



University of Dayton

March 24, 2025

To: See Attached Distribution List

Re: Annual Information Filing for Fiscal Year 2024

In accordance with the Continuing Disclosure Agreements made pursuant to SEC Rule 15c-2-12, the University of Dayton herewith provides its annual financial information and operating data for Fiscal Year 2024 (the "Annual Information Filing"). This Annual Information Filing also constitutes the annual information agreed to be provided under the University's continuing disclosure agreements.

The University's audited financial statements for Fiscal Year 2024 are being submitted with this Annual Information Filing and may be considered to be part of the Annual Information Filing.

This information has also been posted to the MSRB Electronic Municipal Market Access (EMMA) site. Any questions concerning this filing should be directed to Bo Sawyer, Assistant Vice President and Treasurer, 300 College Park, Dayton, Ohio 45469-1665, (937) 229-3579.

Regards,

Randolph "Bo" Sawyer
Assistant Vice President & Treasurer

Enclosure

ANNUAL INFORMATION FILING FOR FISCAL 2024

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UNIVERSITY OF DAYTON

ANNUAL INFORMATION FILING FOR FISCAL YEAR 2024

In accordance with the continuing disclosure agreements entered into by the University of Dayton, Dayton, Ohio, pursuant to SEC Rule 15c-2-12, in connection with, and as the obligated person for; the primary offering of its \$70,200,000 State of Ohio Higher Educational Facility Revenue Bonds (University of Dayton 2015 Project) and consisting of \$49,775,000 State of Ohio Higher Educational Facility Revenue Bonds (Series A) and \$20,425,000 State of Ohio Higher Educational Facility Revenue Bonds (Series B), dated as of March 3, 2015; and the primary offering of its \$28,000,000 State of Ohio Higher Educational Facility Commission Revenue Bonds (University of Dayton 2016 Project, Series A) dated as of March 30, 2016; and the primary offering of its \$20,870,000 State of Ohio Higher Educational Facility Commission Revenue Bonds (University of Dayton 2016 Project, Series B) dated as of September 7, 2016; and the primary offering of its \$117,885,000 State of Ohio Higher Educational Facility Revenue Bonds (University of Dayton 2018 Project) and consisting of \$69,110,000 State of Ohio Higher Educational Facility Revenue Bonds (Series A) dated as of April 1, 2018 and \$48,775,000 State of Ohio Higher Educational Facility Revenue Bonds (Series B) dated as of September 4, 2018; and the primary offering of its \$37,040,000 State of Ohio Higher Educational Facility Revenue Bonds (University of Dayton 2020 Project) dated as of December 18, 2020; and the primary offering of its \$88,035,000 State of Ohio Higher Educational Facility Revenue Bonds (University of Dayton 2022 Project) and consisting of \$46,080,000 State of Ohio Higher Educational Facility Revenue Bonds (Series A) dated as of July 1, 2022 and \$41,955,000 State of Ohio Higher Educational Facility Revenue Bonds (Series B) dated as of September 1, 2022; collectively, (the "Bonds"), the following filing (the "2024 Annual Information Filing") provides annual financial information and relevant operating data for the University's fiscal year ended June 30, 2024 ("Fiscal Year 2024") of the type included in the final official statement for its primary offering of the Bonds.

This Annual Information Filing provides only the annual financial information and operating data that the University has agreed to provide under the continuing disclosure agreements entered into at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of the information contained in this 2024 Annual Information Filing or that the financial information and operating data set forth is indicative of future financial operating results. Other information may exist, and matters may have occurred or become known during or since the end of that Fiscal Year that would be of interest to an investor.

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ANNUAL INFORMATION FILING FOR FISCAL YEAR 2024

General Description

The University of Dayton (the "University"), an Ohio nonprofit corporation, is a private coeducational institution of higher education located in Dayton, Ohio. The University was founded by the Society of Mary (the "Marianists") in 1850 as St. Mary's Institute and renamed the University of Dayton in 1920. The mission of the University is to be a comprehensive, Catholic university maintaining a diverse community committed, in the Marianist tradition, to educating the whole person and to linking learning and scholarship with leadership and service. The University is one of the two largest private universities in Ohio and one of the ten largest Catholic universities in the United States.

The University operates on a fiscal year ("Fiscal Year") that begins on July 1 and ends on June 30. Any reference herein to a particular Fiscal Year refers to the Fiscal Year that ends on June 30 in the indicated year.

