Annual Financial Report

2024

Tufts
UNIVERSITY

Tufts University Highlights
Fiscal Years Ended June 30, 2024 and 2019

	2024	2019
FINANCIAL ($ in thousands)		
Total operating revenue without donor restrictions (unrestricted)	$1,246,127	$949,947
Total net assets	$3,493,573	$2,672,656
Land, buildings and equipment, net	$1,283,051	$1,125,280
Investments	$3,131,828	$2,377,655
Bonds and notes payable	$940,998	$758,730
CREDIT RATING		
Standard & Poor's	AA-	AA-
Moody's	Aa3	Aa2
STUDENTS		
Enrollment (full-time equivalent enrollment)		
Undergraduate	6,727	5,538
Graduate	3,671	3,349
Professional	2,110	2,092
Certificate and other	107	173
Total full-time equivalent enrollment	12,615	11,152
Undergraduate admission		
Applicants	34,432	22,766
Selectivity	11.5%	14.9%
Yield	46%	47%
SAT (mean)	1,507*	1,455
ACT (mean)	34.0*	32.8
Total undergraduate student charges (tuition, room, board, mandatory fees)	$85,504	$70,942
PERSONNEL		
Faculty	1,374	1,254
Staff	3,707	3,297
Total full-time equivalent	5,081	4,551
FACILITIES		
Gross square feet	5,995,684	5,656,040

Campuses – Medford/Somerville, Boston (Health Sciences campus, SMFA campus), Grafton

*Test scores for matriculating students who asked Tufts to consider their SAT/ACT scores

In Fiscal Year 2024, Tufts University welcomed its 14th president, Sunil Kumar. With a renewed passion for innovation and as part of a continued push for Tufts to be a preeminent, mid-size, R1 AAU university, President Kumar identified five strategic themes to bring the university forward: Educating responsible leaders for tomorrow, providing transformative experiences, expanding our research footprint, broadening our definition of what it means to be a student, and giving back to the community. Already, the university shows strength in these areas and continues to advance them.

Demand for undergraduate programs continued to grow, with 34,432 applications. With an acceptance rate of 11.5% and a matriculation rate of 46% resulting in 1,801 first-year students, selectivity remains high. The university's full-time enrollment grew to 12,615 undergraduate and graduate students across four campuses, a 13% increase over the last five years. However, curricular innovation is key to future educational program portfolio growth. Many of the university's graduate schools are embracing online and modular program delivery to meet evolving student preferences and extend access to Tufts education to a broader population of students. To continually innovate the long-stable education of MD students, the School of Medicine is considering options to lead disruption with programs of varying lengths and the expansion of rural medicine programs. Cummings School of Veterinary Medicine is exploring similar levels of innovation through its 2030 Vision Initiative, through which the school Is exploring the idea for a consortium approach to a hybrid online DVM program. Through its strategic transformation initiative, the Friedman School of Nutrition Science and Policy has re-envisioned its entire program portfolio and has revised offerings, including a new online master's program, that are expected to open for admission this fall. The Fletcher School continues its strategic review of program offerings as well.

Programs added in the last several years, designed to be responsive to the market, continue to drive significant volume for the university's program portfolio. These include the doctor of physical therapy, master of science in data science, the master of science in data analytics, and online adaptations of the post-baccalaureate and master of science in computer science. Having launched a significant number of new programs in the last few years, going forward, Tufts will increasingly focus on scaling existing programs while looking for any newly launched programs to have the potential to be truly innovative, to be differentiated and to have global impact.

To address housing needs on the Medford/Somerville campus, the university is pursuing innovative alternative models (including Public-Private Partnership or "P3") for design, construction, operation and maintenance, and financing of a new residence hall to ensure resources are being used most effectively.

Over the past several years, the university has reemphasized its commitment to research. Research expenses grew to $208.8 million in Fiscal Year 2024 from $193.1 million a year ago representing an 8.1% increase, and a 19.6% increase from five years ago. Tufts is recognized as an industry leader in several key areas. For example, infection and immunity, which focuses on innovative research in infectious diseases, antimicrobial resistance, and immune responses, is supported by resources like the New England Regional Biosafety Laboratory and NIH-funded programs. Biomedical sciences and animal research are bolstered by robust core research facilities and an AAALAC-accredited animal research program essential for translational medicine and NIH funding.

Key Financial Highlights (5-year trend and compound annual growth rate)

(in millions of dollars)	**2020**	**2021**	**2022**	**2023**	**2024**	**5-Year CAGR**
Operating revenue*	$ 971	$ 1,028	$ 1,131	$ 1,202	$ 1,246	5.6%
Operating expenses*	960	998	1,091	1,160	1,227	5.4%
Compensation*	570	566	607	678	720	5.3%
Non-compensation*	390	432	484	482	507	5.7%
Operating results*	10.9	30.2	40.7	42.0	18.7	17.1%
Net assets	2,692	3,498	3,259	3,329	3,494	5.5%
Endowment	1,937	2,699	2,391	2,450	2,578	6.2%

* Without donor restrictions (unrestricted)

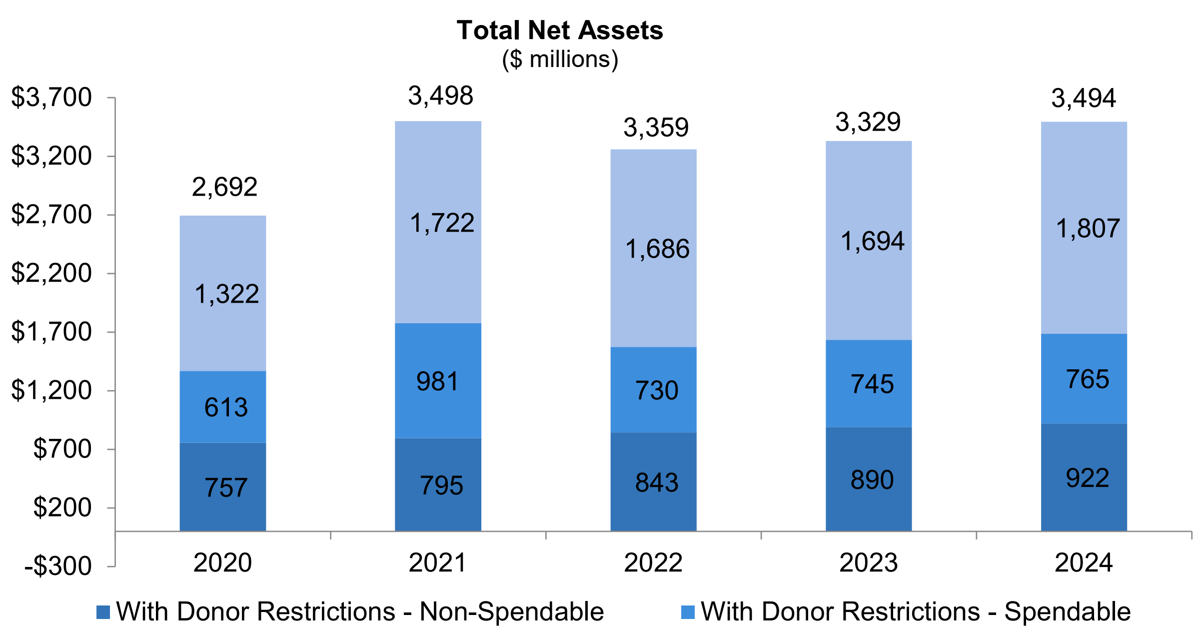
Clinical and Translational Science is advanced through the Clinical and Translational Science Institute (CTSI), linking basic science discoveries to clinical applications to improve patient care. The One Health and Global Health initiatives promote integrated research in human, animal, and environmental health, aligning closely with Tufts' focus on climate and environmental research, which targets climate resilience and sustainability. Further, emerging strengths in cellular agriculture and food is medicine emphasize sustainable food production and nutrition-based disease prevention. Additionally, the Tufts Institute for AI fosters advancements in artificial intelligence and data science through interdisciplinary research. Collectively, these areas underscore Tufts' commitment to multidisciplinary research, innovation, and addressing pressing global issues in health, environment, and technology.

Financially, the university remains strong. Investment returns helped increase net assets by $165 million in Fiscal Year 2024 to $3,494 million, a 5.0% increase over the prior year. Operating revenues grew to 1,246 million, a 3.7% increase over the prior year, resulting in an operating margin of $18.7 million, or 1.5%.

The university's endowment grew to $2.6 billion, a 5.2% increase from the prior year largely driven by investment returns. Over the past five years, the endowment has grown by $668 million, or 35.0%. These increases serve a dual purpose as they both help to sustain current operations, financial aid, and strategic initiatives as well as provide the university financial resources to support future generations of faculty, researchers, and students.

Graduate program enrollment and increasing pressures on salaries and non-compensation expenses proved challenging in Fiscal Year 2024. However, the university absorbed cost increases and enrollment pressures to achieve an operating margin of $18.7 million. Operating revenue increased by 3.7% while operating expenses increased by 5.8% in Fiscal Year 2024. Revenue improvements were largely driven by net tuition, fees, room and board which increased by $24.4 million, or 3.9%, and investment return utilized which increased by $17.8 million, or 12.8% compared to the prior fiscal year. However, expense increases caused by continued inflationary pressures and higher salaries and benefits cost resulted in an increase of $41.5 million, or 6.1% compared to the prior fiscal year, largely offsetting the revenue increases. Further increases in materials and supplies costs driven by continued high inflation resulted in an increase of $17.6 million, or 10.4% compared to the prior fiscal year.

STATEMENT OF FINANCIAL POSITION

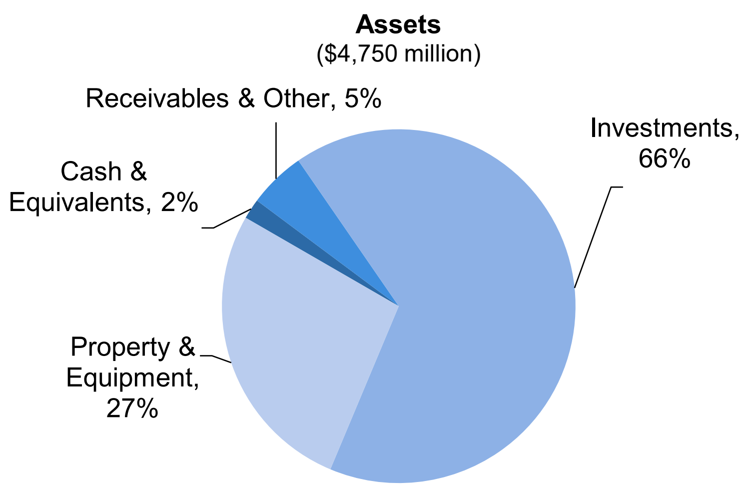


NET ASSETS

The university's net assets continued to grow during Fiscal Year 2024, largely as a result of strong investment returns and positive operating margins. At $3.5 billion, the university's net asset balance exceeded the $3.0 billion threshold for the fourth consecutive year.

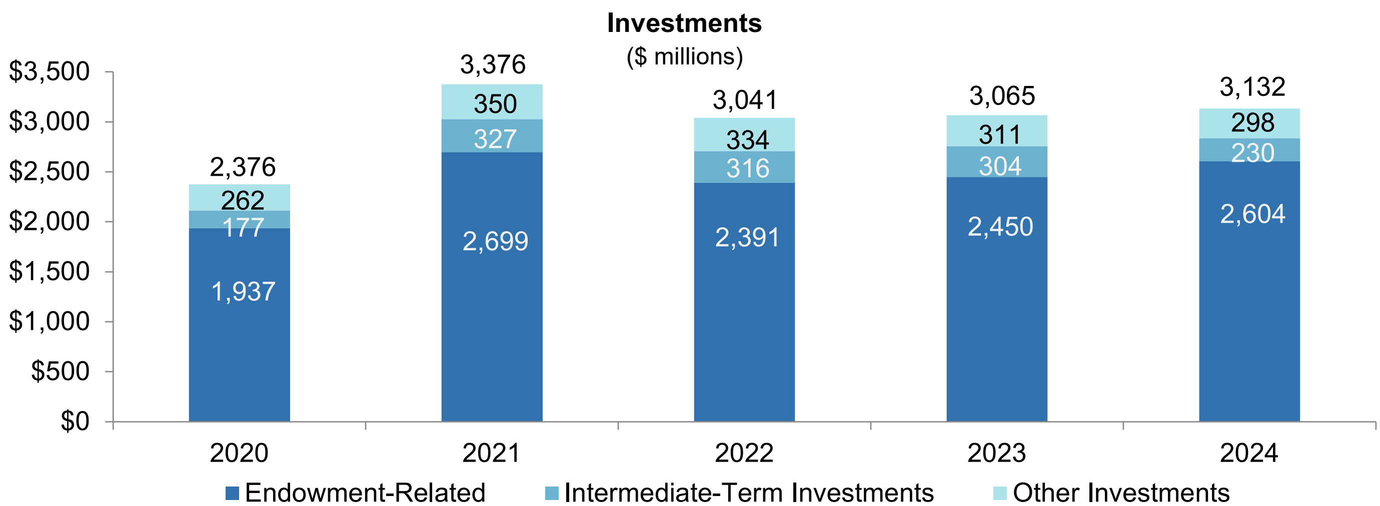
ASSETS

The university has assets of $4.8 billion, with investments representing 66% and property and equipment representing 27% of the total. Total assets increased by $147 million, or 3%, during Fiscal Year 2024 predominantly due to increases in long-term investments and property and equipment. Offsetting these increases was a decrease in intermediate-term investments liquidated to fund property and equipment additions and other operating costs.



Investments

Long-term and intermediate-term investments totaled $3.1 billion at the end of Fiscal Year 2024, increasing approximately $67 million from the prior year end. Long-term investments totaled $2.9 billion. Intermediate-term investments totaled $230 million. Please refer to the 2024 Endowment and Investment Report section of this report for additional discussion of the endowment and investments.



Land, Buildings, and Equipment

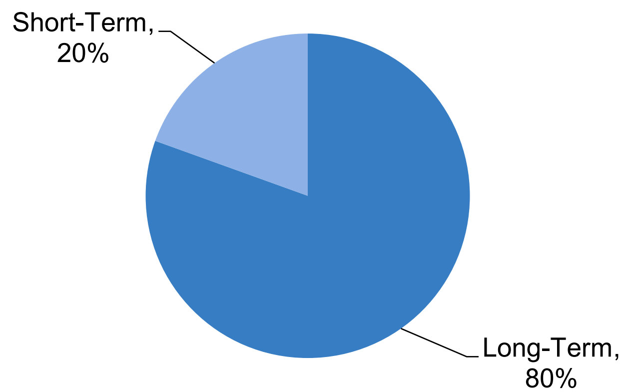
Land, buildings, and equipment had a $1.3 billion book value, net of depreciation, as of June 30, 2024, growing approximately $64 million, or 5.2%. Total capital expenditures of $134 million resulted largely from to the completion of Huskins Field (baseball), Hill Hall renovations, Dowling Hall garage repairs, and Vouté tennis court improvements. Major projects in progress include continued work on the Biomedical Research and Public Health (BRPH) building roof and HVAC systems, a CT scanning facility at Cummings School, and renovations of Eaton Hall, Halligan Hall, Bacon Hall, and Blakeley Hall. New projects include Pearson Chemical Laboratory and Jackson Gym utility conversion and renovations, Hodgdon Hall cafeteria renovations, and BRPH Arnold Laboratory improvements.

