UNIVERSITY
OF MIAMI

Consolidated Financial Statements

Fiscal years ended May 31, 2025 and 2024

(With Independent Auditors’ Report Thereon)

KPMG LLP
Suite 800
500 W 5th St
Winston-Salem, NC 27101

Independent Auditors' Report

Board of Trustees
University of Miami:

Opinion

We have audited the consolidated financial statements of University of Miami (the University), which comprises the consolidated statements of financial position as of May 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of May 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

KPMG LLP

Winston-Salem, North Carolina
September 22, 2025

UNIVERSITY OF MIAMI

Consolidated Statements of Financial Position

May 31, 2025 and 2024
(In millions)

Assets	**2025**	**2024**
Cash and cash equivalents	$ 499.9	$ 504.6
Deposits with bond trustee	87.0	—
Accounts and loans receivable, net	472.8	365.7
Patient care receivable, net	366.6	429.3
Contributions receivable, net	154.8	199.2
Other assets	276.8	234.9
Investments	3,026.9	2,877.5
Property and equipment, net	3,976.1	3,101.0
Trusts held by others	64.7	62.1
Total assets	$ 8,925.6	$ 7,774.3
Liabilities		
Accounts payable and accrued expenses	$ 629.5	$ 496.8
Deferred revenues and other deposits	142.4	125.6
Liability for medical self-insurance	81.0	75.9
Other liabilities	428.7	372.0
Accrued pension and postretirement benefit costs	82.0	82.1
Bonds and notes payable	2,216.8	1,824.3
Total liabilities	3,580.4	2,976.7
Net assets:		
Without donor restrictions	3,315.0	2,817.1
With donor restrictions	2,030.2	1,980.5
Total net assets	5,345.2	4,797.6
Total liabilities and net assets	$ 8,925.6	$ 7,774.3

See accompanying notes to financial statements.

UNIVERSITY OF MIAMI

Consolidated Statements of Activities

Years ended May 31, 2025 and 2024
(In millions)

	2025	2024
Changes in net assets without donor restrictions:		
Operating activities:		
Operating revenues:		
Tuition and fees, net	$ 767.7	$ 733.5
Grants and contracts, net	716.2	672.8
Net patient revenue – medical professional practice	757.5	679.1
Net patient revenue – hospitals and clinics	3,293.0	2,926.3
Gifts and trusts, net	77.4	70.6
Net assets released from restrictions	26.6	24.5
Endowment spending distribution	61.3	54.7
Investment return	112.0	98.5
Auxiliary enterprises, net	322.4	290.7
Other sources	96.3	108.0
Total operating revenues	6,230.4	5,658.7
Operating expenses:		
Compensation and benefits	3,197.6	2,870.5
Supplies and services	1,811.7	1,593.3
Depreciation and amortization	247.2	207.1
Utilities and maintenance	105.2	97.7
Interest	63.6	50.6
Other	433.8	487.9
Total operating expenses	5,859.1	5,307.1
Change in net assets without donor restrictions from operating activities	371.3	351.6
Non-operating activities:		
Endowment, annuity, and other investment return, net of distributions	20.5	54.5
Gifts and trusts, net	0.4	3.0
Gain on early extinguishment of debt	23.9	—
Net gain on disposal of long lived assets	—	1.8
Other components of net periodic pension costs	(13.7)	(12.6)
Net assets released from restrictions for property and equipment	84.4	52.9
Change in net assets without donor restrictions from non-operating activities	115.5	99.6
Postretirement benefits related changes other than net periodic benefit cost	11.1	8.5
Increase in net assets without donor restrictions	497.9	459.7
Changes in net assets with donor restrictions		
Endowment, annuity, and other investment return, net of distributions	76.4	152.7
Gifts and trusts, net	84.3	158.6
Changes in value of annuities payable and trusts held by others	—	2.9
Net assets released from restrictions	(111.0)	(77.4)
Increase in net assets with donor restrictions	49.7	236.8
Increase in total net assets	547.6	696.5
Net assets:		
Net assets, beginning of year	4,797.6	4,101.1
End of year	$ 5,345.2	$ 4,797.6

See accompanying notes to financial statements.

UNIVERSITY OF MIAMI

Consolidated Statements of Cash Flows

Years ended May 31, 2025 and 2024
(In millions)

	2025	2024
Cash flows from operating activities:		
Increase in total net assets	$ 547.6	$ 696.5
Adjustments to reconcile increase in total net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(148.4)	(244.8)
Gifts for plant expansion and endowment	(56.1)	(110.6)
Depreciation and amortization	247.2	207.1
Provision for doubtful accounts	23.1	16.3
Net loss on sale and/or disposal of other assets and property and equipment	6.6	12.5
Present value adjustment on annuities payable and trusts held by others	0.2	(0.2)
Amortization of debt premiums, discounts, and issue costs	(3.8)	(2.2)
Gain on early extinguishment of debt	(23.9)	—
Postretirement benefits related changes other than net periodic benefit cost	(11.1)	(8.5)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Accounts and loans receivable	(110.8)	(4.5)
Patient care receivable	62.7	(33.3)
Contributions receivable	8.3	(15.2)
Other assets	1.8	15.1
Increase (decrease) in:		
Accounts payable and accrued expenses	161.6	68.6
Deferred revenues and other liabilities	21.4	(18.0)
Accrued pension and postretirement benefit costs	11.0	12.3
Medical self-insurance	5.1	10.0
Net cash provided by operating activities	$ 742.5	$ 601.1
Cash flows from investing activities:		
Purchases of investments	$ (1,490.7)	$ (1,517.0)
Proceeds from the sales and maturities of investments	1,519.0	1,608.9
Capital expenditures for property and equipment	(1,041.8)	(766.4)
Payment for asset acquisition, net of cash acquired	(92.1)	—
Student and shared appreciation mortgage loans:		
New loans made	—	(0.1)
Principal collected	(0.8)	(3.3)
Net cash used in investing activities	$ (1,106.4)	$ (677.9)
Cash flows from financing activities:		
Gifts for plant expansion and endowment	$ 40.9	$ 38.8
Proceeds from the issuance of debt	1,020.2	89.9
Payments on retired borrowings	(427.7)	—
Payments on existing bonds and notes payable	(172.3)	(24.6)
Payments on finance leases	(14.9)	(10.4)
Net cash provided by financing activities	$ 446.2	$ 93.7
Cash and cash equivalents:		
Net increase	$ 82.3	$ 16.9
Beginning of year	504.6	487.7
End of year	$ 586.9	$ 504.6
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 92.6	$ 82.2
Donated securities	32.2	22.6
Accrued liabilities related to additions of property	29.1	63.3
Non-cash payment and issuance of debt	—	85.1
Gain on early extinguishment of debt	22.9	—
Derecognition of ROU assets and related lease liabilities	1.3	50.1

See accompanying notes to financial statements.

(1) Organization

The University of Miami ("the University") is a private not-for-profit institution located in South Florida. Founded in 1925, the University owns and operates educational and research facilities as well as a health care system. The mission of the University is to transform lives through teaching, research, and patient care in service of the community.

These consolidated financial statements include the accounts of the University's departments and facilities, including its hospital and clinics ("University of Miami Hospital & Clinics"), which is a division of the University. Also included are the accounts of the University of Miami Insurance Company ("UMIC"), the University's wholly owned captive insurance company, and Dominion Tower L.C., whose net assets were acquired as part of an asset acquisition. All significant intercompany accounts and transactions have been eliminated in the preparation of these statements.

(2) Summary of Significant Accounting Policies and Reporting Practices

(a) Basis of Presentation

The consolidated financial statements of the University have been prepared on the accrual basis of accounting and in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") for not-for-profit organizations.

The two net asset categories as reflected in the accompanying consolidated financial statements are as follows:

- **Net assets without donor restrictions** - Net assets are free of donor-imposed restrictions. This category includes the University's investment in property and equipment and amounts designated by management for support of operations, programs, and facilities expansion. The University has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the University and, therefore, the University's policy is to record them as net assets without donor restrictions. This category includes all revenues, expenses, gains, and losses that are not changes in net assets with donor restrictions.
- **Net assets with donor restrictions** - Net assets are those whose use by the University is limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the University pursuant to those stipulations. These net assets are available for program purposes, i.e., education, research, public service, and scholarships, as well as for buildings and equipment. This category also includes assets that are invested in perpetuity, the income from which is expended for program purposes. Net assets with permanent donor restrictions cannot be removed by actions of the University.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires that management make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(Continued)

(c) Income Taxes

The University is generally exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code ("IRC"), except for unrelated business income or income earned through taxable subsidiaries. The University files tax returns with U.S. federal and other state tax authorities for which generally the statute of limitations extends to the year ended May 31, 2022.

