The University of Oklahoma – Norman Campus

Independent Auditor's Reports, Financial Statements, and Supplementary Information

June 30, 2025 and 2024

The University of Oklahoma – Norman Campus
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June 30, 2025 and 2024

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Independent Auditor's Report

Regents of the University of Oklahoma
The University of Oklahoma – Norman Campus
Norman, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the University of Oklahoma – Norman Campus (University) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the University as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Reporting Entity

As discussed in Note 1, the accompanying financial statements of the University are intended to present the financial position, changes in financial position, and cash flows of only the activities of the Norman Campus. They do not purport to, and do not, present fairly the financial position of The University of Oklahoma as of June 30, 2025 and 2024 and the changes in its financial position or its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and,

therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2025 on our consideration of University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tulsa, Oklahoma
October 28, 2025

The discussion and analysis of The University of Oklahoma – Norman Campus' (University) financial statements provides an overview of the University's financial activities for the years ended June 30, 2025 and 2024. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis.

Financial Highlights

2025

During fiscal year 2025, the University reported a favorable change in net position, with an increase of $155.6 million, representing 16.8% growth compared to the prior year. This improvement was primarily driven by enhanced nonoperating revenues, including higher state appropriations, increased private gifts, and gains in both net investment income and endowment income. These positive developments were partially offset by a rise in interest expense, attributable to additional interest accrued on bonds issued in late FY2024.

Further contributing to the overall increase was growth in tuition and fee revenue, alongside a reduction in recorded scholarship expense. In fiscal year 2025, the University adopted a new methodology for reporting scholarship allowances (see Note 20). Under this new approach, a greater portion of scholarship allowance is netted against gross tuition, resulting in lower reported scholarship expense. Although net tuition declined compared to the prior year, net tuition revenue – after accounting for scholarship expense – rose by $25.0 million (7.3%) year over year.

Fall 2024 student headcount increased by 5.8% compared to the previous fall, while tuition and mandatory fee rates rose by 3.0%. Continued expansion of the University's online master's programs also contributed an additional $8.4 million in gross tuition revenue.

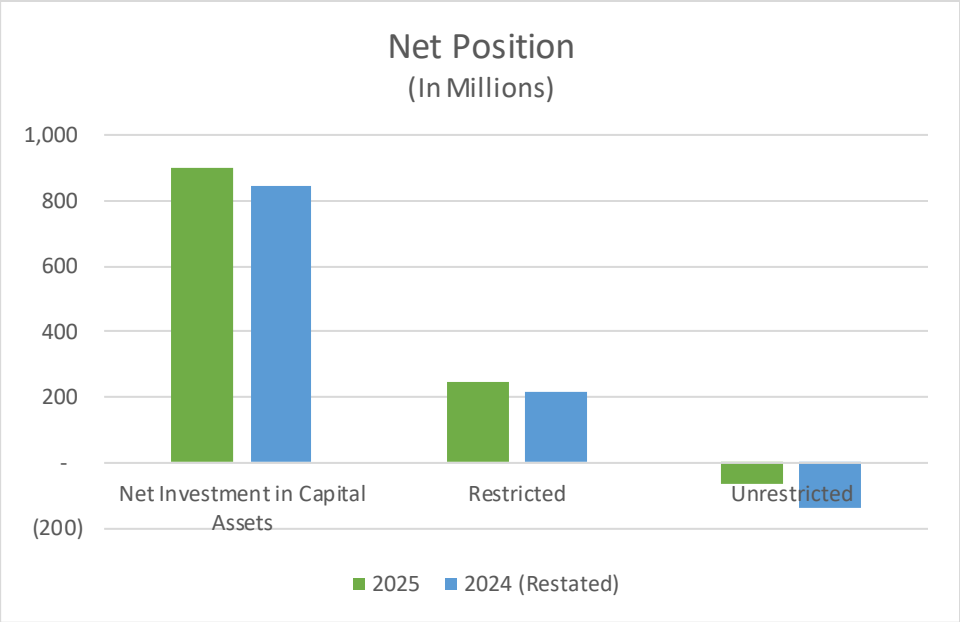
Net investment in capital assets increased $56.0 million over the previous year with the completion of the Jones Family Welcome Center at Jacobson Hall and increased progress in the construction of new residential dormitories. Restricted net position increased by $25.8 million due to improved market values of restricted endowments, increased funds received and set aside for future capital projects, and reduced unspent bond proceeds for the housing project. Unrestricted net position increased $73.8 million primarily due to strong operating performance.

2024

In fiscal year 2024, the University achieved a positive shift in net position, reflecting an increase of $141.8 million, or 18.1% compared to the prior year. This growth was primarily driven by higher net student tuition and fees, expanded operating state grants and contracts, increased revenue from auxiliary enterprises, and enhanced state appropriations. Fall 2023 student headcount rose by 3.0% year-over-year, coinciding with a 3.0% increase in tuition and mandatory fee rates. Additionally, enrollment growth in OU Online master's programs contributed $5.2 million to the rise in net student tuition and fee revenue.