Enrollment & Admissions

The following table sets forth Fall Term enrollment for the University for the past four academic years and the current academic year:

<u>Fall Term</u>	<u>Undergraduate Full-time</u>	<u>Undergraduate Part-time</u>	<u>Graduate, Non- Doctoral</u>	<u>Doctoral</u>	<u>Law</u>	<u>Total</u>	<u>Total Full-Time Equivalent</u>
2020	8,322	330	2,085	483	457	11,677	10,983
2021	8,285	352	2,281	595	459	11,972	10,939
2022	8,133	310	2,211	573	543	11,770	11,103
2023	7,918	274	2,108	516	562	11,378	10,735
2024	7,470	270	1,859	471	528	10,598	10,001

The following table summarizes admission statistics for new first-year undergraduate students.

<u>Fall Term</u>	<u>Applications Received</u>	<u>Applicants Accepted</u>	<u>%Acceptance Rate</u>	<u>Confirmed Admits</u>	<u>% of Accepted Confirmed</u>
2020	16,666	13,410	80.5	2,164	16.1
2021	17,261	13,918	80.6	2,167	15.6
2022	18,863	13,968	74.0	2,026	14.5
2023	22,750	14,024	61.6	1,937	13.8
2024	21,981	14,386	65.4	1,698	11.8

The University measures the academic quality of admitted students most prominently by the quality of their high school record. The above admission statistics include international students whose enrollment in an undergraduate program may be contingent upon demonstration of English language proficiency either via submission of acceptable TOEFL scores or completion of the University's on campus ESL program. The following table shows the five-year trend in the quality of the admit pool based on high school grade point average.

<u>Fall Term</u>	<u>Average HS GPA</u>
2020	3.73
2021	3.77
2022	3.76
2023	3.75
2024	3.73

Additionally, the University considers standardized test scores for applicants who choose to submit them. The table below displays average test scores of new first-year enrollment confirmations and the national averages for the Fall Terms of the past four academic years and the current academic year for the American College Test (ACT).

<u>Fall Term</u>	<u>University Average</u>	<u>National Average</u>
2020	25.9	20.6
2021	26.0	20.3
2022	26.5	19.8
2023	26.9	19.5
2024	27.2	19.4

Of the students in the undergraduate Fall 2024 cohort, 55% of the full-time undergraduate students are from Ohio. Students from Illinois, Pennsylvania, Michigan, Indiana, Missouri, Kentucky, and New York make up 36% of the Fall 2024 cohort, with the remaining first-year students coming from 28 different states, Puerto Rico, and 17 foreign countries.

Currently, international students constitute 3% of full-time undergraduate students and 33% of graduate and law students. In Fall 2024 the University experienced flat enrollment of international undergraduates (from 228 in 2023 to 226 in 2024) and a 17% decrease in graduate international enrollments from 1,133 in 2023 to 945 in 2024. Overall, in Fall 2024, the University experienced a 14% decrease in international students compared to Fall 2023 and a 10% decrease compared to the trailing three-year average (Fall 2021 – Fall 2023).

The University's competition for entering students includes a wide range of universities and colleges, including public institutions such as The Ohio State University; Miami University (Ohio), the University of Cincinnati, Indiana University, Purdue University, University of Illinois, and private institutions such as Marquette University, Xavier University, Loyola University of Chicago, and Saint Louis University.

Racial and ethnic diversity at the University is measured by the number of students who identify as American Indian or Alaskan Native, Asian, Black or African American, Hispanic, Native Hawaiian or Other Pacific Islander, Hispanic, or Two or More Races along with international students enrolled each year. Of the Fall 2024 cohort, 17% identify with an underrepresented racial/ethnic population. The University's overall student population is 48% female and 52% male; the full-time undergraduate population is also 48% female and 52% male.

The following table highlights the University's retention history by showing the percentage of the Fall cohort (for the last six academic years) who remained at the University during subsequent years and completed degree requirements within a four or five-year period.