On March 31, 2025 ("acquisition date"), the University acquired 100% of the outstanding membership interests in Dominion Tower, L.C, a taxable corporation. For financial reporting purposes, the acquisition was determined to be an asset acquisition under Accounting Standards Codification ("ASC") 805-50. Although accounted for as an asset acquisition for U.S. GAAP purposes, the subsidiary continues to exist as a separate legal entity and remains subject to federal and state income taxes. As a result of the acquisition, the University recorded deferred tax liabilities of $28.4 million primarily related to basis differences in acquired assets and liabilities. For the post-acquisition period ended May 31, 2025, Dominion Tower incurred a net operating loss that was not material and no material current federal or state income tax provision was recorded.

Accordingly, the University has no significant provision for income taxes in its consolidated financial statements. Additionally, at May 31, 2025 and 2024, there were no uncertain tax positions.

(d) Activities

The University's revenues and expenses related to conducting its core activities are classified as operating in the consolidated statements of activities. Endowment, annuity, and other investment return, net of distributions, as well as other components of net periodic pension costs, changes in postretirement obligations, net assets released from restriction for property and equipment, and certain other activities, are classified as non-operating in the consolidated statements of activities.

(e) Cash and Cash Equivalents and Deposits with Bond Trustee

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Included in cash and cash equivalents, the University has restricted balances of $25.9 and $2.6 million as of May 31, 2025 and 2024, respectively, for contractual and regulatory requirements. In addition, at May 31, 2025 and 2024, the amounts held in escrow included $87.0 and $0 million, respectively for the 2024A and 2024B bonds (see note 9). These amounts are reported as a separate financial statement line titled "Deposits with bond trustee" and are part of the Cash and cash equivalents balance in the Statements of Cash Flows.

(f) Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 5 for fair value measurements. Realized gains and losses are recognized at date of disposition based on the difference between the net proceeds received and the purchased value of the investment sold, using the specific-identification method. Unrealized gains and losses are recognized for the change in fair value between reporting periods. Interest and dividend income are recognized when earned.

The University's investments include various types of investment securities that are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term could materially affect the amounts reported in the consolidated financial statements.

(g) Revenue Recognition

Revenue is recognized as performance obligations are satisfied, which are determined based on the nature of the services and goods provided.

Tuition and fees revenue is reported within the fiscal year in which educational services are provided. When classes or courses overlap the reporting period, only the portion of the revenue where the performance obligation has not been met is deferred to the next fiscal year.

Scholarships and fellowships awarded to students for tuition, fees, and room and board are based upon need and merit. These awards include amounts funded by the endowment, research funds, and gifts, and reduce the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student.

Institutional aid is netted against tuition and fees, and auxiliary enterprises revenue in the consolidated statements of activities as follows (in millions):

	2025	2024
Scholarships and fellowships:		
Institutionally funded	$ 389.2	$ 359.6
Externally funded – gifts and grants	24.1	22.0
Total amount netted against tuition and fees revenue	$ 413.3	$ 381.6
Amount netted against auxiliary enterprises revenue	$ 37.2	$ 31.2

Net patient revenue is recorded at the transaction price estimated to reflect the consideration due from patients and third-party payors in exchange for the services provided. The various activities of the University of Miami Hospital & Clinics ("the Hospital", a division of the University), including medical care, prescription drugs, and room and board, are considered a single performance obligation. Performance obligations related to patient services are satisfied over time and have a duration of less than one year. Revenue for the Hospital and the Professional Medical Practice ("UMMG", a division of the University) is recognized based on actual charges incurred in relation to total expected or actual charges, with a reduction for explicit and implicit price concessions.

The Hospital and UMMG apply the portfolio approach as a practical expedient to group patient contracts with similar characteristics, such that the revenue for a given portfolio would not be materially different than if it were evaluated on an individual contract basis. This grouping is based upon the inpatient/outpatient setting of the services and third-party payors.

The Hospital and UMMG's performance obligations have a duration of less than one year. Therefore, they have elected to apply the optional exemption to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. These unsatisfied or partially unsatisfied performance obligations primarily relate to services provided at the end of the reporting period. Such obligations are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

Net patient revenue and accounts receivable consist primarily of patient revenues that are recorded based upon established billing rates less explicit price concessions (including contractual allowances and discounts) and implicit price concessions, effectively the estimated net realizable value. Revenues are recorded in the period the services are provided based upon the estimated amounts due from the patients and third-party payors, including federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, and employers. Estimates of contractual allowances represent the difference between established rates for services and amounts reimbursed by third-party payors based upon the payment terms specified in the related contractual agreements.

Net patient revenue, disaggregated by payor source for the Hospital and UMMG was as follows (in millions):

	Year ended May 31, 2025		
	UMMG	**Hospital**	**Total**
Medicare and Medicare HMO	$ 182.6	$ 927.1	$ 1,109.7
Medicaid and Medicaid HMO	124.4	188.2	312.6
Managed Care	424.1	2,152.0	2,576.1
Other	26.4	25.7	52.1
	$ 757.5	$ 3,293.0	$ 4,050.5

	Year ended May 31, 2024		
	UMMG	**Hospital**	**Total**
Medicare and Medicare HMO	$ 164.7	$ 807.7	$ 972.4
Medicaid and Medicaid HMO	154.7	193.5	348.2
Managed Care	359.3	1,896.5	2,255.8
Other	0.4	28.6	29.0
	$ 679.1	$ 2,926.3	$ 3,605.4

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount. The estimated reimbursement amounts are adjusted in subsequent periods as cost reports are prepared and filed and as final settlements are determined. In the opinion of management, adequate provisions for adjustments that may result from such reviews and audits have been made through May 31, 2025, in the accompanying consolidated financial statements. The impact of such adjustments to revenues for the years ended May 31, 2025 and 2024, was an increase of $20.2 and $39.3 million, respectively.

Grant and contract revenues are received from various governmental and corporate sources. The funding may represent a reciprocal transaction in exchange for an equivalent benefit in return or may be a nonreciprocal transaction in which the resources provided are for the benefit of the University, the funding organization's mission, or the public at large. Revenues from exchange transactions are recognized as the performance obligations are met, which is generally as the related costs are incurred.

The federal government reimburses the University for facilities and administrative costs incurred in connection with research grants and contracts based on approved rates through 2025. Facilities and administrative cost recovery from government and private sources included in grants and contracts revenues totaled $110.6 and $99.2 million during the years ended May 31, 2025 and 2024, respectively.

Conditional promises not reflected in the consolidated financial statements, which consist primarily of the difference between the award amount and the revenue recognized for the non-exchange grants, was $902.4 million at May 31, 2025.

Gifts of cash, property, and marketable securities are recorded as revenue at fair value when received. Unconditional pledges (note 4) are recognized as revenue based on the estimated present value of the future cash flows, net of allowances, when the commitment is received. Pledges made and collected in the same reporting period are recorded when received in the appropriate net asset category.

Conditional pledges are recorded as revenue only when donor conditions are substantially met. Gifts and trusts at May 31, 2025 and 2024 are reported net of uncollectible pledges and reserves of $16.7 and $11.0 million, respectively.

(h) Deferred Revenues

Deferred revenues are primarily comprised of amounts received for grants and contracts that are not billed on a cost-reimbursement basis and student tuition received but has not yet been earned. If services are conducted over a fiscal year-end, deferred revenue is allocated based on number of days or another reasonable method.

Future performance obligations will be met within the next fiscal year, with the exception of a dining services agreement that at May 31, 2025 totaled $14.4 million and terminates May 31, 2041.

(i) Auxiliary Enterprises

Auxiliary enterprises include residence halls, food services, retail stores, and athletics. Fee charges are directly related to the costs of services rendered and are recognized as revenue when the services or goods are delivered. These services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. Performance obligations for housing and dining services are met over the academic terms.

(Continued)

(j) Annuities Payable and Trusts Held by Others

Certain gift annuities, charitable lead, and remainder annuity trust agreements have been entered into with donors. Assets reported under these agreements are valued at fair value based on either the present value of expected cash flows or the value of the University's share of the underlying assets.

