9 million in comparison to fiscal year 2025. As discussed in Key Reporting Changes, the implementation of GASB Statement No. 103 changed the classification of certain revenues, making some individual revenue categories not directly comparable between fiscal years 2026 and 2025. Accordingly, the discussion below focuses on significant changes in the underlying revenue sources rather than changes resulting solely from the revised presentation.

Nongovernment grants, contracts, and subsidies increased by $122.1 million, primarily due to a $94.0 million increase in commitment funding from partner hospitals. The remaining increase was largely attributable to higher foreign and private funding, including funding related to telescope operations and chair packages, and changes in sponsored project activity associated with the timing of project commencements, expenditures, and closures.

Other capital and endowment additions decreased by $60.5 million, primarily due to decreases of $51.5 million in capital grants, gifts, and conveyances and $9.7 million in additions to permanent endowments. Capital gifts, grants, and conveyances decreased primarily due to decreases in one-time gift funding of $45.0 million for the Center for Advanced Molecular and Immunological Therapies Building

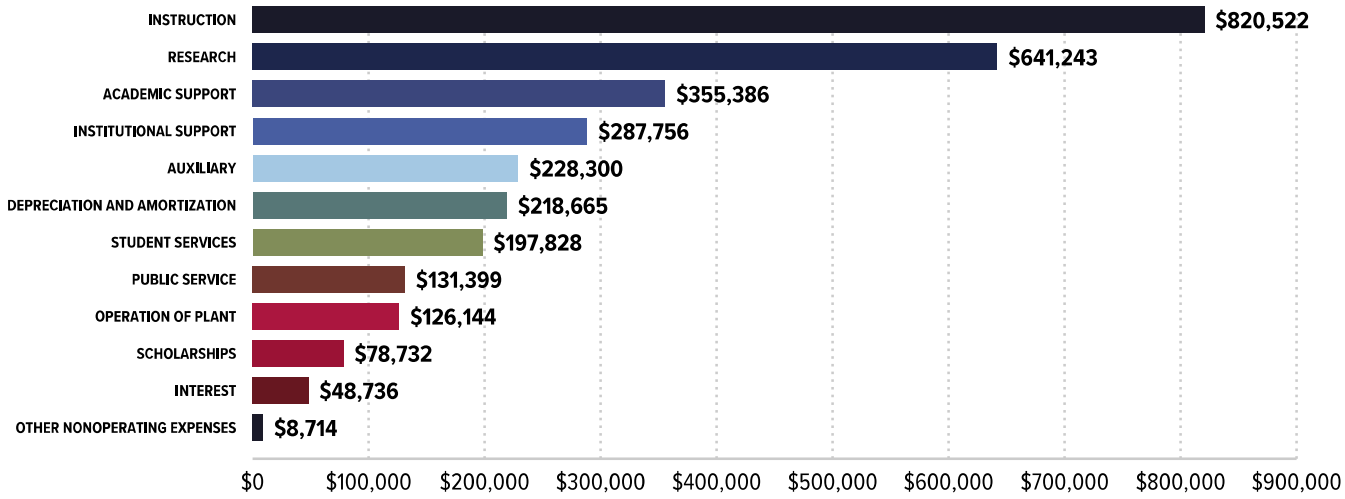
project (now known as the Medical Innovations Building) and $27.0 million for the Arizona Public Media Facility project, offset by increases in gift funding of $19.5 million for the Micro/Nano Fabrication Center Renovation and $1.2 million for other capital purposes. Additions to permanent endowments decreased primarily due to a $9.6 million reduction in one-time gifts from organizations.

Share of State sales tax increased by $15.0 million, primarily due to changes in funding from the Arizona Board of Regents Technology and Research Initiative Funds (TRIF), including a $19.7 million increase in Opportunity Grant Funds, offset by decreases in other TRIF funding.

State and local grants, contracts, and subsidies and other appropriations increased by $10.8 million, primarily due to a $9.1 million increase in funding for the Arizona Promise Program.

Total Expenses

The following chart represents total expenses by functional classification of $3,143,425 for fiscal year 2026:



Total expenses increased by $95.8 million in comparison to fiscal year 2025, primarily driven by an $87.7 million increase in instruction. The increase in instruction is primarily due to increases of $34.8 million in AHCCCS payments related to GME programs, $19.2 million in College of Medicine – Phoenix expenditures related to commitment funds from partner hospitals, $14.5 million in additional employee benefit costs, $11.0 million for international programs related to microcampus and study abroad programs, and $3.4 million associated with Academic Initiatives and Student Success resulting from the growth in online programs.

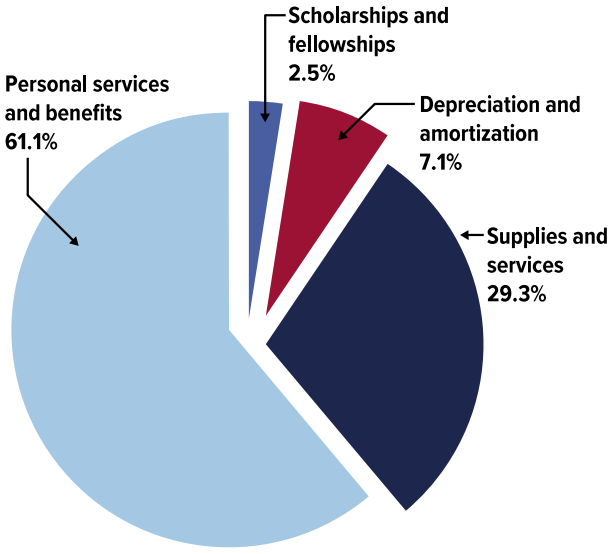


Photo: 2014 F.J Gaylor for The University of Arizona/Arizona Board of Regents

Operating Expenses by Natural Classification

In addition to programmatic (functional) classification of operating expenses, a summary of the university's expenses by natural classification (in thousands of dollars), as listed in Note 12, for the years ended June 30, 2026, and 2025 is as follows:

	FY 2026	FY 2025	% Change
Personal services and benefits	$1,885,600	$1,856,329	1.6%
Supplies and services	902,978	835,827	8.0%
Scholarships and fellowships	78,732	81,703	(3.6)%
Depreciation and amortization	218,665	225,482	(3.0)%
Total operating expenses	**$3,085,975**	**$2,999,341**	**2.9%**



Statement of Cash Flows

The statement of cash flows provides additional information about the university's financial results by reporting the major sources and uses of cash and cash equivalents. This statement assists in evaluating the university's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash provided or used by the operating activities of the university. Operating cash flows are typically a net cash use because significant sources of funding, including state appropriations and certain other nonexchange receipts, are reported in the noncapital financing activities section of the statement of cash flows. Net cash flows from noncapital financing activities are a major source of funding for the university's operations and include state appropriations, donations, and other activities not reported in the other sections. Cash flows from capital financing activities include all plant funds and related long-term debt activities. Cash flows from investing activities show all the uses of cash and cash equivalents to purchase investments, and all the increases in cash and cash equivalents as a result of selling investments or earning income on cash and investments.

Condensed Statement of Cash Flows

The following summarizes cash flows for the years ended June 30, 2026, and June 30, 2025 (in thousands of dollars):

Cash Provided By (Used For):	FY 2026	FY 2025
Operating activities	$(500,985)	$(828,932)
Noncapital financing activities	778,300	1,057,666
Capital financing activities	(196,789)	(195,842)
Investing activities	(102,009)	(65,679)
Net increase (decrease) in cash and cash equivalents	(21,483)	(32,787)
Cash and cash equivalents, beginning of year	52,477	85,264
Cash and cash equivalents, end of year	**$30,994**	**$52,477**

Significant Capital Asset and Long-Term Financing Activity

The University of Arizona capital program is developed through a formal process involving internal committees, the Arizona Board of Regents (ABOR), and the State Joint Committee on Capital Review (JCCR). The process starts with the preparation of a comprehensive annual Capital Improvement Plan (CIP) as required by Arizona Revised Statutes § 41-793 and ABOR Policy 7-102. The CIP presents the university's strategic plan on space and capital acquisition to meet short and long-term requirements. It outlines the current capital funding allocation for the university, specifically for building renewal, deferred maintenance, facility leases, and other critical construction projects. The CIP covers a three-year period and focuses on addressing space deficiencies in academic, research, student services/support services, and deferred maintenance. The CIP also provides a summary of the university debt information including debt ratio projections to comply with ABOR policy and State statutes. The projects in the CIP are prioritized at a later date by university management and presented to ABOR for approval through the Annual Capital Plan (ACP). The ACP presents immediate need for capital projects greater than $10 million in the coming 12 months, including the estimated budget costs of the project, how the project aligns with the university's strategic plan, funding source(s), and any associated debt information. Each project on the ACP must also receive an individual project and financing approval that authorizes the university to proceed with financing and execution of construction contracts for the project. Projects to be financed by debt must also be reviewed or approved by JCCR.

During fiscal year 2026, the university completed and placed in service the new Arizona Public Media (AZPM) Facility for $63.0 million, the Electrical and Computer Engineering (ECE) Micro/Nano Fabrication Renovation for $25.0 million, and the Health Sciences Building 201 First Floor Renovation for $10.7 million. The AZPM Facility was designed to meet current and future technical and broadcast requirements while supporting the education and training of University of Arizona students, improving visibility and community access, and modeling the transparency aspect of journalism. The ECE Micro/Nano Renovation was completed to modernize fabrication clean room space to support expanded research and workforce development aligned with the growth of semiconductor manufacturing within the state of Arizona. The Building 201 Renovation was completed as an ongoing effort to cohesively restructure space within the building and incorporate current design concepts for administrative and faculty space.



Photo: Drew Bourland, Carlos Moreno

In addition, there were ongoing major building projects at various stages within the capital process, including the Center for Advanced Molecular and Immunotherapies (now known as the Medical Innovation Building) of $232.0 million, Athletics Deferred Maintenance and Infrastructure Upgrades of $50.0 million, and Student Experience and Student Union Deferred Maintenance of $20.0 million.

The university generally finances capital improvements and acquisitions through the issuance of System Revenue Bonds (SRBs), Stimulus Plan for Economic and Education Development (SPEED) Revenue Bonds, or Certificates of Participation (COPs). Stimulus Plan for Economic and Education Development (SPEED) was authorized by the Arizona State Legislature to stimulate the State's economy through capital construction for State universities. This legislation also authorizes the use of State lottery revenue allocations to fund up to 80% of the annual debt service on all projects financed by SPEED Revenue Bonds. The three State universities are responsible for at least 20% of the debt service. Prior to issuing any non-refunding Bonds or COPs, the university must provide a financing and funding plan in the ACP for ABOR approval. Additionally, the project is required to be reviewed or approved by JCCR. The amount of debt the university is capable of issuing is limited by a debt ratio of 8% as defined by State law (Arizona Revised Statutes § 15-1683) and ABOR Policy 7-102(B)(2)(e)(3). The debt ratio is determined by annual debt service on Bonds and COPs as a percentage of total operating expenses and debt service. At June 30, 2026, the university's debt ratio was 3.2%. The university's credit rating on its outstanding SRBs is Aa3 by Moody's and AA- by Standard and Poor's.

During fiscal year 2026, the university issued one SPEED Revenue Bond with one series and one System Revenue Bond with two series. The SPEED Revenue Bonds Series 2026A were issued for $56.9 million to finance the Center for Advanced Molecular and Immunotherapies (now known as the Medical Innovation Building) and deferred maintenance projects. The System Revenue Refunding Bonds Series 2026A were issued for $229.3 million to refund the 2016, 2016A, 2016B, and 2018A System Revenue Bonds. The System Revenue Bonds Series 2026B were issued for $69.3 million to finance athletic facilities deferred maintenance projects, IT infrastructure projects, and Student Success deferred maintenance projects.

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



Photo: The University of Arizona

Currently Known Facts, Decisions, or Conditions

With stability and continuity in university senior leadership, the university has returned to balanced budgets and consistent operating surpluses. The university added to its operating cash reserves in both fiscal year 2025 and fiscal year 2026, and have designed the fiscal year 2027 budget to again add a minimum of $30.0 million to monthly liquidity ending balances. The university has updated its operating business model to focus on fewer, better-prepared students, with higher expected net tuition revenue per student. While this shift in strategy will lead to declining total enrollments, it will also improve graduation and retention rates and produce long-term financial stability and predictability, allowing the university to continue focusing on targeted cost reductions and efficiencies designed to build financial resilience and adaptability.

The Arizona Board of Regents approved the university's fiscal year 2027 annual operating budget, which includes an estimated $3,163.0 million in revenues and an increase in net position of $51.0 million. The fiscal year 2027 total State appropriation to the University of Arizona is $381.2 million, which reflects an increase by the State of $15.3 million, or approximately 4.2%.

The fiscal year 2027 budget marks considerable progress and allows investment in key strategic areas aligned with the university's mission. It reflects the university's commitment to the promises made to its students, parents, faculty and staff, and the State of Arizona by providing services as efficiently and effectively as possible. For fiscal year 2027, the university will maintain current undergraduate tuition and fee rates for residents and increase non-residents by 2.9%. The plan prioritizes affordability and expands in-state access in line with its focus on student success and its land-grant mission. The university continues to return a portion of tuition revenue as need-based aid.

Efficiency gains represented within the operating budget of the university include a 2.5% reduction in overall institutional costs associated with programs related to utilities, insurance, debt service, licenses, and fees, a 6.2% reduction in administrative support costs ranging from legal and human resources services to information technology and financial operations, while limiting impacts to academic units and student support services. The university is implementing efficiencies in organizational design, as indicated by the recent realignment of the Health Sciences enterprise within Provost and Research operations.

The university has implemented initiatives to diversify revenue as a strategy to improve financial stability and adaptability, through the focused research and philanthropic strategic priorities of student success and research success within space and national security, fusion energy, AI-driven health innovation, sustainable mining of critical minerals, and water and arid lands agriculture. This strategic focus aligns the university with current and future federal, industrial, and philanthropic priorities and opportunities while leveraging its strengths. The university continues to regularly monitor shifting regulations and priorities at all levels of government and, through proactive response and outreach, has maintained and strengthened relationships and a growing, diverse external revenue stream beyond tuition and appropriation.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2026 (in thousands of dollars)

Assets

Current assets

Cash and cash equivalents (Note 3)	$7,686
Short-term investments (Note 3)	169,746
Receivables:	
Accounts receivable (net of allowances of $13,432)	127,349
Government grants and contracts receivable	98,519
Leases receivable	4,791
Student loans (net of allowances of $23)	1,444
Inventories	6,390
Prepaid expenses	23,993
Total current assets	**$439,918**

Noncurrent assets

Restricted cash and cash equivalents (Note 3)	$23,308
Restricted investments with trustee (Note 3)	244,265
Restricted investments with bond trustees (Note 3)	143,603
Restricted long-term investments (Note 3)	129,526
Long-term investments (Note 3)	352,081
Endowment investments (Note 3)	392,128
Student loans receivable (net of allowances of $1,789)	41,479
Leases receivable	77,872
Net OPEB asset (Note 11)	30,328
Prepaid expenses	383
Capital assets, net (Note 5)	2,874,181
Total noncurrent assets	**$4,309,154**
Total Assets	**$4,749,072**

Deferred Outflows of Resources

Deferred outflows related to pensions (Note 10)	$137,463
Deferred outflows related to OPEB (Note 11)	29,854
Deferred amounts from refunding of debt	10,753
Total Deferred Outflows of Resources	**$178,070**

Liabilities

Current liabilities

Accounts payable	$105,537
Accrued payroll and benefits	58,548
Accrued compensated absences, current portion (Note 7)	11,851
Unearned revenue and deposits (Note 6)	162,632
Pension liability, current portion (Note 10)	7,077

Liabilities (continued)

OPEB liability, current portion (Note 11)	2,863
Current portion of long-term debt and other obligations (Note 8)	
To be funded by university revenues	81,059
To be funded by State of Arizona appropriations and State Lottery monies	27,306
Capital commitments, current portion (Note 4)	5,000
Total current liabilities	**$461,873**

Noncurrent liabilities

Accrued compensated absences (Note 7)	$80,976
Net pension liability (Note 10)	640,458
OPEB liability (Note 11)	86,751
Long-term debt and other obligations (Note 8)	
To be funded by university revenues	1,101,733
To be funded by State of Arizona appropriations and State Lottery monies	429,066
Capital commitments (Note 4)	23,000
Total noncurrent liabilities	**$2,361,984**
Total Liabilities	**$2,823,857**

Deferred Inflows of Resources

Deferred inflows related to pensions (Note 10)	$59,373
Deferred inflows related to OPEB (Note 11)	190,504
Deferred amounts from refunding of debt	46,585
Deferred inflows related to leases	78,327
Resources received before time requirements met (Note 3)	220,865
Total Deferred Inflows of Resources	**$595,654**

Net Position

Net investment in capital assets	$1,268,447
Restricted for nonexpendable:	
Endowments	207,408
Student loans	51,706
Restricted for expendable:	
Scholarships and fellowships	9,092
Academic/departmental uses	226,659
Capital projects	25,329
Debt service	10,482
Other postemployment benefits	30,328
Unrestricted (deficit)	(321,820)
Total Net Position	**$1,507,631**

See Notes to Financial Statements

Statement of Financial Position – Component Units

June 30, 2026 (in thousands of dollars)

	University of Arizona Foundation	Other	Total
Assets			
Cash and cash equivalents	$372,923	$15,859	$388,782
Restricted cash	-	3,327	3,327
Pledges receivable, net	41,050	1,607	42,657
Accounts receivable, net	-	8,479	8,479
Contract assets	-	1,110	1,110
Investments in securities	1,628,365	19,616	1,647,981
Prepaid expenses	-	137	137
Property and equipment, net	2,039	31,516	33,555
Intangible assets, net	-	2,303	2,303
Operating lease assets	-	645	645
Other assets	3,174	1,343	4,517
Total Assets	**$2,047,551**	**$85,942**	**$2,133,493**
Liabilities and Net Assets			
Liabilities			
Accounts payable and accrued expenses	$3,828	$11,942	$15,770
Fair value of endowments managed for the university	283,967	-	283,967
Due to the university	54,865	-	54,865
Annuities payable and other trust liabilities	21,531	-	21,531
Deferred revenue and deposits	-	5,783	5,783
Short-term and long-term debt and lease obligations	-	5,200	5,200
Total Liabilities	**$364,191**	**$22,925**	**$387,116**
Net Assets			
Without donor restrictions	$40,870	$43,209	$84,079
With donor restrictions	1,642,490	19,808	1,662,298
Total Net Assets	**$1,683,360**	**$63,017**	**$1,746,377**
Total Liabilities and Net Assets	**$2,047,551**	**$85,942**	**$2,133,493**

See Notes to Financial Statements



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Statement of Revenues, Expenses and Changes In Net Position

Year Ended June 30, 2026 (in thousands of dollars)

Operating Revenues

Student tuition and fees, net of scholarship allowances of $530,830	$952,485
Financial aid grants (primarily Pell grants)	143,216
Federal grants and contracts	478,167
State grants and contracts	16,945
Local grants and contracts	20,143
Nongovernment grants and contracts	516,923
Sales and services of educational departments	84,388
Auxiliary enterprises, net of scholarship allowances of $12,633	249,326
Other operating revenues	18,277
Total Operating Revenues	**$2,479,870**

Operating Expenses

Educational and general	
Instruction	$820,522
Research	641,243
Public service	131,399
Academic support	355,386
Student services	197,828
Institutional support	287,756
Operation and maintenance of plant	126,144
Scholarships and fellowships	78,732
Auxiliary enterprises	228,300
Depreciation and amortization (Note 5)	218,665
Total Operating Expenses	**$3,085,975**
Operating Loss	**$(606,105)**

Noncapital Subsidies

State appropriations	$339,596
Share of State sales tax revenues	73,714
Gifts	143,584
Federal subsidies and appropriations	35,126
Other state and local subsidies and appropriations	31,459
Nongovernment subsidies	18,700
Total Noncapital Subsidies	**$642,179**
Operating Loss and Noncapital Subsidies	**$36,074**

Other Nonoperating Revenues (Expenses)

Investment income	$59,582
Capital grants, gifts, and conveyances	36,971
Capital appropriations	26,250
Capital commitment - State Lottery Revenue	20,835
Additions to permanent endowments	2,740
Interest expense on debt	(48,736)
Other nonoperating expenses	(8,714)
Total Other Nonoperating Revenues (Expenses)	**$88,928**
Increase in Net Position	**$125,002**

Net Position

Net Position, Beginning of year	1,382,629
Net Position - End of year	**$1,507,631**