LIABILITIES

Liabilities totaled $1.3 billion, decreasing by $17 million, or 1%, from the prior fiscal year end. This was primarily due to reductions in bonds and notes payable resulting from payments made, and interest rate agreement liabilities as a result of increases in market interest rates. Increases in accounts payable and accrued liabilities partially offset the overall decrease.

Long-term liabilities include bonds and notes payable, interest rate agreements, lease liabilities, and government advances for student loans. Current liabilities include accounts payable, deferred revenue, and other liabilities.

Liabilities
($1,257 million)



Debt

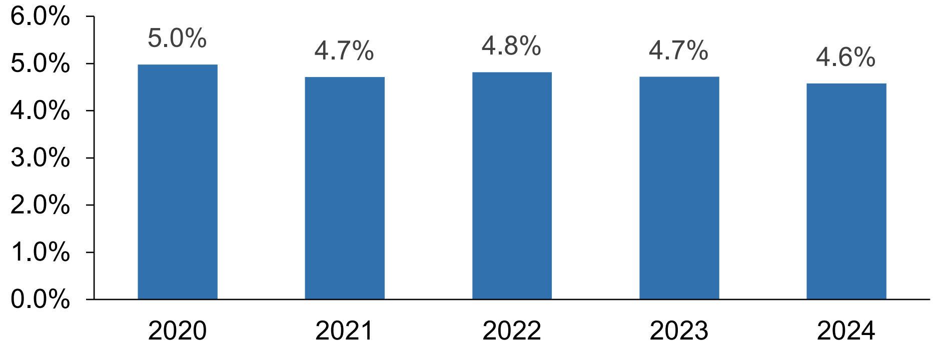
The university's outstanding debt totaled $941.0 million as of June 30, 2024, a decrease of approximately $11.2 million from June 30, 2023, reflecting principal payments made during the fiscal year.

The liability associated with interest rate agreements decreased from $28.8 million as of June 30, 2023, to $21.4 million as of June 30, 2024. These long-term agreements are matched to the university's variable rate debt to effectively create fixed-rate obligations. The agreements do not contain financial covenants or require the university to post collateral. The liability associated with the agreements, which is a function of market interest rates, reflects the market termination cost as of June 30, 2024. The university does not intend to retire the agreements and therefore does not expect to incur the obligation for early retirement.

In June 2023, the university's debt and interest rate swap agreements referencing the London Interbank Offered Rate (LIBOR) transitioned to the Secured Overnight Financing Rate (SOFR). The university's overall weighted average cost of capital as of June 30, 2024, was 4.29%, and the average life of the outstanding debt was 37.5 years.

The debt service to operating expense ratio, which measures the impact of annual debt service (interest and principal payments) on operations, was 4.6% in Fiscal Year 2024. This is consistent with the university's goal of maintaining debt service levels at no more than 5.0% of operating expenses. Over the past five years, the ratio ranged between 4.6% and 5.0%, enabling the university to maintain its strong credit ratings while benefiting from a low cost of capital.

Debt Service Ratio
(Debt Service/Operating Expenses)



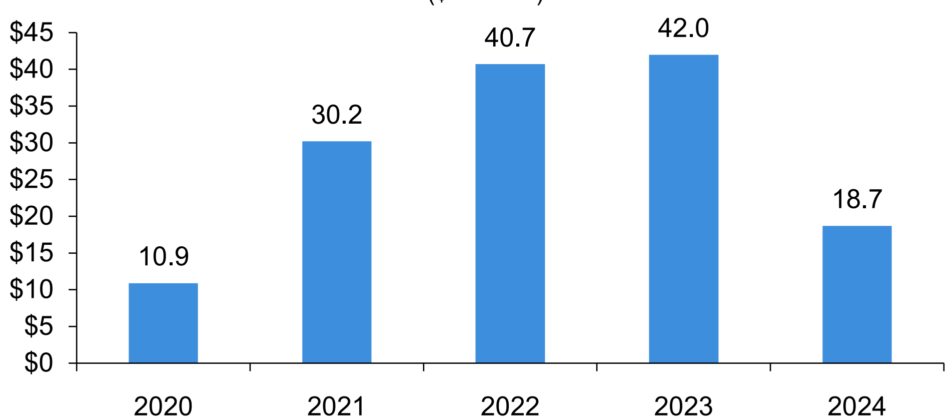
STATEMENT OF ACTIVITIES

Operating Result without Donor Restrictions

Net unrestricted operating results contributed $18.7 million to unrestricted net assets in Fiscal Year 2024, down from $42.0 million in Fiscal Year 2023.

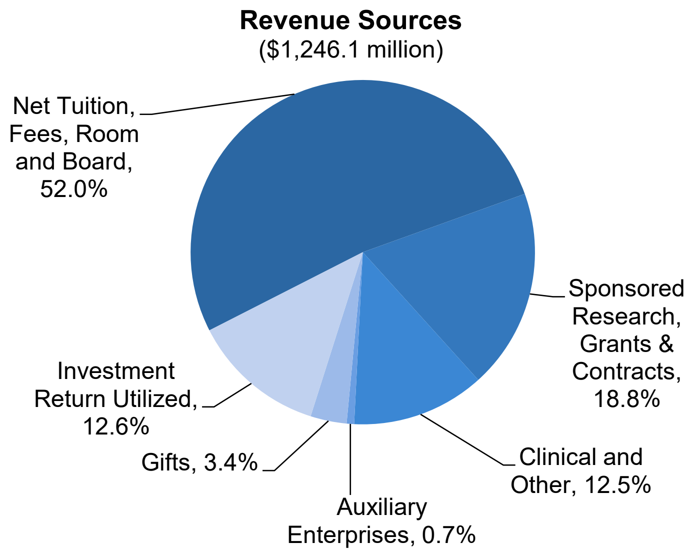
Unrestricted operating revenue was $1,246.1 million in Fiscal Year 2024, an increase of $43.9 million from the prior fiscal year. Increased tuition, fees, and room and board revenue resulted from planned rate increases and higher undergraduate enrollment as well as expansion of the doctor in physical therapy program in Phoenix, AZ, offset by reduced enrollment in master's programs. Increased clinical activity and investment return utilized for operations, supported by higher interest rates on cash, also contributed to revenue growth. Operating expenses grew $67.2 million in Fiscal Year 2024 to $1,227.4 million, largely driven by increases in compensation and materials and supplies costs.

Unrestricted Operating Results
($ millions)



REVENUE

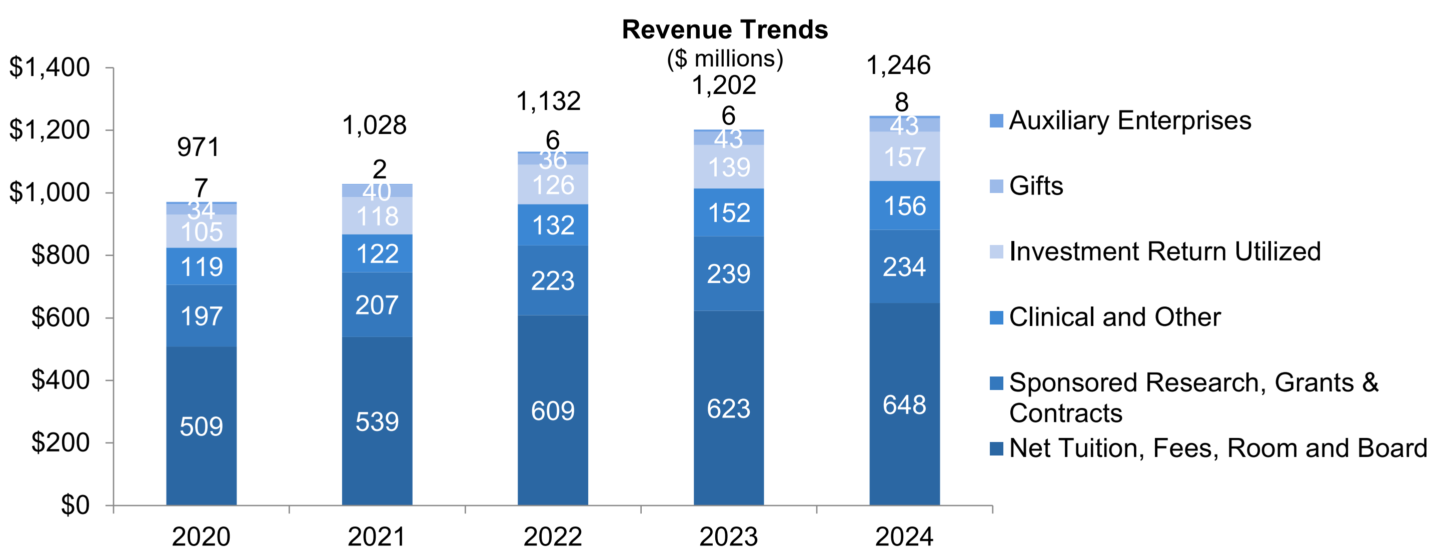
Unrestricted operating revenue increased 3.7% in Fiscal Year 2024, bringing the five-year compound annual growth rate to 5.6%. The university's diverse revenue base mitigates the impact of changes in any one revenue source.



Tuition, Fees, and Room and Board

Gross tuition, fees, and room and board increased 3.8% to $835.5 million due to tuition and fee increases offset by a reduction in graduate student enrollment. Net tuition, fees, and room and board (gross revenue minus financial aid) grew $24.4 million, or 3.9%, to $647.5 million. Room and board grew $3.8 million, or 5.0%, as a result of increases in fees and housing occupancy.

Undergraduate total student charges increased approximately 4.3% while undergraduate enrollment increased by 33 students, primarily in the School of the Museum of Fine Arts. Enrollment in graduate and professional degree programs decreased by 19 students, with growth in the new doctor of physical therapy program in the School of Medicine offset by decreases in master's programs in several schools including the School of Arts and Sciences, the Fletcher School, the Friedman School, and the School of Medicine.



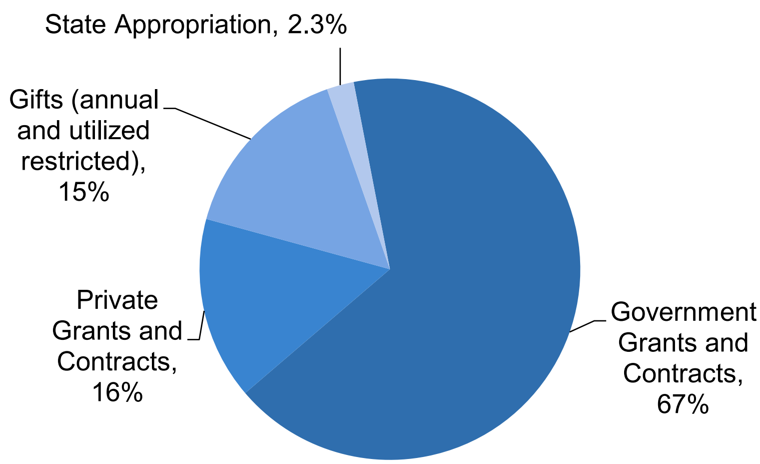
Financial Aid

Financial aid for undergraduate and graduate degree programs totaled $195.6 million in Fiscal Year 2024, an increase of 3.0% over the prior fiscal year. This amount includes $188.0 million in scholarships reported in net revenue on the Statement of Activities and another $7.6 million of aid in excess of student charges reported as an expense on the Statement of Activities (in accordance with generally accepted accounting principles).

Sponsored Research, Grants, Contracts, and Gifts

Sponsored research, grants, contracts, and gifts consists of sponsored research grants and contracts from government and private sources, the Commonwealth of Massachusetts appropriation for Cummings School, annual fund gifts, and utilized restricted gifts, totaling $277.1 million, a decrease of $4.2 million, or 1.5%, from the prior fiscal year.

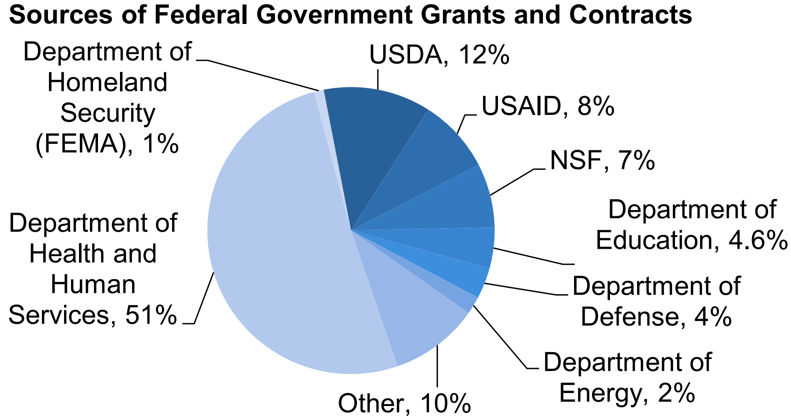
Sponsored Research, Grants, Contracts, and Gifts
($277.1 million)



Government grants and contracts decreased $2.9 million, or 1.6%. This decrease is largely driven by a net decrease in reimbursements of pandemic response costs from FEMA of $21.0 million as compared to the prior fiscal year. Excluding these reimbursements, other government grants and contracts increased by $18.1 million. Private grants and contracts decreased $1.7 million, or 3.7%, while gifts activity was consistent with the prior fiscal year.

In Fiscal Year 2024, relative funding levels from U.S. government agencies remained consistent with the prior year with the exception of the Department of Homeland Security (FEMA), which decreased significantly. The majority of U.S. government-sponsored activity continues to be supported by the Department of Health and Human Services (DHHS) which makes up 51% of the portfolio.

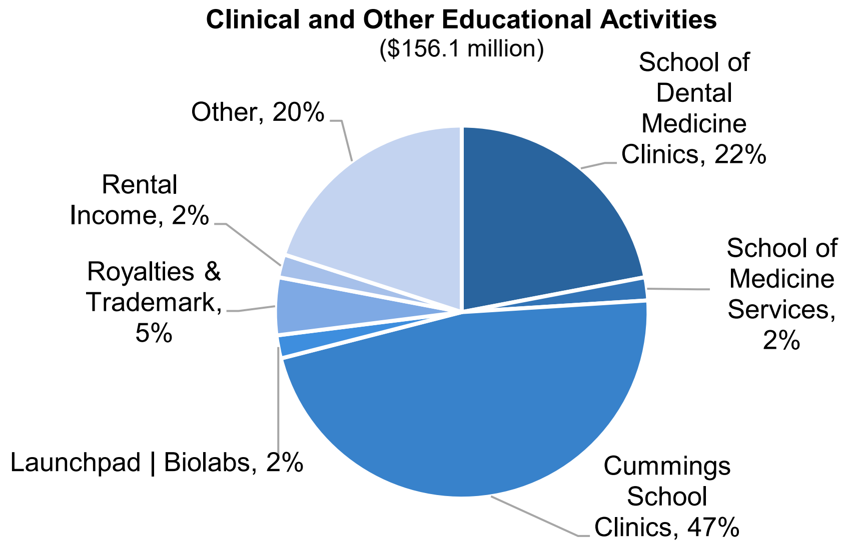
Sources of Federal Government Grants and Contracts



Clinical and Other Educational Activities

Revenue from clinical and other educational activities was 2.6% higher than in the prior fiscal year, increasing to $156.1 million. This revenue source consists mainly of clinical revenue from Cummings School and the School of Dental Medicine, but also includes service revenue from the School of Medicine as well as rent, royalties, and income from Tufts Launchpad | Biolabs. Related to clinical revenue, Cummings School activity increased $10.7 million, or 17.2%, and School of Dental Medicine activity increased $0.8 million, or 2.3%, each as a result of higher patient volumes and fee increases.