These assets are included in trusts held by others on the consolidated statements of financial position, except for gift annuities, which are included in cash and cash equivalents and investments. Gift annuities included in cash and cash equivalents, and investments totaled $19.9 and $19.1 million at May 31, 2025 and 2024, respectively. Generally, revenue from gift annuities and trusts is recognized at the date the agreements are established net of liabilities for the present value of the estimated future payments to donors and/or other beneficiaries.

The liabilities are adjusted during the term of the gift annuities for changes in the value of the assets, accretion of the discount, and other changes in the estimates of future benefits.

The University is also the beneficiary of certain perpetual trusts, which are included in trusts held by others on the consolidated statements of financial position. The fair value of the trusts, which are based on either the present value of the estimated future cash receipts or the fair value of the assets held in the trust, are recognized as assets and gift and trust revenue as of the date the University is notified of the establishment of the trust. The carrying value of the assets is adjusted for changes in fair value.

(k) Medical School

Faculty physicians, in addition to teaching and conducting research, engage in the practice of medicine, which generates patient care revenue. Revenues and expenses, including compensation and administrative operations from the practice of medicine, are reflected as University revenues and expenses.

The University and the Public Health Trust of Miami-Dade County, Florida ("PHT"), owner and operator of Jackson Memorial Hospital ("JMH"), have entered into an affiliation agreement related to their independent missions within the designated land and facilities that comprise the Jackson Memorial Medical Center. Pursuant to that agreement, the PHT provides clinical facilities for the teaching of the University's medical students. Medical education of its students is the sole responsibility of the University. In addition, the University has agreed to permit its faculty to apply for privileges at JMH to train and supervise JMH house staff (interns, residents, and fellows) and to treat hospital patients in their capacity as members of JMH's attending medical staff.

All such treatment and training are the sole responsibility of the PHT in its capacity as the legal owner and operator of the Jackson Health System's public hospitals and clinics and its statutory teaching hospital (JMH). The affiliation agreement provides the terms for the mutual reimbursement of services provided.

(l) Related Parties

Related party transactions are disclosed in note 3 regarding shared appreciation mortgages to faculty and administrators and note 4 regarding gift contributions from the University's Board of Trustees.

(m) Insurance

The University manages property and liability risks through a combination of commercial insurance policies and self-insurance.

The University is self-insured for medical professional liability and maintains commercial excess loss coverage within specified limits. Provisions for medical professional liability claims and related costs are based on several factors, including an annual actuarial study on an undiscounted basis at both May 31, 2025 and May 31, 2024.

(n) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Property and equipment under finance leases are initially valued and recorded based on the present value of minimum lease payments. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets. Depreciation on property and equipment held under finance leases is amortized over the shorter of the expected useful life of the asset or term of the related lease. Depreciation is not recorded on land, art objects, and construction in progress. Leasehold improvements are amortized over the lesser of the lease term or the useful life.

Internal-use software costs are expensed or capitalized according to the provisions of the accounting standard. Capitalized software costs are included in computers and software.

(o) Art Objects

Collections at the University include works of art and literary works that are maintained in the University’s galleries, libraries, and buildings. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service and, therefore, are capitalized but not depreciated. The University’s policy is to use the proceeds from deaccessioned collection items for the acquisition of new collection items. The University had no returned and deaccessioned donated fine arts objects for the year ending May 31, 2025; however, the University recorded a loss on disposal of $4.3 million for the year ending May 31, 2024.

(p) Lease Right-Of-Use Assets and Liabilities

Operating leases as a lessee are included in other assets and other liabilities on the consolidated statements of financial position. The assets and liabilities associated with finance leases as a lessee are included in property and equipment, net, and other liabilities, respectively, on the consolidated statements of financial position.

Right-of-use assets represent the University’s right to use an underlying asset for the lease term. Lease obligations represent the University’s liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The commencement date is when the University either takes possession of the asset or, in the case of real estate leases, when the landlord makes the building available for use. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases.

(q) Impairment of Long-Lived Assets

U.S. GAAP requires that long-lived assets held by an entity, including intangible assets, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable.

No asset impairments were recorded by the University during the years ended May 31, 2025 and 2024.

(r) Inventories

The University's inventories are carried at the lower of cost or net realizable value. Inventories are used in the provision of patient care and generally are not held for sale. Inventories are recorded within other assets on the consolidated statements of financial position.

(s) Patient Care Receivables

Patient care receivables are presented net of implicit and explicit price concessions and are recorded at their net realizable value. Approximately, 10.6% and 13.2% of patient care receivables, net are due from the Medicare program at May 31, 2025 and 2024, respectively.

(t) Recent Accounting Pronouncements

In December 2023, the Financing Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2023-08, *Intangibles – Goodwill and Other Crypto Assets (Subtopic 350-60)*. The new standard removes the previous impairment-only accounting model and requires measuring crypto assets at fair value. The new standard is effective for fiscal year beginning after December 15, 2024. The University is currently evaluating the impact of the new standard on the financial statements and believes the adoption will not have a significant impact on its financial position, results of operations, or cash flows.

In July 2025, FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The standard provides a new practical expedient and accounting policy election to simplify the measurement of credit losses for accounts receivable and contract assets arising from revenue transactions under ASC 606. The amendments are effective for fiscal year beginning after December 15, 2025. The University is currently evaluating the impact of the new standard on the financial statements.

(u) Subsequent Events

The University evaluated events and transactions occurring subsequent to May 31, 2025, through September 22, 2025, the date of issuance of the consolidated financial statements. During this period, there were no subsequent events requiring recognition or disclosure in the consolidated financial statements.

(3) Accounts and Loans Receivable

At May 31, accounts and loans receivable consist of the following (in millions):

	2025	2024
Accounts and loans receivable, net:		
Grants, contracts, and other	$ 230.2	$ 177.0
Third-party payors	215.2	161.7
Shared appreciation mortgages	12.3	14.9
Student	14.3	11.1
Student loans, net	0.8	1.0
Total	$ 472.8	$ 365.7

Accounts and loans receivable are presented net of allowances for doubtful accounts. At May 31, 2025 and 2024, allowances for doubtful accounts were $29.1 and $23.9 million, respectively.

Shared appreciation mortgages were provided as part of a program to attract and retain excellent faculty and senior administrators through home mortgage financing assistance. Shared appreciation notes amounting to $16.4 and $17.3 million, gross of allowance for doubtful accounts of $4.1 and $2.4 million at May 31, 2025 and 2024, respectively, from University faculty and senior administrators are collateralized by second mortgages on residential properties. The program was suspended effective December 31, 2008, with limited exceptions.

Student loans are made primarily pursuant to federal programs and availability of funding. The related receivables have significant government restrictions as to marketability, interest rates, and repayment terms.

(4) Contributions Receivable (Pledges)

Unconditional pledges are recorded at the present value of their future cash flows using a discount rate ranging from 1.6% to 5.1%, commensurate with the risk involved at the time the pledge is recorded. They are expected to be realized in the following periods at May 31 (in millions):

	2025	2024
In one year or less	$ 110.3	$ 123.3
Between one year and five years	80.4	109.9
More than five years	9.5	12.0
	200.2	245.2
Discount of $12.7 and allowance for doubtful pledges of $32.7 for 2025, and $15.8 and $30.2 for 2024, respectively	(45.4)	(46.0)
Total	$ 154.8	$ 199.2

The methodology for calculating the allowance is based on the administration's review of individually significant outstanding pledges, analysis of the aging of payment schedules for all outstanding pledges, as well as other factors including current economic conditions.

At May 31, 2025 and 2024, net contributions receivable includes $35.8 and $50.7 million, respectively, due from members of the University's Board of Trustees. During the years ended May 31, 2025 and 2024, the gift revenues recognized from members of the University's Board of Trustees were $24.5 and $36.5 million, respectively. At May 31, 2025 and 2024, conditional promises to give and bequest intentions totaling $728.6 and $671.2 million, respectively, were not reflected in the consolidated financial statements.