Percentage of Students in Fall Cohort
Returning for Subsequent Years and Completing Degree Requirements

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Second Year	89%	91%	88%	88%	89%	89%
Third Year	84	86	83	84	84	-
Fourth Year or Graduated	81	81	80	83	-	-
Graduate in 4 years	65	69	67	-	-	-
Graduate in 5 years	79	79	-	-	-	-

The University's Fall 2024 graduate enrollment, including the law school, was 2,858. Graduate programs are available in all of the academic divisions at the University. Students from Ohio comprise 41% of graduate student enrollment, and 33% of graduate students are international.

Law school enrollment for Fall 2024 was 528. Consistent with recent national trends in law school enrollment, the University has generally experienced stabilizing numbers of JD applications and enrollment. However, enrollment in MSL and LLM programs are steadily increasing in-line with projected growth opportunities. The University has taken steps to reduce law school expenses and is pursuing opportunities to increase law school revenue through expanded enrollment in certificate programs and other non-traditional streams.

The number of applications, enrolled students and total enrollment for the Law School for the past four academic years and the current academic year are shown in the below table:

<u>Fall Term</u>	<u>JD Applications Received</u>	<u>JD Entering Students</u>	<u>JD Total Enrollment</u>	<u>MSL/LLM Total Enrollment</u>	<u>Law School Total Enrollment</u>
2020	1,265	167	326	131	457
2021	1,449	131	363	96	459
2022	1,295	133	382	161	543
2023	1,073	136	380	182	562
2024	1,010	130	377	151	528

The University offers online degree programs for a Master of Science in Education and a Doctor of Education and through a subscription r with an Online Program Management provider.

Tuition, Fees and Room and Board

The following table reflects the University's published undergraduate tuition, room and board for the past five academic years:

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Tuition	\$44,890	\$44,890	\$46,170	\$47,600	\$49,140
Room & Board	<u>14,580</u>	<u>14,870</u>	<u>15,390</u>	<u>15,640</u>	<u>16,320</u>
Total	\$59,470	\$59,760	\$61,560	\$63,240	\$65,460

The University has combined undergraduate student fees into its tuition price. A student's total cost of attendance may vary due to specific room and board selections, additional laboratory or course fees, or other fees that may apply depending on a specific course of study. Books, supplies, computers, personal expenses and transportation are estimated to cost a student \$4,025 per year. The University's charges are competitive with other Catholic universities and similar independent colleges and universities in the Midwest.

The following table shows the revenue from tuition, fees and room and board for the past five Fiscal Years:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Net Tuition & Fees	\$199,633	\$194,422	\$184,999	\$174,553	\$169,263
Housing	46,138	55,851	59,838	59,685	59,530
Food Service*	16,183	16,832	20,635	20,690	20,777

Note: All dollar amounts are presented in thousands.

*Includes non-student food service revenue

The University requires all first and second-year students to live in University-owned housing, which consists of approximately 6,495 student beds in residence halls, apartment complexes and houses surrounding its campus. Most full-time students who do not live in University housing live in other rental properties (apartments or houses) in the vicinity of the campus or commute from their permanent residence. Typically, over 85% of the University's full-time undergraduate students reside on or near campus in University-owned housing. The University's housing and food service operations are self-supporting and do not require operating support from the University.

Financial Aid

The University provides both need-based and merit-based financial aid to its undergraduate students provided in the form of merit-based scholarships, need-based grants, loans, and work-study. Approximately 96% of the University's undergraduate students receive some form of financial aid. Total aid to undergraduates for the 2023-24 academic year (the latest full academic year for which information was available) was approximately \$312 million, of which the University contributed approximately \$245 million; the remainder is made up of federal, state and externally funded grants, loans and work study. In addition, the University provided approximately \$12.9 million of tuition remission and tuition exchange benefits for eligible University employees and their dependents.

The number of full-time undergraduate students receiving need-based financial aid for the 2023-24 academic year was 4,751, or 60% of full-time undergraduates. Students with demonstrated financial need received financial aid totaling \$217 million, including \$54 million of federal, state and externally funded grants, loans and work-study.

The University also funds scholarships based on merit. In the 2023-24 academic year, the University awarded \$174 million in merit-based scholarships, a portion of which is intended to meet demonstrated financial need. The number of students receiving merit-based scholarships was 7,522, or 95% of full-time undergraduates.

The average annual amount of financial aid received for full-time undergraduates was \$37,677, or approximately 58% of the total annual cost of attendance. For students receiving need-based aid, the mean total family income was \$129,393. The median expected family contribution (federal EFC) to education for all full-time undergraduates was \$23,911.