Net investment in capital assets increased $59.9 million over the previous year with the completion of Love's Field softball stadium project and construction of new residential dormitories. Restricted net position increased by $13.4 million primarily due to the receipt of $10.0 million for one-time capital costs associated with the College of Arts & Sciences and Engineering. Unrestricted net position increased $58.9 million primarily due to strong operating performance.

The following graph illustrates the comparative change in net position by category for the years ended June 30:



Overview of the Financial Statements and Financial Analysis

This report consists of management's discussion and analysis; the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. These statements provide both long-term and short-term financial information on the University as a whole. The 2024 financial information contained herein has been restated for the adoption of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* in 2025. The restatement is reflected in liabilities as well as net position and expenses (see Note 19). Financial information for 2023 has not been restated.

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

The statement of net position and the statement of revenues, expenses, and changes in net position report the University's net position and how it has changed. Net position—the difference between combined assets and deferred outflows of resources and combined liabilities and deferred inflows of resources—is one way to measure the University's financial health or position. Over time, increases or decreases in the University's net position are indicators of whether its financial health is improving. Nonfinancial factors are also important to consider, including student recruitment, enrollment and retention, and the condition of campus facilities.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. All of the current year's revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid.

The following summarizes the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, as well as the University's revenues, expenses, and changes in net position for the years ended June 30:

Condensed Statements of Net Position – June 30 (in Millions)

	2025	Restated 2024	2023
Assets			
Current assets	$ 525.3	$ 487.2	$ 435.4
Capital, lease, and subscription assets, net	2,043.5	1,936.3	1,858.2
Other noncurrent assets	510.0	409.6	233.2
Total Assets	3,078.8	2,833.1	2,526.8
Deferred Outflows of Resources	71.5	97.5	133.8
Liabilities			
Current liabilities	323.3	286.0	249.8
Noncurrent liabilities	1,663.4	1,604.9	1,517.5
Total Liabilities	1,986.7	1,890.9	1,767.3
Deferred Inflows of Resources	82.2	113.8	99.6
Net Position			
Net investment in capital assets	899.0	843.0	783.1
Restricted	244.7	218.9	205.5
Unrestricted (deficit)	(62.2)	(136.0)	(194.9)
Total Net Position	$ 1,081.5	$ 925.9	$ 793.7

Condensed Statements of Revenues, Expenses, and Changes in Net Position – Years Ended June 30 (in Millions)

	2025	Restated 2024	2023
Operating Revenues	$ 987.5	$ 987.9	$ 903.9
Operating Expenses	1,233.8	1,194.1	1,162.5
Operating Loss	(246.3)	(206.2)	(258.6)
Net Nonoperating Revenues (Expenses)	353.0	295.7	255.2
Other Revenues (Expenses) and Gains (Losses)	48.9	52.3	42.4
Change in Net Position	$ 155.6	$ 141.8	$ 39.0

The following summarizes the University's operating revenues for the years ended June 30 (in millions):

	2025	2024	2023
Operating Revenues			
Student tuition and fees	$ 394.4	$ 405.9	$ 388.6
Grants and contracts	314.8	296.3	253.7
Auxiliary enterprises	231.5	240.8	228.5
Other	46.8	44.9	33.1
Total Operating Revenues	$ 987.5	$ 987.9	$ 903.9

2025

Reported net student tuition and fees declined by $11.5 million, or 2.8%, compared to the prior year. While this suggests a reduction in revenue, gross tuition—net of scholarship allowances—actually increased by $53.0 million, or 9.5%. This apparent discrepancy is attributable to the University's adoption of a revised reporting methodology for scholarship allowances in fiscal year 2025, as prescribed by National Association of College and University Business Officers (NACUBO) (see Note 20). Under the new approach, a larger portion of scholarship allowances is netted against gross tuition, also resulting in a lower reported scholarship expense.

Fall 2024 student headcount rose by 5.8% over the previous year, accompanied by a 3.0% increase in tuition and mandatory fee rates. Grants and contracts revenue grew by $18.5 million, or 6.2%, driven by the addition of a federal postal service training grant and increased funding from the U.S. Department of Education.

Revenue from auxiliary enterprises declined by $9.3 million, or 3.9%. However, housing and food services continued to show positive performance, with net revenue increasing by $4.4 million, or 5.2%. These gains were partially offset by reduced athletic department revenues associated with the University's transition to the Southeastern Conference (SEC).

2024

Student tuition and fee revenue increased by $17.3 million, or 4.5%, over the prior year. This growth was driven by a 3.0% rise in overall headcount enrollment for Fall 2023, a 3.0% increase in tuition and mandatory fee rates for both resident and nonresident students, and a 7.5% expansion in enrollment within online graduate programs. Grants and contracts revenue rose by $42.6 million, or 16.8%, primarily due to heightened activity in state-sponsored grants and contracts.