(5) Fair Value of Financial Instruments

(a) Investments

The fair market value of investments at May 31, 2025 and 2024 amounted to $3,026.9 and $2,877.5 million, with a cost basis of $2,566.5 and $2,505.6 million, respectively. Short-term investments consist primarily of commercial paper and U.S. Treasury securities with original maturities when purchased in excess of three months, and are recorded within investments on the consolidated statements of financial position. The majority of investments are combined in investment pools with each individual account subscribing to or disposing of shares on the basis of the fair value per share. At May 31, 2025 and 2024, the fair value of the University's primary investment pool ("the Growth Pool") amounted to $1,796.0 and $1,665.4 million, with a cost basis of $1,341.1 and $1,291.0 million, respectively. The Growth Pool is managed by multiple investment managers with asset allocation per the University's investment policy.

The framework for measuring fair value under ASC 820 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the University for investments measured at fair value:

Level 1 — Inputs include valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Inputs to the valuation methodologies include unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 — Inputs include valuations for assets traded in less active dealer or broker markets. Inputs to the valuation methodologies include quoted prices from third-party pricing services for identical or similar assets in active and/or inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs primarily consist of trusts recorded at fair value based on the underlying value of the assets in the trust or discounted cash flow of the expected payment streams. The trusts reported at Level 3 are primarily perpetual trusts managed by third parties invested in stocks, mutual funds, and fixed-income securities that are traded in active markets with observable inputs, which would result in Level 1 and 2 hierarchal reporting. However, since the University has an interest in the trust and not the underlying trust assets, these perpetual trusts are reported as Level 3.

Categories included in limited partnerships and limited liability companies and other investments represent alternative investments, which are valued at the net asset value ("NAV") of the entities as determined by the fund managers. The University uses the NAV of certain hedge funds and limited partnerships and limited liability companies as fair value as a practical expedient except where certain conditions exist.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of any input that is significant to the fair value measurement. The University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at May 31, 2025.

The following tables summarize the University's investments and cash equivalents in which cash equivalents are recorded within cash and cash equivalents on the consolidated statements of financial position.

		Fair value measurement at May 31, 2025 (In millions)		
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 548.9	$ 548.9	$ —	$ —
Short-term investments	561.3	561.3	—	—
Corporate bonds	529.7	400.2	129.5	—
Debt securities	42.8	—	42.8	—
Publicly traded stocks	103.8	103.8	—	—
Mutual funds	890.9	877.3	13.6	—
Exchange traded funds	21.4	21.4	—	—
Private Equity – S.A.F.E. Agreement	2.8	—	2.8	—
Limited partnerships and limited liability companies measured at NAV [1]	874.2	—	—	—
Total investments and cash equivalents	3,575.8	2,512.9	188.7	—
Trusts held by others	64.7	—	—	64.7
Total assets	$ 3,640.5	$ 2,512.9	$ 188.7	$ 64.7

	Total	Fair value measurement at May 31, 2024 (In millions)		
		Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 545.8	$ 545.8	$ —	$ —
Short-term investments	620.3	620.3	—	—
Corporate bonds	471.0	356.4	114.6	—
Debt securities	44.8	—	44.8	—
Publicly traded stocks	137.6	137.6	—	—
Mutual funds	783.8	768.0	15.8	—
Exchange traded funds	25.8	25.8	—	—
Private Equity – S.A.F.E. Agreement	3.3	—	3.3	—
Limited partnerships and limited liability companies measured at NAV [1]	790.9	—	—	—
Total investments and cash equivalents	3,423.3	2,453.9	178.5	—
Trusts held by others	62.1	—	—	62.1
Total assets	$ 3,485.4	$ 2,453.9	$ 178.5	$ 62.1

[1] In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The change in Trust held by others from $62.1 million to $64.7 million is due to an unrealized gain of $2.6 million.

The following tables summarize the University's investments whose fair value is reported using net asset value per share (in millions) as a practical expedient:

	At May 31, 2025		At May 31, 2024			
	Fair value	Future commitments	Fair value	Future commitments	Redemption frequency	Days notice
Investments:						
Limited partnerships and limited liability companies:						
Equities:						
Emerging markets (b)	$ 119.5	$ —	$ 60.6	$ —	(M),(D)	1-30 days
International (c)	74.6	1.2	70.1	2.2	(M),(W)	1-6 days
Large-mid cap (d)	235.7	—	249.7	—	(Q)	1-60 days
Small cap (e)	2.8	—	2.7	—	(D)	1 day
Fixed income (f)	84.0	—	66.6	—	(BM),(D)	1-30 days
Private equity (g)	215.3	80.5	190.5	89.1	(M),(*)	1-50 days
Other:						
Event arbitrage (h)	59.7	2.0	62.2	6.0	(Q),(*)	1-90 days
Multi-strategy (a)	44.0		43.6	—	(Q)	1-60 days
Real assets related securities (i)	24.6	0.8	20.4	0.7	(A),(*)	1-90 days
Real estate (j)	14.0	0.2	24.5	0.2	(Q),(*)	1-60 days
Total investments	$ 874.2	$ 84.7	$ 790.9	$ 98.2		

Redemption Frequency: (A) Annually, (Q) Quarterly, (M) Monthly, (D) Daily, (BM) Bimonthly, (W) Weekly

(*) The expected liquidation date for these assets ranges up to 2037 and is based on a combination of the inception date of the fund and the expected life of the fund as outlined in the partnership agreement inclusive of the manager's ability to extend the fund's life.

(a) This class consists of investments across stocks, bonds, currencies, and commodities.

(b) This class consists of investments in large and all-cap equities domiciled in or with significant underlying exposure to emerging markets. The firms utilize a fundamental, bottom-up process and focus on finding quality companies at compelling valuations.

(c) This class consists of investments in equities domiciled outside of the United States. The firms may utilize all-cap, all-style strategy or may focus on narrower strategies, but all funds have a long time horizon.

(d) This class consists of investments in large and mid-cap equities domiciled in the United States. Some firms utilize a fundamental, bottom-up process and focus on finding quality companies at compelling valuations. Other firms follow a diversified strategy in line with a large cap equity index such as the S&P 500. One fund follows a highly diversified strategy with more than 1,000 holdings held across the independently constructed analyst portfolios. Overall investments are geared to be long/short beta neutral with exposures in line with the S&P 500.

(e) This class consists of investments in small cap equities domiciled in the United States. Some firms utilize a fundamental, bottom-up process and focus on finding quality companies at compelling valuations. Other firms follow a growth strategy looking for companies with accelerated earnings in line with a small cap equity index such as the Russell 2000 growth.

(f) This class consists of investments in debt securities. Some firms focus on buying government bonds in the US and internationally. They may also engage in currency hedges and may do so via futures. Other firms focus on buying below investment grade debt.

(g) This class consists of investments in private equity. These firms will make direct investments in private companies or in one case the firm manages a fund of funds that makes commitments to other private equity, venture capital and buyout funds. These firms may invest across a range of sectors in both the US and globally. The portfolios are illiquid and will be locked for 10 – 12 years.

(h) This class consists of investments that focus on event driven and credit strategies. Event-driven strategies are when the hedge funds buy the debt of companies that are in financial distress or have already filed for bankruptcy. Credit strategies focus on capital structure arbitrage. These firms look for relative value between senior and junior securities of the same corporate issuer. They also trade securities of equivalent credit quality from different corporate issuers, or different tranches in the complex capital of structured debt vehicles.

(i) This class consists of investments that hedge inflation through the holding of real assets directly or indirectly. Indirect holding may occur through a fund of funds with underlying holdings in publicly traded mutual funds that invest in commodity markets, infrastructure, fixed income securities, and equities. Direct holdings may include investments in private companies in sectors such as energy, mining, transportation, and communications infrastructure. These direct holdings are generally illiquid and will be locked for 10 – 12 years.

(j) This class consists of investments in underlying properties via debt and/or equity positions. These firms look to uncover real estate opportunities in traditional properties (commercial, residential, industrial, etc.) but will also look for more unique opportunities. The firms vary in focus from regional to global. These investments are illiquid and will typically exist for 10 – 12 years.

The University's investment policy and strategy for its investments, as established by the Investment Committee ("the Committee") of the Board and ratified by the Executive Committee of the Board, is to provide for growth of capital with a moderate level of volatility by investing assets based on its target allocations. The weighted average target allocations for University assets are 66.0% Public Equity, 10.0% Fixed Income, and 24.0% other investments.