Research at the University

The University conducts contract research primarily for government agencies and private industry. Most of this research is conducted through UDRI, which employs approximately 850 full-time and part-time scientists, engineers and support personnel. In addition, approximately 100 graduate and undergraduate students are engaged in sponsored research, working alongside professional and academic researchers in a variety of scientific and engineering disciplines.

UDRI occupies approximately 365,000 square feet of research space in multiple buildings on the University's main campus. Members of the UDRI staff also perform research in laboratories and offices off-campus in Dayton and at Wright-Patterson Air Force Base in Dayton, Ohio as well as in Florida, Virginia, Utah, and Georgia.

UDRI researchers have made many innovative contributions to science and technology in the areas of high-performance materials and structures, computer software, sensors, cleaner energies and power systems, aircraft sustainment and advanced manufacturing. Interaction with industry includes the transfer of technologies to the private sector for commercialization, primarily through license agreements. Technologies licensed to industry include software to quickly detect the presence of COVID-19 using X-rays; mobile systems for laser ablation of composites; technology to remove sulfur from fuels at the point of use; highly advanced memory resistive applications; specialized nanocomposite materials for use in countless advanced materials applications, from aerospace vehicles to energy; radio-frequency identification technology to ensure the quality of food, medicine and other temperature-sensitive goods during shipping; a process for economically repairing jet engine components; "phase change" materials for temperature control in buildings, medical therapy products, food service and transportation; advanced nano-fabrics, nano-fertilizers, LIDAR characterization systems, direct laser writing for chips, femto-second laser ablation, and low-cost PCR systems. Patents, copyrights and trade secrets can be transferred under license agreements. Standard industrial research agreements have been developed to protect proprietary information and patent rights. Collaborative research projects between UDRI and academic departments continue to increase, providing unique extracurricular educational opportunities to students and faculty. A major aspect of collaborative efforts involves materials engineering, advanced manufacturing, sensors and a number of science disciplines.

In Fiscal Year 2024, the University conducted sponsored research resulting in revenue of \$264.3 million. Research performed by UDRI made up \$250.6 million, or approximately 94.8% of total research revenue; the remaining research is faculty-driven and conducted through various academic departments. Approximately 95.3% of the University's sponsored research is performed under contracts with federal agencies, including the Department of Defense and the Department of Energy, among others. The remainder is performed under contracts with state and local governments, private foundations and commercial enterprises.

The following table illustrates the University's total research expenditures, including all costs associated with sponsored (both direct and indirect), over the past five Fiscal Years. These expenditures include University costs reimbursed through indirect cost recovery on government contracts.

<u>Fiscal Year</u>	<u>Expenditures (in thousands)</u>
2020	\$162,911
2021	188,071
2022	215,211
2023	240,561
2024	243,425

Budget Procedures

The University's budgets are prepared annually by the University's Office of Budget and Planning and are reviewed by the deans, vice presidents and faculty representatives. Major factors considered in determining budgets include employee compensation and benefits, tuition, room and board charges, enrollment estimates, financial aid expenditures, sponsored research revenues and expenses, fundraising, endowment income, and new programs. The annual budget must be approved by the Finance and Facilities Committee of the Board and also the full Board. General fiscal control is exercised on a daily basis through the Office of Budget and Planning, the Controller's office and local unit leadership and business managers. The Budget and Planning Office conducts a formal quarterly review of expenditures compared to budget to analyze trends, spending and potential significant variances. Follow-up and corrective action for any significant deviations from the annual budget is taken as needed by the Executive Vice President for Business and Administrative Services, the Provost and Executive Vice President of Academic Affairs and other vice presidents and senior academic and administrative personnel. Projected year-end operating results are regularly reviewed with the Finance and Facilities Committee of the Board.