Royalties and trademark revenue, which includes a trade name and trade license agreement with Tufts Medicine, decreased $2.4 million compared to the prior fiscal year while revenue from Tufts Launchpad | Biolabs decreased 1.6% to $3.3 million. Other decreases are a result of a one-time payment related to Swine Unit II on the Grafton campus in Fiscal Year 2023.



Investment Return Utilized

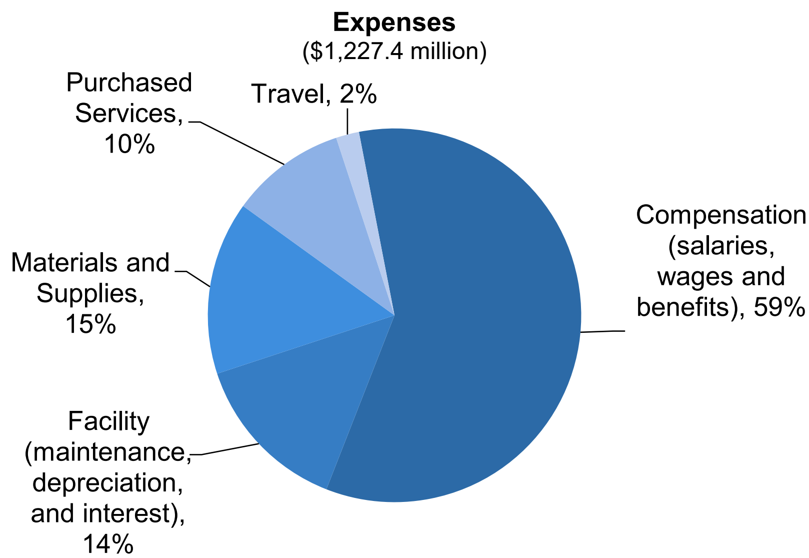
Investment return utilized increased to $157.2 million, a 12.8% increase compared to the prior fiscal year. This amount includes investment income distributed and utilized from the endowment and other investments, utilization of donor restricted distributions, and income earned on working capital.

The endowment and other investment return utilized increased $12.5 million, or 9.9% driven by market increases, endowment gifts and increased utilization of donor restricted distributions while the payout rate remained level. Please refer to the 2024 Endowment and Investment Report section of this report for additional discussion on the endowment and investments utilization.

The investment return utilized on working capital increased $5.3 million, more than 40% higher than the prior fiscal year primarily due to increased short-term interest rates.

EXPENSES

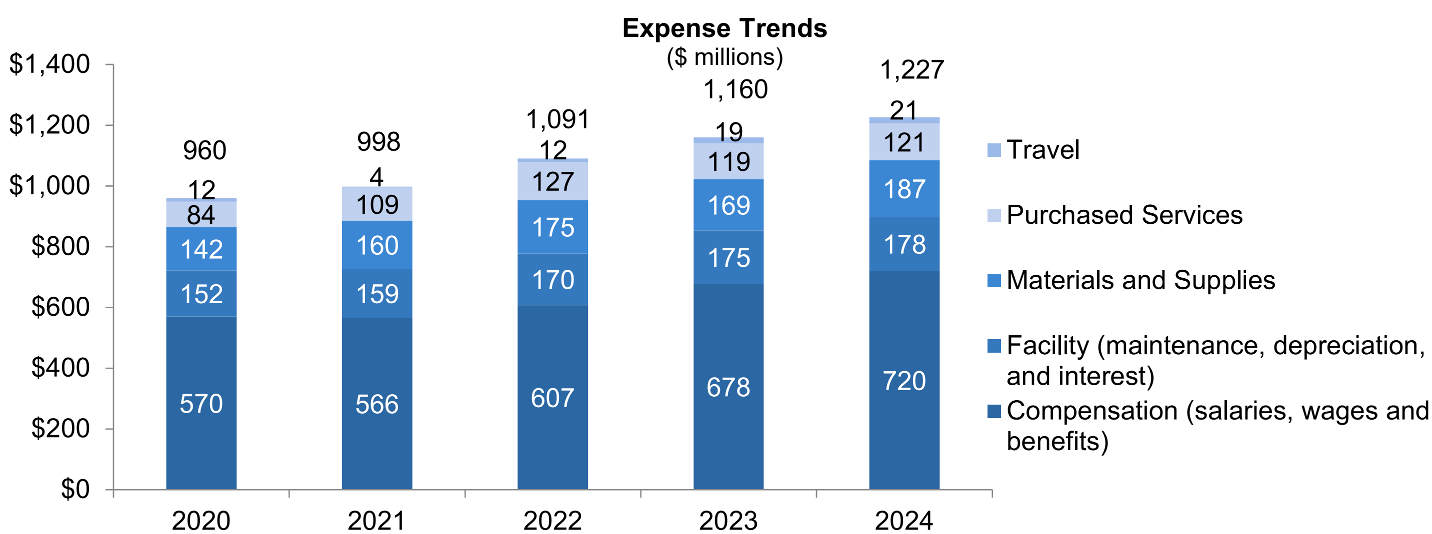
Operating expenses increased 5.8% to $1,227.4 million, bringing the five-year compound-annual growth rate to 5.4%. Compensation remains the largest expense, at 59% of the total, with relative spending levels in other categories consistent with the prior fiscal year.



Compensation Costs (Salaries, Wages, and Benefits)

Compensation costs increased $41.5 million, or 6.1%, to $720.0 million in Fiscal Year 2024, resulting in a five-year compound annual growth rate of 5.3%. Specifically:

- The salaries and wages component of compensation costs increased $42.5 million, or 7.8%, as a result of planned investments to meet the demand of enrollment growth over the past few years, coupled with increased success in hiring and retaining employees. In addition, the number of full-time equivalent faculty and staff increased by 244. The five-year compound annual growth rates for salaries and wages for faculty and staff were 4.2% and 6.1%, respectively.
- Benefits expenses totaled $134.0 million in Fiscal Year 2024, a 0.7% decrease from the prior fiscal year. The five-year compound annual growth rate in benefits was 4.7% for Fiscal Year 2024. Health insurance, contributions to the university's 401(a) plan, and employer payroll taxes, constituting more than 90% of benefits costs, increased 5.1%. Other benefit costs decreased 61.8% primarily due to a reduction in the accrued vacation liability resulting from a change in policy.



Non-Compensation Costs

Non-compensation costs, totaling $507.4 million for the year, increased $25.7 million from the prior fiscal year resulting in a five-year compound annual growth rate of 5.7% for Fiscal Year 2024. Specifically:

- Materials and supplies costs (e.g., consumables, rent, periodicals, aid, and software) increased $17.6 million, or 10.4%, largely due to continued inflation and other increases in technology expenses, clinical supplies, and consumable expenses.
- Purchased services costs increased $2.3 million, or 2.0%, with increased subcontracted service expenses on grants partially offset by reduced use of outside consultant services.
- Facilities-related costs including operations and maintenance, depreciation, and interest, increased $4.4 million, or 2.5%, primarily due to new facility and equipment depreciation and technology infrastructure costs partially offset by savings from lower utility rates.
- Travel costs increased $1.4 million, or 7.1%, as a result of additional fundraising events and grant-related travel.

STATEMENT OF ACTIVITIES

***Operating Results with Donor Restrictions
and Non-operating Activities***

Restricted Operating Results

Operating results with donor restrictions reduced net assets by $12.1 million. This amount includes $24.4 million in sponsored research, grants, and contracts received or awarded and $29.6 million in restricted contributions received or pledged. This was offset by $98.5 million in assets released for use for which restrictions were met, including $35.8 million of private grant funding, $30.2 million in restricted contributions, and $32.5 million of restricted endowment distributions.

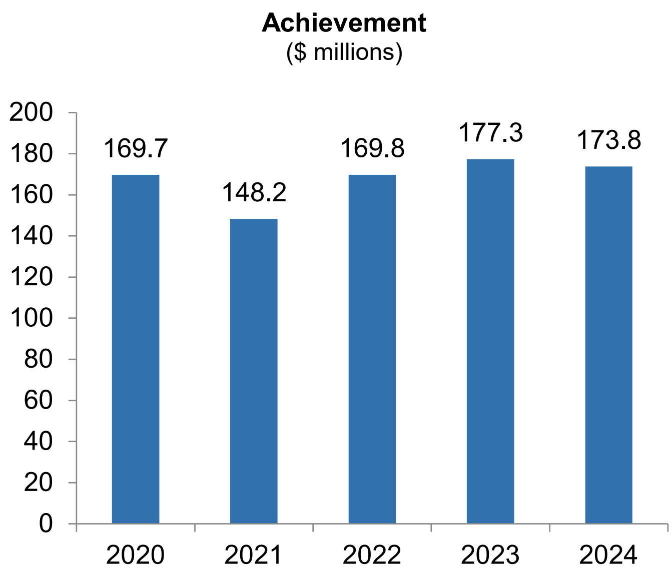
Non-Operating Activities

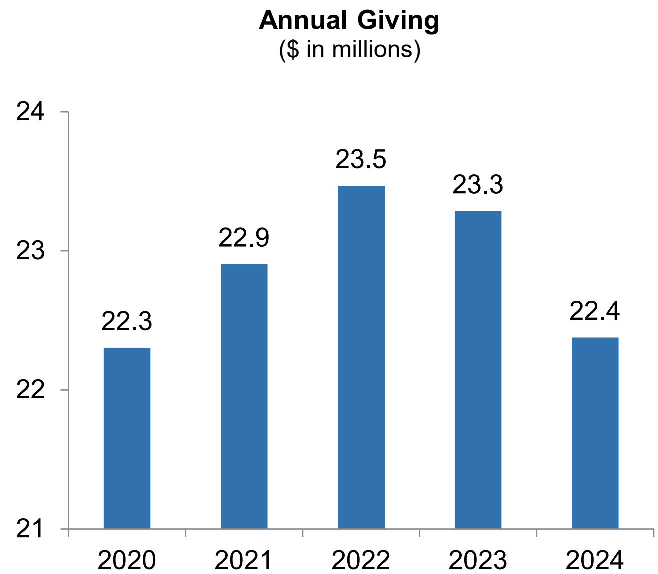
Non-operating activities resulted in a gain of $158.1 million to the university’s net assets in Fiscal Year 2024, largely driven by investment returns and contributions. Specifically:

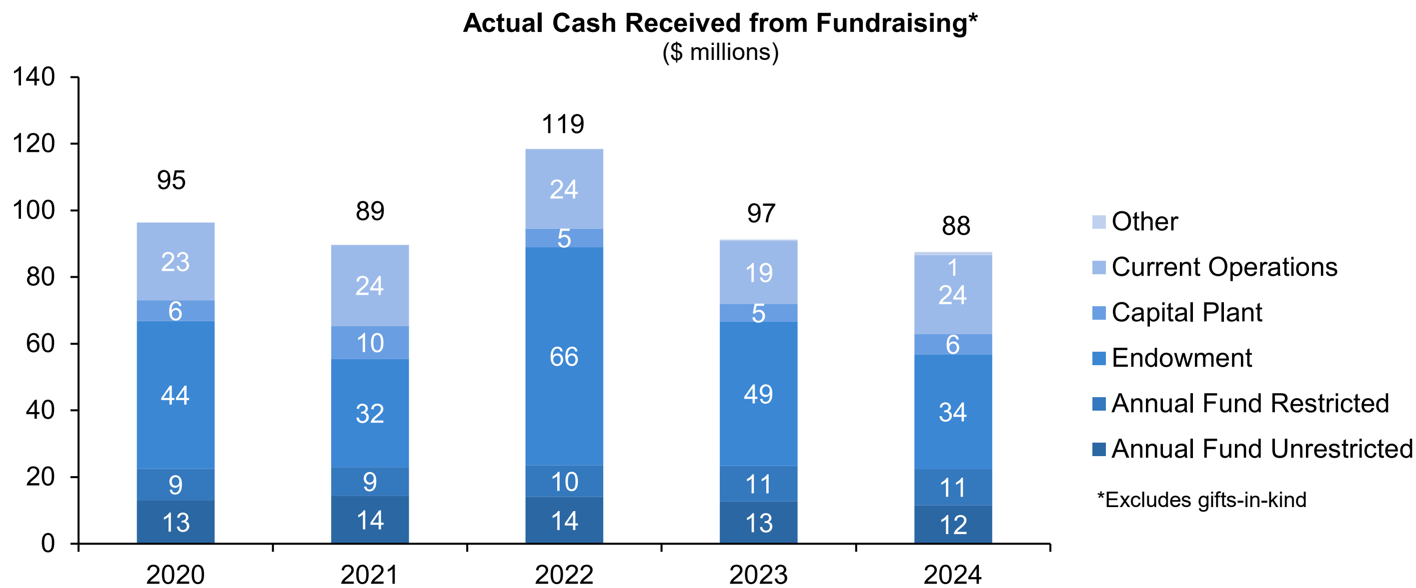
- Investment returns reinvested, net of utilization to support operations, resulted in a gain of $99.2 million. This result was driven by market returns exceeding spend distributions for operations. Please refer to the 2024 Endowment and Investment Report section of this report on page 15 for additional discussion on the endowment and investments.
- Non-operating contributions and grants (endowed gifts, capital gifts, gifts-in-kind, capital grants and bequests received) added $57.0 million to the university’s net assets, predominantly due to $34.5 million in endowment contributions, $13.4 million in capital grants, $5.2 million in gifts-in-kind, and $3.5 million in gifts for facilities.
- At the end of Fiscal Year 2024, the university recorded a $7.5 million gain related to long-term interest rate agreements. The liability associated with these agreements decreased as a result of year-over-year increases in market interest rates.

ADVANCEMENT

The university exceeded its Fiscal Year 2024 fundraising goal of $165.0 million, with total achievement (outright gifts plus pledge commitments) of $173.8 million. This was 2.0% lower than the previous year's achievement, which coincided with the end of the Brighter World campaign and was the most productive year in 15 years. The university's annual funds, which provide support for Tufts' most immediate needs and priorities, accounted for $22.4 million of the funds raised. Capital giving of $151.4 million exceeded the goal of $141.8 million. More than 29,000 individual donors supported the university in Fiscal Year 2024. Of that total, 46.9% were university alumni.





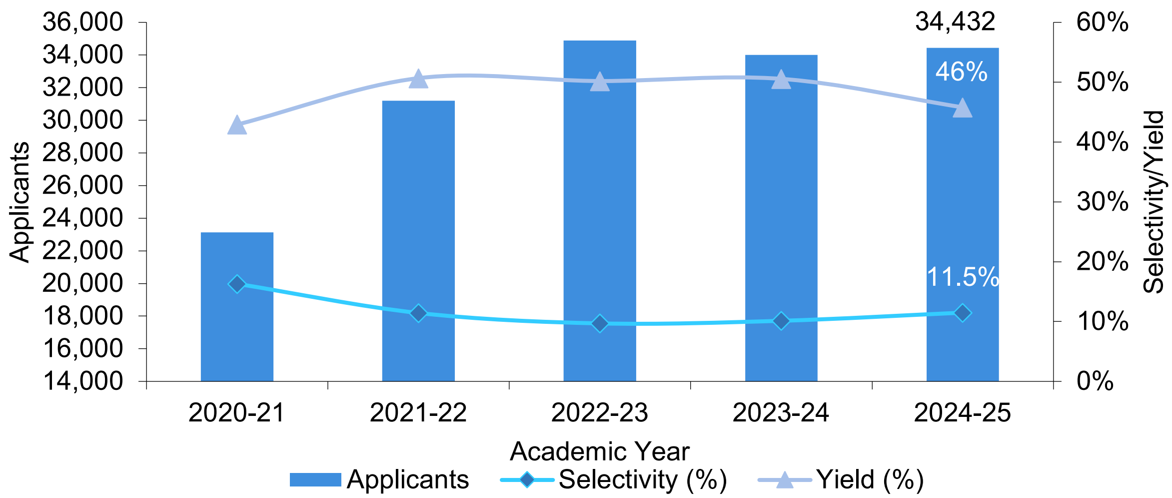


UNDERGRAGUATE STUDENT DEMAND AND ACADEMIC STRENGTH

The university continues to experience strong student demand, an important contributor to Tufts' financial strength. For enrollment in Academic Year 2024-25, with 34,432 applications received, the number of undergraduate applicants increased compared to the prior year, resulting in an incoming undergraduate class of 1,801 students.