See Notes to Financial Statements



Statement of Activities – Component Units

Year Ended June 30, 2026 (in thousands of dollars)

	University of Arizona Foundation	Other	Total
Revenues			
Sales and services	$7,260	$42,234	$49,494
Contributions and grants	201,498	6,290	207,788
Rental revenues	-	33,766	33,766
Investment income, net	201,603	3,117	204,720
Other income	14,944	380	15,324
Total Revenues	**$425,305**	**$85,787**	**$511,092**
Expenses			
Program services:			
Contracting related expenses	-	$31,809	$31,809
Leasing related expenses	-	32,056	32,056
Payments to the university	$178,491	-	178,491
Payments on behalf of the university	14,084	2,576	16,660
Supporting services:			
Administration and general	9,679	11,558	21,237
Fundraising	18,962	121	19,083
Total Expenses	**$221,216**	**$78,120**	**$299,336**
Increase in Net Assets	**$204,089**	**$7,667**	**$211,756**
Net Assets - Beginning of year, as restated	**$1,479,271**	**$55,350**	**$1,534,621**
Net Assets - End of year	**$1,683,360**	**$63,017**	**$1,746,377**

See Notes to Financial Statements



Photo: The University of Arizona

Statement of Cash Flows

Year Ended June 30, 2026 (in thousands of dollars)

Cash Flows from Operating Activities		
Tuition and fees		$956,653
Grants and contracts		1,057,192
Payments for salaries, wages and benefits		(1,901,010)
Payments to suppliers		(887,180)
Payments for scholarships and fellowships		(78,732)
Loans issued to students		(4,826)
Collections on loans to students		3,769
Auxiliary enterprise receipts		243,779
Sales and services of educational departments		86,455
Funds held for others received		17,757
Funds held for others disbursed		(12,632)
Other receipts		17,790
	Net cash used for operating activities	**$(500,985)**
Cash Flows from Noncapital Financing Activities		
State appropriations		$339,596
Share of State sales tax receipts		76,539
Gifts, contracts, and grants for other than capital purposes		368,332
Direct Loans received		416,969
Direct Loans disbursed		(423,136)
	Net cash provided by noncapital financing activities	**$778,300**
Cash Flows from Capital Financing Activities		
Proceeds from issuance of capital debt, including premiums		$401,182
Capital appropriations, grants, and gifts received		62,625
Capital commitment - State Lottery revenue		20,835
Proceeds from sale of capital assets		11,637
Purchase of capital assets		(255,472)
Principal paid on capital debt/obligations		(377,018)
Interest paid on capital debt/obligations		(60,578)
	Net cash used for capital financing activities	**$(196,789)**
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments		$2,874,097
Interest and dividends on investments		48,528
Purchase of investments		(3,024,634)
	Net cash used for investing activities	**$(102,009)**
	Net decrease in Cash and Cash Equivalents	**$(21,483)**
Cash and Cash Equivalents		
Cash and Cash Equivalents, July 1, 2025		52,477
	Cash and Cash Equivalents, June 30, 2026	**$30,994**

See Notes to Financial Statements

Statement of Cash Flows (Continued)

Reconciliation of Operating Loss to Net Cash Used for Operating Activities

Operating loss	$(606,105)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation and amortization	218,665
Financial aid grants (primarily Pell grants)	(143,216)
Net funds held for others	5,125
Miscellaneous income	(247)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Net OPEB asset	(5,078)
Net pension liability	(31,983)
Deferred outflows of resources related to pensions	7,056
Deferred inflows of resources related to pensions	16,801
OPEB liability	(32,785)
Deferred outflows of resources related to OPEB	17,779
Deferred inflows of resources related to OPEB	2,083
Receivables, net	1,870
Equity interest in joint venture	988
Inventories	1,479
Prepaid expenses	(2,566)
Accounts payable	17,403
Accrued payroll and benefits and compensated absences	10,717
Unearned revenue and deposits	21,029
Net cash used for operating activities	**$(500,985)**

Significant Noncash Transactions

Gifts and conveyances of capital assets	$596
Change in fair value of investments	15,097
Change in fair value of equity interest in joint venture	(988)
Change in fair value of restricted investments with trustee	35,203
Refinancing long-term debt	256,576
Amortization of bond discount, prepaid insurance, and deferred cost of refundings	(589)
Amortization of bond premium	9,287
Net loss on disposal of capital assets with an original cost of $59,443 and accumulated depreciation and amortization of $38,594 and cash proceeds of $11,637	(9,212)
Capital-related accounts payable	(1,873)
Intangible right-to-use lease and subscription asset additions	21,044

See Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statements include all activities that the university directly controls. In addition, the financial statements include the financial position and activities of the university's discretely presented component units as described in Notes 2 and 15. Fiscal responsibility for the university remains with the State of Arizona; therefore, the university is an integral part of the State of Arizona's tri-university system, which is an enterprise fund in the State of Arizona's *Annual Comprehensive Financial Report*.

The component units are legally separate, private, nonprofit organizations that report in accordance with FASB standards. As such, certain recognition, measurement, and presentation requirements differ from those applicable to the university under GASB standards. No modifications have been made to the component units' financial information for purposes of inclusion in the university's financial report. Accordingly, the component units' financial statements have been reported on separate pages following the corresponding financial statements of the university.

Basis of Presentation

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

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

The Statement of Net Position provides information about assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the university at June 30. Assets and liabilities are classified as either current or noncurrent. Current liabilities are obligations that will be paid within one year of the statement date, and current assets are those resources available to satisfy current liabilities. Deferred outflows/inflows of resources are resources that have been consumed or acquired that are applicable to a future reporting period. Net position is the residual amount and is classified according to external donor restrictions or availability of assets to satisfy university obligations. Net investment in capital assets represents the value of capital assets, net of accumulated depreciation and amortization, less any outstanding liabilities incurred to acquire or construct the assets. Nonexpendable restricted net position is comprised of gifts received for endowment purposes and revolving student loan funds, the corpus of which cannot be expended. Expendable restricted net position represents grants, contracts, gifts, and other resources that have been externally restricted for specific purposes, including other postemployment benefits. Unrestricted net position consists of all other resources, including those that have been designated by management to be used for other than general operating purposes.

The Statement of Revenues, Expenses and Changes in Net Position provides information about the university's financial



Photo: Jason Ryder

activities during the year. In accordance with GASB Statement No. 103, the statement separately presents operating revenues and expenses, noncapital subsidies, and other nonoperating revenues and expenses. Operating revenues and expenses are those revenues and expenses that are not classified as nonoperating. Nonoperating revenues and expenses include subsidies, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory, and investment income and expenses. Subsidies include resources received from another party for which the university does not provide goods or services to that party and that directly or indirectly keep the university's current or future fees and charges lower than they would otherwise be. Subsidies restricted solely for capital purposes are classified as capital subsidies. Noncapital subsidies are presented separately from other nonoperating revenues and expenses. Operating revenues include tuition and fees, financial aid grants (primarily Pell grants), sales and services of auxiliary enterprises, and most government and nongovernment research grants and contracts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation and amortization of capital assets. Noncapital subsidies primarily consist of state appropriations and noncapital gifts. Other nonoperating revenues and expenses include investment income and expenses, interest expense on debt, additions to permanent endowments, capital gifts, grants and conveyances, capital appropriations, and capital commitments.

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

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. State appropriations are recognized as revenue in the year in which the appropriation is first made available for use. Grants and donations are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The university eliminates all internal activity.

Accounting Changes

Changes in Accounting Principle

For the year ended June 30, 2026, the university implemented GASB Statement No. 103, *Financial Reporting Model Improvements*. Additionally, the university implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and early implemented GASB Statement No. 105, *Subsequent Events*.

GASB Statement No. 103 modifies the presentation of the Statement of Revenues, Expenses and Changes in Net Position by introducing separate presentation of noncapital subsidies and other nonoperating revenues and expenses, revises certain Management's Discussion and Analysis requirements, and includes other presentation changes intended to improve the usefulness of governmental financial reporting. The implementation of this statement resulted in changes to the presentation and disclosures within the financial statements but did not have an impact on the university's beginning net position or results of operations.

Affected financial statement line items include the presentation and classification of revenues and expenses within the Statement of Revenues, Expenses, and Changes in Net Position, including:

- Operating Revenues
- Operating Expenses
- Noncapital Subsidies
- Operating income and noncapital subsidies
- Other Nonoperating Revenues and Expenses

GASB Statement No. 104 enhances disclosures related to certain capital assets by requiring leases and subscription-based information technology arrangements (SBITAs) to be disclosed separately from other capital assets and by establishing disclosure requirements for capital assets held for sale. Implementation of this statement did not have a material effect on the university's financial statements or note disclosures because the university already separately disclosed leases and SBITAs and had no material capital assets held for sale during the fiscal year.

GASB Statement No. 105 establishes accounting and financial reporting requirements for subsequent events, including defining the subsequent events time frame and distinguishing between recognized and nonrecognized subsequent events. The statement also establishes requirements for the disclosure of certain nonrecognized subsequent events and requires disclosure of the date through which subsequent events were evaluated. The university early implemented this statement prospectively for the year ended June 30, 2026. Implementation of this statement did not have an impact on the university's beginning net position or results of operations.

Significant Accounting Policies

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

Cash and Investments:

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

Endowment Spending Rate Policy: Arizona state law permits the university to expend the entire net appreciation of endowment fund investments. When determining the spending rate for endowment funds managed by the university, the Investment Committee and university administration consider long- and short-term needs, total investment return and price level trends, and general economic conditions. For fiscal year 2026, the expendable rate was established at 4.25% based on a twelve-quarter average fair value of principal account balances as of December 31, 2024, and assumes no additions or deductions to those balances from that date forward. Donor restricted endowments that are available for expenditure are reported as restricted and expendable on the Statement of Net Position.

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

Special Collections and Historical Treasures: The university maintains special collections and historical treasures for educational purposes and public exhibition. These special collections include Kress, Pfeiffer, and Gallagher artwork, Ansel Adams, Harry Callahan, David Hume Kennerly, and Edward Weston photography collections, American Indians of the Southwest archeological collection, pottery whole vessel collection, and several medical and law book collections. They are not subject to disposal for financial gain or encumbrance. Accordingly, such collections are not capitalized for financial statement purposes but are inventoried for property control purposes.

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

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

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

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

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

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

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

information, including the treatment of unused leave upon termination, is provided in Note 7 to the accompanying financial statements.

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

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

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

As lessor, the university recognizes lease receivables with an initial, individual value of $0.1 million or more. The university leases ground and building space to third parties under the provisions of various lease agreements for uses including offices, commercial space, clinical space, and mixed-use space. If there is no stated rate in the lease contract (or if the stated rate is not the rate the university charges the lessee) and the implicit rate cannot be determined, the university uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The university's estimated incremental borrowing rate is calculated as described in the preceding paragraph. During the fiscal year ended June 30, 2026, the university had $4.8 million in current leases receivable and $77.9 million in non-current leases receivable and recognized total lease-related revenues of $6.6 million, which are reported as sales and services of educational departments.

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

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

NOTE 2. Component Units

The financial statements of the university include the operations of the University of Arizona Foundation, Inc., Campus Research Corporation, Law College Association of the University of Arizona, Arizona Sports Enterprises, University of Arizona Applied Research Corporation, and Eller Executive Education, all discretely presented component units. The University of Arizona Foundation, Inc. is the university's only major discretely presented component unit. The remaining discretely presented component units are aggregated for presentation in the university's financial statements. For financial reporting purposes, only the statement of financial position and statement of activities are included in the university's financial statements. The component units' financial statements are presented on separate pages following the corresponding financial statements of the university because the component units report in accordance with nongovernmental U.S. generally accepted accounting principles (FASB standards). Each discretely presented component unit discussed below has a June 30 year-end.

Component units can be defined as legally separate entities for which the university is considered to be financially accountable. GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* have set forth criteria to be considered in determining financial accountability. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion under GASB Statement No. 14, *The Financial Reporting Entity*, a financial benefit or burden relationship also would need to be present

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

Discretely Presented Component Units

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

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

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

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

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

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

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

NOTE 3. Deposits and Investments

A. General

At June 30, 2026, the university's deposits and investments had a fair value of $1.5 billion. The required disclosures are included in sections B through D of this footnote.

Included in the university's deposits and investments are capital project funds totaling $143.6 million which are held in trust by a commercial bank and available for future construction costs. Trust funds are invested in accordance with the Arizona Board of Regents' authorizing resolutions, as disclosed in section B of this footnote.

The university has endowment investments totaling $392.1 million, of which $284.0 million are managed by the University of Arizona Foundation (Foundation) and $108.1 million are managed separately by the university. The endowment funds managed by the Foundation are primarily held in a pooled endowment fund managed under a service contract with the Foundation and invested in the Foundation's Endowment Pool (Pool). The university's endowment assets are maintained separately on the financial system of the Foundation and receive a proportional share of the Pool activity. As such, the Foundation owns the assets of the Pool; the university has an interest in the Pool, which is considered an external investment pool to the university. The Pool invests in a variety of asset classes, including common stocks, fixed income, foreign investments, private equity and hedge funds. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The Foundation's Investment Committee is responsible for oversight of the Pool in accordance with Foundation policies. Included in these investments are balances invested on behalf of the Arizona Student Financial Aid Trust (ASFAT). ASFAT was established by the Arizona Board of Regents and is funded by the Arizona State Legislature and student fees. The university's ASFAT funds are recorded as endowment investments at $62.9 million.

Further, the university is the sole beneficiary of the University of Arizona Academic Enhancement Fund Trust (Trust). Trust assets totaled $244.3 million at June 30, 2026 and are recorded in the university's Statement of Net Position as restricted investments with trustee. Trust assets, less university contributions to the trust, are offset by a $220.9 million deferred inflow of resources because not all time requirements have been met. The purpose of the Trust is to provide ongoing funding over 30 years, beginning in fiscal year 2015, in the form of $20.0 million annual distributions to the university for academic enhancements, faculty recruitment, and program development at the Arizona Health Science Center. The university has entered into an investment agreement with a third party, Banner Health, to direct the investment activity of the trustee in accordance with Banner policies. In the event the Trust becomes insolvent or does not generate sufficient income to make the annual distributions, Banner Health is contractually obligated to make the annual distribution payments to the university from other sources.

B. Statutory and Arizona Board of Regents' Policies

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

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

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

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

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

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



Photo: © 2025 Pride of Arizona



Photo: Steve Babuljak, 160over90

C. Deposit and Investment Risk

Deposits and Custodial Credit Risk: University policy for its operating funds requires all repurchase agreements to be collateralized with government debt securities or cash balances held in the comptroller's demand deposit account. At June 30, 2026, the carrying amount of the university's deposits was $5.6 million and the bank balance was $16.6 million. Beyond this requirement, the university does not have a policy that specifically addresses custodial credit risk. At June 30, 2026, $30.5 million of the university's total deposits and investments is exposed to custodial credit risk since a portion of the university's endowment funds are held by trustees. These deposits and securities are held by the counterparties in the names of the individual donors as irrevocable trusts for the benefit of the university.

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

The university does not have a formal policy that specifically addresses credit risk over endowment funds. As indicated in Section A of this note, $284.0 million of the university's endowment funds are held in the Foundation's Endowment Pool, which is not rated. The Foundation's Investment Committee manages the credit risk of the Pool's investments. Other university endowment funds held by external trustees are invested in accordance with donor restrictions and those investments' credit quality ratings are included in the following table.

The following table presents credit risk by investment type (in thousands of dollars) at June 30, 2026:

Investment Type	Fair Value	Not Rated	Aaa/AAA	Aa/AA	A/A	Baa/BBB
Corporate Bonds	$272,392	$19,035	$55,373	$28,819	$108,207	$60,958
Federal Agency Securities	80,683	74,685	-	4,596	1,402	-
Fixed Income Mutual Funds	1,461	1,461	-	-	-	-
Money Market Mutual Funds	329,745	-	329,745	-	-	-
Municipal Bonds	250	-	126	124	-	-
State Treasurer's Pool 3	2,076	2,076	-	-	-	-
Total	**$686,607**	**$97,257**	**$385,244**	**$33,539**	**$109,609**	**$60,958**



Photo: Chad Holder

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

Concentration of Credit Risk: Other than United States Treasury securities and other federal agency securities, which can represent greater than 5% of total investments, university policy limits investment in a single issuer to 5% or less of the fair value of the total portfolio. As of June 30, 2026, the university does not have an investment in any single issuer that exceeds 5% of the overall portfolio.

Interest Rate Risk: The university does not have a formal policy for interest rate risk. The following chart presents the interest rate risk for the university's debt investments (in thousands of dollars) at June 30, 2026, utilizing the segmented time distribution method:

		Maturity Date			
Investment Type	**Fair Value**	**< 1 Year**	**1-5 Years**	**6-10 Years**	**> 10 Years**
Corporate Bonds	$269,623	$40,242	$173,306	$29,350	$26,725
Federal Agency Securities*	80,561	-	2,801	32,998	44,762
Fixed Income Mutual Funds	1,179	-	763	395	21
Money Market Mutual Funds	329,383	329,383	-	-	-
State Treasurer's Pool 3	2,076	2,076	-	-	-
US Treasury Securities	158,077	-	157,870	207	-
Total	**$840,899**	**$371,701**	**$334,740**	**$62,950**	**$71,508**

** At June 30, 2026, the university held $80.6 million in agency securities including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Government National Mortgage Association. These may be considered highly sensitive to interest rate fluctuations because borrower repayment terms may vary including early or extended payments.*

Foreign Currency Risk: The university's foreign investments (in thousands of dollars) at June 30, 2026, are shown in the following table. Foreign currency-denominated investments are part of the university's endowment portfolios. University policy does not include any specific requirements for foreign currency risk. University endowment funds held by external trustees are invested in accordance with donor restrictions.

Investment Type	**Currency**	**Fair Value**
Common Stocks	Various	$760
Equity Mutual Funds	Various	7,629
Fixed Income Mutual Funds	Various	164
Mutual Funds - Asset Allocation	Various	1,023
Total		**$9,576**

D. Fair Value of Investment Assets

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

Level 1: Quoted prices for identical investments in active markets that are accessible at the measurement date;

Level 2: Inputs, other than quoted market prices included within Level 1, that are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are significant to the fair value measurement and unobservable.