Public Equity securities include investments in large-mid cap and small cap companies primarily located in the United States, as well as international companies similar to the MSCI EAFE and MSCI EM Indices. Fixed income securities include corporate bonds and loans of companies from diversified industries, mortgage-backed securities, and U.S. treasuries similar to the Bloomberg Barclays US Aggregate Index. Other investments include private equity funds, real estate funds, and hedge funds similar to those of the HFRI Funds of Funds, Cambridge Associates Global Private Equity Index, and Bloomberg Commodity Indexes. Investments periodically are rebalanced to meet established target allocations. In addition, the Committee reviews its investment policy and target allocations periodically and effects changes when required, to ensure that strategic objectives are achieved.

(b) Investment Return

The components of total investment return as reflected in the consolidated statements of activities are as follows (in millions):

	2025	2024
Changes in net assets without donor restrictions		
Operating:		
Endowment spending distribution	$ 61.3	$ 54.7
Investment return	112.0	98.5
Total operating investment return	173.3	153.2
Non-operating:		
Unrestricted:		
Endowment interest and dividend income, realized and unrealized gains, net of endowment spending distribution	14.4	29.1
Other net realized and unrealized gains	6.1	25.4
Total unrestricted non-operating investment return	20.5	54.5
Total investment gain from net assets without donor restrictions	193.8	207.7
Changes in net assets with donor restrictions		
Investment loss, net of endowment spending distribution	76.4	152.7
Total non-operating investment gains	76.4	152.7
Total investment return	$ 270.2	$ 360.4

(6) Property and Equipment

Property and equipment and related accumulated depreciation and amortization at May 31 consist of the following (in millions):

	Useful lives	2025	2024
Land		$ 304.5	$ 109.9
Land improvements	20 years	163.1	158.1
Buildings and building improvements	8 to 50 years	3,661.7	3,004.6
Leasehold improvements	1 to 50 years	113.4	91.8
Construction in progress		823.4	878.4
Moveable equipment	3 to 20 years	1,013.6	839.1
Building and equipment under finance leases	2 to 40 years	95.9	100.1
Computers and software	5 to 15 years	422.8	347.0
Library materials	12 years	207.4	189.5
Art objects		59.4	58.3
		6,865.2	5,776.8
Accumulated depreciation and amortization		(2,889.1)	(2,675.8)
Total		$ 3,976.1	$ 3,101.0

Depreciation and amortization expense is $247.2 and $207.1 million for the years ended May 31, 2025 and 2024, respectively.

Interest on borrowings is capitalized during construction, net of any project specific borrowings' investment income earned through the temporary investment of project tax exempt borrowings. Net interest expense of $31.3 and $30.7 million was capitalized for the years ended May 31, 2025 and 2024, respectively.

(7) Endowment

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Quasi endowment funds are resources segregated for long-term investment and include investment return on unrestricted investments, and other resources designated by the Board for future programs and operations.

(a) Spending Policy

The University's endowment spending policy on accounts in the Growth Pool is to distribute annually 4.5% percent of the three-year moving average market value (calculated quarterly with a November 30 valuation date) of the Growth Pool. For all other endowment accounts, the spending policy is to distribute only interest and dividends as permitted by the gift instrument.

New endowments must be received prior to December 31 in order to activate the spending distribution for the next fiscal year. In addition, no distribution is made from an endowment until its funding reaches, by December 31, the level stipulated by policy.

(b) Return Objectives and Risk Parameters

The University has adopted investment and spending policies to protect the purchasing power of the endowment and to minimize the effect of capital market fluctuations on operating budgets.

The intent of the University’s policy for the Growth Pool, as approved by the Board, is to ensure that current and future spending requirements are supported while preserving the Growth Pool’s purchasing power through asset growth. To satisfy its long-term rate-of-return objectives, the University relies on a diversified asset allocation with exposures to public and private equities, hedge funds, real assets, and fixed income. The current long-term return objective is to earn a return in excess of its Total Portfolio Benchmark, net of fees. Actual returns in any given year may vary from this amount.

(c) Application of Relevant Law

The Board’s interpretation of its fiduciary responsibilities for donor-restricted endowments under Uniform Prudent Management of Institutional Funds Act in Florida (“FL UPMIFA”) is that it is required to use reasonable care and caution as would be exercised by a prudent investor, in considering the investment management and expenditures of endowment funds. In accordance with FL UPMIFA, the Board may expend so much of an endowment fund as the Board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the long-term purchasing power of the endowment fund.

FL UPMIFA specifies that unless stated otherwise in the gift instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for the spending distribution. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, the University’s policy is to report the historical value for such endowments and the net accumulated appreciation as net assets with donor restrictions. The amounts appropriated for the spending distribution are based on the endowment spending rate per unit and the number of units for each fund.

The unspent market appreciation of donor-restricted endowment funds is presented as net assets with donor restrictions until appropriated for expenditure by the Board. When losses on the investments of a donor-restricted endowment fund exceed the net appreciation classified in donor-restricted net assets, the excess loss reduces net assets with donor restrictions. At May 31, 2025 and 2024, there were no endowment-related assets that fell below the donor-required level.

Endowment net assets consist of the following (in millions):

	Without donor restrictions	With donor restrictions	Total
At May 31, 2024:			
Donor-restricted endowment funds:			
At historical value	$ —	$ 802.5	$ 802.5
Accumulated net appreciation	—	515.0	515.0
Quasi endowment funds	272.4	—	272.4
Total	$ 272.4	$ 1,317.5	$ 1,589.9
At May 31, 2025:			
Donor-restricted endowment funds:			
At historical value	$ —	$ 834.9	$ 834.9
Accumulated net appreciation	—	589.6	589.6
Quasi endowment funds	288.3	—	288.3
Total	$ 288.3	$ 1,424.5	$ 1,712.8

Changes in endowment net assets for the fiscal years ended May 31, 2025 and 2024 consist of the following (in millions):

	Without donor restrictions	With donor restrictions	Total
Balance, May 31, 2023	$ 231.4	$ 1,134.3	$ 1,365.7
Endowment investment return:			
Investment income	3.1	15.3	18.4
Net appreciation (realized and unrealized)	35.8	176.7	212.5
Total investment return	38.9	192.0	230.9
Gifts and trusts	3.0	36.0	39.0
Endowment spending distribution for programs	(9.8)	(44.9)	(54.7)
Net transfers to quasi endowment funds	8.9	—	8.9
Other transfers	—	0.1	0.1
Balance, May 31, 2024	272.4	1,317.5	1,589.9
Endowment investment return:			
Investment income	3.9	18.8	22.7
Net appreciation (realized and unrealized)	21.3	104.2	125.5
Total investment return	25.2	123.0	148.2
Gifts and trusts	0.5	31.9	32.4
Endowment spending distribution for programs	(10.9)	(50.4)	(61.3)
Net transfers to quasi endowment funds	1.1	—	1.1
Other transfers	—	2.5	2.5
Balance, May 31, 2025	$ 288.3	$ 1,424.5	$ 1,712.8

(8) Pension and Other Postretirement Benefit Plans

The University has two non-contributory retirement plans, the Faculty Retirement Plan, and the Employee Retirement Plan. These two plans were closed to employees hired after May 31, 2007. Effective June 1, 2007, a new retirement plan was established, the Retirement Savings Plan.

The University also sponsors an unfunded, defined benefit postretirement health plan that covers all full-time and part-time regular employees who elect coverage and satisfy the plan’s eligibility requirements when they retire. The plan is contributory with retiree contributions established as a percentage of the total cost for retiree health care and for the health care of their dependents. The University pays all benefits on a current basis.

In addition to the below noted plans, there are deferred compensation arrangements for certain employees, principally clinical faculty, the liability for which is included in other liabilities.

The Retirement Savings Plan ("Savings Plan") is a defined contribution plan in which the University makes an automatic core contribution of 5% of pay with a dollar-for-dollar match on voluntary contributions up to an additional 5% of pay once the employee meets certain eligibility requirements. Eligible employees can begin making voluntary contributions to the Savings Plan at any time. Participation is limited to faculty and staff hired on or after June 1, 2007 or who elected, prior to June 1, 2007, to transfer to this plan from the Faculty Retirement Plan or from the Employee Retirement Plan. Core and matching contributions to the Savings Plan for 2025 and 2024 were $103.9 and $100.4 million, respectively.

The Retirement Savings Plan II ("Savings Plan II") is a defined contribution plan the University established, effective January 1, 2008, that covers substantially all employees of UHealth Tower (a facility of the Hospital). The plan is available to employees who meet certain eligibility requirements and requires that UHealth Tower match certain percentages of participants' contributions up to certain maximum levels. Eligible employees can begin making voluntary contributions to the Savings Plan II at any time. Core and matching contributions to the Savings Plan II were $7.2 and $7.9 million for the years ended May 31, 2025 and 2024, respectively.