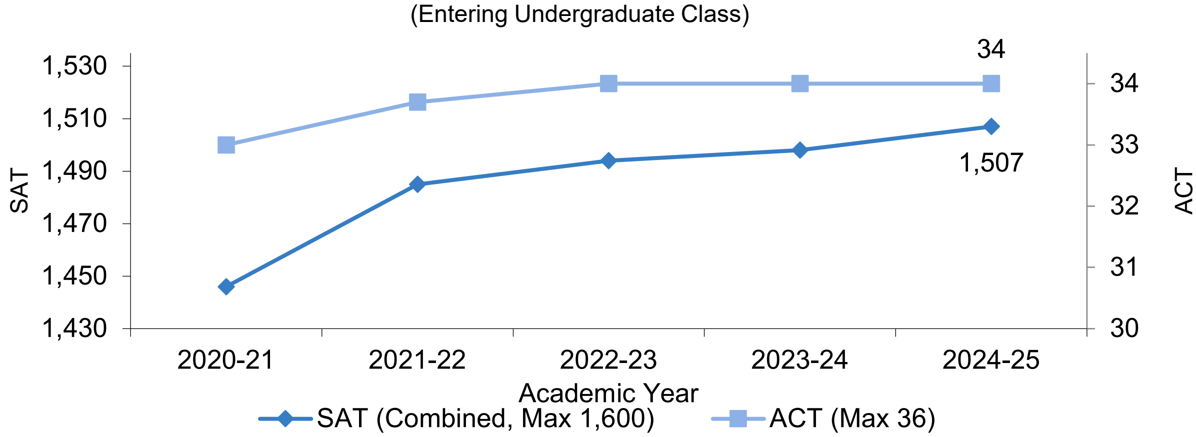
Tufts continues to be a highly selective university. For Academic Year 2024–2025, the number of undergraduate applicants who were accepted was 11.5% and the percentage of accepted students who matriculated was 46%, continuing long-term trends that illustrate Tufts' continued strength in the marketplace. The following graph shows these trends for the entering Class of 2028. As a strong indication of Tufts as a first-choice university, the university received 3,510 Early Decision applications, the highest ever received.

Undergraduate Student Demand



The academic strength of matriculating undergraduate students as measured by SAT and ACT scores continues to be excellent. The mean combined SAT and ACT scores of Tufts' entering undergraduate class continue the trend of academically strong cohorts and mirror the scores of students at other highly selective institutions. For undergraduate applicants seeking to enroll for the Fall 2021 semester, the university introduced a test-optional admission policy for a three-year trial period. Academic Year 2024-25 represents the fourth year in this trial.

Mean SAT and ACT Scores
(Entering Undergraduate Class)



2024-25 scores for only students that requested scores be considered.

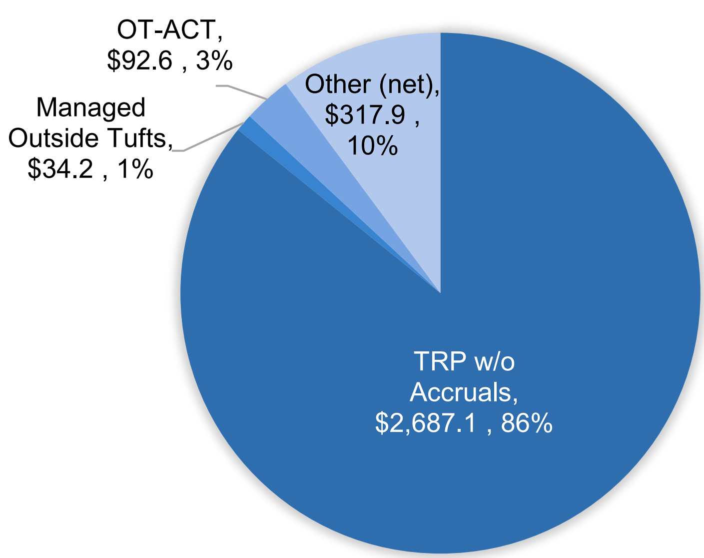
Overview

The members of the Board and Investment Committee at Tufts look at the endowment return over multiple periods, and not any single year, to ensure the ability of the endowment to support the university's mission in perpetuity. Endowment assets of the university are invested in a diversified manner. This should allow the endowment to produce results that meet the core objective of supporting the current operating budget while still preserving and enhancing the long-term value of the endowment so that future generations can enjoy the same standard of excellence as Tufts' current generation of faculty, students, and staff. In Fiscal Year 2024, the portfolio returned 9.4%. Detailed performance information is provided below.

In addition to selecting and monitoring the investments in the endowment, the Investment Committee and Investment Office support all the constituencies of the university (including donors, administrators and University Advancement) in understanding the strategic value of endowment to the university's long-term financial health. This fiscal year saw continued coordination and communication between the Investment Office and the University Finance team with respect to managing the ongoing impacts from inflation.

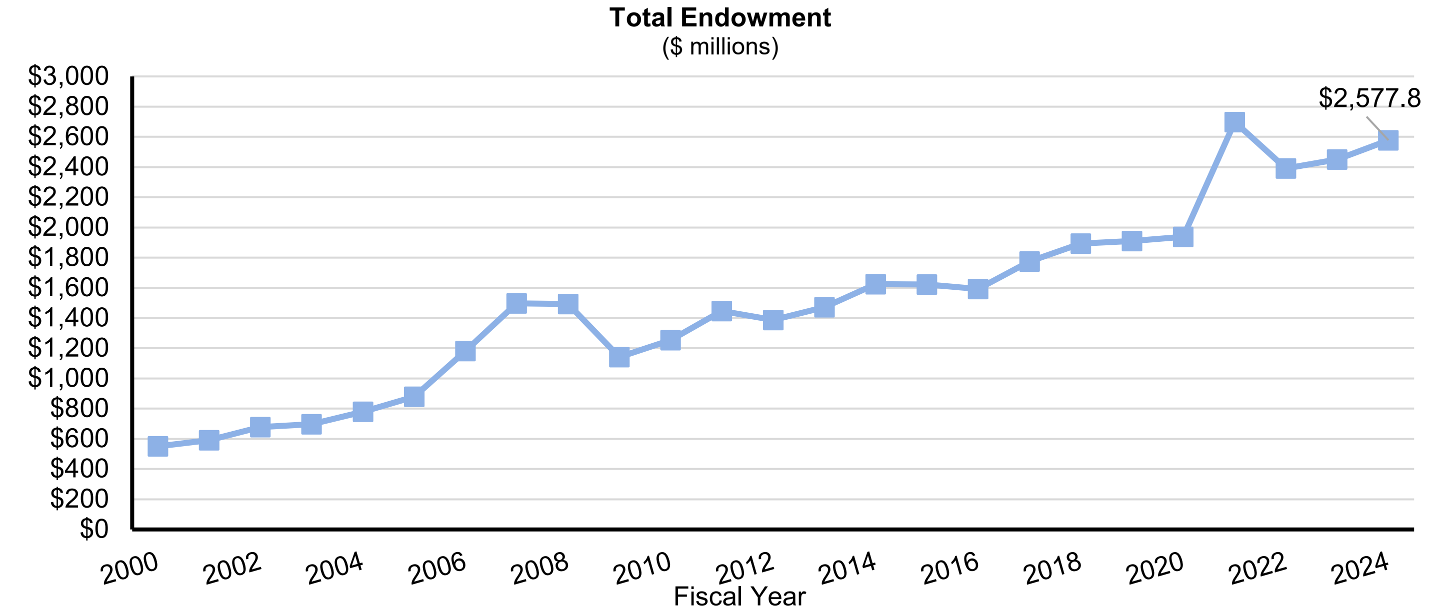
The university's long-term and intermediate-term assets stood at $3.1 billion at the end of Fiscal Year 2024. Of these, $2.6 billion are endowment assets. Endowment assets include funds from multiple sources. A meaningful component is the funds designated as unrestricted by the Board of Trustees, transferred to the endowment in the early years of the last decade when the university produced operating surpluses. Another critically important component of endowment is funds established by individual donors, each supporting a specific purpose within each of the university's schools. Other components include life income trusts, separately managed accounts, and the Omidyar-Tufts Active Citizenship Trust (OT-ACT).

Total Long-Term Assets
$3,131.8 million as of June 30, 2024



Investment Objectives and Strategy

The value of the Total Return Pool (TRP), where most of the long-term assets (both endowment and non-endowment) are invested, was $2.7 billion as of June 30, 2024. Of this balance, $2.4 billion belonged to the endowment and the balance to other long-term investments. The pool's target long-term rate of return of payout plus inflation represents a dual objective of steady support for university operations while ensuring the preservation of long-term value for future generations of faculty, researchers, and students.

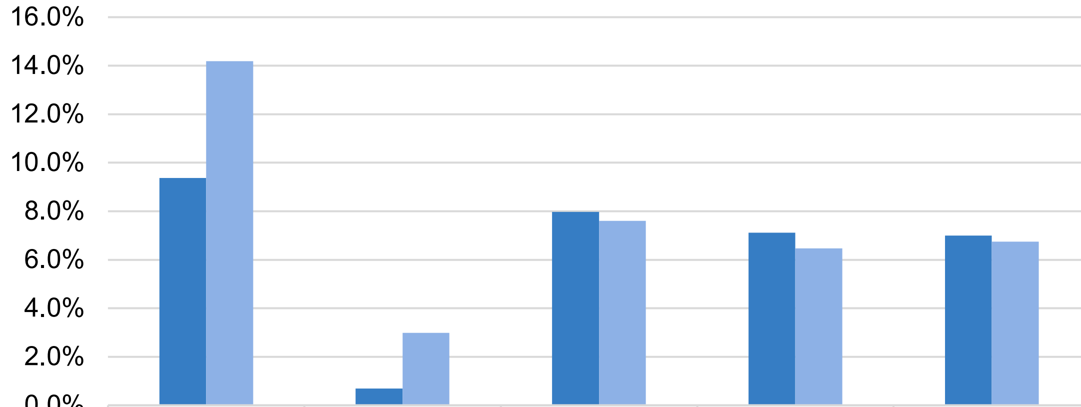


Performance

The U.S. macroeconomic backdrop for Fiscal Year 2024 was characterized by moderating but still above-target inflation, a resilient labor market, slow but steady economic growth, and generally cautious consumer behavior. Despite concerns about the risk of recession, the economy managed to avoid a downturn, though uncertainties persisted, particularly regarding global trade, geopolitical risks, and energy markets. The Federal Reserve ceased interest rate increases at a level of 5.5% early in Fiscal Year 2024 and began discussing possible rate cuts toward the end of the fiscal year. While U.S. small cap and international equity markets posted low double-digit returns for the year, U.S. large cap growth markets (particularly stocks related to artificial intelligence) rallied sharply and pulled up the global equity index return to 19%. U.S. bond markets fluctuated during the fiscal year, as Federal Reserve commentary evolved, but ended up 3% for the fiscal year. Private equity markets, which are still adjusting to the higher interest rate environment, generally generated returns in the low- to mid-single digits while private real estate markets declined modestly.

As noted above, the TRP is a diversified, multi-asset class portfolio designed to meet long-term return objectives while mitigating a portion of the downside risk associated with public equity markets. While the TRP's public equity allocation benefitted from the equity rally during Fiscal Year 2024, the more muted returns from private investments reduced the total portfolio's absolute return during this period. The TRP's 9.4% return trailed the investment policy benchmark (a simple 70% global equity/30% U.S. bond portfolio) return of 14.2% during Fiscal Year 2024. However, the benefit of the multi-asset class approach is shown in the graph below, with the TRP outperforming the benchmark over 5-, 10-, and 20-year horizons due in part to the outperformance of its private investments. Following the recent historic spike in inflation, the TRP's return slightly trails the long-term policy objective (payout to the university plus inflation) on a 10- and 20-year horizon.

Annualized Returns (Net of Fees) Ending June 30, 2024



	1 Year	3 Years	5 Years	10 Years	20 Years
Tufts Actual*	9.4%	0.7%	8.0%	7.1%	7.0%
Tufts Investment Policy	14.2%	3.0%	7.6%	6.5%	6.7%

*Tufts Actual returns are gross of administrative fees.

Fiscal Year Summary

Fiscal Year 2024 was a highly active year for the Investment Office. In addition to rebalancing activity required to manage the portfolio's risk profile during market fluctuations, the Investment Office implemented adjustments within the marketable portfolio to reflect what is expected to be a more dynamic market going forward. Within private investments, life sciences innovation, accelerating technology adoption across consumer and enterprise markets, credit, and the reorganization of the global supply chain continue to be active secular themes in the portfolio.