Certain Financial Information

The University's financial records are maintained in accordance with generally accepted accounting principles and audited by independent auditors. The University's audited financial statements for Fiscal Year 2024 is included with this Annual Information Filing. The following table provides a history of the University's consolidated financial results for the past five Fiscal Years. Prior years have not been recast for changes in accounting presentation.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUE, GAINS, AND OTHER SUPPORT					
Student tuition and fees	\$ 412,713	\$ 436,579	\$ 437,321	\$ 437,896	\$ 437,880
Less student aid	(213,080)	(242,157)	(252,322)	(263,343)	(268,617)
Private gifts, grants and other	66,413	44,225	72,386	80,873	74,895
Private research contracts	7,946	7,106	9,825	12,888	20,988
Government grants and contracts	166,582	206,983	230,289	227,186	245,376
Investment return designated for current operations	33,506	35,055	42,719	64,544	64,284
Auxiliary enterprises	<u>86,894</u>	<u>88,104</u>	<u>106,686</u>	<u>109,380</u>	<u>110,568</u>
Total operating revenue, gains, and other support	\$ 560,974	\$ 575,895	\$ 646,904	\$ 669,424	\$ 685,374
EXPENDITURES					
Salaries and benefits	\$ 304,740	\$ 296,279	\$ 324,429	\$ 343,189	355,865
Interest expense	15,227	14,142	13,222	13,986	13,174
Depreciation	35,427	38,743	40,392	34,779	37,714
Cost of sales	12,244	10,861	14,464	16,162	16,418
Contract service and maintenance	63,503	81,780	97,002	105,618	108,538
Supplies	17,472	19,032	22,671	22,303	23,174
Utilities and communications	10,049	9,298	9,933	14,793	11,613
Other expenditures	<u>63,768</u>	<u>63,725</u>	<u>80,004</u>	<u>82,696</u>	<u>91,448</u>
Total expenditures	\$ 522,430	\$ 533,860	\$ 602,117	\$ 633,526	\$ 657,944
Change in net assets from operations	\$ 38,544	\$ 42,035	\$ 44,787	\$ 35,898	\$ 27,430
Investment return in excess (deficit) of amount designated for current operations	\$(10,798)	\$ 255,869	\$ (78,149)	\$ 25,866	\$ 55,597
Actuarial change in annuities	63	(1,257)	764	(979)	(938)
Gain/(loss) on extinguishment of debt	-	-	-	2,441	-
Voluntary separation incentive program	-	-	-	-	(9,832)
Change in unrealized (gain) loss on interest rate swap agreements	(4,237)	3,318	2,949	1,248	426
Loss on pledge write-off	-	(1,827)	(237)	-	-
Change in post-retirement benefit obligation	(7,806)	2,895	8,708	(2,103)	(4,199)
Gain/(loss) on non-operating activities	-	165	-	-	-
Gain/(loss) on disposals	(3,577)	-	5,522	(492)	(377)
Change in net assets attributable to non-controlling interest	<u>(75)</u>	<u>(98)</u>	<u>(100)</u>	<u>(664)</u>	<u>(410)</u>
Change in net assets	\$ 12,114	\$ 301,100	\$ (15,756)	\$ 61,215	\$ 67,697
Net assets at beginning of year	<u>\$1,230,175</u>	<u>\$1,242,289</u>	<u>\$1,543,389</u>	<u>\$1,527,633</u>	<u>\$1,588,848</u>
Net assets at end of year	<u>\$1,242,289</u>	<u>\$1,543,389</u>	<u>\$1,527,633</u>	<u>\$1,588,848</u>	<u>\$1,656,545</u>

Note: All dollar amounts are presented in thousands.

Faculty and Employees

As of September 2024, the University employed 615 full-time ranked instructional and clinical faculty and lecturers, among whom 42% are female, 51% have tenure, and 86% hold a terminal degree. There are an additional 16 full-time instructional personnel and 20 library faculty. The full-time faculty is augmented by approximately 295 part-time faculty members. Additionally, some full-time University staff members who are not full-time instructional faculty also teach courses at the University. The University has a student to faculty ratio of approximately 13 to 1.

The University had approximately 3,184 full-time and part-time employees as of September 2024; this includes the instructional faculty noted above and approximately 850 full-time and part-time positions at UDRI. In addition, the University has approximately 240 graduate assistants and employs approximately 3,000 students in part-time positions. Since 1966, the Dayton Public Service Union has represented the University's parking services, maintenance and food service staffs (currently approximately 155 employees). Effective January 1, 2024, the University of Dayton Police Officers Association represents all full-time and regular part-time police officers performing guard duties (currently approximately 16 employees). No work stoppages have occurred during this period of representation.