The UHealth Retirement Savings Plan III ("Savings Plan III") is a defined contribution plan the University established, effective October 17, 2019, that covers employees working in the University of Miami Hospital ("UMH") or in the UHealth Corporation eligibility companies. The plan is available to employees who meet certain eligibility requirements and requires that UM match certain percentages of participants' contributions up to certain maximum levels. Eligible employees can begin making voluntary contributions to the Savings Plan III immediately upon hire. Core and matching contributions to the Savings Plan III for 2025 and 2024 were $27.5 and $17.9 million, respectively.

Faculty Retirement Plan ("Faculty Plan") is a defined contribution plan for eligible faculty hired between September 30, 1977 and May 31, 2007, and certain faculty hired on or before September 30, 1977, who ceased participation in the Employee Retirement Plan. Under the terms of the Faculty Plan, the University makes contributions to individual retirement accounts for each eligible faculty member. Payment from the retirement account commences when the faculty member has separated from service and elects to begin distributions in accordance with plan provisions.

Contributions to the Faculty Plan are based upon a combination of compensation, tenure status, length of service, and other factors and are funded as accrued. These contributions were $17.6 and $18.6 million for the years ended May 31, 2025 and 2024, respectively.

The Supplemental Retirement Annuity ("SRA") Program is a defined contribution plan for employees that are participants in in the Defined Contribution Retirement Plan for Faculty of the University of Miami or the Retirement Plan for Employees of the University of Miami. The Plan was established on January 1, 1975. On April 19, 2006, the Board of Trustees of the University ("the Board") voted to close the Plan to new employees hired on or after June 1, 2007. This plan consists of only employee voluntary contributions.

The Employee Retirement Plan ("Employee Plan") is a defined benefit plan primarily for full-time non-faculty employees hired before June 1, 2007. Employee Plan assets are held by a Trustee. The benefit is based on the higher of two formulas: a formula based on years of service and the employee's compensation for the consecutive five-year period of employment that produces the highest average; and a cash balance benefit formula determined each year based on compensation and investment earnings.

The measurement date for the Employee Plan and postretirement health plan is May 31.

The following benefit payments, which reflect expected future service, are expected to be paid, for the fiscal years ending May 31 (in millions):

	Pension benefits	Postretirement benefits
2026	$ 47.9	$ 0.5
2027	50.8	0.6
2028	51.4	0.6
2029	52.0	0.7
2030	51.8	0.8
2031–2035	241.6	5.4

During the fiscal year ending May 31, 2026, the University expects to contribute $10.0 million to the Employee Plan and $0.5 million to its Postretirement Health Plan.

The tables that follow provide a reconciliation of the changes in the plans' projected benefit obligations, fair value of assets, and funded status at May 31, 2025 and 2024 (in millions):

	Pension benefits		Postretirement benefits	
	2025	2024	2025	2024
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 626.8	$ 624.3	$ 8.8	$ 7.2
Service cost – benefits attributed to employee service during period and administrative expenses	12.4	13.6	0.8	0.8
Interest costs accrued to measure benefit obligation at present value	33.1	32.2	0.5	0.4
Plan participant contributions	—	—	0.8	0.7
Actuarial (gain) loss	(0.1)	3.4	2.5	0.3
Benefits paid and administrative expenses	(54.9)	(46.7)	(2.1)	(0.6)
Benefit obligation at end of year	617.3	626.8	11.3	8.8
Change in Plan Assets:				
Plan assets at fair value at beginning of year	553.5	553.2	—	—
Investment return on plan assets	33.0	32.0	—	—
Benefits paid and plan expenses	(54.9)	(46.7)	(2.1)	(0.6)
Employer contributions	15.0	15.0	1.4	(0.1)
Plan participant contributions	—	—	0.7	0.7
Plan assets at fair value at end of year	546.6	553.5	—	—
Funded status:				
Accrued pension and postretirement benefit costs recognized on the consolidated statements of financial position	$ (70.7)	$ (73.3)	$ (11.3)	$ (8.8)
Amounts recognized in unrestricted net assets consist of:				
Net actuarial loss (gain)	$ 132.6	$ 151.0	$ (0.2)	$ (2.8)
Prior service credit	(0.8)	(5.5)	—	—
	$ 131.8	$ 145.5	$ (0.2)	$ (2.8)

At May 31, 2025 and 2024, the accumulated benefit obligation of the Employee Plan was $602.5 and $612.3 million, respectively, which was $55.8 and $58.8 million in excess of Employee Plan assets, respectively. The investment return on plan assets exceeded the expected rate of return due to favorable market performance for the year ended May 31, 2025.

The following table provides the components of net periodic pension cost for the plans for the years ended May 31, 2025 and 2024 (in millions):

	Pension Benefits		Postretirement Benefits	
	2025	2024	2025	2024
Service costs – benefits attributed to employee service during periods and administrative expenses	$ 12.4	13.6	$ 0.8	0.8
Interest costs accrued to measure benefit obligation at present value	33.1	32.2	0.5	0.4
Expected return on plan assets	(28.2)	(28.3)	—	—
Amortization of prior service cost/(credit) - includes changes in pension formula and cost of plan amendments	(4.7)	(7.3)	—	—
Recognized net actuarial loss and assumption changes	13.5	16.0	—	(0.1)
Net periodic benefit cost	$ 26.1	26.2	$ 1.3	1.1

The components of net periodic benefit cost other than the service cost component are included as a non-operating cost in the line item "Other components of net periodic pension cost" in the consolidated statements of activities.

The net actuarial loss (gain) and prior service credit expected to be recognized in net periodic benefit cost over the next fiscal year are as follows (in millions):

	Pension benefits	Postretirement benefits
Net actuarial loss (gain)	$ 10.9	$ —
Prior service credit	(0.8)	—

An 8.75% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2025. The rate is assumed to decrease each year until reaching the ultimate of 4.50% in 2035. Assumed health care cost trend rates have an effect on the amounts reported for the health care plan.

The following weighted average assumptions were used for the above calculations:

	Pension benefits		Postretirement benefits	
	2025	2024	2025	2024
Discount rate for benefit obligation	5.80 %	5.65 %	5.69 %	5.48 %
Discount rate for net periodic benefit cost	5.65	5.45	5.48	5.12
Expected return on plan assets	5.50	5.50	N/A	N/A
Rate of compensation increase related to net periodic benefit cost	2.50	3.00	N/A	N/A

The rate of compensation increase assumption related to the benefit obligation is 2.5% for fiscal year ended May 31, 2025. To develop the expected long-term rate of return for the Employee Plan assets, the University considered the historical returns of the major market indicators relating to the target asset allocation, as well as the current economic and financial market conditions.

The University used mortality tables issued by the Society of Actuaries. These tables represent recent mortality experience for a large U.S. population dataset that is reasonably representative of the population covered under the plan. Specifically, the University selected separate mortality rates for non-annuitants (the Pri-2012 "Employees" table) and annuitants (the Pri-2012 "Healthy Retiree" and "Contingent Spouses" mortality tables), without collar adjustment. Mortality improvement was also assumed beyond the valuation date because recent experience evidenced by Social Security beneficiaries indicated that longevity has continued to improve. For years after 2012, generational improvement was projected using scales MP-2021 for the years ended May 31, 2025 and 2024, respectively.

Employee Plan Assets

The investment policy and objectives, as established by the University, are to ensure that the Employee Plan has sufficient liquidity and investment returns relative to anticipated cash flow and funding requirements, including benefit obligations. The University has incorporated a Dynamic Glide Path (“the Glide Path”) approach to the asset allocation for the Employee Plan. The intent of the Glide Path is to minimize the Plan’s funded ratio volatility. The current Glide Path asset allocation for a funded ratio greater than 85% but less than or equal to 100% is as follows: 15% to 45% growth assets (including public equities, fixed income (non-duration-matched), and other investments); and 55% to 85% fixed income (duration-matched). Public equity securities include registered mutual funds, unregistered limited partnerships, common collective trusts, and 103-12 investment entities, which invest in large cap, mid cap, and small cap companies primarily located in the United States, as well as international and emerging markets. Fixed-income securities include collective investment funds and registered mutual funds, which invest in government and government agency securities, corporate credit (investment-grade and high yield), structured products - leveraged loans, and other related credit instruments.