As of 6/30/24 ($ millions)	Endowment		Non-Endowment		Total
Total Return Pool	Endowed Funds	2,408	Working Capital and Agency	279	2,687
Other Investments	Omidyar-Tufts Active Citizenship Trust	93	Intermediate-term Investments	230	445
	Outside Trusts, Planned Giving, Pledges Receivable less Planned Giving Liabilities	77	457 Plan and Other Investments	45	
Total		2,578		554	3,132

Report of Independent Auditors

To the Board of Trustees of Tufts University

Opinion

We have audited the accompanying consolidated financial statements of Tufts University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities for the year ended June 30, 2024, and of cash flows for the years ended June 30, 2024 and 2023, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets for the year ended June 30, 2024, and its cash flows for the years ended June 30, 2024 and 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated November 1, 2023, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of June 30, 2023 and for the year then ended is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Boston, Massachusetts 02210
T: (617) 530 5000, www.pwc.com/us

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 US 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 US 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Tufts University Annual Financial Report 2024, but does not include the consolidated financial statements and our auditor’s reports thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 4, 2024

As of June 30, 2024 and June 30, 2023 (in thousands)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 88,100	$ 61,941
Investments, intermediate-term	229,592	304,379
Receivables and other assets, net	95,636	82,345
Contributions receivable, net	80,692	96,870
Notes and student loans receivable, net	39,551	37,594
Right of use assets - operating leases	31,237	39,838
Investments, long-term	2,902,236	2,760,389
Land, buildings, and equipment, net	1,283,051	1,219,450
TOTAL ASSETS	$ 4,750,095	$ 4,602,806
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 196,831	$ 184,454
Deferred revenue and deposits	48,211	49,556
Bonds and notes payable	940,998	952,179
Interest rate agreements	21,352	28,828
Lease liability - operating leases	35,969	45,561
Government advances for student loans	13,161	13,420
Total liabilities	1,256,522	1,273,998
NET ASSETS:		
Without donor restrictions	1,806,617	1,693,461
With donor restrictions:		
Spendable	764,968	745,180
Non-Spendable	921,988	890,167
Total net assets with donor restrictions:	1,686,956	1,635,347
Total net assets	3,493,573	3,328,808
TOTAL LIABILITIES AND NET ASSETS	$ 4,750,095	$ 4,602,806

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

For the Year Ended June 30, 2024, with Summarized Information for the Year Ended June 30, 2023 (in thousands)

	Without donor restrictions	With donor restrictions	Total 2024	Total 2023
OPERATIONS:				
REVENUE AND OTHER SUPPORT:				
Tuition and fees, room and board (net of scholarships, see Note 2)	$ 647,519	$ -	$ 647,519	$ 623,072
Sponsored research, grants, and contracts	198,637	24,356	222,993	239,157
Clinical and other educational activities	156,050	-	156,050	152,047
Auxiliary enterprises	8,260	-	8,260	6,358
Gifts	12,415	29,630	42,045	38,783
Investment return utilized	124,783	32,421	157,204	139,393
Net assets released from restrictions	98,463	(98,463)	-	-
Total revenue and other support	1,246,127	(12,056)	1,234,071	1,198,810
EXPENSES:				
Salaries, wages and benefits	720,048	-	720,048	678,504
Materials, supplies and other	186,518	-	186,518	168,959
Purchased services	121,095	-	121,095	118,770
Facility and maintenance costs	63,877	-	63,877	60,934
Depreciation	75,750	-	75,750	73,502
Interest	39,472	-	39,472	40,229
Travel	20,647	-	20,647	19,279
Total expenses	1,227,407	-	1,227,407	1,160,177
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	18,720	(12,056)	6,664	38,633
NONOPERATING ACTIVITIES:				
Investment return (utilized) reinvested, net	65,795	33,410	99,205	(40,917)
Gifts and grants, spendable	20,787	3,468	24,255	20,473
Gifts and grants, non-spendable	-	32,754	32,754	46,309
Net assets released from restrictions for capital and other nonoperating purposes	5,967	(5,967)	-	-
Net unrealized gain on interest rate agreements	7,476	-	7,476	12,076
Change in funded status of postretirement health care plan	915	-	915	1,142
Other nonoperating activities	(6,504)	-	(6,504)	(7,633)
(DECREASE) INCREASE IN NET ASSETS FROM NONOPERATING ACTIVITIES	94,436	63,665	158,101	31,450
INCREASE (DECREASE) IN NET ASSETS	113,156	51,609	164,765	70,083
NET ASSETS—Beginning of year	1,693,461	1,635,347	3,328,808	3,258,725
NET ASSETS—End of year	$ 1,806,617	$ 1,686,956	$ 3,493,573	$ 3,328,808

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

For the Years Ended June 30, 2024 and June 30, 2023 (in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Total increase in net assets	$ 164,765	$ 70,083
Adjustments to reconcile total (decrease) increase in net assets to net cash and cash equivalents provided by operating activities:		
Net realized and unrealized investment (gains) losses	(219,509)	(69,589)
Depreciation and amortization	79,151	76,755
Non-cash lease expense	11,103	11,267
Loss on disposal of fixed assets	2,074	77
Gifts of securities, property and equipment	(10,408)	(6,750)
Proceeds from sales of donated securities	1,809	4,053
Settlements on interest rate swap agreements	2,324	4,044
Net unrealized (gain) on interest rate agreements	(7,476)	(12,076)
Contributions restricted for long-term investment	(32,687)	(42,597)
Changes in operating assets and liabilities:		
Receivables and other assets	(14,405)	(3,293)
Contributions receivable	16,178	(2,238)
Operating lease liabilities	(12,094)	(10,972)
Accounts payable and accrued expenses	4,524	(17,867)
Deferred revenue and deposits	(1,345)	2,882
Net cash, cash equivalents and restricted cash (used in) provided by operating activities	(15,996)	3,779
CASH FLOWS FROM INVESTING ACTIVITIES:		
Notes and student loans granted	(7,059)	(5,287)
Student loans repaid	5,102	5,431
Purchases of investments	(1,731,396)	(1,667,082)
Proceeds from sale of investments	1,868,481	1,694,608
Additions to land, buildings, and equipment	(134,123)	(119,397)
Net cash, cash equivalents and restricted cash provided by (used in) investing activities	1,005	(91,727)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in government advances for student loans	(259)	(1,237)
Repayments of bonds and notes	(12,840)	(14,039)
Proceeds from line of credit draws	57,000	75,000
Repayments of line of credit draws	(55,000)	(75,000)
Cash paid on interest rate swap agreements	(2,324)	(4,044)
Proceeds from contributions restricted for long-term investment	32,687	42,597
Proceeds from sales of donated securities restricted for long-term purposes	6,523	2,175
Net cash, cash equivalents and restricted cash provided by financing activities	25,787	25,452
Net increase (decrease) in cash, cash equivalents and restricted cash	10,796	(62,496)
Cash, cash equivalents and restricted cash—Beginning of year	213,151	275,647
Cash, cash equivalents and restricted cash—End of year	$ 223,947	$ 213,151
Supplemental Information on Cash, Cash Equivalents and Restricted Cash:		
Cash as shown in the statements of financial position	$ 88,100	$ 61,941
Restricted cash included in investments (see Note 6 and 12)	135,847	151,210
Total cash, cash equivalents and restricted cash as shown on the Consolidated Statement of Cash Flows	$ 223,947	$ 213,151
Supplemental Data:		
Cash paid for interest, net of amounts capitalized (see Note 7)	$ 43,115	$ 42,426
Construction amounts remaining in accounts payable	$ 22,498	$ 14,644
Gifts of securities, property and equipment	$ 10,408	$ 6,750

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

1. ORGANIZATION

Tufts University (the "University"), founded in 1852, is a not-for-profit institution committed to education and research. The University is a complex, independent nonsectarian university, with approximately 12,600 students and four campuses in Boston, Medford/Somerville and Grafton, Massachusetts. The University provides degree programs at both undergraduate and graduate levels in a variety of liberal arts and professional areas. The University has been granted a tax-exemption as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

The following organizations are included in the consolidated financial statements of the University:

Walnut Hill Properties Corporation ("Walnut Hill")—Walnut Hill is a not-for-profit corporation established by the University to own and manage certain investment and rental properties.

Tufts Veterinary Emergency Treatment & Specialties ("Tufts VETS")—Tufts VETS is a not-for-profit corporation organized by the University to provide emergency and specialty veterinary services in a community environment. It provides postgraduate training in its emergency and critical care training program and training to veterinary students on elective rotations.

Tufts Media LLC ("Tufts Media")—Tufts Media is a single member limited liability company created by the University to operate its consumer publishing and media capability.

JM Holding Corporation ("JM Holdings")—JM Holdings is a for-profit development corporation created by the University to develop approximately 100 acres designated for commercial use in Grafton Science Park on the Cummings School of Veterinary Medicine campus. At this time, JM Holdings and the Cummings School are working to identify potential life science tenants who need a greenfield site to construct new research and development, office, or bio-manufacturing facilities.

Omidyar–Tufts Active Citizenship Trust ("OT-ACT")— OT-ACT (or the "Fund") was organized in October 2005 as a charitable trust to support, benefit and carry out the purposes of public charity beneficiaries, including the University, by engaging in two activities: promoting the relief of the poor and distressed through microfinance investments, and promoting education through grants. The capital assets of the Fund were contributed by a third party and, according to the donor's stipulation, were to be invested in microfinance-related ventures. In 2006, a $100 million gift to establish the Fund was recorded in net assets with donor restrictions. In March 2020, the Trust Agreement was amended in order to remove certain limitations on the charitable activities described therein and thereby make the trust assets more productive, enhance the Fund's impact and increase the Trustee's ability to achieve the Fund's charitable purposes. The majority of OT-ACT's trustees are appointed by the University. Investments associated with these funds are recorded in net assets with donor restrictions.

Tufts Global, Inc ("Tufts Global")—Tufts Global is a not-for-profit corporation formed as a supporting organization of the University to conduct, support, and facilitate educational and research activities resulting from grant-funded projects within and outside of the United States.

Tufts Global UK, Limited— Tufts Global UK, Limited is a not-for-profit corporation formed as a supporting organization of the University in the United Kingdom and is recognized as a charity by the Charity Commission for England and Wales.

BrainGate, Inc ("BrainGate")—BrainGate is a for-profit corporation donated to the University in September 2019. BrainGate owns patents that are the basis of a transformative neurotechnology that uses micro-electrodes implanted in the brain to let humans operate external devices such as computers or robotic arms with their thought. BrainGate was donated to the University to facilitate further research and practical applications of the technology.

The assets of any of the organizations included in the consolidated financial statements may not be available to meet the obligations of the other entities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis with net assets, revenues, expenses, gains and losses classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University are classified and reported as follows:

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations that are maintained in perpetuity by the University consisting primarily of donor-restricted endowment funds (non-spendable), and also net assets subject to donor-imposed stipulations that may be satisfied by actions of the University that will expire with the passage of time or the occurrence of specific events (spendable).

Net assets without donor restrictions —Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes.

Consolidation—The consolidated financial statements include the accounts of the University and its wholly owned or controlled subsidiaries. Intercompany accounts and transactions have been eliminated.

Classifications—Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Gifts and investment return for operating activities subject to donor-imposed stipulations not utilized in the current period are released from net assets with donor restrictions when spent and are reported as net assets released from restrictions under revenue from operating activities. Expirations of all other net assets with donor restrictions (spendable) for capitalized long-term purposes are reported in the nonoperating section of the statement of activities.

Gifts—Gifts, including unconditional promises to give, are recognized as revenue in the period received. Gifts restricted for the acquisition of land, buildings, and equipment are reported as increases in net assets with donor restrictions. These gifts are reclassified to net assets without donor restrictions as the funds are expended, or in the case of construction, when the related assets are placed in service. Promises to give subject to donor-imposed stipulations that the corpus be maintained in perpetuity are recognized as increases in net assets with donor restrictions (non-spendable). Fundraising expenses totaled approximately $28,600,000 and $27,600,000 for the years ended June 30, 2024 and 2023, respectively.

Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Gifts of assets other than cash are reported at their estimated fair value at the date of gift. Pledges for gifts scheduled to be received after one year are discounted using factors that approximate the risk and the expected term of the promise to give. Amortization of the discount is recorded as additional gifts in the appropriate net asset class.

Investments, long-term—Investments are reported at fair value. Dividends, interest, gains, and losses on investments are reported as increases or decreases:

- in net assets with donor restrictions (non-spendable) if the terms of the gift require that they be added to the principal of a permanent endowment or loan fund;
- in net assets with donor restrictions (spendable) if the terms of the gift or relevant state law impose restrictions on the current use of the income or net gains. The University has relied on the Massachusetts Attorney General's interpretation of relevant state law that unappropriated endowment gains should generally be classified as net assets with donor restrictions; and
- in net assets without donor restrictions in all other cases.

Investments are comprised of the assets of the University's endowment and non-endowment funds. The majority of these assets are invested in the University's Total Return Pool ("TRP"). The TRP assets are owned by participating funds based on shares acquired by each fund when it entered the pool. The fair value of the pooled assets is determined each month and the resulting value per share is used to account for funds entering or leaving the pool. The University has established spending policies for endowment and non-endowment investments in the TRP as follows:

Endowment Spending Policy—The Board of Trustees determines the method to be used to appropriate endowment funds for expenditure. The objective of the policy is to ensure that endowment income available to support operations is stable and predictable, while at the same time increases over time to offset the effects of inflation. Endowment funds receive income distributions equal to the current spending level of all funds in the TRP.

Effective July 1, 2021, the endowment spending rate was set at 5.1% of the 12-quarter moving average of the TRP ended September 30 of the prior year. The range will be reduced by 0.1% in fiscal year 2023 and every year thereafter until a band of 3.5% to 4.5% is reached in fiscal year 2028. Subject to the range limitation, the annual spending rate will increase at an annual rate of 2.5%. In establishing this policy, the Board considered the expected long-term rate of return on its endowment. The Board approved a temporary departure from the Spending Policy to set the spending rate to 4.9% for the years ending June 30, 2024 and 2023.

Non-endowment Spending Policy—The non-endowment investments in the TRP consist of operating and capital funds. These long-term funds, while invested in a similar manner as the endowment, are not intended to be held in perpetuity. For these investments, for years ending June 30, 2024 and 2023 respectively, the University maintained an annual spending rate equivalent to 5.50% and 4.90% of the market value calculated as of the twelve-quarter moving average ended September 30 of the previous year.

Spending on all investments held outside the TRP represents the yield earned, unless otherwise prescribed by donor restrictions.

The Board of Trustees of the University has interpreted the “Uniform Prudent Management of Institutional Funds Act” (“UPMIFA”) as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as net assets with donor restrictions, (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Investments, intermediate-term—Investments are reported at fair value. This portfolio is invested in cash and high-quality fixed income securities consisting of treasuries, agencies, investment grade corporates, and asset backed securities with maturities generally ranging from 1 to 3 years.

Operations and Nonoperating Activities—The consolidated statement of activities reports changes in net assets without donor restrictions and net assets with donor restrictions from operations and nonoperating activities. Operations include gifts with donor restrictions that have been released to net assets without donor restrictions as used for operational purposes. Non-operating activities include the release from restrictions of gifts restricted to the acquisition of buildings and equipment and other transfers between restriction categories, investment return in excess of the University’s operating needs as defined by its spending policy or amounts used in excess of investment return, endowment gifts, unrealized gains or losses on interest rate agreements, changes in the funded status of the postretirement health care plan, and bequests and gifts of property.

Revenue Recognition—Revenue is recognized when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration the University expects to be entitled to in exchange for those goods or services. Generally, the University’s contracts with customers have a duration of one year or less.

Tuition and fees, and room and board revenues are derived from degree programs as well as summer and continuing education programs and includes tuition, related fees, and room and board. Tuition and fees are recognized ratably over the academic period of the course or program offered based on time elapsed, and scholarships awarded to students reduce the amount of revenue recognized. The University's individual schools have various billing and academic cycles and the majority of our programs are designed to be completed within the year ended June 30. Room and board revenue is recognized ratably over the course of the contracted time students are living on campus.

Student tuition, fees, room and board at published rates is summarized as follows for the years ended June 30, 2024 and 2023 (in thousands):

Tuition and fees, room and board	**2024**	**2023**
Tuition and fees	$ 765,895	$ 737,759
Room and board	69,621	66,947
Total	$ 835,516	$ 804,706
Financial aid applied to tuition and fees, room and board	$ 187,997	$ 181,634
Financial aid in excess of student charges, reported as other expenses	7,569	8,301
Total	$ 195,566	$ 189,935

The University receives sponsored research support from governmental and private sources. Certain sponsored arrangements are considered exchange arrangements, and revenue under these agreements is recognized based on the University's fulfillment of the contract, which is typically based on costs incurred or the achievement of milestones. Nonresearch grants include funds provided from the Department of Education and Department of Health Resources and Services Administration which are not considered sponsored research. Private grants are accounted for within the sponsored research, grants, and contracts line as gift revenue in accordance with ASU 2018-08 *Clarifying the scope and accounting guidance for contributions received and contributions made (Topic 958)*, which is recognized when any donor-imposed conditions, if any, have been met.