During the past five years, the number of full-time employees has increased by 6% and the number of part-time employees has decreased by 14%. These changes are largely in response to changes in student enrollment and research activity, and increased regulatory requirements. Among full-time employees, instructional and library faculty remained unchanged; UDRI employees increased 31%; and all other University staff remained unchanged. Part-time faculty decreased by 15% and the number of graduate assistants decreased by 2%.

The University believes that its faculty compensation program is competitive, allowing the University to attract and retain persons with outstanding qualifications.

Retirement Plans

The University sponsors a defined contribution retirement plan that includes substantially all of its full-time employees. The University purchases individual and group retirement annuities through Teachers Insurance and Annuity Association (TIAA) to fund retirement benefits. The University contributes between 2.5% and 9.0% of an eligible employee's salary into such annuities, depending upon the employee's contribution levels and years of service. University contributions into participant accounts vest ratably over the participant's first four years of service. The University has no unfunded pension obligation because its required plan contributions are funded on a current basis. For Fiscal Year 2024, the University contributed approximately \$15.7 million to this plan.

Through salary reduction agreements, employees may contribute additional amounts on a tax-deferred basis with a preferred investment provider, in accordance with limitations under the Internal Revenue Code of 1986, as amended.

The University also provides healthcare benefits for its retired faculty and staff who were hired before January 1, 2014; this benefit is not available to employees hired after that date. Faculty and staff are eligible for this benefit if they have either worked at the University for at least 20 years and attained age 55, or worked at the University for at least 10 years and attained age 60 while in service with the University. The plan is contributory and contains other cost-sharing features such as deductibles and co-insurance. The University makes amounts available to retirees to purchase health care insurance under this plan and the accrued liabilities associated with this plan have been recorded on the University's financial statements in accordance with generally accepted accounting principles (GAAP). For Fiscal Year 2024, the University paid approximately \$2.8 million in benefits under this plan. The accrued postretirement benefit liability was \$32.9 million as of June 30, 2024.

More detailed disclosures about these plans are found in footnote 11 to the audited financial statements of the University, which are included with this Annual Information Filing.

Long-Term Investments and Endowment

As of June 30, 2024, the University has total investments of \$1.2 billion (at market value), which include the University's Long-Term Investment Pool, direct investments in real estate, trust and annuity funds and other funds which are not included in the University's Long-Term Investment Pool. The Investment Committee of the Board is responsible for fiduciary oversight of all University investments. The Investment Committee approves investment policies and asset allocation, both of which are reviewed periodically. The University utilizes the services of outside consultants who select professional investment management firms to manage specific components of its Long-Term Investment Pool and its trust and annuity funds. These consultants oversee the day-to-day management of the investments in consultation with the Executive Vice President for Business and Administrative Services and the Assistant Vice President and Treasurer.

The University's Long-Term Investment Pool includes Endowment Funds and other unrestricted funds of the University and consists of domestic and international equities, fixed income securities, real estate securities, private real estate and private equity funds, publicly-traded mutual funds and exchange-traded funds, pooled accounts and limited partnerships. The University's Endowment Funds include funds that are subject to certain donor restrictions. Such restrictions generally require that the principal be maintained in perpetuity and that only the earned investment income be utilized, either for donor-specified purposes or for general University purpose. The Endowment Funds also include quasi-endowment funds that are designated for specific purposes by the Board.

The following table summarizes the market values of Endowment Funds, the market value of the Long-Term Investment Pool, and the Total Annual Return, for the past five Fiscal Years. The Total Annual Return includes dividends, interest and realized and unrealized gains and losses.

<u>At June 30</u>	<u>Market Value of Endowment Fund</u>	<u>Market Value of Long-Term Investment Pool</u>	<u>Total Annual Return</u>
2020	\$608,637	\$ 846,846	2.9%
2021	804,392	1,100,631	33.2
2022	771,109	1,054,406	-3.4
2023	805,161	1,128,669	9.0
2024	865,508	1,200,784	9.9

Note: All dollar amounts are presented in thousands.

Distributions from the University's endowment are governed by a spending policy that has been approved by the Board; the Finance & Facilities Committee approves the annual spending distribution each year. This policy is based on a fixed percentage of the average endowment market value for the prior twelve fiscal quarters. The amount is computed annually as of December 31 for the Fiscal Year beginning the following July 1, and must be greater than 3.75% and less than 5.75% of the December 31 market value. The Fiscal Year 2024 endowment appropriation was \$34.6 million, or approximately 4.3% of the market value as of June 30, 2023. The University applies a similar spending policy for distributions from non-endowment investments in the Long-Term Investment Pool in order to fund operations and other activities of the University.