Other investments include uncorrelated long and short investments in markets and instruments, illiquid investments in public and private equity companies, real estate, and common collective trusts investing in real assets related securities similar to those of the HFRI Fund of Funds Index, Cambridge Associates

Global Private Equity Index, and Bloomberg Commodity Index. At a minimum, the University reviews the Glide Path and asset allocation annually for appropriateness.

		Fair value measurements at May 31, 2025 (In millions)		
	Total	**Level 1**	**Level 2**	**Level 3**
Mutual funds:				
Equities:				
Emerging markets	$ 4.0	$ 4.0	$ —	$ —
International	3.1	3.1	—	—
Fixed income	80.8	19.7	61.1	—
Unregistered limited partnerships and limited liability companies measured at NAV [1]:				
Equities:				
Emerging markets	9.1	—	—	—
Large-mid cap	52.4	—	—	—
Private equity	2.0	—	—	—
Other:				
Real estate	0.5	—	—	—
Common collective trusts:				
Large cap	21.8	—	21.8	—
Fixed income	78.7	—	78.7	—
Short-term investment funds	14.2	—	14.2	—
Small cap	5.3	—	5.3	—
103-12 investment entities:				
Equities:				
International measured at NAV [1]	32.0	—	—	—
Corporate and government bonds:				
Fixed income	232.6	169.6	63.0	—
Other investments				
Fixed income	3.9	0.8	3.1	—
Other	0.2		0.2	
Other investments measured at NAV [1]				
Fixed income	11.8	—	—	—
Private equity	2.8	—	—	—
Other	(8.6)	—		—
Total	$ 546.6	$ 197.2	$ 247.4	$ —

	Total	Fair value measurements at May 31, 2024 (In millions) Level 1	Level 2	Level 3
Mutual funds:				
Equities:				
Emerging markets	$ 3.0	$ 3.0	$ —	$ —
International	3.7	3.7	—	—
Fixed income	83.4	18.3	65.1	—
Unregistered limited partnerships and limited liability companies measured at NAV [1]:				
Equities:				
Emerging markets	8.7	—	—	—
Large-mid cap	46.6	—	—	—
Private equity	2.4	—	—	—
Other:				
Real estate	0.5	—	—	—
Common collective trusts:				
Large cap	23.3	—	23.3	—
Fixed income	78.2	—	78.2	—
Short-term investment funds	16.2	—	16.2	—
Equities measured at NAV [1]:				
Multi-strategy	4.5	—	—	—
103-12 investment entities:				
Equities:				
International measured at NAV [1]	27.2	—	—	—
Corporate and government bonds:				
Fixed income	235.1	163.8	71.3	—
Other investments				
Fixed income	4.6	0.8	3.8	—
Other	0.2	—	0.2	—
Other investments measured at NAV [1]				
Fixed income	11.0	—	—	—
Private equity	3.1	—	—	—
Multi-strategy	9.2	—	—	—
Other	(7.4)	—	—	—
Total	$ 553.5	$ 189.6	$ 258.1	$ —

1 In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the pension and other postretirement benefit plans table provided within note 8.

(9) Bonds and Notes Payable

Bonds and notes payable at May 31 consist of the following (in millions):

	Final maturity by fiscal year	2025 Interest rate	2025	2024
Miami-Dade County, Florida				
Educational Facilities Authority				
Revenue Bonds, Series 2018A	2053	4.00-5.00%	$ 228.5	$ 229.2
Revenue Bonds, Series 2018B (Taxable)	2051	4.47 %	17.3	17.3
Revenue and Revenue Refunding Bonds Series 2015A	2045	4.00 %	65.0	403.0
Revenue and Revenue Refunding Bonds, Series 2015B (Taxable)	2050	5.07 %	258.1	258.1
Revenue Bonds, Series 2012A	2025	4.00-5.00%	—	89.6
Revenue Refunding Bonds, Series 2007B	2034	5.25 %	99.6	112.8
Revenue and Revenue Refunding Bonds Series 2024A	2048	5.00%-5.25%	552.0	—
Revenue Refunding Bonds, Series 2024B	2045	5.00%-5.25%	306.7	—
Total Miami-Dade County Educational Facilities authority			1,527.2	1,110.0
University of Miami				
Taxable Bonds Series 2022	2052	4.06 %	500.0	500.0
Total bonds			2,027.2	1,610.0
Notes payable to banks and others	2030	—	5.1	6.2
Lines of credits to banks	2029	Variable	—	75.0
Notes payable to banks and others	2029	Variable	93.8	98.8
Par amount of bonds and notes payable			2,126.1	1,790.0
Net unamortized premium			101.7	44.7
Net unamortized issue costs			(11.0)	(10.4)
Total			$ 2,216.8	$ 1,824.3

The annual maturities for bonds and notes payable at May 31, 2025 are as follows (in millions):

2026	$	23.8
2027		25.3
2028		28.8
2029		96.7
2030		37.8
Thereafter		1,913.7
Total	$	2,126.1

In January 2024, the University refinanced and executed a new $1.0 billion senior credit facility, including a revolving credit facility of $900.0 million and new Term Loan of $100.0 million. The Term Loan has a variable interest rate equal to the Term SOFR plus 1.10% per annum, and a maturity date of January 5, 2029. The outstanding balance of the Term Loan A at May 31, 2025 and 2024 was $93.8 and $98.8 million, respectively. At May 31, 2025 and 2024, the outstanding balance of the line of credit was $0 and $75.0 million, respectively. In addition, the University has $0.9 million in standby letters of credit which reduces the amount available to be drawn on the line of credit.

In November 2024, the University issued $555.5 million of Series 2024A Revenue and Revenue Refunding bonds, and in January 2025, issued $306.7 million of Series 2024B Revenue Refunding Bonds through Miami-Dade County Educational Facilities Authority (“MDCEFA”). The proceeds of the Series 2024A Bonds are being used to finance or refinance new facilities and expansion projects and were also used to refund all of the outstanding Series 2012A Bonds issued by MDCEFA for the benefit of the University. The proceeds of the Series 2024B Bonds were used to refund a portion of the outstanding Series 2015A Bonds issued by MDCEFA for the benefit of the University. The refunded Series 2012A was legally defeased and the refunded Series 2015A was partially repaid, and the liabilities have been removed from these financial statements.

Total interest paid on all bonds and notes was $92.6 and $82.2 million for the years ended May 31, 2025 and 2024, respectively. All the bonds and notes payable listed in the table above are unsecured. The bonds and the notes do not contain any significant financial covenants, except for the $1.0 billion senior credit facility which has a covenant that requires a minimum revenue of $2.1 billion during a Required Covenant Year. The University has performed and observed each covenant and condition of the bonds and notes, and no default has occurred.

(10) Net Assets

At May 31, net assets consist of the following (in millions):

	2025	2024
Net assets without donor restrictions:		
Designated for operations, programs, facilities expansion, and student loans	$ 1,399.8	$ 1,427.2
Cumulative pension and postretirement benefits related changes other than net periodic benefit cost	(131.6)	(142.7)
Invested in plant facilities	1,758.5	1,260.2
Designated for endowment and similar funds	288.3	272.4
Total net assets without donor restrictions	3,315.0	2,817.1
Net assets with donor restrictions:		
Gifts for programs and facilities expansion	131.8	97.3
Contributions receivable and trusts held by others	461.3	552.3
Life income and annuity funds	12.6	13.4
Endowment and similar funds	1,424.5	1,317.5
Total net assets with donor restrictions	$ 2,030.2	$ 1,980.5

At May 31, 2025 and 2024, net assets with donor restrictions included amounts that were restricted in perpetuity of $856.5 and $830.2 million, respectively, and certain term endowment funds of $48.3 and $49.4 million that were available for future distribution, respectively.