Sponsored research, grants, and contracts are summarized as follows for the years ended June 30, 2024 and 2023 (in thousands):

Sponsored research, grants, and contracts	**2024**		**2023**	
	Without donor restrictions	**With donor restrictions**	**Without donor restrictions**	**With donor restrictions**
Sponsored research	$ 175,064	-	$ 157,909	-
Nonresearch grants	10,081	-	30,177	-
Private grants	6,992	24,356	16,922	28,149
State appropriations	6,500	-	6,000	-
Total	$ 198,637	$ 24,356	$ 211,008	$ 28,149

Included in nonresearch grants, the University received approximately $1,658,000 and $22,615,000 of reimbursements from the Federal Emergency Management Agency for costs incurred related to mitigating the effects of the COVID-19 pandemic for the years ended June 30, 2024 and 2023, respectively.

Clinical and other educational activities include clinical revenues generated at the Veterinary school and Dental school, royalty income, rental income and revenues from a variety of other activities which are subject to ASU 2014-09, *Revenue from Contracts with Customers (ASC 606)*, and are recognized at the point in time goods or services are provided. Clinical revenues are recorded at the transaction price estimated to reflect the total consideration due from patients and third-party payors in exchange for providing veterinary and dental services. Clinical services are considered a single performance obligation. Revenues are recognized as these performance obligations are fulfilled.

Clinical and other educational activities are summarized as follows for the years ended June 30, 2024 and 2023 (in thousands):

Clinical and other educational activities	**2024**	**2023**
Veterinary and Dental clinical	$ 107,277	$ 95,774
Other sources	48,773	56,273
Total	$ 156,050	$ 152,047

Auxiliary enterprises are primarily comprised of revenues from contracts with customers to provide conferences, parking services, and other miscellaneous activities and are recognized at the point in time goods or services are provided. Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and the University charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of auxiliary services is that they are managed as an essentially self-supporting activity.

Tax Status—The University is a not-for-profit institution that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. US GAAP requires the University to evaluate tax positions taken by the University and recognize a tax liability (or asset) if the University has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The University has analyzed the tax positions taken and has concluded that as of June 30, 2024 and 2023, there are no significant uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Cash and Cash Equivalents—Short-term investments with maturities at the date of purchase of three months or less are classified as cash and cash equivalents. Certain balances meeting the definition of cash equivalents have been classified as investments as a result of the University's intent to segregate funds from cash available for current operations. Certain restricted cash balances have been classified as other assets and intermediate-term investments for the same intention. These amounts are identified as restricted cash in the consolidated statements of cash flows.

Land, Buildings, and Equipment—Land, buildings, and equipment are stated at cost at date of purchase or fair value at date of donation in the case of gifts. Depreciation is provided using the straight-line method over the assets' estimated useful lives, which range from 15 to 60 years for land improvements, 10 to 60 years for buildings, 3 to 20 years for equipment and furnishings and technology software.

Perpetual Trusts, Life Income, and Annuity Agreements—The University has an interest in various perpetual trusts, irrevocable charitable remainder trusts, and life income and annuity agreements. Assets held in these trusts and agreements, which are administered by the University or third-party trustees, are included in investments, and totaled approximately $63,984,000 and $60,715,000 at June 30, 2024 and 2023, respectively. Gifts are recognized at the date the trusts or annuity agreements are established. The primary unobservable input used in the fair value measurement of the charitable remainder trust and life income and annuity assets is the discount rate. Significant fluctuation in the discount rates utilized in this calculation could result in a significant change in fair value. The primary unobservable inputs used in the fair value measurement of the perpetual trust assets are the underlying securities held by the trust. Significant fluctuation in the market value of these underlying securities could result in a material change in fair value. Liabilities associated with life income and annuity agreements are recorded at the present value of the estimated future payments to be made to the donors and/or other beneficiaries by the University. The liabilities associated with life income and annuity agreements are adjusted during the term of the life income agreement or annuity for changes in the value of the assets, accretion of the discount and other changes in the estimates of future payments. The liabilities are included in accounts payable and accrued expenses and totaled approximately $10,500,000 and $10,600,000 at June 30, 2024 and 2023, respectively.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

New Accounting Pronouncements— Effective July 1, 2023, the University adopted ASU No. 2016-13, *Financial Instruments – Credit Losses*, as amended, which requires disclosure of the University's basis for estimating credit losses and allowances for doubtful accounts. The University adopted ASU 2016-13 prospectively. This guidance did not have a significant impact on the University's consolidated financial statements.

Subsequent events—The University has evaluated the impact of subsequent events through November 4, 2024, representing the date the consolidated financial statements were issued and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements.

Prior Year Summarized Information—The consolidated statement of activities includes certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the University's consolidated statement of activities for the year ended June 30, 2023, from which the summarized information was derived.

3. RECEIVABLES AND OTHER ASSETS

Receivables represent amounts due from students, grants and contracts, clinical billings, and other sources. Other assets include prepaid expenses and inventories, the funded status of postretirement health care plan as well as approximately $1,663 and $381 of restricted funds held under bond agreement at June 30, 2024 and 2023, respectively. Intangible assets consist of patents that were received from the donation of BrainGate (see Note 1) which are being amortized over the life of the patents acquired. The components at June 30, 2024 and 2023 are as follows (in thousands):

	2024	2023
Grant receivables	$ 34,360	$ 27,942
Student receivables, net	9,911	7,051
Clinic receivables, net	5,530	3,484
Other receivables, net	20,944	21,431
Receivables, net	70,745	59,908
Other assets	20,750	17,181
Intangible assets	4,141	5,256
Total	$ 95,636	$ 82,345

Student accounts receivable consists of amounts billed to students for tuition and other charges. The University assesses the adequacy of the allowance for credit losses by evaluating the receivables portfolio, including such factors as the differing economic risks associated with each receivable type, the financial condition of specific individual or entity, the economic environment in which the individual or entity operates, and the level of delinquent receivables. In addition to these factors, the University reviews the aging of the receivables and the default rate in comparison to prior years. The allowance is adjusted based on these reviews. The University considers the allowance at June 30, 2024 and 2023 to be reasonable and adequate to absorb potential credit losses inherent in the receivables portfolio.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2024 and 2023, which are recorded at fair value, consisted of the following (in thousands):

	2024	2023
Unconditional promises scheduled to be collected in:		
Less than one year	$ 38,484	$ 49,383
One year to five years	44,908	49,492
More than five years	6,404	7,840
Gross contributions receivable	89,796	106,715
Less allowance for uncollectible amounts	(5,897)	(6,041)
Less discount to present value	(3,207)	(3,804)
Total	$ 80,692	$ 96,870

Pledges are initially recorded at fair value (gift net of discount) and subsequently amortized over the expected payment period, net of an allowance for uncollectible pledges. Pledges are reviewed periodically for collectability. As a result, the allowance for pledges that may not be collected is adjusted, and some pledges have been cancelled and are no longer recorded in the financial statements. The University's indicative 1 to 10-year taxable unsecured borrowing rate is used to discount pledges receivable upon receipt. The discount was calculated using rates ranging from 4.72% to 5.16% for the years ended June 30, 2024 and 2023. The University's pledges receivable have been categorized as Level 2 assets under the fair value hierarchy.

In addition, at June 30, 2024 and 2023, the University had approximately $37,700,000 and $46,500,000, respectively, of conditional promises from donors that are not recognized as assets in the consolidated statements of financial position. These conditional promises consisted of pledges for endowment, construction, and other purposes. As of June 30, 2024, and 2023, the University had approximately $503,899,000, and $464,380,000, respectively, in funding awarded but not yet expended related to conditional gifts from sponsored support where the condition had not yet been met. Funding received in advance of recognition is recorded as deferred revenue. Included in deferred revenue at June 30, 2024 and 2023 are approximately $7,793,000 and $10,048,000, respectively, of sponsored receipts, that have not been expended and cannot yet be recognized as revenue due to having a barrier and right of return as defined under ASU 2018-08.

Contributions receivable at June 30, 2024 and 2023 were intended for the following purposes (in thousands):

	2024	2023
Endowment for educational and general purposes	$ 27,483	$ 29,593
Construction and modernization of plant	6,046	8,734
Support of current operations	47,163	58,543
Total	$ 80,692	$ 96,870

5. NOTES AND STUDENT LOANS RECEIVABLE

Student loans receivables at June 30, 2024 and 2023 consisted of the following (in thousands):

	2024	2023
Student loans receivable	$ 38,868	$ 37,515
Less allowance for uncollectible amounts	(167)	(271)
Student receivables, net	$ 38,701	$ 37,244
Other notes receivable	850	350
Total	$ 39,551	$ 37,594

Loans receivable are principally amounts due from students under U.S. Government-sponsored loan programs, which are subject to significant restrictions. Generally, payment on student loans receivable commences upon graduation and can extend up to 20 years. Interest rates range from 2% to 18% for the years ending June 30, 2024 and 2023.

The University assesses the adequacy of the allowance for credit losses by evaluating the loan portfolio, including such factors as the differing economic risks associated with each loan category, the financial condition of specific borrowers, the economic environment in which the borrowers operate, the level of delinquent loans, and, where applicable, the existence of any guarantees or indemnifications. In addition to these factors, the University reviews the aging of the loans receivable and the default rate in comparison to prior years. The allowance is adjusted based on these reviews. The University considers the allowance at June 30, 2024 and 2023 to be reasonable and adequate to absorb potential credit losses inherent in the loan portfolio.

6. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The accounting standard for fair value measurement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entities' own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value under the accounting standard must maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the University for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.

- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The University invests in alternatives investments, consisting of commingled public equity funds, marketable alternatives, private equities, real estate, natural resources, and private credit through various limited partnerships and similar vehicles. Alternative investments utilize a variety of investment strategies incorporating marketable securities and, in some cases, derivative instruments, all of which are reported at fair value or its equivalent as estimated by management using values provided by external investment managers. Commingled public equity funds consist of investments in commingled investment products that invest in long positions of publicly traded equity. Marketable alternative funds consist of limited partnership investments in stocks, bonds, commodities, currencies, derivatives and other instruments and often use non-traditional portfolio management techniques including shorting, leveraging, arbitrage and swaps. Private equity investments consist of long-term private investment securities. Real estate consists of investments in privately held real estate. Natural resources consist of private and public investments. Private credit consists of private investments. Estimates of fair value may differ significantly from values that would have been used had a ready market for the investments existed. The University is obligated under certain limited partnership agreements and other alternative investment arrangements to advance additional funding periodically up to specified levels.

Investment fund managers may invest in derivatives, and the value of these positions is reflected in the net asset value ("NAV") of the respective funds. Separately, the University may employ derivatives to hedge its risks and to rebalance its market exposures. The University also has ownership in certain investments that are classified as equity method investments.

The following tables present the financial instruments carried at fair value as of June 30, 2024, and 2023, by the fair value hierarchy defined above (in thousands):

Assets as of June 30, 2024:	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value (NAV)	Total Fair Value
Investments:					
Cash and short-term investments	$ 214,329	$ -	$ -	$ -	$ 214,329
Equity derivatives	-	265	-	-	265
Public equity domestic	138,053	-	-	425,656	563,709
Public equity foreign	(440)	-	-	199,727	199,287
Public equity global	-	-	-	129,251	129,251
Fixed income	310,800	-	-	64,276	375,076
Marketable alternatives	-	-	1,332	419,586	420,918
Private equity	-	-	6,763	829,833	836,596
Private real estate	3,998	-	-	149,690	153,688
Private natural resources	-	-	-	131,634	131,634
Private credit	-	-	-	40,326	40,326
Perpetual trusts	-	-	34,183	-	34,183
Total Investments	$ 666,740	$ 265	$ 42,278	$ 2,389,979	$ 3,099,262
Equity method investment (see Note 13)	-	-	-	-	14,537
	666,740	265	42,278	2,389,979	3,113,799
Liabilities:					
Interest rate swaps liability	$ -	$ 21,352	$ -	$ -	$ 21,352

Assets as of June 30, 2023:	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Net Asset Value (NAV)	Total Fair Value
Investments:					
Cash and short-term investments	$ 119,440	$ -	$ -	$ -	$ 119,440
Equity derivatives	-	-	-	-	-
Public equity domestic	115,106	-	-	336,323	451,429
Public equity foreign	32	-	-	227,140	227,172
Public equity global	-	-	-	156,152	156,152
Fixed income	373,373	-	-	54,273	427,646
Marketable alternatives	-	-	1,263	488,194	489,457
Private equity	1,033	-	4,331	808,998	814,362
Private real estate	3,691	-	5,015	141,350	150,056
Private natural resources	-	-	-	139,411	139,411
Private credit	-	-	-	40,867	40,867
Perpetual trusts	-	-	32,670	-	32,670
Total Investments	$ 612,675	$ -	$ 43,279	$ 2,392,708	$ 3,048,662
Equity method investment (see Note 13)	-	-	-	-	13,304
	612,675	-	43,279	2,392,708	3,061,966
Liabilities:					
Interest rate swaps liability	$ -	$ 28,828	$ -	$ -	$ 28,828

In accordance with ASU 2015-07, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Excluded from the tables above, but included in total investments at June 30, 2024 and 2023, are net investment receivables of approximately $13,029,000 and $2,802,000, respectively. In addition, the tables above exclude approximately $5,000,000 and $0 representing cash subscriptions made in investments pending settlement at June 30, 2024 and 2023, respectively. Included in cash and short-term investments is restricted cash of approximately $7,988,000 and $2,375,000 at June 30, 2024 and June 30, 2023, respectively.

The value of certain alternative investments represents the ownership interest in the NAV of the respective partnership. The fair values of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. These values are reviewed by management of the University. If no public market exists for the investment securities, the fair value is determined by the general partner or management for securities held directly, taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The University has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of year end.

Interest rate swaps, held for investment purposes, are valued using both observable and unobservable inputs, such as quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. In instances where models are used, the value of the interest rate swap depends upon the contractual terms of, and specific risks inherent in the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates, assumptions for nonperformance risk, and correlations of such inputs. The interest rate swap arrangements have inputs which can generally be corroborated by market data and are therefore classified within Level 2.

Beneficial and perpetual trusts held by third parties are valued at the present value of the future distributions expected to be received over the term of the agreement and are classified as Level 3.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the University believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The University also invests directly in private companies that are primarily valued using industry standard methodologies, as applicable. Management strives to corroborate information from third-party sources for relevance and accuracy; these valuations are subject to significant review and consideration by management. The valuation procedures performed on these assets are based on industry standard processes for each respective asset class. The inputs utilized in any valuation model may be significant and unobservable and require a certain degree of judgment. Management examines market data and collaborates closely with industry experts to attempt to arrive at the best estimation of fair value for each respective asset. While the inputs described below represent the range of inputs utilized as of the measurement date, these inputs may change over time, which may have a material effect on the valuation of these types of investments in the future.

Generally, the University holds investments that are valued utilizing unobservable inputs and are therefore classified within Level 3. When observable prices are not available for these investments, the University uses the market approach for a valuation technique. The use of the market approach consists of using comparable investment inputs. Some investments within Level 3 include inputs from pending or recent market transactions. The following tables include roll forwards of investments classified by the University within Level 3 as of June 30, 2024 and 2023 (in thousands). Transfers between levels are recognized at the beginning of the reporting period. There were no transfers between levels in 2024 and 2023. As of June 30, 2024, and 2023, there were no purchases or sales of Level 3 assets.