Fair value measurements (in thousands of dollars) as of June 30, 2026, were as follows:

		Hierarchy Fair Value		
Investments by Fair Value Level	**As of June 30, 2026**	**Level 1**	**Level 2**	**Level 3**
Common Stocks	$12,528	$12,066	$462	-
Corporate Bonds	269,623	-	269,623	-
Equity Mutual Funds	47,177	46,553	624	-
Federal Agency Securities	80,561	-	80,561	-
Fixed Income Mutual Funds	1,179	1,179	-	-
Money Market Mutual Funds	329,383	329,383	-	-
Mutual Funds - Asset Allocation	1,154	783	-	$371
Private Equities	525	-	-	525
Real Estate	613	-	-	613
US Treasury Securities	158,077	158,077	-	-
Total investments by fair value level	**$900,820**	**$548,041**	**$351,270**	**$1,509**
Other Investments at Fair Value				
Academic Enhancement Fund Trust	244,265			
State Treasurer's Pool 3	2,076			
Interest in Permanent Endowment	15,794			
University of Arizona Foundation	283,967			
Total other investments at fair value	**$546,102**			
Investments at Net Asset Value (NAV)				
Equity Mutual Funds	9,346			
Total investments at net asset value	**$9,346**			
Other Reconciling Items				
Accrued Interest	253			
Mineral Royalty Interest	92			
Purchased Interest	52			
Total reconciling items	**$397**			
Total investments at fair value	**$1,456,665**			

Investments Classified in Fair Value Hierarchy

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

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

Other Investments at Fair Value

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

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

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

Investments at Net Asset Value

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

E. Reconciliation to Statement of Net Position

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Position (in thousands of dollars) as of June 30, 2026, is as follows:

Cash, Deposits, and Investments	
Cash on hand	$65
Cash and deposits in bank	5,613
Total investments	1,456,665
Total	**$1,462,343**

Statement of Net Position	
Cash and cash equivalents	$7,686
Short-term investments	169,746
Noncurrent assets:	
Restricted cash and cash equivalents	23,308
Restricted investments with trustee	244,265
Restricted investments with bond trustees	143,603
Restricted long-term investments	129,526
Long-term investments	352,081
Endowment investments	392,128
Total	**$1,462,343**

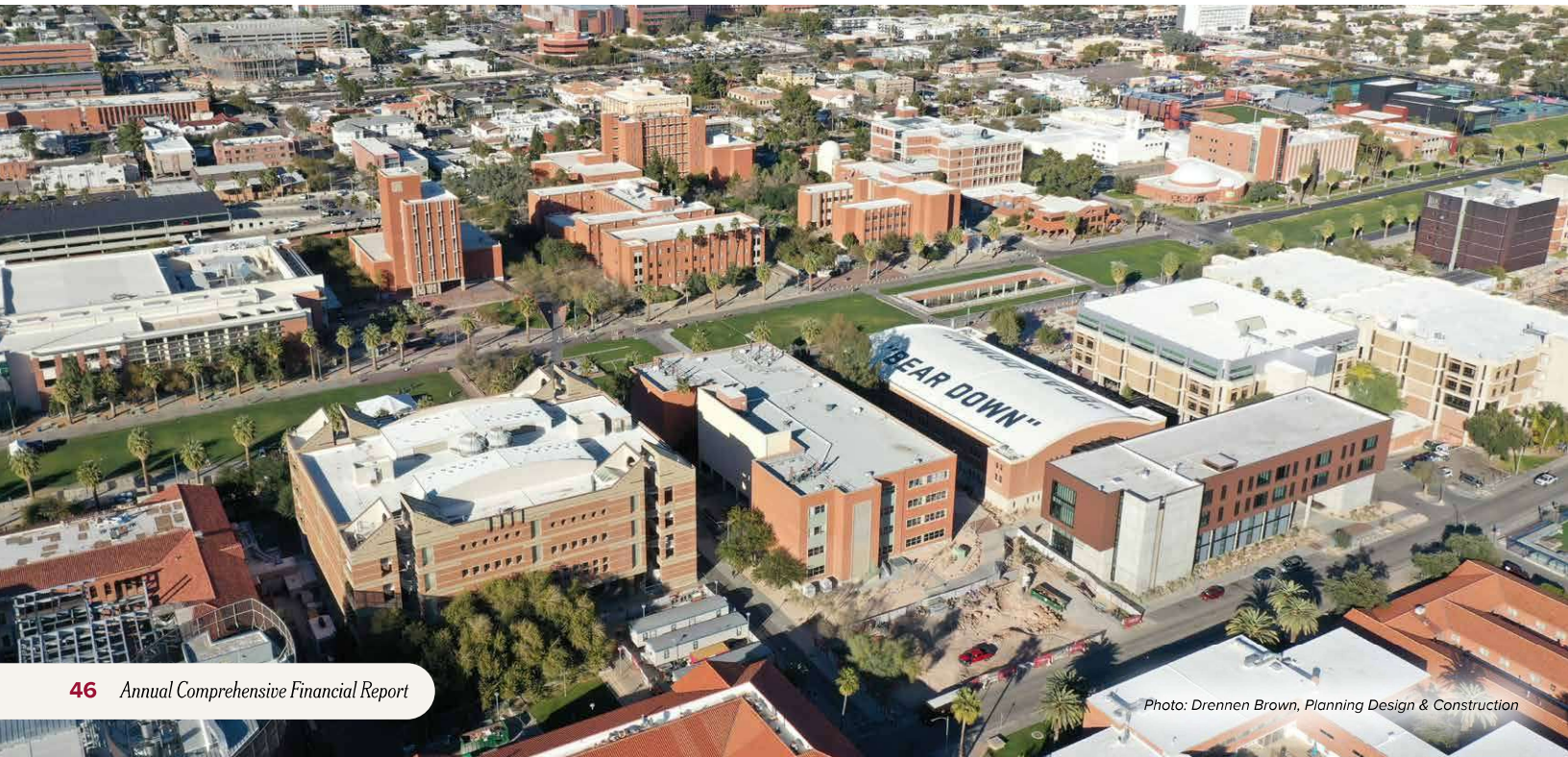


Photo: Drennen Brown, Planning Design & Construction



Photo: Andrew Bourland

NOTE 4. Joint Venture and Jointly Governed Organization

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

The university has committed resources equivalent to 26.25% of LBT's construction costs and annual operating costs. The university has made total cash contributions of $19.2 million and contributions of services and materials of $6.0 million, which were initially recorded as equity interest in joint venture on the statement of net position. The university's financial interest represents future viewing/observation rights. As of December 31, 2007, the assets had been substantially completed and the telescope entered the commissioning phase. During calendar year 2007, the telescope became operational for research purposes and depreciation of the property and equipment commenced. The university recorded its proportionate share of the use of the viewing/observation rights, $1.0 million in calendar year 2026, as a reduction in its equity interest, reducing the carrying value of the equity interest to zero at June 30, 2026. According to the most recent audited financial statements of LBT for the year ended December 31, 2025, assets, liabilities, revenues and expenses totaled $88.7 million, $7.4 million, $15.0 million, and $20.7 million, respectively. For information regarding LBT's financial statements, contact the University of Arizona Comptroller at the following address: The University of Arizona, Finance & Budget, 888 N. Euclid Ave., Room 502, Tucson, Arizona 85721.

Jointly Governed Organization: The Giant Magellan Telescope Organization (GMTO) is a non-stock, nonprofit, jointly governed corporation founded to own and administer the planning, design, construction and operation of the 25-meter Giant Magellan Telescope, a proposed astronomical telescope and its associated buildings, equipment and instrumentation, to be located in northern Chile. The GMTO is jointly governed by several leading educational and research institutions from the United States, Australia, Brazil, Chile, Israel, South Korea, and Taiwan, including the University of Arizona. The university comprises two of the eighteen members of the GMTO Board of Directors and is one of sixteen founders and participants. The GMTO will hold all rights, title and interest to and in the telescope. Although the university does not have a defined equity interest, as a founder the university will receive viewing rights to the telescope in proportion to its voluntary contributions to the project. The university has recognized an intangible asset related to the costs incurred during the Design Development and Construction/Commissioning Phases. The university has also signed agreements outlining capital commitments to the GMTO between July 2022 and July 2031. Changes in capital commitments related to the GMTO (in thousands of dollars) during the fiscal year ended June 30, 2026, were as follows:

GMTO Capital Commitments	
Beginning balance	$33,000
Additions	-
Reductions	(5,000)
Ending balance	**$28,000**
Current portion	**$5,000**

The university has contributed a total of $114.8 million to the GMTO as of June 30, 2026. The university has been and will be responsible for manufacturing the telescope's mirrors and will receive compensation from other GMTO founders and participants based on individual contractual agreements. As of June 30, 2026, the university has received contractual payments related to the project from the GMTO and related partners totaling $92.2 million. Contractual payments were for projects related to mirror construction and process development and include the acquisition of glass and mold materials, the development of mirror testing systems, design study, and engineering support.

NOTE 5. Capital Assets

Capital asset activity (in thousands of dollars) for the year ended June 30, 2026, was as follows:

	Beginning Balance July 1, 2025	Additions	Retirements	Transfers / Reclasses	Ending Balance June 30, 2026
Land	$130,729	$281	-	-	$131,010
Construction in progress:					
Real property	219,640	180,527	-	$(112,242)	287,925
Intangible assets:					
Telescope viewing rights	142,803	-	-	-	142,803
Computer software	806	991	-	(778)	1,019
Total non-depreciable/amortizable capital assets	**$493,978**	**$181,799**	**$ -**	**$(113,020)**	**$562,757**
Buildings and improvements	$3,749,970	$5,965	$(27,974)	$98,520	$3,826,481
Infrastructure	357,188	1,132	(1,002)	13,431	370,749
Equipment	731,127	44,174	(17,842)	291	757,750
Intangible assets:					
Computer software	132,844	-	(914)	778	132,708
Right-to-use lease buildings	200,811	2,539	(11,471)	-	191,879
Right-to-use subscription assets	78,604	18,505	-	-	97,109
Library materials	419,371	16,002	(240)	-	435,133
Total depreciable/amortizable capital assets	**$5,669,915**	**$88,317**	**$(59,443)**	**$113,020**	**$5,811,809**
Less: accumulated depreciation / amortization					
Buildings and improvements	$1,962,424	$112,266	$(17,995)	-	$2,056,695
Infrastructure	216,909	11,440	(218)	-	228,131
Equipment	529,013	40,611	(14,077)	-	555,547
Intangible assets:					
Computer software	129,374	2,913	(886)	-	131,401
Right-to-use lease buildings	83,684	19,294	(5,178)	-	97,800
Right-to-use subscription assets	47,365	17,337	-	-	64,702
Library materials	351,545	14,804	(240)	-	366,109
Total accumulated depreciation/amortization	**$3,320,314**	**$218,665**	**$(38,594)**	**$ -**	**$3,500,385**
Depreciable/amortizable capital assets, net	$2,349,601	$(130,348)	$(20,849)	$113,020	$2,311,424
Capital assets, net	**$2,843,579**	**$51,451**	**$(20,849)**	**-**	**$2,874,181**

In addition to expenditures through June 30, 2026, it is estimated that $212.9 million will be required to complete projects under construction or planned for construction. Of that amount, $144.9 million is contractually encumbered.



Photo: Drew Bourland, Carlos Moreno

NOTE 6. Unearned Revenue and Deposits

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

Unearned revenue and deposits (in thousands of dollars) at June 30, 2026, consisted of the following:

Current Unearned Revenue and Deposits	
Unexpended cash advances received for sponsored programs	$77,899
Tuition and fees	58,075
Auxiliary sales and services	17,777
Other unearned revenue	7,545
Deposits	1,336
Total current unearned revenue and deposits	**$162,632**

NOTE 7. Accrued Compensated Absences

Compensated absences consist of vacation leave earned by employees based on services already rendered. These balances are accrued when earned. Employees may carry forward from one calendar year to the next up to 320 accrued vacation hours depending on classification and years of service. Upon termination, accrued hours up to 176 will be paid. At fiscal year-end, the university accrued compensated absence balances for vacation leave that is more likely than not (likelihood of more than 50%) to be used for time off or otherwise paid in cash, such as payment for unused leave upon termination of employment, or settled through noncash means, as a liability in the financial statements. The university did not accrue sick time as the university uses a last-in, first-out (LIFO) flows assumption for determining usage of sick leave and does not reasonably expect sick leave earned in the current period to be used in future reporting periods. Upon retirement, employees with a minimum of 500 hours of accumulated sick time are paid a formulated amount from the Retiree Accumulated Sick Leave (RASL) fund administered by the Arizona Department of Administration (ADOA). The university pays a percentage of its payroll for RASL to ADOA and does not have further liability. Accrued compensated absences (in thousands of dollars) for the year ended June 30, 2026, were as follows:

Beginning balance		$90,830
Net increase		1,997
	Ending balance	**$92,827**
	Current portion	**$11,851**

NOTE 8. Long-Term Liabilities

Long-term debt, financed purchase obligations, lease, and subscription activity (in thousands of dollars) for the year ended June 30, 2026, was as follows:

	Beginning Balance July 1, 2025	Additions	Reductions	Ending Balance June 30, 2026	Due Within One Year
Bonds payable	$1,227,175	$355,510	$(308,155)	$1,274,530	$52,795
Certificates of participation	84,720	-	(18,505)	66,215	13,095
Financed purchase obligations	6,151	1,262	(412)	7,001	345
Subtotal long-term debt	**$1,318,046**	**$356,772**	**$(327,072)**	**$1,347,746**	**$66,235**
Premium on sale of debt	153,280	44,410	(44,318)	153,372	9,386
Discount on sale of debt	(23)	-	3	(20)	(4)
Total long-term debt obligations	**$1,471,303**	**$401,182**	**$(371,387)**	**$1,501,098**	**$75,617**
Lease liabilities	$136,109	$2,539	$(31,938)	$106,710	$18,247
Subscription liabilities	30,859	18,505	(18,008)	31,356	14,501
Total long-term liabilities	**$1,638,271**	**$422,226**	**$(421,333)**	**$1,639,164**	**$108,365**

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

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

On February 9, 2026, the university sold System Revenue Refunding Bonds, Series 2026A (2026A Bonds) for $229.3 million dated on March 4,2026, as described below.

Series	Amount	Description	Interest Rate Range	Maturity
2026A	$229,340	Serial Bonds	5.00%	2027 to 2046

The 2026A Bonds maturing on or after June 1, 2037, are subject to optional redemption on June 1, 2036, and on any date thereafter without a premium. The 2026A Bonds sold at a premium of $32.1 million. The university realized net proceeds of $260.0 million after payment of $1.5 million for issuance costs and underwriter discounts. The net proceeds were used to current refund $131.9 million of the System Revenue Bonds Series 2016, $22.3 million of the System Revenue Bonds Series 2016A, $97.9 million of the System Revenue Bonds Series 2016B, and $4.4 million of the System Revenue Bond Series 2018A.

The refunding generated a net present value economic gain of $22.9 million (difference between the present values of the old debt and the new debt service payments) for the university. The refunding decreases the university's debt service by an average of $1.1 million in years one through twenty-one. This refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $24.4 million. This difference, reported in the accompanying financial statements as a deferred inflow of resources, is being amortized to interest expense through the year 2046 using the straight-line method.



Photo: Chris Richards

On February 19, 2026, the university issued SPEED Revenue Bonds, Series 2026A (2026A SPEED Bonds) for $56.9 million, dated March 10, 2026, as described below.

Series	Amount	Description	Interest Rate Range	Maturity
2026A SPEED	$42,860	Serial Bonds	5.00%	2027 to 2046
	$14,015	Term Bonds	5.00 to 5.25%	2051 to 2056

The 2026A SPEED Bonds maturing on or after August 1, 2037, will be subject to optional redemption on August 1, 2036, and on any date thereafter without a premium. The 2026A SPEED Bonds with a maturity on August 1, 2051, and August 1, 2056, are subject to mandatory redemption without premium pursuant to the debt documents.

The 2026A SPEED Bonds sold at a premium of $6.0 million. The university realized net project proceeds of $62.4 million after payment of $0.5 million for issuance costs and underwriter discounts. The net proceeds were used to finance a portion of the Center for Advanced Molecular and Immunological Therapies project (subsequently renamed the Medical Innovations Building project) for $27.9 million and Deferred Maintenance for $29.0 million.

On May 27, 2026, the university issued System Revenue Bonds, Series 2026B (2026B Bonds) for $69.3 million, dated June 11, 2026, as described below.

Series	Amount	Description	Interest Rate Range	Maturity
2026B	$69,295	Serial Bonds	5.00%	2027 to 2046

The 2026B Bonds maturing on or after June 1, 2037, will be subject to optional redemption on June 1, 2036, and on any date thereafter without a premium.

The 2026B Bonds sold at a premium of $6.3 million. The university realized net project proceeds of $75.0 million after payment of $0.6 million for issuance costs and underwriter discounts. The net proceeds were used to finance Athletic Facilities Deferred Maintenance for $46.1 million, the IT Infrastructure project for $4.7 million, and Student Success Deferred Maintenance for $18.5 million.

The following schedule details outstanding bonds payable (in thousands of dollars) at June 30, 2026:

Issue	Original Amount	Year of Final Maturity	Interest Rates	Outstanding Principal
2012C – System Revenue Refunding Bonds	$43,920	2034	3.416-3.912%	$7,260
2015A – System Revenue Refunding Bonds	103,950	2045	4.00%	22,035
2016B – System Revenue Bonds	142,390	2046	4.00%	22,270
2018A – System Revenue Bonds	93,995	2043	5.00%	43,220
2018B – System Revenue Bonds	16,840	2043	3.00-5.00%	13,465
2019A – System Revenue Bonds	55,405	2044	4.00-5.00%	46,000
2019B – System Revenue Bonds	15,950	2044	3.150-3.90%	13,440
2020 – System Revenue Refunding Bonds	72,205	2042	2.542-3.201%	64,755
2020A – System Revenue Refunding Bonds	95,575	2048	1.351-2.974%	74,485
2021A – System Revenue Bonds	140,260	2043	5.00%	126,890
2021B – System Revenue Refunding Bonds	43,075	2048	4.00-5.00%	30,650
2021C – System Revenue Bonds	42,460	2043	1.393-2.902%	35,075
2025A – System Revenue Bonds	118,500	2055	5.00%	118,500
2025B – System Revenue Refunding Bonds	42,070	2045	5.00%	42,070
2026A – System Revenue Refunding Bonds	229,340	2046	5.00%	229,340
2026B – System Revenue Bonds	69,295	2046	5.00%	69,295
Subtotal - System Revenue Bonds	**$1,325,230**			**$958,750**
2013 – SPEED Revenue Bonds	70,125	2049	4.00%	16,250
2019 – SPEED Revenue Bonds	15,400	2045	3.070-3.940%	12,855
2020A – SPEED Revenue Refunding Bonds	108,180	2045	4.00-5.00%	87,745
2020B – SPEED Revenue Refunding Bonds	19,565	2044	2.212-3.293%	18,950
2020C – SPEED Revenue Refunding Bonds	23,120	2030	5.00%	12,680
2024 – SPEED Revenue Refunding Bonds	116,535	2045	5.00%	110,425
2026A – SPEED Revenue Bonds	56,875	2057	5.00-5.250%	56,875
Subtotal – SPEED Revenue Bonds	**$409,800**			**$315,780**
Total	**$1,735,030**			**$1,274,530**

The following schedule details debt service requirements to maturity for System and SPEED Revenue Bonds payable (in thousands of dollars) at June 30, 2026:

Year	Principal	Interest
2027	$52,795	$56,572
2028	58,445	54,684
2029	68,055	52,120
2030	70,305	49,119
2031	65,265	46,122
2032-2036	308,975	187,822
2037-2041	330,670	113,670
2042-2046	268,905	41,580
2047-2051	34,885	7,136
2052-2056	14,490	2,374
2057	1,740	46
Total	**$1,274,530**	**$611,245**

The university has pledged portions of its gross revenues towards the payment of debt related to all system revenue bonds, system revenue refunding bonds, SPEED revenue bonds, and SPEED revenue refunding bonds outstanding at June 30, 2026. The bonds generally provide financing for various capital projects of the university. These pledged revenues include student tuition and fees, auxiliary enterprise revenue, sales and service revenue and other operating revenues, such as indirect cost recovery and certain investment income. Pledged revenues do not include state appropriations, gifts, endowment income or other restricted revenues. At June 30, 2026, pledged revenues totaled $2.0 billion of which 5.1% ($101.5 million) was required to cover current year debt service. Future annual principal and interest payments on the bonds are expected to require approximately 3.1% of pledged revenues. Future pledged revenues required to pay all remaining debt service for the bonds through final maturity of June 1, 2057, is $1.9 billion.

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

The following schedule details outstanding Certificates of Participation payable (in thousands of dollars) at June 30, 2026:

Issue	Original Amount	Year of Final Maturity	Interest Rates	Outstanding Principal
2006 Arizona Biomedical Research Collaborative Building Project	$18,240	2031	4.50%	$5,490
2018B Refund COPS 2007D	32,430	2031	5.00%	13,940
2021A Refund COPS 2012B, 2012C, 2015A, 2015B & 2018A	18,770	2031	5.00%	1,630
2021B Refund COPS 2012C	82,740	2031	1.666-2.284%	45,155
Total	**$152,180**			**$66,215**

The following schedule details debt service requirements to maturity for Certificates of Participation payable (in thousands of dollars) at June 30, 2026:

Year	Principal	Interest
2027	$13,095	$1,933
2028	13,435	1,592
2029	13,800	1,221
2030	12,740	816
2031	13,145	420
Total	**$66,215**	**$5,982**

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

The following schedule details minimum payments to maturity for financed purchase obligations (in thousands of dollars) at June 30, 2026:


Photo: Chad Holder

Year	Principal	Interest
2027	$345	$-
2028	345	-
2029	346	-
2030	347	-
2031	95	-
2032-2036	490	-
2037-2041	513	-
2042-2046	538	-
2047-2051	567	-
2052-2056	623	-
2057-2061	758	-
2062-2066	796	-
2067-2071	836	-
2072-2075	402	-
Total	**$7,001**	**$-**

Leases: The university has entered into certain leases that convey control of the right to use another entity's nonfinancial asset for a period of time in an exchange or exchange-like transaction. These are generally for real property and have remaining terms ranging from 1 to 27 years. The space associated with these leases can range from a small portion of a shared facility to entire facilities. The range of functions of the space the university leases include office and administrative space, classroom space, student space, and research space.