In Fiscal Year 2024, the total amount of funds appropriated from investments (including the endowment appropriation) to fund current operations totaled \$64.3 million, or approximately 9.4% of the University's total revenue of \$685.4 million.

Approximately 26.1% of the Long-Term Investment Pool is invested in private real estate, private equity, and similar investments that have limited liquidity and may require additional capital contributions under existing ownership and investment agreements. As of June 30, 2024, the University has uncalled capital commitments to these investments of approximately \$134.1 million. It is the University's intent to fund required capital contributions through cash distributions from other limited liquidity holdings, by liquidating other long-term investments or by using excess cash generated from its normal operations.

The University also invests in certain absolute return and other alternative investments that have lock-up provisions or redemption requirements that may restrict the ability to convert these investments to cash until certain holding periods or redemption notice periods are met. The University believes that the portion of its Long-Term Investment Pool committed to such time-restricted investments is prudent given the overall financial condition of the University, the size and asset allocation of its Long-Term Investment Pool and its ability to access other sources of liquidity.

As of June 30, 2024, approximately 70.2% (or \$829 million) of the Long-Term Investment Pool is able to be converted to cash within 90 days.

The University maintains several real estate investments in the area surrounding campus which together contributed \$27.0 million of the reported \$685.4 million revenues in Fiscal Year 2024.

The University also maintains trusts, annuities and life-income funds which are subject to the conditions of the gift instruments and are donated to the University through deferred gift agreements (Life Income Funds). The assets received under these agreements pass to the University at the time of the death of the annuitant or life-income beneficiary. These Life Income Funds are invested by an independent investment manager in a manner consistent with the current income requirements of the beneficiaries and expected termination dates of the annuities or trusts. The Life Income Funds had a market value of \$15.5 million on June 30, 2024. The investments in the Long-term Investment Pool and the Life Income Funds are held by independent custodians.

Liquidity and Availability

The University is able to fund its current operations from its operating cash flows, including any amounts drawn from its investment and endowment funds in accordance with its approved spending policy. Cash flows of the University vary throughout the Fiscal Year due to tuition billings as well as concentrated contributions received at calendar and Fiscal Year ends. Normal practice is to regularly monitor the University's liquidity needs to meet operating and commercial commitments, while optimizing any short-term cash investment opportunities. The University also has financial policies in place to ensure that sufficient cash is readily available in order to meet ongoing operating needs and debt service requirements in the event that sources of its normal income are not available. These policies consider the University's ability to liquidate portions of its long-term investments within a specified time period and the availability of its two committed bank lines of credit.

Gifts, Grants and Bequests

The University solicits cash gifts, pledges and bequests from alumni and other constituents for current use, endowment, capital projects, and other needs. The University also receives various gifts and grants from corporations, private foundations and agencies of the federal government. The audited consolidated statement of activities includes the amount of gifts recognized each Fiscal Year, including cash gifts, new pledges and other donor gift commitments. The following table sets forth the amount of cash and cash equivalent gifts (including stock & property) and grants received by the University for the last five Fiscal Years:

<u>Fiscal Year</u>	<u>Total Annual Support (Unrestricted Cash Gifts)</u>	<u>Cash Gifts and Grants</u>	
		<u>Restricted for Endowment & Other Uses</u>	<u>Total Cash Gifts and Grants</u>
2020	\$4,181	\$29,691	\$33,872
2021	4,663	29,452	34,115
2022	5,076	33,908	38,984
2023	4,431	29,619	34,050
2024	4,306	32,390	36,696

Note: All dollar amounts are presented in thousands.

The University also receives in-kind gifts to support a variety of operational and academic purposes. The amounts of these gifts vary from year to year and do not represent a significant source of gift income for the University.

In April 2023, the University launched the public phase of its “We Soar” major fundraising campaign. The goal for new fundraising commitments was \$400 million for the total campaign, in addition to other participation and engagement goals for University constituents. The campaign has already surpassed its goal of \$400 million, having raised \$423 million as of December 31, 2024. The campaign will conclude June 30, 2025.