	Marketable Alternatives	Private Equity	Private Real Estate	Perpetual Trusts	Total Investments
Fair value, July 1, 2022	$ 1,695	$ 4,007	$ 5,015	$ 32,256	$ 42,973
Unrealized and realized gains(losses), net	(432)	324	-	414	306
Fair value, June 30, 2023	$ 1,263	$ 4,331	$ 5,015	$ 32,670	$ 43,279
Purchases	-	1,100	-	-	1,100
Sales	-	-	(3,010)	-	(3,010)
Unrealized and realized gains(losses), net	69	1,332	(2,005)	1,513	909
Fair value, June 30, 2024	$ 1,332	$ 6,763	$ -	$ 34,183	$ 42,278

The following tables present liquidity and outstanding commitments information for the investments carried at fair value at June 30, 2024, and 2023, respectively (in thousands).

	Fair Value	Redemption Terms	Days Notice	Remaining Unfunded Commitment
2024:				
Fixed Income	$ 64,276	Daily	1	$ -
Public Equity Domestic	425,656	Ranges from monthly to semi-annual	30 - 120	50,000
Public Equity Foreign	199,727	Ranges from monthly to annual	10 - 180	-
Public Equity Global	129,251	Ranges from semi-monthly to annual	6 - 90	-
Marketable Alternatives	424,586	Ranges from monthly to annual	3 - 180	-
Private Equity	829,834	Illiquid	Not applicable*	353,588
Private Real Estate	149,690	Illiquid	Not applicable*	47,558
Private Natural Resources	131,634	Illiquid	Not applicable*	31,393
Private Credit	40,326	Illiquid	Not applicable*	39,495
	$ 2,394,980			$ 522,034
Level 1 securities	666,740			
Other investments not subject to redemptions	70,108			
Total Investments	$ 3,131,828			

	Fair Value	Redemption Terms	Days Notice	Remaining Unfunded Commitment
2023:				
Fixed Income	$ 54,273	Daily	1	$ -
Public Equity Domestic	336,323	Ranges from monthly to semi-annual	30 - 120	50,000
Public Equity Foreign	227,140	Ranges from monthly to annual	10 - 180	-
Public Equity Global	156,152	Ranges from semi-monthly to annual	6 - 90	-
Marketable Alternatives	488,194	Ranges from monthly to annual	3 - 180	-
Private Equity	808,998	Illiquid	Not applicable*	310,484
Private Real Estate	141,350	Illiquid	Not applicable*	67,052
Private Natural Resources	139,411	Illiquid	Not applicable*	22,761
Private Credit	40,867	Illiquid	Not applicable*	31,240
	$ 2,392,708			$ 481,537
Level 1 securities	612,675			
Other investments not subject to redemptions	59,385			
Total Investments	$ 3,064,768			

*The period of time over which the underlying assets are expected to be liquidated is unknown.

The total return on investments for the years ended June 30, 2024 and 2023 is as follows (in thousands), net of investment expenses:

	2024	2023
Dividends, interest and other	$ 36,900	$ 28,887
Net realized and unrealized gains (losses)	219,509	69,589
Total return on investments	256,409	98,476
Investment return utilized	(157,204)	(139,393)
Investment return (utilized)/reinvested, net	$ 99,205	$ (40,917)

7. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30, 2024 and 2023 consisted of the following (in thousands):

	2024	2023
Land and land improvements	$ 104,139	$ 85,308
Buildings	1,900,852	1,855,766
Construction in progress	153,849	99,154
Equipment and furnishings	290,832	284,076
	2,449,672	2,324,304
Less accumulated depreciation	(1,166,621)	(1,104,854)
Total	$ 1,283,051	$ 1,219,450

Depreciation expense charged to operations was approximately $75,750,000 and $73,502,000 in 2024 and 2023 respectively. Net interest cost capitalized in years ended June 30, 2024 and 2023 was approximately $2,902,000 and $1,366,000, respectively.

Maintenance and repairs are expensed as incurred, and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed from the accounts and gains or losses are included in the statement of activities.

8. BONDS AND NOTES PAYABLE

Bonds and notes payable at June 30, 2024 and 2023 consisted of the following (in thousands):

	2024	2023
Massachusetts Health and Educational Facilities Authority ("MHEFA"):		
Series G, variable rate bonds, 5.80% average rate for 2024, par value of $27,900, due February 2025 - February 2026	$ 24,300	$ 24,300
Series M, fixed rate bonds at 5.25-5.50%, par value of $59,150, due February 2024 - February 2028	29,285	31,830
Series N-1, variable rate bonds, 6.20% average rate for 2024, par value of $86,400, due August 2029 - August 2038	57,100	57,100
Series N-2, variable rate bonds, 6.50% average rate for 2024, par value of $54,200, due August 2024 - August 2034	48,300	48,300
Massachusetts Development Finance Agency ("MDFA"):		
Series P, multi-mode bond, 5.71% average rate for 2024, par value of $49,835, due February 2029 - February 2036	49,835	49,835
Series Q, fixed rate bonds at 3.75%-5%, par value of $69,575, due August 2023 - August 2045	51,780	58,625
Series R, variable rate bonds, 5.61% average rate for 2024, par value of $34,000, due August 2029-2048	34,000	34,000
JPM tax exempt line of credit, fixed rate 2.65%, par value of $28,000, due May 2026	5,978	9,272
Tufts Issue 2012A, taxable fixed rate bond at 5.017%, par value of $250,000, due April 2112	250,000	250,000
Tufts Issue 2017A, taxable fixed rate bond at 4.005%, par value of $130,000, due August 2053 - August 2057	130,000	130,000
Tufts Issue 2021A, taxable fixed rate bond at 3.099%, par value of $250,000, due August 2051	250,000	250,000
Cummings Property, LLC at 4%, par value of $1,400, due February 2026	274	429
Bank of America note fixed rate 2.54%, par value of $10,200, due May 2026	10,200	10,200
PNC Bank National Association, line of credit, variable rate, 5.94% average rate for 2024, due September 2026	2,000	-
	943,052	953,891
Net unamortized bond premium	3,604	4,176
Net unamortized debt issuance costs	(5,658)	(5,888)
Total bonds and notes payable	$ 940,998	$ 952,179

In June 2023, the University's debt and interest rate swap agreements referencing the London Interbank Offered Rate (LIBOR) transitioned to the Secured Overnight Financing Rate (SOFR).

The average rates reflected above for the variable rate bonds are computed based on the variable interest, fees, and related swap interest payments. Series P is a long-term multi-mode bond (final maturity 2036), the first mode of which was a 5-year put bond with a 3% coupon which was due on February 16, 2016. The second mode is a 15-year bank purchase mode with a variable bank purchase rate which is due

February 17, 2031. The average rate for the years ended June 30, 2024 and 2023 was 5.71% and 5.76% respectively.

Scheduled aggregate principal repayments on bonds and notes payable at June 30, 2024 are as follows (in thousands):

Year Ending	Scheduled Principal Maturities
2025	$20,794
2026	28,348
2027	12,705
2028	13,400
2029	9,350
Thereafter	858,455
Total	$943,052

In September 2020, the University closed on a $75,000,000 line of credit to support investment operations. The line of credit is used for portfolio management purposes to reduce the need to make short-term trades to maintain cash levels during transactions and had a one-year term. In April 2024, the University amended the line of credit agreement to extend the maturity date to September 2026. The maximum commitment is $100,000,000. As of June 30, 2024, the outstanding balance on the line of credit is $2,000,000.

Interest Rate Agreements— The University has entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates and reducing interest expense. The University has entered into pay-fixed, receive-floating interest rate swaps and basis swaps. The following summarizes the terms for each of the interest rate swap agreements as of June 30, 2024 and 2023 (in thousands).

Swap Agreements as of June 30, 2024

Swaps	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Total
Debt Hedged	(Series P)	(Series G, N-1 & R)	(Series N-1 & R)	(Series N-1)	(Series N-2)	
Notional Amount	$50,350	$35,700	$40,000	$34,000	$48,150	
Termination Date	February 15, 2036	August 15, 2033	August 15, 2040	August 15, 2036	August 15, 2034	
Fair Value June 30, 2024	($8,492)	($1,338)	($3,886)	($4,254)	($3,382)	($21,352)

Swap Agreements as of June 30, 2023

Swaps	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Interest Rate Swap	Total
Debt Hedged	(Series P)	(Series G, N-1 & R)	(Series N-1 & R)	(Series N-1)	(Series N-2)	
Notional Amount	$50,400	$39,900	$40,000	$34,000	$48,150	
Termination Date	February 15, 2036	August 15, 2033	August 15, 2040	August 15, 2036	August 15, 2034	
Fair Value June 30, 2023	($10,043)	($1,903)	($6,186)	($5,813)	($4,883)	($28,828)

The University reported the fair value of its interest rate swap agreements in the statement of financial position as a liability of $21,352,000 and $28,828,000 at June 30, 2024 and 2023, respectively. The change in fair market value of approximately $7,476,000 and $12,076,000 for the years ended June 30, 2024 and 2023 respectively, is included in the statement of activities as net unrealized gain on interest rate agreements.

The estimated market value of the interest rate exchange agreements at June 30, 2024 and June 30, 2023, was computed using the net present value of fixed and floating future cash flows, with floating future cash flows estimated through the use of forward interest rate yield curves adjusted for non-performance risk. These financial instruments necessarily involve counterparty credit exposure. The counterparties for these interest rate exchange transactions are a diversified group of major financial institutions that meet the University's criteria for financial stability and credit worthiness.

9. NET ASSETS

Net assets at June 30, 2024 and 2023 consisted of the following (in thousands):

	Without donor restrictions	With donor restrictions	2024 Total
Endowment	$ 1,083,843	$ 1,493,991	$ 2,577,834
Invested in physical plant	451,420	-	451,420
Operating	98,148	156,002	254,150
Building projects	154,507	20,719	175,226
Student loans	18,699	16,244	34,943
Total	$ 1,806,617	$ 1,686,956	$ 3,493,573

	Without donor restrictions	With donor restrictions	2023 Total
Endowment	$ 1,026,194	$ 1,423,755	$ 2,449,949
Invested in physical plant	406,388	-	406,388
Operating	73,026	171,470	244,496
Building projects	167,267	23,923	191,190
Student loans	20,586	16,199	36,785
Total	$ 1,693,461	$ 1,635,347	$ 3,328,808

Endowment consists of resources that have been restricted by the donor, trust, split interest agreement, or designated by the Board of Trustees for investment to provide future resources to support the University's activities. Endowment with donor restrictions includes unappropriated gains of approximately $432,167,000 and $394,872,000 in 2024 and 2023, respectively. Operating without donor restrictions includes funds that have been internally designated for use by various schools, departments, and programs throughout the University.

The University's endowment consists of individual donor restricted endowment funds and board-designated endowment funds for a variety of purposes plus the following where the assets have been designated for endowment: pledges receivables, split interest agreements, and other net assets. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Board-designated endowment funds at June 30, 2024 and 2023 total the endowment without donor restrictions amount in the above table, and are earmarked for the following:

	2024	2023
General university support	$ 831,393	$ 790,300
Scholarships and fellowships	56,865	52,063
Professorships	42,005	39,720
Other purposes	153,580	144,111
Total	$ 1,083,843	$ 1,026,194

Note: Other purposes include several categories, including but not limited to, departmental, innovative education, faculty development, maintenance, research, library, prizes, books, lectureships, and other miscellaneous purposes

Changes in endowment net assets for the years ended June 30, 2024 and June 30, 2023 are as follows (in thousands):

	Without donor restrictions	With donor restrictions	2024 Total
Endowment net assets, beginning of year	$ 1,026,194	$ 1,423,755	$ 2,449,949
Total investment return, net	122,559	77,725	200,284
Contributions	2,176	32,328	34,504
Appropriation of endowment assets for expenditure	(71,937)	(41,659)	(113,596)
Other changes, net	4,851	1,842	6,693
Endowment net assets, end of year	$ 1,083,843	$ 1,493,991	$ 2,577,834

	Without donor restrictions	With donor restrictions	2023 Total
Endowment net assets, beginning of year	$ 1,038,095	$ 1,353,209	$ 2,391,304
Total investment return, net	20,274	54,749	75,023
Contributions	7,778	40,621	48,399
Appropriation of endowment assets for expenditure	(65,891)	(36,623)	(102,514)
Other changes, net	25,938	11,799	37,737
Endowment net assets, end of year	$ 1,026,194	$ 1,423,755	$ 2,449,949

Other changes include additions or deductions to the endowment from net transfers resulting from changes in donor restrictions or University designations.

Total endowment assets classified with donor restrictions consist of the following components (in thousands):

	2024	2023
Spendable:		
Subject to time restriction	$ 88,607	$ 93,580
Restricted for program support	499,013	460,661
Total endowment net assets with spendable restrictions	$ 587,620	$ 554,241
Non-Spendable:		
Restricted for scholarship support	$ 461,350	$ 441,200
Restricted for faculty support	206,239	197,932
Restricted for program support	238,782	230,382
Total endowment net assets with non-spendable restrictions	$ 906,371	$ 869,514
Total endowment net assets with donor restrictions	$ 1,493,991	$ 1,423,755

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts (underwater). When underwater endowment funds exist, they are classified as a reduction of net assets with donor restrictions. Underwater endowment funds reported in net assets with donor restrictions were approximately $1,506,000 and $4,749,000 as of June 30, 2024 and 2023, respectively.

10. FUNCTIONAL CLASSIFICATION OF EXPENSES

The University reports operating expenses in its consolidated statement of activities by natural classification. Interest, depreciation, operations and maintenance expenses have been allocated to functional expense classifications based on square footage utilized. Operating expenses by functional category for the years ended June 30, 2024 and 2023 consisted of the following (in thousands):

June 30, 2024

	Instruction	Research	Clinical & Auxiliary	General & Administration	Total
Salaries, wages and benefits	$ 246,219	$ 103,065	$ 110,303	$ 260,461	$ 720,048
Materials, supplies and other	15,097	21,246	98,338	51,837	186,518
Purchased services	30,280	48,195	12,604	30,016	121,095
Facility and maintenance costs	27,855	10,176	9,591	16,255	63,877
Travel	7,832	4,761	2,361	5,693	20,647
Allocations:					
Depreciation	25,549	8,550	24,213	17,438	75,750
Interest	13,313	4,456	12,617	9,086	39,472
Operations and maintenance	25,018	8,373	5,130	(38,521)	-
Total	$ 391,163	$ 208,822	$ 275,157	$ 352,265	$ 1,227,407

June 30, 2023

	Instruction	Research	Clinical & Auxiliary	General & Administration	Total
Salaries, wages and benefits	$ 234,254	$ 96,103	$ 105,046	$ 243,101	$ 678,504
Materials, supplies and other	11,678	18,968	91,747	46,566	168,959
Purchased services	28,282	42,896	11,733	35,859	118,770
Facility and maintenance costs	27,301	9,970	8,409	15,254	60,934
Travel	7,692	4,496	2,241	4,850	19,279
Allocations:					
Depreciation	24,791	8,297	23,494	16,920	73,502
Interest	13,568	4,541	12,859	9,261	40,229
Operations and maintenance	23,283	7,792	4,775	(35,850)	-
Total	$ 370,849	$ 193,063	$ 260,304	$ 335,961	$ 1,160,177

11. BENEFIT PLANS

Defined Contribution Plan—The University sponsors a defined contribution retirement plan under Section 401(a) of the Code, which is available to eligible faculty and administrative staff. All contributions are funded by the University and are subject to a vesting schedule. The University's contributions to the plan amounted to approximately $40,811,000 and $37,493,000 in 2024 and 2023, respectively.

The University also offers a supplemental retirement plan under Section 403(b) of the Code, which is fully funded by voluntary employee contributions.