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

Total intangible right-to-use lease assets	$191,879
Less: accumulated amortization	(97,800)
Carrying Value	**$94,079**

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

Year	Principal	Interest
2027	$18,247	$2,342
2028	17,052	1,909
2029	16,375	1,505
2030	4,518	1,129
2031	4,465	1,034
2032-2036	14,772	3,982
2037-2041	12,672	2,650
2042-2046	8,707	1,436
2047-2051	7,327	709
2052-2053	2,575	70
Total	**$106,710**	**$16,766**

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

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

Total intangible right-to-use subscription assets	$97,109
Less: accumulated amortization	(64,702)
Carrying Value	**$32,407**

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

Year	Principal	Interest
2027	$14,501	$954
2028	7,859	530
2029	5,366	300
2030	2,988	123
2031	642	21
Total	**$31,356**	**$1,928**

NOTE 9. Self-Insurance Program and Other Claims

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

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

On December 1, 2020, The University of Arizona Global Campus, an Arizona nonprofit corporation, acquired substantially all of the assets and operations and assumed certain liabilities of Ashford University, an accredited and fully online university. On June 30, 2023, the university acquired substantially all of the assets and the operations and assumed substantially all of the liabilities of The University of Arizona Global Campus, including potential liabilities resulting from borrower defense to repayment (BDR) claims of former students of Ashford University approved by the U.S. Department of Education. In a public statement on August 30, 2023, the U.S. Department of Education announced its approval of $72 million in BDR discharges for students who applied for relief from loans they took out to attend Ashford University. In this announcement, the Department stated its intent "to initiate a recoupment proceeding at a later date to seek repayment of the liabilities

associated with these approved claims." In subsequent communications, the U.S. Department of Education indicated its intent to seek recoupment of these BDR liabilities from the University of Arizona Global Campus and the university, and that additional BDR claims of former students of Ashford University were being considered and could ultimately increase the amount sought from the University of Arizona Global Campus and the university in a future recoupment action. Neither the University of Arizona Global Campus nor the university received a requisite recoupment notice from the U.S. Department of Education. On December 8, 2025, the university received written notification from the U.S. Department of Education stating that it had determined it is not appropriate to bring a recoupment action against the University of Arizona Global Campus for the $72 million in BDR discharges granted in August 2023.

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

NOTE 10. Pension Plans

The university participates in the Arizona State Retirement System (ASRS), a cost-sharing, multiple-employer defined benefit pension plan, and two defined contribution plans which are described as follows. The university also contributes to the Public Safety Personnel Retirement System (PSPRS) state administered multiple-employer defined benefit pension plans. Although a PSPRS net pension liability has been recorded at June 30, 2026, PSPRS has not been further disclosed due to its relative insignificance to the university's financial statements.

For the year ended June 30, 2026, the university recognized total pension expense for all plans of $97.7 million.

Changes in the university's net pension liability (in thousands of dollars) during the fiscal year ended June 30, 2026, were as follows:

Beginning balance	$676,684
Increases	70,929
Decreases	(100,078)
Ending balance	**$647,535**
Current portion*	**$7,077**

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



Photo: Tom Kubik



Photo: The University of Arizona

A. Defined Benefit Plan

Arizona State Retirement System

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

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

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

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

**With actuarially reduced benefits*

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

Contributions: In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2026, statute required active ASRS members to contribute at the actuarially determined rate of 11.86% of the members' annual covered payroll for retirement benefits, and statute required the university to contribute at the actuarially determined rate of 11.83% of the active members' annual covered payroll for retirement benefits. In addition, the university was required by statute to contribute at the actuarially determined rate of 9.72% of annual covered payroll of retired members who worked for the university in positions that an employee who contributes to the ASRS would typically fill. The university's contributions to the pension plan for the year ended June 30, 2026, were $69.0 million.

Pension Liability: At June 30, 2026, the university reported a liability of $625.3 million for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2024, to the measurement date of June 30, 2025. The total pension liability as of June 30, 2025, reflects changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2024, including increasing the inflation rate from 2.3 percent to 2.4 percent and changing the projected salary increases from 2.9–8.4 percent to 3.0–8.4 percent.

The university's proportion of the net pension liability was based on the university's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2025. The university's proportion measured as of June 30, 2025, was 4.03% which was a decrease of 0.07 from its proportion measured as of June 30, 2024.

Pension Expense and Deferred Outflows/Inflows of Resources: For the year ended June 30, 2026, the university recognized pension expense for ASRS of $59.7 million. At June 30, 2026, the university reported deferred outflows of resources and deferred inflows of resources related to pensions (in thousands of dollars) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$41,617	-
Net difference between projected and actual earnings on pension plan investments	-	$49,562
Changes in Assumptions	8,989	-
Changes in proportion and differences between university contributions and proportionate share of contributions	15,811	8,184
University contributions subsequent to the measurement date	68,977	-
Total	**$135,394**	**$57,746**

The $69.0 million reported as deferred outflows of resources related to ASRS pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense (in thousands of dollars) as follows:

Year ending June 30	
2027	$49,955
2028	$(9,287)
2029	$(19,775)
2030	$(12,222)
2031	-

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

Actuarial valuation date	June 30, 2024
Actuarial roll forward date	June 30, 2025
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	3.0-8.4%
Inflation	2.4%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2024.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

Discount Rate: At June 30, 2025, the discount rate used to measure the ASRS total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



Photo: Chad Holder

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
University's proportionate share of the net pension liability	$989,657	$625,347	$321,822

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

Contributions Payable: The university's accrued payroll and benefits included $1.9 million of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2026.

B. Defined Contribution Plans

Plan Descriptions: In accordance with ARS § 15-1628, defining the authority under which benefit terms are established or may be amended, university staff, faculty, academic professionals, and administrative officers have the option to participate in defined contribution pension plans. For the year ended June 30, 2026, plans offered by the Teachers Insurance Annuity Association/ College Retirement Equities Fund (TIAA/ CREF) and Fidelity Investments Tax-Exempt Services Company (Fidelity) were approved by the Arizona Board of Regents. Benefits under these plans depend solely on the contributed amounts and the returns earned on investments of those contributions. Contributions made by members vest immediately; university contributions vest after five years of full-time employment. Non-vested contributions held by the university earn interest.

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

Funding Policy: The Arizona State Legislature establishes the contribution rates for active plan members and the university. For the year ended June 30, 2026, plan members and the university were each required by statute to contribute an amount equal to 7.0% of a member's compensation.

Pension Liability: At June 30, 2026, the university reported a liability of $20.4 million for non-vested defined contributions. If individuals terminate employment prior to vesting, any non-vested university contributions are retained by the university.

Pension Expense: For the year ended June 30, 2026, the university recognized pension expense for Defined Contribution Plans of $36.2 million. The university's recognized pension expense includes forfeitures totaling $2.8 million for the year ended June 30, 2026.



Photo: Andrew Bourland

NOTE 11. Other Postemployment Benefits

Other postemployment benefits (OPEB) provided as part of university employment include the Arizona Department of Administration (ADOA) sponsored single-employer defined benefit postemployment plan as well as the ASRS sponsored cost-sharing, multi-employer defined benefit plan for the Long-Term Disability Fund (LTD) and the Health Benefit Supplement Fund (HBS). University public safety personnel who are regularly assigned to hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). PSPRS administers a cost-sharing multiple-employer defined benefit pension plan and an agent multi-employer defined benefit health insurance premium benefit plan. Although net OPEB assets for the ASRS LTD and HBS plans and the PSPRS plans have been recorded at June 30, 2026, these plans have not been further disclosed due to the relative insignificance to the university's financial statements.

For the year ended June 30, 2026, the university recognized total negative OPEB expense for all plans of $14.1 million.

Changes in the university's OPEB liability (in thousands of dollars) during the fiscal year ended June 30, 2026, were as follows:

Beginning balance	$122,399
Increases	347
Decreases	(33,132)
Ending balance	**$89,614**
Current portion	**$2,863**

The Arizona Department of Administration

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

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

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

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

OPEB Liability: At June 30, 2026, the university reported a liability of $89.6 million for its proportionate share of the ADOA's total OPEB liability. The total OPEB liability was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025. The total OPEB liability as of June 30, 2025, reflects an increase in the discount rate from 3.97% to 5.20% due to changes in the tax-exempt municipal bond index rate and pre-65 health care trend rates and demographic assumptions were updated.

The university's proportion measured as of June 30, 2025, was 18.88%, which was a decrease of 1.51 from its proportion measured as of June 30, 2024.

OPEB Expense and Deferred Outflows/Inflows of Resources: For the year ended June 30, 2026, the university recognized a negative OPEB expense for ADOA of $9.4 million. At June 30, 2026, the university reported deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (in thousands of dollars) from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$12,939	$44,998
Difference between expected and actual experience	458	122,152
Changes in proportion and differences between university contributions and proportionate share of contributions	11,416	14,168
University benefit payments subsequent to the measurement date	2,863	-
Total	**$27,676**	**$181,318**

The $2.9 million reported as deferred outflows of resources related to ADOA OPEB resulting from university benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ADOA OPEB will be recognized in OPEB expense as follows (in thousands of dollars):

Year Ended June 30	
2027	$(31,393)
2028	$(37,171)
2029	$(33,315)
2030	$(24,564)
2031	$(17,218)
Thereafter	$(12,844)

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

Actuarial valuation date	June 30, 2025
Actuarial cost method	Entry age normal
Salary increases	3.00% to 9.00% varying by years of service
Discount rate	5.20% as of June 30, 2025
Healthcare cost trend rates:	
Medical (pre-65)	8.00% declining to 4.25% after 15 years
Medical (post-65)	4.90% declining to 4.25% after 8 years
Administrative costs	None
Contribution trend rates:	
Pre-65	8.00% declining to 4.25% after 15 years
Post-65	4.90% declining to 4.25% after 8 years
Mortality rates:	
Employees	Pub-2010 General Employee Mortality Tables projected with generational improvements from 2010 in accordance with the Ultimate MP scales.
Healthy Retirees and Spouses	2017 State Retirees of Arizona Mortality Tables projected with generational improvements from 2017 in accordance with the Ultimate MP scales.
Disabled Retirees	Pub-2010 Disabled Retiree Mortality Tables projected with generational improvements from 2010 in accordance with the Ultimate MP scales.

Benefit projections assume the specified premium amount will follow the current pattern of practice of being paid for entirely by the retiree or on behalf of the retiree. The specified premium amounts are projected to increase at the contribution trend rates noted above. Actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2024.

Discount Rate: The discount rate was based on the Bond Buyer "20-Bond GO Index."

Sensitivity of the University's Proportionate Share of the ADOA's Total OPEB Liability: The following table presents the university's proportionate share of the total OPEB liability (in thousands of dollars) calculated using the discount rate of 5.20%, 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 (4.20%) or 1 percentage point higher (6.20%) than the current rate (in thousands of dollars):

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
University's proportionate share of the total OPEB liability	$100,919	$89,614	$80,091

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

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
University's proportionate share of the total OPEB liability	$77,410	$89,614	$104,698



Photo: Chad Holder

NOTE 12. Operating Expenses by Classification

Operating expenses by functional and natural classification (in thousands of dollars) for the year ended June 30, 2026, consisted of the following:

	Personal Services and Benefits	Supplies and Services	Scholarships and Fellowships	Depreciation and Amortization	Total
Instruction	$627,354	$193,168	-	-	$820,522
Research	450,797	190,446	-	-	641,243
Public service	78,836	52,563	-	-	131,399
Academic support	209,304	146,082	-	-	355,386
Student services	140,838	56,990	-	-	197,828
Institutional support	207,657	80,099	-	-	287,756
Operation and maintenance of plant	52,840	73,304	-	-	126,144
Scholarships and fellowships	-	-	$78,732	-	78,732
Auxiliary enterprises	117,974	110,326	-	-	228,300
Depreciation and amortization	-	-	-	$218,665	218,665
Total operating expenses	**$1,885,600**	**$902,978**	**$78,732**	**$218,665**	**$3,085,975**

NOTE 13. UAGC 90/10 Revenue Percentage Calculation

The University of Arizona Global Campus (UAGC) derives a substantial portion of its revenues from Federal educational assistance received directly by the school or by its students. To continue participating in programs authorized by Title IV of the Higher Education Act (HEA), UAGC must comply with regulations promulgated under the HEA, including those commonly referred to as the "90/10 rule." Under the 90/10 rule, a proprietary institution is required to derive at least 10% of its cash-basis revenues each fiscal year from sources other than Federal funds. The calculation is prepared on the cash basis of accounting in accordance with the U.S. Department of Education Office of Inspector General *Guide for Audits of Proprietary Schools* (Title IV Audit Guide, March 2023) and 34 C.F.R. § 668.28. Institutions that derive more than 90% of their cash basis revenues from Federal funds in a fiscal year become provisionally certified for the next two fiscal years and may be subject to other enforcement measures. Any institution that violates the 90/10 rule for two consecutive fiscal years becomes ineligible to participate in Title IV programs for at least two fiscal years. On September 17, 2025, the Department of Education approved UAGC's change in ownership to the University of Arizona and classified UAGC as a public institution going forward, as recognized in its provisional program participation agreement with UAGC. Pursuant to 34 C.F.R. §§ 668.14(f) and 668.28, and as confirmed by the Department of Education in connection with UAGC's change in ownership, UAGC remains subject to the 90/10 requirements through the fiscal year ending June 30, 2027, notwithstanding its classification as a public institution. Accordingly, UAGC continues to calculate and report compliance with the 90/10 requirements for the year ended June 30, 2026. The information below is required by the Department of Education and is presented for purposes of additional analysis; it is not a required part of the basic financial statements. The following table provides UAGC's 90/10 calculation (in thousands of dollars) for the year ended June 30, 2026:


Photo: Tom Kubik

Adjusted Student Federal Revenue	$164,881	73.14%
Adjusted Student Federal Revenue + Adjusted Non-Federal Revenue and Revenue from Other Sources	$225,437	

Revenue Category	Amount Disbursed	Amount Adjusted
Student Title IV Revenue		
Title IV Credit Balance Carried Over from Prior Year	$1,835	$1,490
Federal Direct Loan	150,620	114,844
Federal Pell Grant	67,133	36,881
FSEOG	1,276	314
Total Student Title IV Revenue	**$220,864**	**$153,529**
Refunds Paid to Students	(21,351)	(21,351)
Adjusted Student Title IV Revenue	**$199,513**	**$132,178**
Student/Other Federal Funds Paid Directly to Student		
Federal Funds Paid Directly to Students	$1,653	$1,596
Total Student/Other Federal Funds Paid Directly to Student	**$1,653**	**$1,596**
Refunds Paid to Students	(75)	(75)
Adjusted Student/Other Federal Funds Paid Directly to Student	**$1,578**	**$1,521**
Student/Other Federal Funds Paid Directly to the Institution		
Federal Agency Payments Paid Directly to the Institution	$41,549	$31,497
Total Student Federal Funds Paid Directly to Institution	**$41,549**	**$31,497**
Refunds Paid to Students	(315)	(315)
Adjusted Student Title IV Federal Funds Paid Directly to the Institution	**$41,234**	**$31,182**
Adjusted Student Federal Revenue	**$242,325**	**$164,881**
Revenue From Other Sources		
Activities conducted by the institution that are necessary for education and training	-	-
Funds paid to the institution by, or on behalf of, students for education and training in qualified non-Title IV eligible programs	-	-
Revenue from Other Sources	**-**	**-**
Adjusted Non-Federal Revenue and Revenue from Other Sources	**$63,553**	**$60,556**
Total Federal and Non-Federal Revenue	**$305,878**	**$225,437**
Student Non-Federal Revenue		
Grant funds for the student from non-Federal public agencies or private sources independent of the institution	$40,497	$39,864
Funds provided for the student under a contractual arrangement with a Federal, State, or local government agency for the purpose of providing job training to low-income individuals	-	-
Funds used by a student from savings plan for educational expenses established by or on behalf of the student that qualify for special tax treatment under the Internal Revenue Code	-	-
Qualified institutional scholarships disbursed to the student	-	-
Student payments	24,942	22,578
Student Non-Title IV Revenue	**$65,439**	**$62,442**
Refunds Paid to Student	**(1,886)**	**(1,886)**
Adjusted Non-Federal Revenue	**$63,553**	**$60,556**

NOTE 14. Subsequent Events

On August 6, 2026, the university issued the 2026B Stimulus Plan for Economic and Educational Development (SPEED) Revenue Bonds (2026B SPEED) in the amount of $56.9 million, to fund construction of the Center for Advanced Molecular and Immunological Therapies (now known as the Medical Innovation Building) and for deferred maintenance projects. The 2026B SPEED bears coupon interest rates of 5.00% and will reach final maturity in fiscal year 2057.

Subsequent to June 30, 2026, the university and the University of Arizona Foundation entered into an agreement, effective July 1, 2026, providing for the transfer of unspent payout from certain endowment accounts held by the Foundation to the university. Under the agreement, legal ownership of the funds passes to the university upon transfer, and the university is responsible for administering the funds in accordance with applicable donor restrictions. On August 3, 2026, the Foundation transferred to the university $54.9 million of unspent payout as of June 30, 2026, pursuant to the agreement.

The university evaluated subsequent events through October 30, 2026, the date the financial statements were available to be issued.

NOTE 15. Discretely Presented Component Unit Disclosures

A. Summary of Significant Accounting Policies

The University of Arizona Foundation

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

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

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

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

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

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

Annuities Payable and Other Trust Liabilities: Annuities payable and other trust liabilities of $21.5 million at June 30, 2026, are stated at the actuarially-computed present value of future payments to the annuitants, which approximates fair value. The excess of the fair values of assets received over the actuarially computed annuities payable (using market rates in effect on the contribution date) is recorded as contributions in the year received. The fair values of assets held in trust at June 30, 2026, are $38.5 million, of which $1.8 million were without donor restrictions and $36.7 million were with donor restrictions.

Net Assets Released from Restriction: As the restrictions on donor-restricted net assets are met, the net assets are

reported as released from restriction and reclassified to net assets without donor restrictions. Payouts made from donor-restricted net assets are reported as released from restriction and transferred to net assets without donor restrictions. The total net assets reclassified and reported as net assets released from restriction for the year ended June 30, 2026, was $193.9 million.

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

Campus Research Corporation

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

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

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



Photo: K2 Creative LLC, Kevin Korczyk

B. Investments

The University of Arizona Foundation

Investments (in thousands of dollars) are comprised of the following amounts at June 30, 2026:

	Carrying Value	Cost
Domestic/international equity securities and mutual funds	$759,758	$553,494
Private equity limited partnerships	323,557	252,456
U.S. fixed income obligations and mutual funds	278,175	280,802
Absolute return and private credit limited partnerships and funds	153,162	115,224
Natural resources limited partnerships	82,576	68,622
REIT funds and real estate limited partnerships	28,576	29,080
International fixed income mutual fund	2,561	2,692
Totals	**$1,628,365**	**$1,302,370**

Fair value is determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. Market or observable inputs are the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

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

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

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

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

The following table presents the Foundation's investments (in thousands of dollars) at June 30, 2026, by valuation hierarchy:

	Quoted Prices In Active Markets for Identical Securities (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Domestic/international equity securities and mutual funds	$562,200	-	-	$562,200
U.S. fixed income obligations and mutual funds	278,175	-	-	278,175
Absolute return funds	18,289	-	-	18,289
REIT funds	4,587	-	-	4,587
International fixed income mutual fund	2,561	-	-	2,561
Totals	**$865,812**			**$865,812**
Investments measured at NAV				762,553
				$1,628,365

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

Additional information on investments that are measured at NAV per share as a practical expedient (in thousands of dollars) as of June 30, 2026, is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private equity limited partnerships	$323,557	$99,526	Not Applicable	Not Applicable
Equity long-only hedge funds	91,799	-	Annually to Biennially	60-120 days
Natural resources limited partnerships	82,576	37,847	Not Applicable	Not Applicable
Equity long-only funds	80,765	-	Monthly to semi-annually	30-90 days
Multi-strategy hedge funds	49,537	-	Quarterly	60 days
Various funds, redemptions in process	49,223	-	Not Applicable	Not Applicable
Equity long/short hedge funds	43,444	-	Quarterly	90 days
Private real estate limited partnerships	23,989	9,257	Not Applicable	Not Applicable
Private credit limited partnerships	17,663	4,899	Not Applicable	Not Applicable
Totals	**$762,553**	**$151,529**		

C. Endowment

The University of Arizona Foundation

The Foundation's endowment pool, included in assets with donor restrictions, consists of approximately 3,500 individual funds (2,800 for the Foundation and 700 for the university) established for a variety of purposes. The endowment pool is subject to the Arizona Management of Charitable Funds Act. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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

The Foundation charges endowment fees (Endowment Fee), based on a percentage of the fair value of the endowment pool as determined from time to time by the Foundation's Board of Trustees (1.00% in fiscal 2026). The Endowment Fee is used to defray the Foundation's costs of holding, managing, and stewarding the endowment pool, including costs for safeguarding, investing, and accounting for such funds. During the year ended June 30, 2026, endowment

fees of $15.1 million were recognized by the Foundation and $2.6 million in such fees were distributed to the university.