(11) Functional Expenses

Operating expenses are reported in the consolidated statements of activities by natural classification. Expenses related to the University by both natural classification and functional classification for the years ended May 31, 2025 and 2024 are summarized below (in millions):

	2025			
	Academic and research	Health care services	Administrative and support services	Total
Compensation and benefits	$ 1,020.4	$ 1,617.6	$ 559.6	$ 3,197.6
Supplies and services	277.7	1,295.5	238.5	1,811.7
Depreciation and amortization	80.6	70.5	96.1	247.2
Utilities and maintenance	44.1	33.6	27.5	105.2
Interest	20.0	19.8	23.8	63.6
Other	113.8	154.1	165.9	433.8
Total operating expenses	$ 1,556.6	$ 3,191.1	$ 1,111.4	$ 5,859.1

	2024			
	Academic and research	Health care services	Administrative and support services	Total
Compensation and benefits	$ 935.3	$ 1,420.9	$ 514.3	$ 2,870.5
Supplies and services	270.2	1,152.1	171.0	1,593.3
Depreciation and amortization	67.4	59.4	80.3	207.1
Utilities and maintenance	43.4	31.2	23.1	97.7
Interest	14.4	19.1	17.1	50.6
Other	127.0	185.2	175.7	487.9
Total operating expenses	$ 1,457.7	$ 2,867.9	$ 981.5	$ 5,307.1

Certain natural expenses are attributable to more than one supporting functional expense category. These expenses consist primarily of depreciation, amortization, interest, and facilities-related expenses. Operations and maintenance expense of $290.9 and $300.9 million for the years ended May 31, 2025 and 2024, respectively, were also allocated. The method used for allocations is based on square footage used by each function, and these expenses are allocated consistently. In addition, square footage for multi-functional spaces is proportionately allocated based on utilization, which is calculated using salary data.

(12) Liquidity and Availability of Resources

As part of the University's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the University invests cash in excess of daily requirements. Cash flows have seasonal variations during the year attributable to tuition billing, patient service, and research reimbursements, and a concentration of contributions received at calendar and fiscal year-end.

The University's financial assets and resources available to meet cash needs for general expenditures within one year as of May 31, 2025 and 2024 are as follows (in millions):

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 463.7	$ 504.6
Accounts and loans receivable, net	459.8	349.9
Patient care receivable, net	366.6	429.3
Pledge payments available for operations	46.3	56.1
Working capital in investments	827.6	734.3
Subsequent fiscal year endowment distributions	64.0	59.6
Total financial assets available within one year	2,228.0	2,133.8
Liquidity resources:		
Bank lines	700.0	553.0
Total financial assets and liquidity resources available within one year	$ 2,928.0	$ 2,686.8

In addition to the liquidity resources noted above, the University has a board-designated endowment of $288.3 and $272.4 million as of May 31, 2025 and 2024, respectively, to help manage unanticipated liquidity needs. Although the University does not intend to spend from its board-designated endowment funds as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if required. However, both board-designated and donor-restricted endowment funds contain investments with lock-up provisions that reduce total investments that could be made available to meet cash flow needs.

(13) Leases

The University has elected to account for lease and non-lease components as a single lease component. The University also elected the package of practical expedients, which allows lessees to make an election to not reassess conclusions previously made under ASC 840 with regard to whether leases and contracts in place at adoption of ASC 842 (a) are or contain leases, (b) the lease classification for existing leases, and (c) the initial direct costs for any existing leases.

At May 31, 2025 and 2024, the University recognized under operating leases $132.2 and $116.6 million, respectively, as right-of-use assets within other assets, and $156.5 and $136.9 million, respectively, as lease obligations within other liabilities. For its finance leases, the University recognized $64.2 and $74.6 million, respectively, as right-of-use assets within property and equipment, net and $50.4 and $59.6 million, respectively, as lease obligations within other liabilities.

The University is obligated under numerous operating and finance leases to pay base rent through the respective lease expiration dates. Real property under operating and finance leases ranges with remaining lease terms of up to 88 years through fiscal 2113. As well, the University leases various equipment under operating and finance leases expiring at various dates through 2034. Aggregate future minimum lease payments under noncancelable finance and operating leases as of May 31, 2025 are as follows:

	Finance leases	Operating leases
2026	$ 14.1	$ 26.7
2027	11.5	21.9
2028	2.6	19.9
2029	0.9	15.6
2030	0.9	10.6
Thereafter	56.0	167.8
Total lease payments	86.0	262.5
Less interest portion	(35.6)	(106.0)
Total lease liabilities	$ 50.4	$ 156.5

The components of lease expense for the years ended May 31, 2025 and 2024 are as follows (in millions):

	2025	2024
Finance lease expense:		
Amortization of right-of-use assets	$ 15.2	$ 11.2
Interest on lease liabilities	2.1	1.5
Operating lease expense	30.9	32.4
Short-term lease expense	4.5	9.1
Variable lease expense	18.3	16.4
Total lease expense	$ 71.0	$ 70.6
Other lease information:		
Operating cash flows from operating leases	$ 26.3	$ 31.2
Operating and investing cash flows from finance leases	14.9	10.4
Right-of-use assets obtained in exchange for new lease liabilities:		
Finance leases	$ 4.3	$ 27.9
Operating leases	42.6	20.8
Weighted-average remaining lease term:		
Finance leases	24 years	27 years
Operating leases	19 years	20 years
Weighted-average discount rate:		
Finance leases	3.87 %	3.82 %
Operating leases	3.63 %	3.30 %

The University is the lessor in several long-term non-cancelable operating leases for commercial space through fiscal year 2072. Operating lessor income of $7.2 million is included in other income within the statements of activities for the year ended May 31, 2025. Future minimum operating rental revenue due as of May 31, 2025 is summarized below (in millions):

2026	$ 7.6
2027	4.0
2028	2.9
2029	2.4
2030	2.1
Thereafter	55.0
Total future minimum rentals	$ 74.0

The University has an agreement to use the Hard Rock Stadium on a limited basis through December 31, 2032. The University is treating this as a short-term lease due to the usage being less than 12 months. The short-term lease cost incurred during any one year does not reasonably reflect the short-term lease commitment. Remaining payments under this agreement are $8.6 million as of May 31, 2025.

(14) Commitments and Contingencies

The University had contractual obligations of approximately $421.2 million at May 31, 2025 for various construction projects and purchases of equipment.

On June 6, 2025, a settlement in the landmark House v NCAA antitrust case was approved in the amount of $2.8 billion. The settlement resolves class-action claims from current and former student athletes related to name, image, and likeness (NIL) and other compensation. Pursuant to the settlement agreement, the consolidated House defendants (the NCAA and Power Five Conferences) will pay into a settlement fund, and the money will then be paid annually over the next 10 years to its class members according to an allocation plan. The University has evaluated any potential financial obligations and does not believe that the NCAA settlement will have a material impact on its financial statements.

During the year ended May 31, 2025, several Executive Orders were issued by the federal government impacting higher education institutions. These Executive Orders directed agencies to suspend or restrict the release of certain federal funds pending further review. The University is monitoring and assessing these Executive Orders for any potential financial or operational exposure. At this time, the University does not believe that these Executive Orders will have a material impact on its financial statements.

The Internal Revenue Service is currently conducting an examination of the University’s compliance with Section 501(r) of the IRC. The University is fully cooperating with the IRS in connection with the examination. At this time, the University does not believe that the outcome of this examination will have a material effect on its financial position or results of continued operations.

The University, in its normal operations, is a defendant in various legal actions. Additionally, amounts received and expended under various federal and state programs are subject to audit by governmental agencies. Management is of the opinion that the outcome of these matters would not have a material effect on the University’s financial position or results of operations.

(15) Acquisitions

On February 13, 2025, the University entered into a Membership Interest Purchase Agreement (“purchase agreement”) whereby the University acquired 100% of the membership interests in Dominion Tower L.C. (“Dominion Tower”). On March 31, 2025 (“acquisition date”), upon the transfer of consideration, the purchase agreement became effective, and the University obtained control of Dominion Tower. The acquisition was accounted for as an asset acquisition in accordance with ASC 805-50. The total consideration transferred was $92.4 million comprised solely of cash, which included a $1.7 million upfront payment associated with exclusivity rights for the period from February 13, 2025 through the acquisition date and $1.1 million in transaction costs. The University is currently assessing its future plans for the acquired assets, which primarily consist of a commercial building, related land and a parking facility.

(Continued)

The following table summarizes the assets acquired and liabilities assumed on the acquisition date (in millions):

Cash and cash equivalent	$	0.3
Land and land improvements		113.7
Building and building improvements		6.2
Lease intangible asset		1.1
Accounts payable and accrued expenses		(0.2)
Deferred revenues and other deposits		(0.3)
Other liabilities		(28.4)
Total Identifiable Net Assets	$	92.4