There can be no assurance that the amount of gifts, grants and bequests received by the University will remain stable or increase in the future. Future economic and other conditions and actions by the federal government, including changes in regulations affecting the tax treatment of such contributions, may affect the level of giving in the future.

Insurance

The University maintains comprehensive insurance coverage on its assets. Buildings, other real property and equipment are insured on a replacement-value basis with a \$250,000 deductible. For the 2024-2025 policy year (ending August 1, 2025), the University is insured for an aggregate amount of \$2,070,040,073 which includes business interruption insurance that protects the University against loss of income from closure caused by insured events.

The University also maintains insurance coverage for personal injury and property damage under a comprehensive general liability policy with a \$500,000 self-insured retention and loss limits of \$5 million per occurrence and \$10 million general aggregate. It also carries other insurance policies for specific types of losses, and umbrella policies that increase this coverage substantially. The University maintains insurance coverage for cybersecurity risk with a \$250,000 self-insured retention and loss limits of \$10,000,000 in the aggregate. The University considers these policies to be comparable to those carried by similar universities and businesses.

Financial Obligations

The following table sets forth the University's total outstanding principal balance of its long-term indebtedness as of June 30, 2024 and 2023.

	Final Maturity	Outstanding Principal Balance June 30, 2024	Outstanding Principal Balance June 30, 2023
Notes and Term Loans:			
Term Loan – 1401 S Main	2025	1,980	1,980
Senior secured note	2027	10,804	12,970
Other various notes	Various	436	549
Revenue Bonds:			
2003, due serially	2023	-	1,225
2006, due serially	2023	-	3,620
2015 Series A, due serially	2045	49,775	49,775
2015 Series B, due serially	2035	14,110	14,980
2016 Series A, due serially	2026	22,625	25,500
2016 Series B, due serially	2030	20,870	20,870
2018 Series A, due serially	2048	62,190	63,490
2018 Series B, due serially	2036	40,610	42,540
2020, due serially	2042	37,040	37,040
2022 Series A, due serially	2052	46,080	46,080
2022 Series B, due serially	2044	37,335	39,060
		<u>\$343,855</u>	<u>\$359,679</u>
Net unamortized premium		\$20,390	\$22,903
Net unamortized issuance cost		<u>(2,238)</u>	<u>(2,486)</u>
		<u>\$362,007</u>	<u>\$380,096</u>

Note: All dollar amounts are presented in thousands.

The University maintains revolving credit agreements with two banks totaling \$40 million. The agreements, which are \$20 million and \$20 million, respectively, are due to expire on January 31, 2025 and February 28, 2025. The University intends to renew both lines of credit. As of June 30, 2024, there are no outstanding draws on either line of credit.

Additional information regarding the University's indebtedness can be found in footnote 9 in the audited financial statements included with this Annual Information Filing.

Also, as more fully described in footnote 9 of the audited financial statements included with this Annual Information Filing, in 2014 the University entered into a joint venture to acquire and renovate a hotel adjacent to its campus. The University is a 90% partner in this venture, and the acquisition and renovation was financed with a combination of equity and debt. The University has recorded a \$11 million senior secured note related to this transaction in its consolidated financial statements as of June 30, 2024.

As more fully described in footnote 10 of the audited financial statements included with this Annual Information Filing, the University has entered into an interest rate swap agreement with Morgan Stanley Capital Services, Inc. as counterparty to manage interest rate risk associated with its long-term variable rate debt.

The table below summarizes certain information as of June 30, 2024, relating to the interest rate swap agreement mentioned above:

<u>Current Notional Amount</u>	<u>Related Debt</u>	<u>Fixed Rate Paid</u>	<u>Rate Received</u>	<u>Effective Date</u>	<u>Termination Date</u>	<u>Mark-to market Termination Value (Cost) to the University</u>
\$22,625	Commission Bonds, 2016A	3.75%	67% of one- month LIBOR ¹	March 28, 2007, amended March 30, 2016	December 1, 2032	\$(1,094)

Note: All dollar amounts are presented in thousands.

¹ The University has adopted the ISDA Fallback Protocol for U.S. dollar LIBOR for this swap.

As with all derivative financial instruments, a party to a swap agreement may not be able to honor its financial commitments under such agreement ("counterparty risk"). The University conducts a periodic review and evaluation of the creditworthiness of its counterparties to evaluate its counterparty risk. The University is not required to post collateral or any other type of security for the swap agreement described above