The Foundation's goal is to manage endowment assets such that the annual real return exceeds the annual "hurdle rate" (the sum of the Payout Rate and the Endowment Fee) so the endowment principal is able to grow and continue to fund in perpetuity the set of activities envisioned by the donor(s) at the time of the gift. The Foundation expects its endowment pool to provide an annual average rate of return of 8.0% with a standard deviation of 14.0% over a 20-year period. Actual returns in any given year may vary from this goal. These returns and risks reflect a broadly diversified asset allocation including domestic and international equities, domestic and international fixed income securities, private equity, private credit, absolute return, and natural resources strategies.


Photo: Chris Richards

The Foundation holds certain endowment funds that have a historic dollar value larger than fair value. As of June 30, 2026, the Foundation had endowment funds in this category with an aggregated historic dollar value of $17.3 million and an aggregated current fair value of $16.8 million and deficiencies totaling $0.5 million. As documented in endowment gift agreements with donors and the Investment Policy Statement, the payout will continue to be distributed even if the historic dollar value of an endowment fund exceeds its fair value.

The following shows the changes in endowment assets (in thousands of dollars) for the year ended June 30, 2026:

	With Donor Restrictions
Endowment net assets, beginning of fiscal year	$1,399,305
Investment return:	
Investment income	41,176
Less endowment fee	(15,149)
Net appreciation	182,330
Total investment return, net	**208,357**
Contributions	87,157
Transfers	4,841
Appropriation for payout	(58,505)
Capitalization of payout	8,090
Endowment net assets, end of fiscal year	**$1,649,245**

D. Contributions and Pledges Receivable

The University of Arizona Foundation

Unconditional promises are included in the financial statements as pledges receivable and contribution revenue in the period pledges are received. Pledges that are to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of an expected present value calculation using yields on U.S. Treasury obligations of equivalent maturity dates in the fiscal year in which they were received. The change in the estimated value of the future cash flows in periods subsequent to initial recognition is included in contribution revenue. Pledges receivable, net at June 30, 2026, totaled $41.1 million.

E. Property and Equipment

Campus Research Corporation

Property and equipment, net (in thousands of dollars) consisted of the following as of June 30, 2026:

Building, infrastructure and improvements	$65,684
Furniture, equipment and other property	5,596
Total	**$71,280**
Less accumulated depreciation	(40,461)
Property and equipment, net	**$30,819**

F. Long-Term Debt and Lease Obligations

Arizona Sports Enterprises

ASE has two loan agreements with the University of Arizona Foundation.

Loan Agreement I – An unsecured loan for $2.0 million, bearing interest at a fixed rate of 5.00%, per annum, compounded monthly with a maturity date of June 30, 2030. The loan is repayable in monthly installments of principal and interest, beginning June 30, 2027. As of June 30, 2026, the outstanding balance was $2.0 million.

Loan Agreement II – An unsecured disbursement loan for $1.0 million which ASE may request in writing to advance the principal sum amount. This loan bears interest at the then-current mid-term applicable federal rate published by the Internal Revenue Service, compounded monthly. This loan is repayable with a $0.5 million payment of principal and accrued interest on or before the first anniversary of the disbursement date plus a second payment of any remaining principal balance plus accrued interest on or before the second anniversary of the disbursement date. In the event that ASE does not request the advancement of funds on or before June 29, 2029, then the loan will immediately terminate on July 1, 2029. There was no disbursement received as of June 30, 2026.

Campus Research Corporation

Long-term debt (in thousands of dollars) is comprised of the following as of June 30, 2026:

Note payable, Washington Federal Bank, payable in monthly installments of $23.5 thousand including interest at 3.60% through October 2026.	$99
Note payable, Washington Federal Bank, payable in monthly installments of $17.0 thousand including interest at 2.95% through October 2026.	72
Note payable, Washington Federal Bank, payable in monthly installments of $11.6 thousand including interest at 3.06% through October 2028.	313
Note payable, Washington Federal Bank, payable in monthly installments of $37.8 thousand including interest at 6.85% through January 2031.	1,772
Less unamortized deferred financing fees	(26)
Total long-term debt	**$2,230**

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

CRC extended the line of credit with Washington Federal Bank for a maximum amount of $1.5 million through December 2026, with interest payable at the prime rate (6.75% at June 30, 2026) plus 0.50%. CRC did not have an outstanding balance related to this line of credit at June 30, 2026. Washington Federal Bank requires CRC to be in compliance with certain financial and nonfinancial covenants.

CRC leases real estate under noncancelable operating leases, with initial noncancellable terms in excess of one year that expire through December 2030. Lease liabilities (in thousands of dollars) as of June 30, 2026, were as follows:

Future lease payments	$198
Less interest	(7)
Present value of lease liabilities	**$191**

The University of Arizona Applied Research Corporation

UA-ARC subleases office space and other facilities, which expire at various dates through March 2027. Lease liabilities (in thousands of dollars) as of June 30, 2026, were as follows:

Future lease payments	$787
Less interest	(8)
Present value of lease liabilities	**$779**

G. Declaration of Project Operation Agreement (DPOA)

Campus Research Corporation

In September 2024, CRC and ABOR entered into a new DPOA agreement where CRC assumed the function of the landlord and Managing Operator, including responsibility for certain common area services such as the operation, maintenance, and repair of the central utility system, project fire and security services, and the common areas.

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

cumulative annual capital expenditures that will be paid by the tenant. CRC is responsible for any capital expenditures allocated to the tenant in excess of the maximum. These annual adjustments are included in operating lease income.

H. Related Party Transactions

The University of Arizona Foundation

The Foundation has a Fee for Service Agreement with the university, under which the Foundation provides fundraising, funds management, and other services to advance the mission and interests of the university. The Foundation received $7.3 million for services rendered for the year ended June 30, 2026.

Due to the University: During the year ended June 30, 2026, the Foundation's Board of Trustees appropriated $54.9 million of unspent payout from certain endowment assets within the Foundation's endowment pool to be transferred to the university, whereby the university now holds the fiduciary duty to manage and oversee all existing donor restrictions on the corresponding accounts. As of and for the year ended June 30, 2026, the endowment payout transfer was reported as due to the university within liabilities on the accompanying statement of financial position and payments to the university within program services expenses on the accompanying statement of activities. Effective July 1, 2026, monthly payout distributions associated with the specified endowment accounts will continue to be transferred to the university.

Arizona Sports Enterprises

ASE is affiliated with the university pursuant to an Affiliation Agreement. As of June 30, 2026, ASE reported $4.5 million due to the university related to the reimbursement of services, licensing fees, and other operating expenses incurred under the Affiliation Agreement. ASE is required to reimburse the university for staffing, facilities, and other services provided, and to pay royalties based on net revenues generated through sponsorship activities.

Campus Research Corporation

CRC has master lease agreements expiring in 2113 with ABOR on behalf of the university under which CRC develops, leases and operates certain buildings at the Tech Park and The Bridges. The leases provide that all new buildings constructed by CRC are owned by ABOR on behalf of the university. The leases require CRC to pay $1 annually and additional, discretionary rent on an annual basis based in part on the previous year's net proceeds as defined in the agreement. CRC recognized $2.8 million of contributed nonfinancial assets and operating lease costs related to this lease during 2026 to record the lease at its fair value. During 2026, CRC made contributions of $0.5 million to the university.

During 2026, CRC incurred development costs related to land owned by ABOR on behalf of the university. Total costs incurred during 2026 applicable to these projects were $0.01 million. It was determined through an agreement between CRC and the university that CRC would incur these costs. Accordingly, CRC has expensed the costs incurred on behalf of the university related to these projects. Although there is no contractual agreement, CRC may be reimbursed by the university for these costs at a later date. During 2026, CRC did not receive any reimbursements.

Law College Association of the University of Arizona

During the year ended June 30, 2026, the Law College Association distributed funds or paid distributions on behalf of the Law College of the University of Arizona in the amount of $1.9 million.

The University of Arizona Applied Research Corporation

UA-ARC and the university have executed Interpersonnel, Business Services, and IT Service Agreements. Under these agreements, UA-ARC may use the university's personnel, facilities, and materials on a reimbursement basis. There were no payments due to the university under these agreements for the year ended June 30, 2026.

UA-ARC and the university have agreements in place whereby the university has made payments to UA-ARC in consideration of technical services. Total revenue received by UA-ARC from the university for technical services was $3.4 million for the year ended June 30, 2026. Additionally, UA-ARC received $0.1 million in revenue from the university for services performed as part of its normal course of operations during the year ended June 30, 2026.

Eller Executive Education

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

I. Concentrations

Arizona Sports Enterprises

At June 30, 2026, three customers comprised 34% of sponsorship revenue, and two customers comprised 71% of accounts receivable.

Campus Research Corporation

CRC derives its rental revenue from leases with various tenants. At times, rental revenue from particular tenants may constitute a concentration of credit risk. Rent from two tenants comprised 75% of rental revenues in fiscal year 2026. In addition, receivables from three tenants comprised 54% of accounts receivable at June 30, 2026.

Eller Executive Education

At June 30, 2026, one customer comprised 24% of total revenue, and three customers comprised 98% of accounts receivable.

J. Restatement

Campus Research Corporation

CRC identified an error in the previously issued financial statements related to the accrual of expenses. CRC determined that accrued expenses as of June 30, 2025, were overstated by $0.1 million, resulting in an understatement of net assets without donor restrictions of the same amount. CRC has corrected this error by adjusting the beginning balance of net assets without donor restrictions. As a result of this restatement, net assets without donor restrictions increased as follows (in thousands of dollars):

Net assets without donor restrictions, as previously reported, June 30, 2025	$35,239
Overstatement of accrued expenses	128
Net assets without donor restrictions, as restated, July 1, 2025	**$35,367**

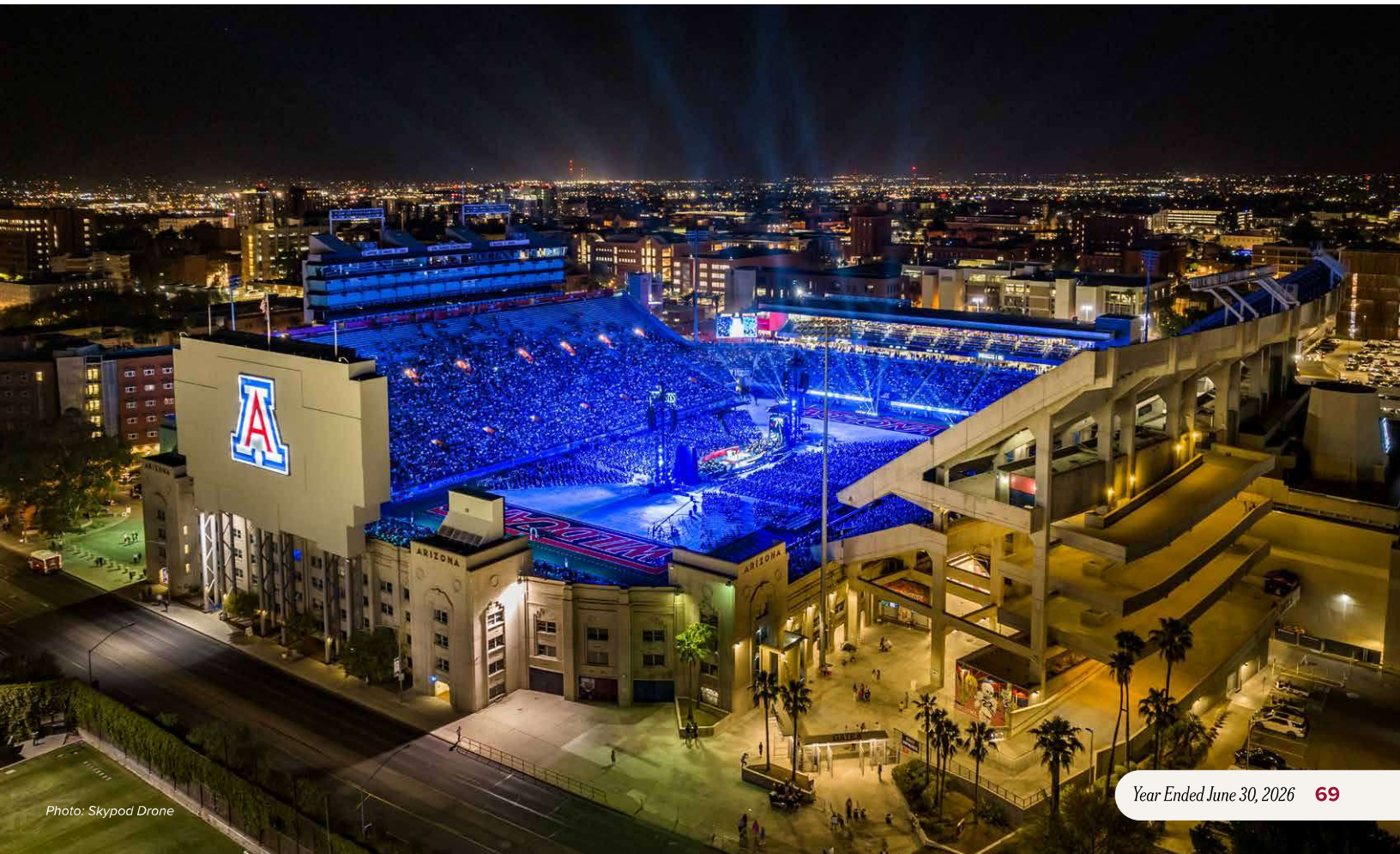


Photo: Skypod Drone

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of University's Proportionate Share of the Net Pension Liability – Arizona State Retirement System

Year Ended June 30, 2026 (in thousands of dollars)

Reporting Fiscal Year (Measurement Date)	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
University's proportion of the net pension liability	4.03%	4.10%	3.79%	3.75%	3.77%	4.06%	4.28%	4.05%	3.84%	3.85%
University's proportionate share of the net pension liability	$625,347	$656,823	$613,806	$611,727	$495,225	$702,890	$622,751	$565,000	$598,493	$621,697
University's covered payroll	$579,828	$575,783	$497,425	$447,627	$424,788	$443,989	$452,293	$403,949	$375,912	$362,043
University's proportionate share of the net pension liability as a percentage of its covered payroll	107.85%	114.07%	123.40%	136.66%	116.58%	158.31%	137.69%	139.87%	159.21%	171.72%
Plan fiduciary net position as a percentage of the total pension liability	78.78%	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%

Schedule of University Pension Contributions – Arizona State Retirement System

Year Ended June 30, 2026 (in thousands of dollars)

Fiscal Year Ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$68,977	$69,681	$69,045	$59,099	$53,618	$49,388	$50,804	$50,496	$43,892	$40,395
University's contribution in relation to the statutorily required contribution	$68,977	$69,681	$69,045	$59,099	$53,618	$49,388	$50,804	$50,496	$43,892	$40,395
University's contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
University's covered payroll	$584,931	$579,828	$575,783	$497,425	$447,627	$424,788	$443,989	$452,293	$403,949	$375,912
University's contributions as a percentage of covered payroll	11.79%	12.02%	11.99%	11.88%	11.98%	11.63%	11.44%	11.16%	10.87%	10.75%

Schedule of University's Proportionate Share of the Total OPEB Liability – Arizona Department of Administration

Year Ended June 30, 2026 (in thousands of dollars)

Reporting Fiscal Year (Measurement Date)	2026 (2025)	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
University's proportion of the total OPEB liability	18.88%	20.39%	20.17%	19.54%	18.38%	19.32%	19.70%	19.13%	19.20%
University's proportionate share of the total OPEB liability*	$89,614	$122,290	$111,089	$180,617	$220,277	$311,107	$250,691	$166,725	$161,905
University's covered-employee payroll	$1,066,583	$1,057,325	$1,027,526	$827,953	$804,619	$841,752	$819,622	$738,315	$718,904
University's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	8.40%	11.57%	10.81%	21.81%	27.38%	36.96%	30.59%	22.58%	22.52%

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

SUPPLEMENTARY INFORMATION

Combining Statement of Financial Position – Other Component Units

June 30, 2026 (in thousands of dollars)

	Arizona Sports Enterprises	Campus Research Corporation	Law College Association	Applied Research Corporation	Eller Executive Education	Total Nonmajor Component Units
			Other			
Assets						
Cash and cash equivalents	$4,555	$9,377	$850	$591	$486	$15,859
Restricted cash	-	3,327	-	-	-	3,327
Pledges receivable, net	-	-	1,607	-	-	1,607
Accounts receivable, net	1,663	3,180	391	2,843	402	8,479
Contract assets	-	-	-	1,065	45	1,110
Investments in securities	-	-	19,616	-	-	19,616
Prepaid expenses	-	135	2	-	-	137
Property and equipment, net	12	30,819	-	685	-	31,516
Intangible assets, net	-	2,281	-	-	22	2,303
Operating lease assets	-	117	-	528	-	645
Other assets	-	1,229	7	79	28	1,343
Total Assets	**$6,230**	**$50,465**	**$22,473**	**$5,791**	**$983**	**$85,942**
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	$5,036	$4,164	$160	$2,483	$99	$11,942
Deferred revenue and deposits	49	5,067	-	430	237	5,783
Short-term and long-term debt and lease obligations	2,000	2,421	-	779	-	5,200
Total Liabilities	**$7,085**	**$11,652**	**$160**	**$3,692**	**$336**	**$22,925**
Net Assets						
Without donor restrictions	$(855)	$38,813	$2,505	$2,099	$647	$43,209
With donor restrictions	-	-	19,808	-	-	19,808
Total Net Assets	**$(855)**	**$38,813**	**$22,313**	**$2,099**	**$647**	**$63,017**
Total Liabilities and Net Assets	**$6,230**	**$50,465**	**$22,473**	**$5,791**	**$983**	**$85,942**

Combining Statement of Activities – Other Component Units

Year Ended June 30, 2026 (in thousands of dollars)

	Other					
	Arizona Sports Enterprises	Campus Research Corporation	Law College Association	Applied Research Corporation	Eller Executive Education	Total Nonmajor Component Units
Revenues						
Sales and services	$16,878	-	-	$23,090	$2,266	$42,234
Contributions and grants	-	$3,373	$2,917	-	-	6,290
Rental revenues	-	33,766	-	-	-	33,766
Investment income, net	-	233	2,830	54	-	3,117
Other income	242	-	44	-	94	380
Total revenues	**$17,120**	**$37,372**	**$5,791**	**$23,144**	**$2,360**	**$85,787**
Expenses						
Program services:						
Contracting related expenses	$12,379	-	-	$18,288	$1,142	$31,809
Leasing related expenses	-	$32,056	-	-	-	32,056
Payments on behalf of the university	-	13	$2,563	-	-	2,576
Supporting services:						
Administration and general	4,868	1,857	422	3,978	433	11,558
Fundraising	-	-	121	-	-	121
Total expenses	**$17,247**	**$33,926**	**$3,106**	**$22,266**	**$1,575**	**$78,120**
Increase (Decrease) in Net Assets	$(127)	$3,446	$2,685	$878	$785	$7,667
Net Assets - Beginning of year, as restated	**(728)**	**$35,367**	**$19,628**	**$1,221**	**$(138)**	**$55,350**
Net Assets - End of year	**$(855)**	**$38,813**	**$22,313**	**$2,099**	**$647**	**$63,017**