Deferred Compensation Plans—The University maintains two separate plans under Section 457(b) of the Code for eligible officers, faculty, and administrative staff. The University funded the Officers' Plan with approximately $249,000 and $180,000 in 2024 and 2023, respectively. Under the terms of the Faculty and Administrative Staff Plan, no contributions are made by the University but are fully funded by voluntary employee contributions. The assets and related liabilities of these plans are recorded in investments and accrued liabilities in the consolidated financial statements and total approximately $35,709,000 and $30,262,000 at June 30, 2024 and 2023, respectively. The University also maintains a plan under Section 457(b) of the Code for eligible faculty and administrative staff that was closed to future participants in 1989. The University funded this plan with approximately $336 and $140 in 2024 and 2023, respectively. The investment assets and related liabilities of these plans, which total approximately $5,260,000 and $4,600,000 in 2024 and 2023, respectively, are recorded in investments and accrued liabilities in the consolidated statements of financial position.

Health and Welfare Benefit Plan—The University provides postretirement health care benefits to eligible retired employees and their eligible spouses. Retirees share in the cost of their health care benefits through co-payments and deductibles related to years of service and date of retirement. Employees who were hired after December 31, 1993, must pay for the entire cost of their benefit when they retire. The University established a trust to fund the postretirement health care benefits for most of the eligible employees. The trust qualifies as a "voluntary employees beneficiary association" ("VEBA") under the provisions of Section 501(c)(9) of the Code in order that the trust be exempt from certain taxes.

Changes in the University's postretirement health care benefit obligation for the years ended June 30, 2024 and 2023 are as follows (in thousands):

	2024	2023
Change in Accumulated Postretirement Benefit Obligation (APBO):		
APBO at prior fiscal year end	$ 8,542	$ 9,567
Employer service cost	-	-
Interest cost	437	432
Actuarial (gain)	(32)	(639)
Plan participants' contributions	850	856
Benefits paid from plan assets[1]	(1,451)	(1,674)
APBO at current fiscal year end	$ 8,346	$ 8,542

[1]Net of retiree contributions

The funded status of the University's postretirement health care plan and the amounts recognized in the consolidated statements of financial position at June 30, 2024 and 2023 are as follows (in thousands):

	2024	2023
Change in Plan Assets:		
Fair value of assets at prior fiscal year end	$ 13,213	$ 13,096
Actual return on assets[2]	1,319	928
Employer contributions for key employees	-	7
Plan participants' contributions	850	856
Benefits paid[1]	(1,450)	(1,674)
Fair value of assets at current fiscal year end	$ 13,932	$ 13,213
Funded Status	$ 5,586	$ 4,671

[1]Net of retiree contributions
[2]Net of administrative expenses

Amounts recognized in the Statement of Financial Position (in thousands):

	2024	2023
Receivables and other assets, net	$ 5,586	$ 4,671
Net amount recognized in the statement of financial position	$ 5,586	$ 4,671

In fiscal years 2023 and 2024, the University used the MP-2021 projection scale table.

The components of net periodic benefit cost (in thousands):

	2024	2023
Employer service cost	$ -	$ -
Interest cost	437	432
Expected return on assets	(1,048)	(961)
Subtotal	(611)	(529)
Net prior service (credit) cost amortization	(1,598)	(2,219)
Net loss amortization	(133)	(93)
Net periodic postretirement (income) benefit cost	$ (2,342)	$ (2,841)
Total changes recognized in net assets without donor restrictions	$ 915	$ 1,142

The weighted-average assumptions to determine obligations are as follows:

	2024	2023
Discount rate at end of year	5.55%	5.39%

The weighted-average assumptions to determine net periodic benefit cost are as follows:

	2024	2023
Assumptions Used to Determine Benefit Cost[1]		
Discount rate	5.39%	4.74%
Long-term rate of return on assets	8.20%	7.60%
Current health care cost trend rate	7.25%	7.50%
Ultimate health care cost trend rate	5.00%	4.50%
Year of ultimate trend rate	2032	2034

[1]These assumptions were used to calculate Net Periodic Postretirement Benefit Cost (Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable.

Expected Future Benefit Payments:

During fiscal year ending 06/30/2025	$ 854
During fiscal year ending 06/30/2026	852
During fiscal year ending 06/30/2027	799
During fiscal year ending 06/30/2028	743
During fiscal year ending 06/30/2029	711
During fiscal years ending 06/30/2030 through 6/30/2034	3,063

There is no estimated cash contribution from the University for the year ending June 30, 2025.

VEBA Trust Asset Allocation and Investment Strategy—The weighted-average investment allocation of plan assets by category is as follows:

	2024	2023	Target Allocation
Equity securities	56%	56%	56%
Debt securities	29%	29%	29%
Real estate securities	15%	15%	15%
Total	100%	100%	100%

The Health and Welfare Benefit Plan fiduciaries set the investment policy and strategy for investment of plan assets, including selecting investment managers and setting long-term risk and return objectives. The asset allocations are broadly diversified among asset category and within each category, which lowers the expected volatility of the portfolio's return and may protect against negative market environments.

To determine the expected long-term rate of return on plan assets, the University considers the target asset allocations, and the expected return on assets by category.

Equity securities primarily include mutual fund investments in large-cap and small-cap companies primarily located in the United States. Debt securities include high quality, investment grade and international bond funds. Real estate securities consist of mutual fund investments in domestic and international real estate investment trusts. The fair values of the University's post-retirement health care plan assets at June 30, 2024 and 2023 by asset category (in thousands):

VEBA Trust Investments at June 30, 2024	Level 1	Level 2	Level 3	Total
Equity securities	$ 7,656	$ -	$ -	$ 7,656
Debt securities	3,873	-	-	3,873
Real estate securities	2,029	-	-	2,029
	$ 13,558	$ -	$ -	$ 13,558

VEBA Trust Investments at June 30, 2023	Level 1	Level 2	Level 3	Total
Equity securities	$ 7,447	$ -	$ -	$ 7,447
Debt securities	3,561	-	-	3,561
Real estate securities	1,899	-	-	1,899
	$ 12,907	$ -	$ -	$ 12,907

At June 30, 2024 and 2023, the plan also held cash and cash equivalents amounting to approximately $667,000 and $599,000.

12. LIQUIDITY AND FUNDS AVAILABLE FOR GENERAL EXPENDITURE

As part of the University's liquidity management strategy, the University structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The University regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing mission-related activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The University invests excess daily cash in short-term and intermediate-term investments. In accordance with University spending policies, TRP funds appropriated for spending are distributed to University department and program budgets for spending, subject to donor restrictions where applicable; however, cash distributions from the TRP to support the appropriations are available for general liquidity purposes.

As noted in Note 8, to help manage unanticipated liquidity needs, the University has a committed bank line of credit in the amount of $100,000,000 which it could draw upon through September 2026. The University also has a surplus liquidity fund, an intermediate-term investment invested in fixed income securities, which included approximately $101,700,000 and $155,500,000 of unrestricted funds as of June 30, 2024 and 2023, respectively.

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Statements of Financial Position were as follows (in thousands):

	2024	2023
Cash and cash equivalents	$ 88,100	$ 61,941
Investments, intermediate-term, net of unspent bond proceeds	101,733	155,544
Accounts receivable, net	70,745	59,908
Expected pledge and private grant payments available	27,948	40,428
Investments: appropriated for spending in the following year	131,337	124,669
Financial assets available for general expenditure within one year	$ 419,863	$ 442,490
Unspent bond proceeds for limited use	$ 127,859	$ 148,835
Notes receivable due in more than one year	39,551	37,594
Contributions receivable due in more than one year	52,744	56,442
Board-designated quasi endowment funds	1,083,843	1,026,194
Donor-restricted endowment funds less appropriated spending	1,362,654	1,299,086
Annuities and perpetual trusts	61,234	58,134
Other long-term investments	263,168	252,306
Inventories, prepaid expenses and other assets	24,891	22,437
Right of use assets - operating leases	31,237	39,838
Property, plant, and equipment	1,283,051	1,219,450
Total assets	$ 4,750,095	$ 4,602,806

In addition to these available financial assets, a significant portion of the University's annual expenditures are funded by current year operating revenues including tuition, grant and contract income, clinical and other educational income, and gifts and grants.

As part of total investments, the University has board-designated quasi endowment funds of approximately $1,083,843,000 and $1,026,194,000 as of June 30, 2024 and 2023, respectively. Although the University does not intend to spend from its board-designated quasi endowment funds other than amounts appropriated for expenditure as part of its annual budget approval process, amounts from its board-designated quasi endowment could be liquidated and made available.

13. RELATED ORGANIZATIONS

Tufts Shared Services, Inc. ("TSS")—The University and Tufts Medical Center, Inc. ("Medical Center") jointly formed TSS, a not-for-profit service corporation, to provide the organization and facilities for coordinating certain education and health services activities. The administrative board of TSS includes equal representation from the University and the Medical Center. The cost of services provided by TSS to the University for the years ended June 30, 2024 and 2023 were approximately $4,403,000 and $5,911,000, respectively. The University's 50% ownership investment in TSS has been recorded at approximately $14,537,000 and $13,304,000 at June 30, 2024 and 2023 using the equity method of accounting. The accounts of TSS are included in the accompanying consolidated financial statements of the University using the equity method of accounting, in investments and non-operating revenues.

The University's trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. The University has a written conflict of interest policy that requires annual reporting by each trustee, as well as senior management. This policy includes, among other things, that no trustee can participate in any decision in which they (or an immediate family member) have a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict. All goods and services acquired by the University are negotiated at arm's length and follow the University purchasing and procurement procedures. The University also has outstanding pledges from related parties. These transactions are included in the University's Consolidated Financial Statements.

14. CONTINGENCIES AND COMMITMENTS

Outstanding commitments on construction contracts amounted to approximately $44,125,000 at June 30, 2024.

There are currently several legal cases pending involving labor relations and other matters related to the normal operation of the University. The University believes that the outcome of these cases will have no significant effect on the financial position or results of operations of the University.

15. LEASES

The University's operating leases are primarily for real estate, including office buildings, dormitories, and other administrative offices. The University's real estate lease agreements typically have initial terms of 3 to 12 years. These real estate leases may include one or more options to renew, with renewals that can extend the lease term from 5 to 10 years. The exercise of lease renewal options is at the University's sole discretion. When determining the lease term, the University includes options to extend or terminate the lease when the option to exercise is certain.

The University determines if an arrangement is or contains a lease at inception of the contract. Our right-of-use assets represent our right to use the underlying assets for the lease term and our lease liabilities represent our obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Right-of-use assets are reduced each period by an amount equal to the difference between the operating lease expense and the amount of interest expense on the lease liability, using the effective interest method. The University uses our estimated incremental borrowing rate, which is derived using a collateralized borrowing rate for the same currency and term as the associated lease. A right-of-use asset and lease liability is not recognized for leases with an initial term of 12 months or less. The University recognizes lease expense on a straight-line basis over the lease term within materials, supplies, and other costs on the consolidated statement of activities.

The components of lease expense for the years ended June 30, 2024 and 2023 are as follows (in thousands):

Operating Leases	2024	2023
Operating lease cost	$ 12,117	$ 12,105
Short-term lease cost	-	-
Variable lease cost	34	31
Total lease cost	$ 12,151	$ 12,136

Operating Leases	2024	2023
Weighted average remaining lease term	4.43 years	5.02 years
Weighted average discount rate	2.85%	2.63%

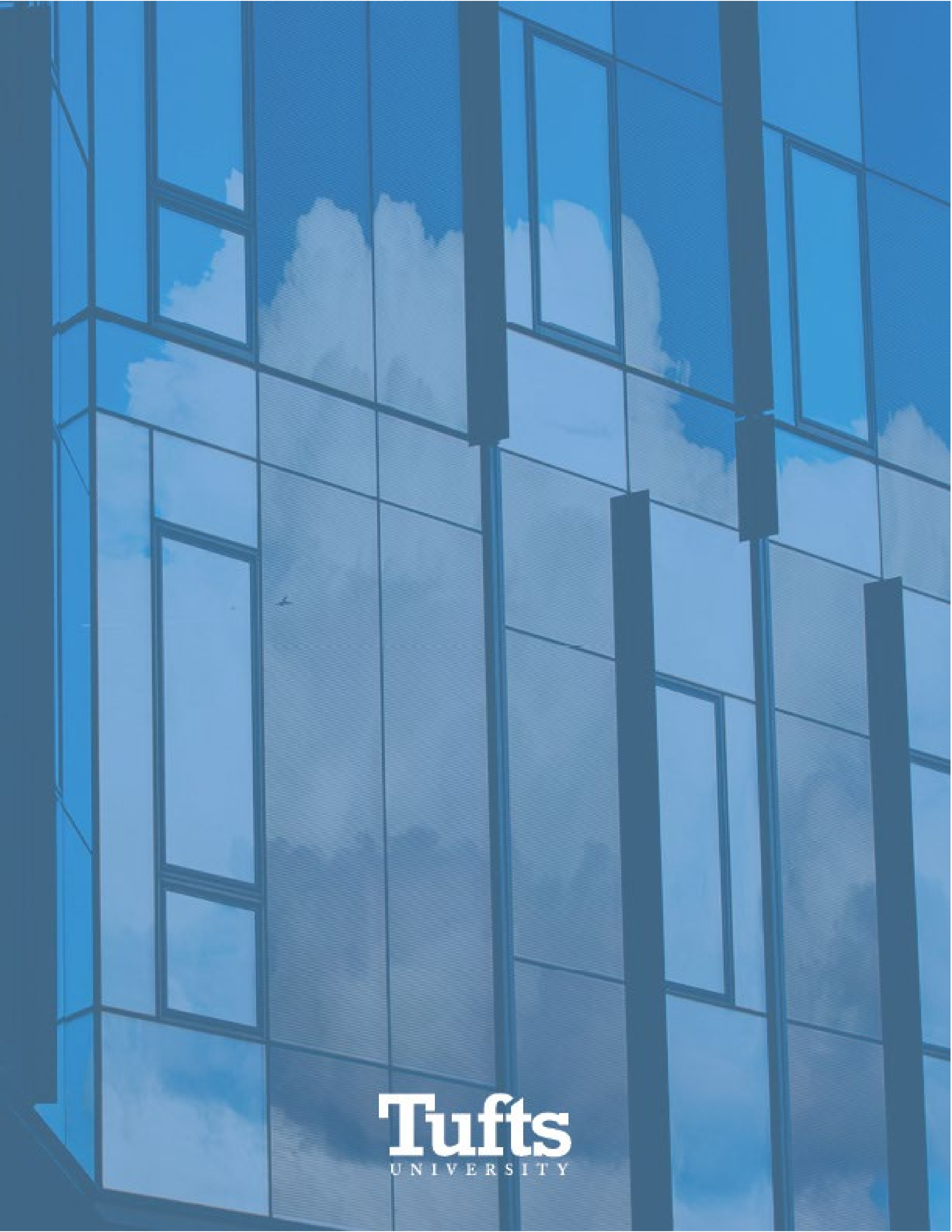
Future maturities of operating lease liabilities as of June 30, 2024 (in thousands):

2025	$ 13,109
2026	11,461
2027	8,144
2028	6,438
2029	4,860
Thereafter	7,192
Total lease payments	51,204
Less imputed interest	(15,235)
	$ 35,969

Supplemental cash flow information related to leases for the years ended June 30, 2024 and 2023 is as follows (in thousands):

Operating Leases	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 12,176	$ 11,350
Right-of-use assets obtained in exchange for lease obligations:		
Operating Leases	$ 2,502	$ 12,754

OFFICERS OF THE CORPORATION


Tufts
UNIVERSITY