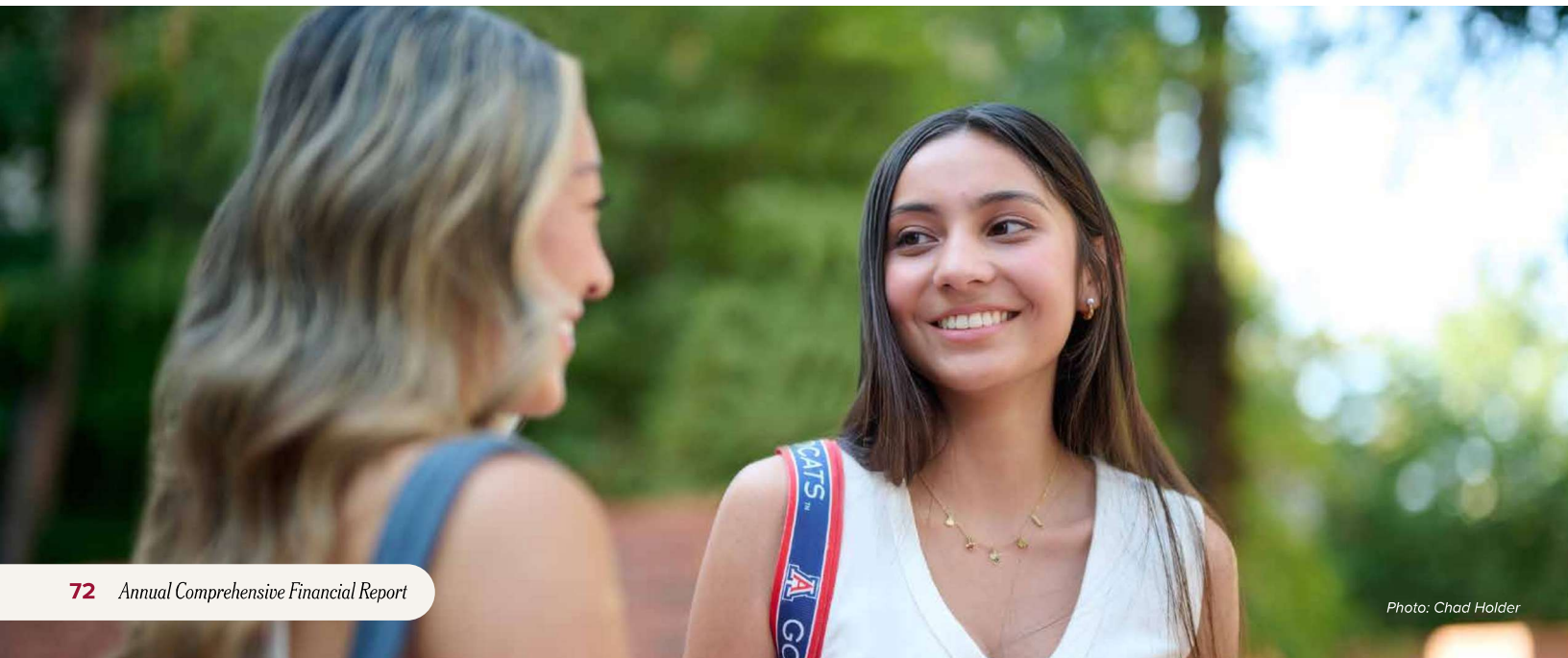


Photo: Chad Holder

STATISTICAL SECTION

Fiscal Year 2026 Annual Comprehensive Financial Report

THE UNIVERSITY OF ARIZONA

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Year Ended June 30, 2026

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Net Position by Component

As of June 30 (in thousands of dollars)

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net investment in capital assets	$1,268,447	$1,218,725	$1,115,109	$1,044,572	$959,468	$888,422	$951,375	$801,215	$776,373	$730,135
Restricted, Nonexpendable	259,114	234,839	208,588	191,107	179,033	189,845	157,378	161,496	154,227	142,774
Restricted, Expendable	301,890	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080
Unrestricted (deficit)	(321,820)	(345,646)	(420,767)	(345,996)	(307,211)	(269,494)	(320,257)	(130,727)	(135,502)	20,756
Total Net Position	**$1,507,631**	**$1,382,629**	**$1,176,580**	**$1,181,292**	**$1,101,951**	**$1,047,962**	**$992,453**	**$1,065,321**	**$1,039,640**	**$1,134,745**
Expressed as a percent of the total	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	84.1	88.1	94.8	88.4	87.1	84.8	95.9	75.2	74.6	64.3
Restricted, Nonexpendable	17.2	17.0	17.7	16.2	16.2	18.1	15.9	15.2	14.8	12.6
Restricted, Expendable	20.0	19.9	23.3	24.7	24.6	22.8	20.5	21.9	23.6	21.3
Unrestricted (deficit)	(21.3)	(25.0)	(35.8)	(29.3)	(27.9)	(25.7)	(32.3)	(12.3)	(13.0)	1.8
Total Net Position	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Percentage increase/(decrease) from prior year	%	%	%	%	%	%	%	%	%	%
Net investment in capital assets	4.1	9.3	6.8	8.9	8.0	(6.6)	18.7	3.2	6.3	6.3
Restricted, Nonexpendable	10.3	12.6	9.1	6.7	(5.7)	20.6	(2.5)	4.7	8.0	6.3
Restricted, Expendable	9.9	0.4	(6.2)	7.7	13.2	17.3	(12.6)	(4.6)	1.4	1.1
Unrestricted (deficit)	6.9	17.9	(21.6)	(12.6)	14.0	15.9	(145.0)	3.5	(752.8)	125.6
Total Net Position	**9.0**	**17.5**	**(0.4)**	**7.2**	**5.2**	**5.6**	**(6.8)**	**2.5**	**(8.4)**	**15.9**

Note: The university implemented GASB 75/85 in FY 2018; historical data has not been restated in the statistical section.
The university implemented GASB 101 in FY 2025; historical data has not been restated in the statistical section.

Change in Net Position (2026)

Fiscal Year Ended June 30 (in thousands of dollars)	2026
Revenues	%
Operating Revenues	
Student tuition and fees, net of scholarship allowance	$952,485
Financial aid grants (primarily Pell grants)	143,216
Federal grants and contracts	478,167
State grants and contracts	16,945
Local grants and contracts	20,143
Nongovernment grants and contracts	516,923
Sales and services of educational departments	84,388
Auxiliary enterprises	249,326
Other operating revenues *	18,277
Total Operating Revenues	**$2,479,870**
Expenses	
Operating Expenses	
Educational and general	
Instruction	$820,522
Research	641,243
Public Service	131,399
Academic support	355,386
Student services	197,828
Institutional support	287,756
Operation and maintenance of plant	126,144
Scholarships and fellowships	78,732
Auxiliary enterprises	228,300
Depreciation and amortization	218,665
Total Operating Expenses	**$3,085,975**
Operating loss	**$(606,105)**
Noncapital Subsidies	
State appropriations	$339,596
Share of State sales tax revenues	73,714
Gifts	143,584
Federal subsidies and appropriations	35,126
Other state and local subsidies and appropriations	31,459
Nongovernment subsidies	18,700
Total Noncapital Subsidies	**$642,179**
Operating Loss and Noncapital Subsidies	**$36,074**
Other Nonoperating Revenues (Expenses)	
Investment income	$59,582
Capital grants, gifts, and conveyances	36,971
Capital appropriations	26,250
Capital commitment - State Lottery Revenue	20,835
Additions to permanent endowments	2,740
Interest expense on debt	(48,736)
Other nonoperating expenses	(8,714)
Total Other Nonoperating Revenues (Expenses)	**$88,928**
Increase in Net Position	**$125,002**
Total Revenues	$3,268,427
Total Expenses	3,143,425
Increase in Net Position	**$125,002**

**In compliance with Arizona Revised Statues 35-391, the University of Arizona discloses the following: For fiscal year 2026, the university received rebates in the amount of $2.3 million from Bank of America for Purchase Card purchases for the year.*

Beginning in fiscal year 2026, this schedule reflects the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. Prior-year amounts have not been reclassified to conform to the revised presentation and are presented separately in the succeeding schedule.

Change In Net Position (2017-2025)

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

This schedule presents financial information using the reporting classifications in effect through fiscal year 2025. Beginning in fiscal year 2026, the university implemented GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. See the preceding schedule for information presented under the revised reporting model.

Change in Net Position 2026

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

Fiscal Year Ended June 30	**2026**
Revenues	%
Operating Revenues	
Student tuition and fees, net of scholarship allowance	29.2
Financial aid grants (primarily Pell grants)	4.4
Federal grants and contracts	14.6
State grants and contracts	0.5
Local grants and contracts	0.6
Nongovernment grants and contracts	15.8
Sales and services of educational departments	2.6
Auxiliary enterprises	7.6
Other operating revenues	0.6
Total Operating Revenues	**75.9**
Expenses	
Operating Expenses	
Educational and general	
Instruction	26.1
Research	20.4
Public Service	4.2
Academic support	11.3
Student services	6.3
Institutional support	9.2
Operation and maintenance of plant	4.0
Scholarships and fellowships	2.5
Auxiliary enterprises	7.2
Depreciation and amortization	7.0
Total Operating Expenses	**98.2**
Operating loss	**(19.3)**
Noncapital Subsidies	
State appropriations	10.4
Share of State sales tax revenues	2.2
Gifts	4.4
Federal subsidies and appropriations	1.1
Other state and local subsidies and appropriations	1.0
Nongovernment subsidies	0.5
Total Noncapital Subsidies	**19.6**
Operating Loss and Noncapital Subsidies	**1.1**
Other Nonoperating Revenues (Expenses)	
Investment income (loss)	1.8
Capital grants, gifts and conveyances	1.2
Capital appropriations	0.8
Capital commitment - State Lottery Revenue	0.7
Additions to permanent endowments	0.1
Interest expense on debt	(1.6)
Other nonoperating expenses	(0.3)
Total Other Nonoperating Revenues (Expenses)	**2.7**
Increase in Net Position	**3.8**

Beginning in fiscal year 2026, this schedule reflects the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. Prior-year amounts have not been reclassified to conform to the revised presentation and are presented separately in the succeeding schedule.

Change in Net Position 2017-2025

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

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

This schedule presents financial information using the reporting classifications in effect through fiscal year 2025. Beginning in fiscal year 2026, the university implemented GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. See the preceding schedule for information presented under the revised reporting model.

Change in Net Position 2026

(Percentage increase (decrease) from prior year)

Fiscal Year Ended June 30	**2026**
Revenues	%
Operating Revenues	
Student tuition and fees, net of scholarship allowance	(2.6)
Financial aid grants (primarily Pell grants)	-
Federal grants and contracts	6.6
State grants and contracts	8.0
Local grants and contracts	273.4
Nongovernment grants and contracts	215.2
Sales and services of educational departments	5.2
Auxiliary enterprises	0.3
Other operating revenues	43.7
Total Operating Revenues	**26.9**
Expenses	
Operating Expenses	
Educational and general	
Instruction	12.0
Research	1.6
Public Service	(5.6)
Academic support	(1.5)
Student services	(4.7)
Institutional support	(0.6)
Operation and maintenance of plant	2.9
Scholarships and fellowships	(3.6)
Auxiliary enterprises	9.5
Depreciation and amortization	(3.0)
Total Operating Expenses	**2.9**
Operating loss	**(42.0)**
Noncapital Subsidies	
State appropriations	-
Share of State sales tax revenues	-
Gifts	-
Federal subsidies and appropriations	-
Other state and local subsidies and appropriations	-
Nongovernment subsidies	-
Total Noncapital Subsidies	**-**
Operating Loss and Noncapital Subsidies	**-**
Other Nonoperating Revenues (Expenses)	
Investment income/loss	-
Capital grants, gifts and conveyances	-
Capital appropriations	-
Capital commitment - State Lottery Revenue	-
Additions to permanent endowments	-
Interest expense on debt	-
Other nonoperating expenses	-
Total Other Nonoperating Revenues (Expenses)	**-**
Decrease in Net Position	**(30.1)**

Beginning in fiscal year 2026, this schedule reflects the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. Prior-year amounts have not been reclassified to conform to the revised presentation and are presented separately in the succeeding schedule.

Change in Net Position 2017-2025

(Percentage increase (decrease) from prior year)

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

This schedule presents financial information using the reporting classifications in effect through fiscal year 2025. Beginning in fiscal year 2026, the university implemented GASB Statement No. 103, Financial Reporting Model Improvements, which revised the presentation and classification of revenues and expenses. See the preceding schedule for information presented under the revised reporting model.

Operating Expenses by Natural Classification

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Personal services and benefits	$1,885,600	$1,856,329	$1,858,590	$1,566,789	$1,410,808	$1,420,434	$1,462,234	$1,340,973	$1,283,072	$1,229,939
Supplies and services	902,978	835,827	810,503	696,480	585,118	506,999	549,572	560,018	530,930	482,530
Scholarships and fellowships	78,732	81,703	81,880	73,298	105,932	92,655	70,903	61,665	57,836	57,656
Depreciation and amortization	218,665	225,482	223,230	190,848	168,320	150,138	149,793	144,250	135,565	132,726
Total Operating Expenses by Natural Classification	**$3,085,975**	**$2,999,341**	**$2,974,203**	**$2,527,415**	**$2,270,178**	**$2,170,226**	**$2,232,502**	**$2,106,906**	**$2,007,403**	**$1,902,851**
Expressed as a percent of the total	%	%	%	%	%	%	%	%	%	%
Personal services and benefits	61.1	61.9	62.5	62.0	62.1	65.4	65.5	63.6	63.9	64.6
Supplies and services	29.3	27.9	27.3	27.6	25.8	23.4	24.6	26.6	26.4	25.4
Scholarships and fellowships	2.5	2.7	2.8	2.9	4.7	4.3	3.2	2.9	2.9	3.0
Depreciation and amortization	7.1	7.5	7.4	7.5	7.4	6.9	6.7	6.9	6.8	7.0
Total Operating Expenses by Natural Classification	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Percentage increase/(decrease) from prior year	%	%	%	%	%	%	%	%	%	%
Personal services and benefits	1.6	(0.1)	18.6	11.1	(0.7)	(2.9)	9.0	4.5	4.3	(1.5)
Supplies and services	8.0	3.1	16.4	19.0	15.4	(7.7)	(1.9)	5.5	10.0	6.2
Scholarships and fellowships	(3.6)	(0.2)	11.7	(30.8)	14.3	30.7	15.0	6.6	0.3	6.6
Depreciation and amortization	(3.0)	1.0	17.0	13.4	12.1	0.2	3.8	6.4	2.1	5.8
Total Operating Expenses by Natural Classification	**2.9**	**0.8**	**17.7**	**11.3**	**4.6**	**(2.8)**	**6.0**	**5.0**	**5.5**	**1.1**

Academic Year Tuition and Required Fees

Fiscal Year Ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Resident Undergraduate										
University of Arizona	$13,906	$13,906	$13,606	$13,255	$12,696	$12,696	$12,691	$12,467	$12,248	$11,789
percent increase from prior year	0.0%	2.2%	2.6%	4.4%	0.0%	0.0%	1.8%	1.8%	3.9%	3.2%
Big 12 Public Average*	$11,959	$11,696	$13,477	$13,005	$12,529	$12,350	$12,126	$11,823	$11,586	$10,885
percent increase/(decrease) from prior year	2.3%	(13.2)%	3.6%	3.8%	1.4%	1.8%	2.6%	2.0%	6.4%	0.2%
UA Peers Average**	$15,718	$11,997	$13,306	$12,876	$12,583	$12,374	$12,197	$12,034	$11,904	$11,613
percent increase/(decrease) from prior year	31.2%	(10.0)%	3.3%	2.3%	1.7%	1.5%	1.4%	1.1%	2.5%	1.4%
Non-Resident Undergraduate										
University of Arizona	$43,068	$42,258	$41,075	$39,557	$37,218	$36,723	$36,718	$36,366	$35,678	$34,987
percent increase from prior year	1.9%	2.9%	3.8%	6.3%	1.3%	0.0%	1.0%	1.9%	2.0%	7.2%
Big 12 Public Average*	$31,604	$30,891	$39,447	$38,001	$36,570	$35,953	$35,401	$34,447	$33,561	$31,640
percent increase/(decrease) from prior year	2.3%	(21.7)%	3.8%	3.9%	1.7%	1.6%	2.8%	2.6%	6.1%	3.8%
UA Peers Average**	$48,632	$34,651	$39,819	$38,429	$37,503	$36,881	$36,430	$35,452	$34,457	$32,728
percent increase/(decrease) from prior year	40.3%	(13.0)%	3.6%	2.5%	1.7%	1.2%	2.8%	2.9%	5.3%	4.0%
Resident Graduate										
University of Arizona	$15,622	$14,856	$14,389	$14,015	$13,460	$13,272	$13,271	$13,044	$12,812	$12,397
percent increase from prior year	5.2%	3.2%	2.7%	4.1%	1.4%	0.0%	1.7%	1.8%	3.3%	2.8%
Big 12 Public Average*	$12,086	$11,892	$15,044	$14,593	$14,196	$14,011	$13,800	$13,427	$13,246	$13,057
percent increase/(decrease) from prior year	1.6%	(21.0)%	3.1%	2.8%	1.3%	1.5%	2.8%	1.4%	1.4%	1.2%
UA Peers Average**	$17,756	$13,198	$16,089	$15,637	$15,324	$15,079	$14,993	$14,680	$14,358	13,994
percent increase/(decrease) from prior year	34.5%	(18.0)%	2.9%	2.0%	1.6%	0.6%	2.1%	2.2%	2.6%	1.7%
Non-Resident Graduate										
University of Arizona	$35,922	$34,110	$33,961	$33,957	$33,644	$33,399	$33,398	$33,393	$32,762	$32,149
percent increase from prior year	5.3%	0.4%	0.0%	0.9%	0.7%	0.0%	0.0%	1.9%	1.9%	5.8%
Big 12 Public Average*	$28,555	$28,552	$32,465	$31,591	$30,731	$30,270	$29,877	$28,860	$28,223	$27,978
percent increase/(decrease) from prior year	0.0%	(12.1)%	2.8%	2.8%	1.5%	1.3%	3.5%	2.3%	0.9%	2.3%
UA Peers Average**	$36,238	$31,273	$31,680	$32,114	$31,557	$30,914	$30,759	$30,079	$29,413	$28,673
percent increase/(decrease) from prior year	15.9%	(1.3)%	(1.4)%	1.8%	2.1%	0.5%	2.3%	2.3%	2.6%	2.1%

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

Sources:

University Analytics & Institutional Research (UAIR)

Tuition rates are approved by the Arizona Board of Regents.

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

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

Principal Revenue Sources

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Tuition and fees										
Operating Revenues										
Tuition and Fees, net of scholarship allowance	**$952,485**	**$978,165**	**$926,461**	**$717,928**	**$677,550**	**$634,092**	**$644,352**	**$658,090**	**$653,519**	**$653,725**
percent of total revenue	29%	30%	31%	27%	28%	28%	29%	30%	31%	31%
percent increase/(decrease) from prior year	(3)%	6%	29%	6%	7%	(2)%	(2)%	1%	0%	7%
State of Arizona Government										
Operating Revenues										
State and local grants and contracts	$37,088	$46,529	$46,624	$98,269	$44,805	$40,487	$37,104	$39,926	$41,984	$38,005
Noncapital Subsidies										
State appropriations	339,596	345,328	357,504	350,759	310,298	259,415	269,495	252,931	254,789	245,146
Technology and research initiatives funding	73,714	58,706	63,604	36,832	46,079	31,979	30,683	30,970	28,763	27,618
Financial aid grants	18,619	11,178	9,827	7,490	5,111	2,015	-	-	-	-
Other state and local subsidies and appropriations	12,840	-	-	-	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)										
Capital appropriations and capital commitments	47,085	46,151	46,604	46,389	46,148	46,032	46,785	46,233	35,460	43,498
State of Arizona Government	**$528,942**	**$507,892**	**$524,163**	**$539,739**	**$452,441**	**$379,928**	**$384,067**	**$370,060**	**$360,996**	**$354,267**
percent of total revenue	16%	16%	17%	20%	19%	17%	17%	17%	17%	17%
percent increase/(decrease) from prior year	4%	(3)%	(3)%	19%	19%	(1) %	4%	3%	2%	11%
Federal Government										
Operating Revenues										
Federal grants and contracts	$478,167	$517,272	$567,287	$496,498	$481,392	$505,365	$360,286	$376,132	$329,388	$312,547
Financial aid grants (primarily Pell grants)	143,216	149,512	121,805	61,848	95,524	86,337	63,077	56,881	53,746	49,990
Noncapital Subsidies										
Federal subsidies and appropriations	35,126	-	-	-	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)										
Capital grants*	29,380	56,875	-	-	-	-	-	-	-	-
Federal Government	**$685,889**	**$723,659**	**$689,092**	**$558,346**	**$576,916**	**$591,702**	**$423,363**	**$433,013**	**$383,134**	**$362,537**
percent of total revenue	21%	22%	23%	21%	24%	26%	19%	20%	18%	17%
percent increase/(decrease) from prior year	(5)%	5%	23%	(3)%	(2)%	40%	(2)%	13%	6%	1%
Total from principal revenue payers	**$2,167,316**	**$2,209,716**	**$2,139,716**	**$1,816,013**	**$1,706,907**	**$1,605,722**	**$1,451,782**	**$1,461,163**	**$1,397,649**	**$1,370,529**
percent of total revenue	66%	68%	71%	68%	70%	71%	65%	67%	66%	65%
percent increase/(decrease) from prior year	(2)%	3%	18%	6%	6%	11%	(1)%	5%	2%	6%

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

Beginning in fiscal year 2026, amounts reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. The GASB Statement No. 103 categories are used to organize this schedule; however, prior-year amounts retain the classifications reported in those years and have not been reclassified to conform to the fiscal year 2026 presentation.

Long-term Debt

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
System Revenue Bonds and SPEED Revenue Bonds	$1,274,530	$1,227,175	$1,232,405	$1,292,000	$1,338,225	$1,379,595	$1,168,675	$1,218,745	$1,166,915	$1,090,805
Plus Unamortized Premium/ (Discount)	157,086	148,763	155,827	164,378	173,231	182,320	137,464	128,207	124,003	115,487
Net System Revenue Bonds and SPEED Revenue Bonds	**$1,431,616**	**$1,375,938**	**$1,388,232**	**$1,456,378**	**$1,511,456**	**$1,561,915**	**$1,306,139**	**$1,346,952**	**$1,290,918**	**$1,206,292**
Certificates of Participation	$66,215	$84,720	$107,350	$136,465	$162,100	$193,635	$199,385	$232,816	$264,761	$302,176
Plus Unamortized Premium/ (Discount)	3,734	4,494	6,464	7,529	10,891	15,089	22,899	26,330	29,760	23,959
Net Certificates of Participation	**$69,949**	**$89,214**	**$113,814**	**$143,994**	**$172,991**	**$208,724**	**$222,284**	**$259,146**	**$294,521**	**$326,135**
Total Bonds Payable	$1,431,616	$1,375,938	$1,388,232	$1,456,378	$1,511,456	$1,561,915	$1,306,139	$1,346,952	$1,290,918	$1,206,292
COPs Payable	69,949	89,214	113,814	143,994	172,991	208,724	222,284	259,146	294,521	326,135
Financed Purchase Obligations Payable	7,001	6,151	6,257	6,321	6,382	12,702	13,261	14,916	15,514	16,308
Lease Liabilities Payable	106,710	136,109	166,938	179,791	162,731	-	-	-	-	-
Subscription Liabilities Payable	31,356	30,859	32,020	28,075	-	-	-	-	-	-
Total	**$1,646,632**	**$1,638,271**	**$1,707,261**	**$1,814,559**	**$1,853,560**	**$1,783,341**	**$1,541,684**	**$1,621,014**	**$1,600,953**	**$1,548,735**
Long Term Debt (whole dollars)										
per student FTE	$22,433	$21,669	$23,034	$37,862	$39,581	$39,179	$34,479	$36,529	$36,279	$35,546
per Dollar of State Appropriations and State Capital Appropriations	$4.50	$4.41	$4.45	$4.82	$5.52	$6.27	$5.23	$5.84	$5.95	$5.80
per Dollar of Total Grants, Contracts, Subsides and Other Appropriations	$1.28	$1.37	$1.59	$1.87	$1.99	$1.92	$2.01	$2.12	$2.17	$2.13
Data Used in Above Calculations										
Total Student FTE	73,401	75,604	74,118	47,926	46,829	45,518	44,714	44,376	44,129	43,570
State Appropriations and State Capital Appropriations	$365,846	$371,342	$383,295	$376,321	$335,635	$284,620	$294,508	$277,734	$269,038	$267,124
Grants, Contracts, Subsidies and Other Appropriations	$1,290,059	$1,194,913	$1,076,259	$972,725	$930,094	$930,488	$768,705	$764,429	$738,688	$726,420

Beginning in fiscal year 2026, the presentation of financial amounts in the Data Used in Above Calculations reflects the classifications established by GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year amounts are presented as originally reported and have not been reclassified to conform to the fiscal year 2026 presentation.

Summary of Ratios

Summary of Composite Financial Index Ratios

Fiscal Year Ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
COMPOSITE FINANCIAL INDEX										
+ Primary Reserve Ratio	**0.08**	**0.08**	**0.05**	**0.09**	**0.10**	**0.10**	**0.04**	**0.13**	**0.13**	**0.20**
/ Strength Factor	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133
= Ratio / Strength Factor	0.60	0.60	0.38	0.68	0.75	0.75	0.30	0.98	0.98	1.50
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.21	0.21	0.13	0.24	0.26	0.26	0.11	0.34	0.34	0.53
= Ratio 10.00 Cap Subtotal	0.21	0.21	0.13	0.24	0.26	0.26	0.11	0.34	0.34	0.53
+ Return on Net Assets Ratio	**11.5%**	**10.0%**	**3.7%**	**9.3%**	**1.3%**	**17.2%**	**(4.4)%**	**6.6%**	**12.7%**	**13.7%**
/ Strength Factor	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
= Ratio / Strength Factor	5.75	5.00	1.85	4.65	0.65	8.60	(1.00)	3.30	6.35	6.85
* Weighting Factor	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
= Ratio Subtotal	1.15	1.00	0.37	0.93	0.13	1.72	(0.20)	0.66	1.27	1.37
= Ratio 10.00 Cap Subtotal	1.15	1.00	0.37	0.93	0.13	1.72	(0.20)	0.66	1.27	1.37
+ Net Operating Revenues Ratio	**1.5%**	**1.5%**	**(2.2%)**	**(4.8%)**	**1.4%**	**0.2%**	**(10.5)%**	**(1.5)%**	**0.7%**	**5.5%**
/ Strength Factor	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
= Ratio / Strength Factor	1.15	1.15	(1.00)	(1.00)	1.08	0.15	(1.00)	(1.00)	0.54	4.23
* Weighting Factor	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
= Ratio Subtotal	0.12	0.12	(0.10)	(0.10)	0.11	0.02	(0.10)	(0.10)	0.05	0.42
= Ratio 10.00 Cap Subtotal	0.12	0.12	(0.10)	(0.10)	0.11	0.02	(0.10)	(0.10)	0.05	0.42
+ Viability Ratio	**0.2**	**0.2**	**0.1**	**0.1**	**0.2**	**0.2**	**0.1**	**0.2**	**0.2**	**0.3**
/ Strength Factor	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417	0.417
= Ratio / Strength Factor	0.48	0.48	0.24	0.24	0.48	0.48	0.24	0.48	0.48	0.72
* Weighting Factor	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
= Ratio Subtotal	0.17	0.17	0.09	0.08	0.17	0.17	0.08	0.17	0.17	0.25
= Ratio 10.00 Cap Subtotal	0.17	0.17	0.09	0.08	0.17	0.17	0.08	0.17	0.17	0.25
Composite Financial Index	**1.65**	**1.50**	**0.49**	**1.15**	**0.67**	**2.17**	**(0.11)**	**1.07**	**1.83**	**2.57**
Composite Financial Index with 10.00 Cap	**1.65**	**1.50**	**0.49**	**1.15**	**0.67**	**2.17**	**(0.11)**	**1.07**	**1.83**	**2.57**

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

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

Beginning in fiscal year 2026, amounts used in the calculation of the Composite Financial Index ratios reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year ratios have not been recalculated to conform to the fiscal year 2026 presentation.

Summary of Ratios (continued)

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
PRIMARY RESERVE RATIO										
Unrestricted Net Position	$(321,820)	$(345,646)	$(420,767)	$(345,996)	$(307,211)	$(269,494)	$(320,257)	$(130,727)	$(135,502)	$20,756
Net Assets Without Donor Restrictions – Component Units	84,079	68,493	58,882	57,590	126,842	77,930	63,733	62,819	56,189	52,612
Expendable Restricted Net Position	301,890	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080
Expendable Restricted Net Assets – Component Units*	253,913	278,687	287,129	261,814	223,051	226,345	184,247	152,068	143,895	128,288
Investment in Plant - Component Units	(33,555)	(29,376)	(30,459)	(31,518)	(33,485)	(37,273)	(34,166)	(31,095)	(27,696)	(26,777)
Expendable Net Position/Net Assets	**$284,507**	**$246,869**	**$168,435**	**$233,499**	**$279,858**	**$236,697**	**$97,514**	**$286,402**	**$281,428**	**$415,959**
Operating Expenses	$3,085,975	$2,999,341	$2,974,203	$2,527,415	$2,270,178	$2,170,226	$2,232,502	$2,106,906	$2,007,403	$1,902,851
Nonoperating Expenses	57,450	48,321	56,592	56,395	105,955	50,672	60,187	55,072	53,275	51,253
Component Unit Total Expenses	299,336	238,766	188,006	158,265	452,923	132,942	126,925	128,604	108,606	103,419
Total Expenses	**$3,442,761**	**$3,286,428**	**$3,218,801**	**$2,742,075**	**$2,829,056**	**$2,353,840**	**$2,419,614**	**$2,290,582**	**$2,169,284**	**$2,057,523**
Expendable Net Position/Net Assets	$284,507	$246,869	$168,435	$233,499	$279,858	$236,697	$97,514	$286,402	$281,428	$415,959
Total Expenses	$3,442,761	$3,286,428	$3,218,801	$2,742,075	$2,829,056	$2,353,840	$2,419,614	$2,290,582	$2,169,284	$2,057,523
Ratio	**0.08**	**0.08**	**0.05**	**0.09**	**0.10**	**0.10**	**0.04**	**0.13**	**0.13**	**0.20**

Measures the financial strength of the institution by indicating how long the institution could function using its expendable reserves to cover operations should additional net position not be available. A positive ratio and an increasing amount over time denote strength.

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

RETURN ON NET ASSETS RATIO										
Change in Net Position/Net Assets	$336,758	$264,199	$93,363	$215,161	$30,374	$335,681	$(89,445)	$125,916	$215,540	$224,673
Total Net Position/Net Assets (Beginning of Year)	$2,917,250	$2,625,717	$2,532,354	$2,317,193	$2,350,275	$1,954,449	$2,043,894	$1,917,978	$1,702,438	$1,635,225
Ratio	**11.5%**	**10.0%**	**3.7%**	**9.3%**	**1.3%**	**17.2%**	**(4.4)%**	**6.6%**	**12.7%**	**13.7%**

Measures total economic return. While an increasing trend reflects strength, a decline may be appropriate and even warranted if it represents a strategy on the part of the institution to fulfill its mission.

Summary of Ratios (continued)

Fiscal Year Ended June 30 (in thousands of dollars) NET OPERATING REVENUES RATIO	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Loss and Noncapital Subsidies	$36,074	$31,744	$(62,401)	$(45,837)	$(14,436)	$(10,900)	$(207,081)	$(37,046)	$10,702	$100,524
Component Units Change in Net Assets Without Donor Restrictions Before Extraordinary or Special Items	15,586	10,903	1,292	(69,252)	48,912	14,197	914	6,630	3,577	8,458
Adjusted Operating Loss and Noncapital Subsidies and Component Units Change in Net Assets without Donor Restrictions Before Extraordinary or Special Items	**$51,660**	**$42,647**	**$(61,109)**	**$(115,089)**	**$34,476**	**$3,297**	**$(206,167)**	**$(30,416)**	**$14,279**	**$108,982**
Total Operating Revenues	$2,479,870	$1,953,643	$1,928,734	$1,625,186	$1,502,946	$1,383,837	$1,409,187	$1,467,875	$1,431,591	$1,448,442
State Appropriation and State related revenues	423,421	426,747	439,209	464,220	379,399	308,448	318,200	306,696	306,791	294,486
Non-capital Gifts	143,584	142,171	135,024	108,631	109,238	80,582	88,956	84,578	81,746	80,060
Financial Aid Trust Funds*	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,761
Financial Aid - State Grants	18,619	11,178	9,827	7,490	5,111	2,015	-	-	-	-
Investment Income/(Loss), net	59,582	66,972	68,884	42,592	(47,210)	83,281	13,070	48,396	30,911	31,962
Component Units Total Revenue Without Donor Restrictions	314,928	248,420	189,342	152,579	438,721	148,392	127,732	135,079	112,932	111,633
Adjusted Net Operating Revenues	**$3,422,733**	**$2,851,860**	**$2,773,749**	**$2,403,427**	**$2,390,934**	**$2,009,284**	**$1,959,874**	**$2,045,353**	**$1,966,700**	**$1,969,344**
Adjusted Operating Loss and Noncapital Subsidies and Component Units Change in Net Assets without Donor Restrictions Before Extraordinary or Special Items	$51,660	$42,647	$(61,109)	$(115,089)	$34,476	$3,297	$(206,167)	$(30,416)	$14,279	$108,982
Adjusted Net Operating Revenues	$3,442,733	$2,851,860	$2,773,749	$2,403,427	$2,390,934	$2,009,284	$1,959,874	$2,045,353	$1,966,700	$1,969,344
Ratio	**1.5%**	**1.5%**	**(2.2)%**	**(4.8)%**	**1.4%**	**0.2%**	**(10.5)%**	**(1.5)%**	**0.7%**	**5.5%**

Measures whether the institution is living within available resources. A positive ratio and an increasing amount over time, generally reflects strength.

Beginning in fiscal year 2026, the terminology and classifications used in the ratio calculations reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year calculations have not been reclassified to conform to the fiscal year 2026 presentation.

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

Summary of Ratios (continued)

Fiscal Year Ended June 30 (in thousands of dollars) VIABILITY RATIO	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Unrestricted Net Position*	$(321,820)	$(345,646)	$(420,767)	$(345,996)	$(307,211)	$(269,494)	$(320,257)	$(130,727)	$(135,502)	$20,756
Net Assets Without Donor Restriction – Component Units	84,079	68,493	58,882	57,590	126,842	77,930	63,733	62,819	56,189	52,612
Expendable Restricted Net Position*	301,890	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080
Expendable Restricted Net Assets – Component Units*	253,913	278,687	287,129	261,814	223,051	226,345	184,247	152,068	143,895	128,288
Expendable Net Position/Net Assets	**$318,062**	**$276,245**	**$198,894**	**$265,017**	**$313,343**	**$273,970**	**$131,680**	**$317,497**	**$309,124**	**$442,736**
University Long Term Debt and Other Obligations	$1,639,164	$1,638,271	$1,707,261	$1,814,559	$1,853,560	$1,783,341	$1,541,684	$1,621,014	$1,600,953	$1,548,735
Component Units Long Term Debt and Other Obligations	5,200	7,361	7,605	7,498	3,464	5,245	8,154	5,840	5,553	6,024
Total Adjusted University Debt and Other Obligations	**$1,644,364**	**$1,645,632**	**$1,714,866**	**$1,822,057**	**$1,857,024**	**$1,788,586**	**$1,549,838**	**$1,626,854**	**$1,606,506**	**$1,554,759**
Expendable Net Position/Net Assets	$318,062	$276,245	$198,894	$265,017	$313,343	$273,970	$131,680	$317,497	$309,124	$442,736
Total Adjusted University Debt and Other Obligations	$1,644,364	$1,645,632	$1,714,866	$1,822,057	$1,857,024	$1,788,586	$1,549,838	$1,626,854	$1,606,506	$1,554,759
Ratio	**0.2**	**0.2**	**0.1**	**0.1**	**0.2**	**0.2**	**0.1**	**0.2**	**0.2**	**0.3**

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

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

Summary of Ratios – Other Ratios

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
OPERATING MARGIN EXCLUDING GIFTS										
Operating Loss and Noncapital Subsidies	$36,074	$31,744	$(62,401)	$(45,837)	$(14,436)	$(10,900)	$(207,081)	$(37,046)	$10,702	$100,524
Capital appropriations	26,250	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978
Less: Non-capital Gifts	(143,584)	(142,171)	(135,024)	(108,631)	(109,238)	(80,582)	(88,956)	(84,578)	(81,746)	(80,060)
Less: Net investment return/loss	(59,582)	(66,972)	(68,884)	(42,592)	47,210	(83,281)	(13,070)	(48,396)	(30,911)	(31,962)
Less: Other nonoperating revenue, net	-	(8,420)	(11,454)	(20,056)	(18,041)	(9,911)	(15,015)	(8,404)	(9,040)	(11,072)
Adjusted Operating Loss and Noncapital Subsidies	**$(140,842)**	**$(159,805)**	**$(251,972)**	**$(191,554)**	**$(69,168)**	**$(159,469)**	**$(299,109)**	**$(153,621)**	**$(96,746)**	**$(592)**
Total Operating Revenues	$2,479,870	$1,953,643	$1,928,734	$1,625,186	$1,502,946	$1,383,837	$1,409,187	$1,467,875	$1,431,591	$1,448,442
Less: Financial aid grants (primarily Pell grants)	(143,216)	-	-	-	-	-	-	-	-	-
Less: Scholarships and fellowships	(78,732)	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)
State Appropriation and share of sales tax	410,581	401,305	418,379	384,862	353,648	288,665	297,449	281,172	280,823	272,764
Financial aid grants	161,835	160,690	131,632	69,338	100,635	88,352	63,077	56,881	53,746	49,990
Subsidies and Other Appropriations	66,666	274,967	183,259	226,024	177,588	140,772	162,845	137,961	155,589	145,200
Financial Aid Trust Funds*	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,761
Capital appropriations	26,250	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978
Adjusted Net Operating Revenues less Noncapital Gifts and Noncapital Subsidies	**$2,925,983**	**$2,737,645**	**$2,608,644**	**$2,264,452**	**$2,060,778**	**$1,840,004**	**$1,892,850**	**$1,912,748**	**$1,883,306**	**$1,886,251**
Adjusted Operating Loss and Noncapital Subsidies	$(140,842)	$(159,805)	$(251,972)	$(191,554)	$(69,168)	$(159,469)	$(299,109)	$(153,621)	$(96,746)	$(592)
Adjusted Net Operating Revenues less Noncapital Gifts and Noncapital Subsidies	$2,925,983	$2,737,645	$2,608,644	$2,264,452	$2,060,778	$1,840,004	$1,892,850	$1,912,748	$1,883,306	$1,886,251
Ratio	**(4.8)%**	**(5.8)%**	**(9.7)%**	**(8.5)%**	**(3.4)%**	**(8.7)%**	**(15.8)%**	**(8.0)%**	**(5.1)%**	**0.0%**

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

Beginning in fiscal year 2026, the terminology and classifications used in the ratio calculations reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year calculations have not been reclassified to conform to the fiscal year 2026 presentation.

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

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
RESEARCH EXPENSES TO TOTAL OPERATING EXPENSES										
Operating Expenses	$3,085,975	$2,999,341	$2,974,203	$2,527,415	$2,270,178	$2,170,226	$2,232,502	$2,106,906	$2,007,403	$1,902,851
Less: Scholarships and Fellowships	(78,732)	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)
Interest on Debt	48,736	48,321	56,592	56,395	58,745	50,672	60,187	55,072	53,275	51,253
Total Adjusted Operating Expenses	**$3,055,979**	**$2,965,959**	**$2,948,915**	**$2,514,561**	**$2,226,818**	**$2,131,342**	**$2,225,239**	**$2,103,305**	**$2,005,257**	**$1,899,220**
Research Expenses	$641,243	$624,329	$644,893	$588,697	$509,383	$492,534	$495,462	$462,112	$426,873	$397,512
Total Adjusted Operating Expenses	$3,055,979	$2,965,959	$2,948,915	$2,514,561	$2,226,818	$2,131,342	$2,225,239	$2,103,305	$2,005,257	$1,899,220
Ratio	**21%**	**21%**	**22%**	**23%**	**23%**	**23%**	**22%**	**22%**	**21%**	**21%**

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

Summary of Ratios – Other Ratios (continued)

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
NET TUITION PER STUDENT										
Student Tuition and Fees, net	$952,485	$978,165	$926,461	$717,928	$677,550	$634,092	$644,352	$658,090	$653,519	$653,725
Financial Aid Funding	164,564	163,419	134,361	72,067	103,364	91,081	65,806	59,610	56,475	52,751
Less Scholarships and Fellowships	(78,732)	(81,703)	(81,880)	(69,249)	(102,105)	(89,556)	(67,450)	(58,673)	(55,421)	(54,884)
Net Tuition and Fees	**$1,038,317**	**$1,059,881**	**$978,942**	**$720,746**	**$678,809**	**$635,617**	**$642,708**	**$659,027**	**$654,573**	**$651,592**
Net Tuition and Fees	$1,038,317	$1,059,881	$978,942	$720,746	$678,809	$635,617	$642,708	$659,027	$654,573	$651,592
Undergraduate, Graduate, and Professional FTE	73,401	75,604	74,118	47,926	46,829	45,518	44,714	44,376	44,129	43,570
Net Tuition per Student (whole dollars)	**$14,146**	**$14,019**	**$13,208**	**$15,039**	**$14,495**	**$13,964**	**$14,374**	**$14,851**	**$14,833**	**$14,955**

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

STATE APPROPRIATIONS PER STUDENT										
State Appropriations	$339,596	$345,328	$357,504	$350,759	$310,298	$259,415	$269,495	$252,931	$254,789	$245,146
Capital Appropriations	26,250	26,014	25,791	25,562	25,337	25,205	25,013	24,803	14,249	21,978
Adjusted State Appropriations	**$365,846**	**$371,342**	**$383,295**	**$376,321**	**$335,635**	**$284,620**	**$294,508**	**$277,734**	**$269,038**	**$267,124**
State Appropriations	$365,846	$371,342	$383,295	$376,321	$335,635	$284,620	$294,508	$277,734	$269,038	$267,124
Undergraduate, Graduate, and Professional FTE	73,401	75,604	74,118	47,926	46,829	45,518	44,714	44,376	44,129	43,570
State Appropriation per Student (whole dollars)	**$4,984**	**$4,912**	**$5,171**	**$7,852**	**$7,167**	**$6,253**	**$6,586**	**$6,259**	**$6,097**	**$6,131**

Measures the institution's dependency on state appropriations.

Summary of Ratios – Debt Related Ratios

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
EXPENDABLE RESOURCES TO DEBT										
Unrestricted Net Position	$(321,820)	$(345,646)	$(420,767)	$(345,996)	$(307,211)	$(269,494)	$(320,257)	$(130,727)	$(135,502)	$20,756
Expendable Restricted Net Position	301,890	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080
Expendable Net Position	**$(19,930)**	**$(70,935)**	**$(147,117)**	**$(54,387)**	**$(36,550)**	**$(30,305)**	**$(116,300)**	**$102,610**	**$109,040**	**$261,836**
Expendable Net Position	$(19,930)	$(70,935)	$(147,117)	$(54,387)	$(36,550)	$(30,305)	$(116,300)	$102,610	$109,040	$261,836
Total Bonds, COPs, Financed Purchase Obligations, and Lease/Subscription Liabilities	$1,639,164	$1,638,271	$1,707,261	$1,814,559	$1,853,560	$1,783,341	$1,541,684	$1,621,014	$1,600,953	$1,548,735
Ratio	**(0.01)**	**(0.04)**	**(0.09)**	**(0.03)**	**(0.02)**	**(0.02)**	**(0.08)**	**0.06**	**0.07**	**0.17**

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

TOTAL FINANCIAL RESOURCES TO DIRECT DEBT										
Unrestricted Net Position	$(321,820)	$(345,646)	$(420,767)	$(345,996)	$(307,211)	$(269,494)	$(320,257)	$(130,727)	$(135,502)	$20,756
Expendable Restricted Net Position	301,890	274,711	273,650	291,609	270,661	239,189	203,957	233,337	244,542	241,080
Nonexpendable Restricted Net Position	259,114	234,839	208,588	191,107	179,033	189,845	157,378	161,496	154,227	142,774
Total Financial Resources	**$239,184**	**$163,904**	**$61,471**	**$136,720**	**$142,483**	**$159,540**	**$41,078**	**$264,106**	**$263,267**	**$404,610**
Total Financial Resources	$239,184	$163,904	$61,471	$136,720	$142,483	$159,540	$41,078	$264,106	$263,267	$404,610
Total Bonds, COPs and Financed Purchase Obligations, and Lease/ Subscription Liabilities	$1,639,164	$1,638,271	$1,707,261	$1,814,559	$1,853,560	$1,783,341	$1,541,684	$1,621,014	$1,600,953	$1,548,735
Ratio	**0.15**	**0.10**	**0.04**	**0.08**	**0.08**	**0.09**	**0.03**	**0.16**	**0.16**	**0.26**

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

Summary of Ratios – Debt Related Ratios (continued)

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
DIRECT DEBT TO ADJUSTED CASH FLOW										
Net Cash Used by Operating Activities	$(500,985)	$(828,932)	$(789,725)	$(699,188)	$(620,121)	$(517,369)	$(571,080)	$(551,720)	$(464,708)	$(295,594)
State Appropriations	339,596	345,328	357,504	350,759	310,298	259,415	269,495	252,931	254,789	245,146
Share of State Sales Tax - TRIF	73,714	58,706	63,604	36,832	46,079	31,979	30,683	30,970	28,763	27,618
Noncapital Subsidies, Other Appropriations, and Gifts (1)	372,085	646,337	538,214	462,548	484,333	441,575	348,158	316,356	316,286	290,388
Adjusted Cash Flow from Operations	**$284,410**	**$221,439**	**$169,597**	**$150,951**	**$220,589**	**$215,600**	**$77,256**	**$48,537**	**$135,130**	**$267,558**
Total Bonds, COPs and Financed Purchase Obligations, and Lease/ Subscription Liabilities	$1,639,164	$1,638,271	$1,707,261	$1,814,559	$1,853,560	$1,783,341	$1,541,684	$1,621,014	$1,600,953	$1,548,735
Adjusted Cash Flow from Operations	$284,410	$221,439	$169,597	$150,951	$220,589	$215,600	$77,256	$48,537	$135,130	$267,558
Ratio	**5.76**	**7.40**	**10.07**	**12.02**	**8.40**	**8.27**	**19.96**	**33.40**	**11.85**	**5.79**

(1) Includes: Financial aid grants, non-capital subsidies, and private gifts.

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

Beginning in fiscal year 2026, the terminology and classifications used in the ratio calculations reflect the presentation requirements of GASB Statement No. 103, Financial Reporting Model Improvements. Prior-year calculations have not been reclassified to conform to the fiscal year 2026 presentation.

DEBT SERVICE TO OPERATIONS										
Interest and Fees Paid on Debt and Financed Purchase Obligations	$48,736	$48,321	$56,592	$56,395	$58,745	$50,672	$60,187	$55,072	$53,275	$51,253
Principal Paid on Debt and Financed Purchase Obligations	377,018	357,858	122,878	95,551	85,953	241,389	285,106	67,468	132,499	79,838
Less: Principal Paid from Refinancing Activities	(256,576)	(225,100)	-	-	-	(172,510)	(210,660)	-	(65,950)	(15,685)
Debt Service	**$169,178**	**$181,079**	**$179,470**	**$151,946**	**$144,698**	**$119,551**	**$134,633**	**$122,540**	**$119,824**	**$115,406**
Debt Service	$169,178	$181,079	$179,470	$151,946	$144,698	$119,551	$134,633	$122,540	$119,824	$115,406
Operating Expenses	$3,085,975	$2,999,341	$2,974,203	$2,527,415	$2,270,178	$2,170,226	$2,232,502	$2,106,906	$2,007,403	$1,902,851
Ratio	**5.5%**	**6.0%**	**6.0%**	**6.0%**	**6.4%**	**5.5%**	**6.0%**	**5.8%**	**6.0%**	**6.1%**

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

Debt Service Coverage for Senior Lien System and Subordinate Lien System Revenue Bonds

Fiscal Year Ended June 30 (in thousands of dollars)	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Tuition and Fees, net of scholarship allowance	$952,485	$978,165	$926,461	$717,928	$677,550	$634,092	$644,352	$658,090	$653,519	$653,725
Receipts from Other Major Revenue Sources (Facilities Revenues)	518,911	525,793	515,494	446,213	429,641	316,980	396,227	425,920	416,819	410,659
Net Revenues Available for Debt Service	**$1,471,396**	**$1,503,958**	**$1,441,955**	**$1,164,141**	**$1,107,191**	**$951,072**	**$1,040,579**	**$1,084,010**	**$1,070,338**	**$1,064,384**
Senior Lien Bonds Debt Service										
Interest on Debt	$37,624	$39,160	$41,011	$42,422	$44,339	$34,259	$37,752	$37,730	$31,849	$28,936
Principal Paid on Debt	37,750	44,890	47,770	34,970	30,335	26,320	28,960	24,955	25,135	23,820
Senior Lien Bonds Debt Service Requirements	**$75,374**	**$84,050**	**$88,781**	**$77,392**	**$74,674**	**$60,579**	**$66,712**	**$62,685**	**$56,984**	**$52,756**
Coverage	19.52	17.89	16.24	15.04	14.83	15.70	15.60	17.29	18.78	20.18

Bond Resolution Covenant: The Gross Revenues of the university for each fiscal year will be at least 150% of the Maximum Annual Debt Service due in any fiscal year.

Subordinate Lien Bonds Debt Service										
Interest on Debt	$12,253	$11,770	$13,920	$14,484	$14,689	$15,271	$19,475	$19,575	$20,044	$20,458
Principal Paid on Debt	13,920	12,385	11,825	11,255	11,035	11,440	10,400	9,970	9,590	9,260
Subordinate Lien Bonds Debt Service Requirements	**$26,173**	**$24,155**	**$25,745**	**$25,739**	**$25,724**	**$26,711**	**$29,875**	**$29,545**	**$29,634**	**$29,718**
Combined Senior/Subordinate Lien Debt Service	**$101,547**	**$108,205**	**$114,526**	**$103,131**	**$100,398**	**$87,290**	**$96,587**	**$92,230**	**$86,618**	**$82,474**
Coverage	14.49	13.90	12.59	11.29	11.03	10.90	10.77	11.75	12.36	12.91

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

Admissions, Enrollment and Degrees Earned

Fall enrollment of fiscal year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
ADMISSIONS - FIRST YEAR UNDERGRADUATES										
Applied	56,376	58,339	56,466	52,103	48,202	43,540	40,854	39,941	33,608	36,166
Admitted	47,080	50,252	48,369	45,195	41,996	37,064	34,557	33,714	28,089	28,433
Enrolled	7,492	9,240	9,207	9,221	8,622	7,449	7,740	7,795	7,417	7,814
Accepted as Percentage of Applied	84%	86%	86%	87%	87%	85%	85%	84%	84%	79%
Enrolled as Percentage of Admitted	16%	18%	19%	20%	21%	20%	22%	23%	26%	27%
Average SAT scores - Total	1206	1234	1265	1265	1275	1256	1262	1229	1136	1123
Verbal	609	618	631	628	634	622	623	611	563	555
Math	597	616	634	637	642	633	639	618	575	568
ENROLLMENT										
Undergraduate, Graduate and Professional FTE	73,401	75,604	74,118	47,926	46,829	45,518	44,714	44,376	44,129	43,570
Undergraduate, Graduate and Professional Headcount	79,698	84,548	85,791	51,134	49,471	46,932	45,918	45,217	44,831	43,625
Men (Headcount)	34,834	36,523	36,276	22,790	21,956	21,132	21,383	21,456	21,673	21,011
Percentage of Total	43.7%	43.2%	42.3%	44.6%	44.4%	45.0%	46.6%	47.5%	48.3%	48.2%
Women (Headcount)	44,864	48,025	49,515	28,344	27,515	25,800	24,535	23,761	23,158	22,614
Percentage of Total	56.3%	56.8%	57.7%	55.4%	55.6%	55.0%	53.4%	52.5%	51.7%	51.8%
Black or African American (Headcount)	9,632	10,412	11,370	1,995	1,885	1,745	1,670	1,657	1,679	1,601
Percentage of Total	12.1%	12.3%	13.3%	3.9%	3.8%	3.7%	3.6%	3.7%	3.7%	3.7%
Hispanic or Latino (Headcount)	19,363	20,056	20,127	12,723	12,478	12,114	10,869	10,729	10,753	10,161
Percentage of Total	24.3%	23.7%	23.5%	24.9%	25.2%	25.8%	23.7%	23.7%	24.0%	23.3%
White (Headcount)	32,170	34,938	37,165	23,714	23,343	22,073	21,878	21,869	22,040	22,069
Percentage of Total	40.4%	41.3%	43.3%	46.4%	47.2%	47.0%	47.7%	48.4%	49.2%	50.6%
Other (Headcount)	18,533	19,142	17,129	12,702	11,765	11,000	11,501	10,962	10,359	9,794
Percentage of Total	23.3%	22.6%	19.9%	24.8%	23.8%	23.5%	25.0%	24.2%	23.1%	22.4%
DEGREES EARNED*										
Bachelor's	14,567	13,472	13,175	7,772	7,410	7,543	7,406	7,754	7,248	6,949
Master's	5,530	4,986	4,626	2,297	2,358	2,256	2,037	2,100	1,987	1,987
Doctoral	515	504	526	467	410	486	435	448	435	442
Professional	716	677	628	523	583	524	516	533	513	494
Associate	148	163	189	-	-	-	-	-	-	-
Certificates	816	648	530	495	504	425	343	309	261	220

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

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

Demographic Data

Fiscal Year Ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Arizona Population	7,623,818	7,582,384	7,431,344	7,359,197	7,276,316	7,421,401	7,278,717	7,171,646	7,016,270	6,931,071
Arizona Personal Income (in millions)	$520,574	$488,730	$458,154	$417,021	$395,111	$363,274	$336,514	$313,040	$292,108	$278,925
Arizona Per Capita Personal Income	$68,283	$64,456	$61,652	$56,667	$54,201	$48,950	$46,233	$43,650	$41,633	$40,243
Arizona Unemployment Rate	4.90%	4.10%	3.30%	3.50%	3.30%	6.80%	10.00%	4.90%	4.70%	5.00%

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

Principal Employers

	2026			2017		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
The University of Arizona	18,834	1	3.9%	11,251	1	2.4%
Raytheon Technologies	13,184	2	2.7%	9,600	2	2.0%
Banner - University Medical Center	8,778	3	1.8%	6,272	7	1.3%
Tucson Unified School District	7,158	4	1.5%	6,770	6	1.4%
Pima County Government	7,097	5	1.5%	7,060	5	1.5%
Tucson Medical Center	6,458	6	1.3%	-	-	-
Davis Monthan Air Force Base	5,317	7	1.1%	8,406	4	1.8%
City of Tucson	5,078	8	1.1%	-	-	-
State of Arizona	4,770	9	1.0%	8,580	3	1.8%
Wal-Mart Stores, Inc.	4,284	10	0.9%	5,500	10	1.2%
US Border Patrol	-	-	-	5,739	8	1.2%
Freeman-McMoran Copper	-	-	-	5,530	9	1.2%
Total	**80,958**		**16.8%**	**74,708**		**15.8%**
Total Work Force			**480,547**			**473,360**

Sources:

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

Pima Association of Governments (PAG) - 2026

Economic and Business Research Center, Eller College of Management, June 2026

Faculty and Staff

Fall employment of fiscal year	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
FACULTY										
Full-time	2,519	2,554	2,550	2,483	2,458	2,395	2,414	2,447	2,320	2,281
Part-time	855	815	835	845	808	732	798	754	770	789
Total Faculty	**3,374**	**3,369**	**3,385**	**3,328**	**3,266**	**3,127**	**3,212**	**3,201**	**3,090**	**3,070**
Percentage Tenured	45.7%	46.7%	45.6%	46.4%	47.9%	51.5%	51.3%	51.4%	52.4%	51.4%
Tenured Track - Dept. Head	98	101	98	89	107	108	110	84	85	85
Tenured Track - Faculty	1,445	1,474	1,444	1,454	1,459	1,502	1,539	1,562	1,535	1,493
Total Tenured Track	1,543	1,575	1,542	1,543	1,566	1,610	1,649	1,646	1,620	1,578
STAFF										
Full-time	10,013	10,107	10,707	8,710	8,243	8,367	8,628	8,249	7,793	7,329
Part-time	5,447	5,676	5,774	3,869	4,041	4,073	4,683	4,767	4,740	4,657
Total Staff	**15,460**	**15,783**	**16,481**	**12,579**	**12,284**	**12,440**	**13,311**	**13,016**	**12,533**	**11,986**
Total Faculty and Staff	**18,834**	**19,152**	**19,866**	**15,907**	**15,550**	**15,567**	**16,523**	**16,217**	**15,623**	**15,056**

Source: *University Analytics & Institutional Research (UAIR) and the University of Arizona Global Campus https://www.uagc.edu/institutional-data*

UAGC associate faculty are considered staff under ABOR definition.

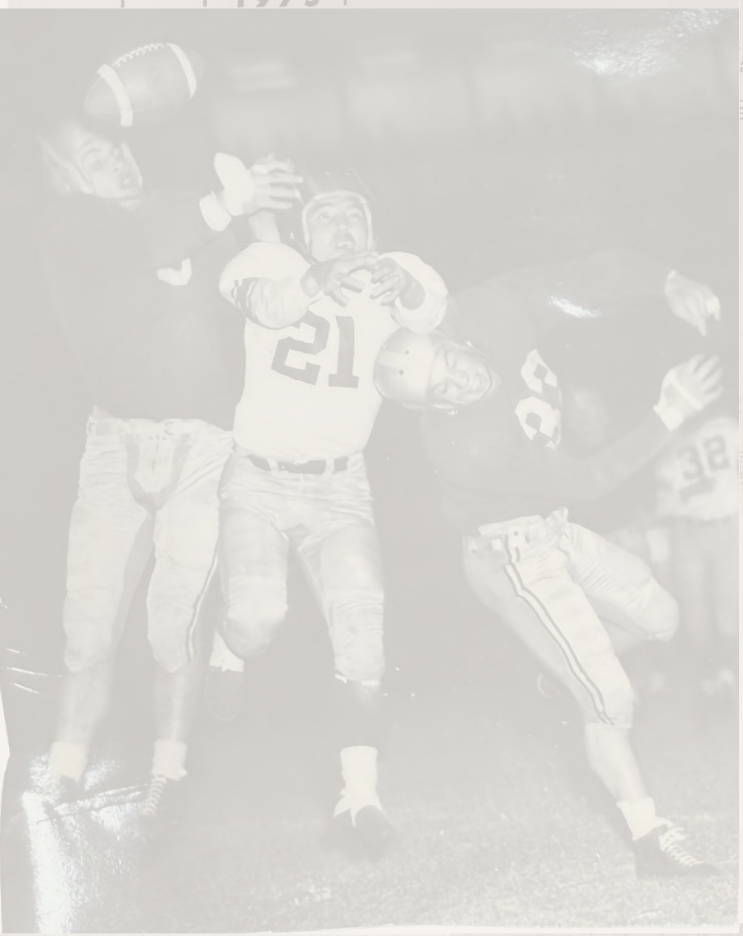
Capital Assets

Fiscal Year Ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Academic/Support Facilities	601	601	604	611	620	619	622	621	646	651
Auxiliary Facilities	87	86	86	84	84	78	78	74	71	75
Total	**688**	**687**	**690**	**695**	**704**	**697**	**700**	**695**	**717**	**726**

Source: *The University of Arizona Capital Improvement Plan from Planning, Design & Construction*

THE UNIVERSITY OF ARIZONA
BUSINESS AFFAIRS

Finance & Budget



Credits

Content

John Arnold
Chief Financial Officer

Garth Perry
Chief Budget and Fiscal Management Officer

Bethany Prim
Comptroller

Jennifer Pfennig
Assistant Comptroller

Michelle Meyer
Director, Payroll Administration

Chris Pings
Director, Treasury

Layout and Design

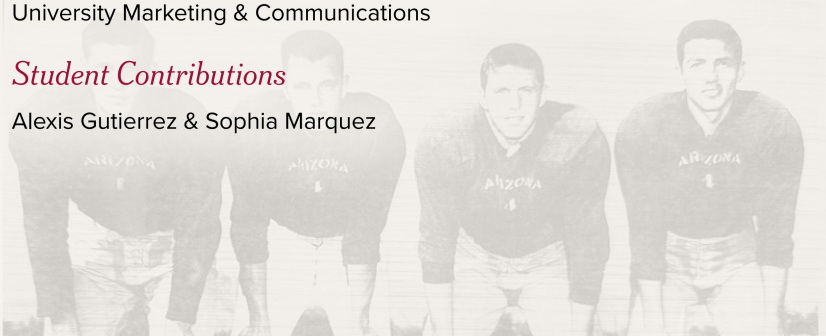
Chris Bohnsack
BohnsackDesign.com

Staff Contributions

Christian Anaya, Ron Blank, Yvette Carbajal, Stacey Castro, Shawn Clodfelter, Steven De La Vergne, Sidney Eagleton, Elvira Fike, Janet Gurton, Caitlyn Keefe, Jodi Ketchmark, Kenneth Kirk, Nikki Koji, Andy Lewis, Siyan Lou, Lori Martzke, Juanita McCune, Amy Miller, Myls Miller, Jasmine Montano, Najah Muzahem, Stephen Pedone, Melinda Pelusi, Erica Ramos, Kristina Sanchez, Amanda Steward, Claudine Stubblefield, Leslie Trebilcock, Destiny Vidal, Julie Villaverde, Todd Wheeler, Finance and Budget, Office of the President, Sponsored Projects Services, University Information Technology Services, University Analytics & Institutional Research, University Marketing & Communications

Student Contributions

Alexis Gutierrez & Sophia Marquez





THE UNIVERSITY OF ARIZONA

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