Revenue from auxiliary enterprises grew by $12.3 million, or 5.4%, supported by a $9.5 million (12.6%) increase in housing and food services. This improvement was attributed to higher occupancy rates and adjustments to meal and room pricing. Additionally, other revenue increased by $11.8 million, or 35.6%, reflecting the recognition of insurance proceeds recorded during fiscal year 2024.

The following summarizes the University's operating expenses for the years ended June 30 (in millions):

	2025	Restated 2024	2023
Operating Expenses			
Compensation and benefits	$ 663.7	$ 629.9	$ 605.5
Contractual services	239.3	202.8	192.2
Supplies and materials	64.4	56.5	53.2
Depreciation and amortization	99.9	94.3	86.1
Utilities	41.3	43.6	49.0
Communications	5.0	4.8	5.5
Scholarships and fellowships	26.0	62.6	54.3
Travel	32.5	32.7	30.2
Other	61.7	66.9	86.5
Total Operating Expenses	$ 1,233.8	$ 1,194.1	$ 1,162.5

2025

Total operating expenses rose by $39.7 million, or 3.3%, in fiscal year 2025. Compensation expenses increased by $33.8 million, or 5.4%, driven in part by a 3.0% merit-based salary adjustment program. Modest growth in faculty and staff headcount also contributed to the increase, with the most significant impact stemming from personnel additions to support the newly implemented postal service training contract.

Contractual service expenses grew by $36.5 million, or 18.0%, primarily due to payments made to student-athletes in compliance with the state executive order on Name, Image, and Likeness (NIL) compensation issued in February 2025. As anticipated, expenditures for supplies and depreciation rose, reflecting inflationary pressures and the addition of new depreciable assets during the fiscal year.

Scholarships and fellowships declined by $36.6 million, or 58.5%, largely as a result of the University's adoption of a revised methodology for reporting scholarship allowances. Under this approach, a greater portion of scholarship support is recorded as an allowance netted against tuition revenue, thereby reducing the amount reported as scholarship expense (see Note 20).

2024

Total operating expenses rose by $31.6 million, or 2.7%, in fiscal year 2024. Compensation expenses increased by $24.4 million, or 4.0%, driven primarily by a merit-based salary adjustment program ranging from 2.0% to 3.0%, along with modest growth in faculty and staff headcount. These increases were partially offset by cost savings

resulting from changes to the administration of the University's retiree insurance plan (Other Post-Employment Benefits). For additional details, refer to Note 14.

Contractual services expenses grew by $10.6 million, or 5.5%, largely due to one-time costs associated with a contractual transition involving a third-party vendor supporting OU Online. Scholarships and fellowships increased by $8.3 million, or 15.3%, reflecting enrollment growth. Conversely, other expenses declined by $19.6 million, or 22.7%, primarily due to the expiration of third-party payments under a State of Oklahoma Department of Human Services grant active in 2023, partially offset by inflationary cost pressures.

The following summarizes the University's nonoperating revenues and expenses for the years ended June 30 (in millions):

	2025	2024	2023
Nonoperating Revenues (Expenses)			
State appropriations	$ 146.0	$ 143.6	$ 122.1
State appropriations for special projects	-	-	10.0
On-behalf payments	19.1	19.2	17.5
Federal grants and contracts	47.5	35.4	29.9
State grants and contracts	21.8	19.1	14.5
Private gifts	93.6	65.2	67.2
Interest on indebtedness	(40.1)	(34.1)	(33.1)
Net investment income	30.7	18.6	6.1
Endowment income	34.3	28.6	21.0
Net Nonoperating Revenues (Expenses)	$ 352.9	$ 295.6	$ 255.2

2025

In fiscal year 2025, the University received a modest increase in state appropriations totaling $2.4 million, or 1.7%. Federal grants and contracts rose by $12.1 million, or 34.2%, driven by a 25% increase in Pell Grant awards and an 8% increase in the average award amount.

Private gift revenue increased, primarily due to additional funding transferred to the Athletics department from the OU Foundation to support cash flow requirements associated with the University's transition to the Southeastern Conference (SEC). Net investment income grew by $12.1 million, or 65.1%, reflecting stronger investment performance and higher interest rates on cash balances held with the Oklahoma State Treasury.

Endowment income increased by $5.7 million, or 19.9%, as a result of a procedural change between the University and the OU Foundation that enabled more timely reimbursement of expenses.

These gains were partially offset by a $6.0 million, or 17.6%, increase in interest expense, stemming from debt service obligations related to bonds issued in fiscal year 2024.

2024

State appropriations increased by $21.5 million, or 17.6%, in fiscal year 2024, reflecting enhanced funding to support strategic investments in faculty compensation and engineering initiatives. Appropriations for special projects declined due to the conclusion of one-time funding related to the establishment and launch of the Polytechnic Institute in Tulsa.

Federal grants and contracts rose by $5.5 million, or 18.4%, primarily driven by a $500 increase in the maximum Pell Grant award for the year. Net investment income grew significantly by $12.5 million, or 204.9%, as a result of

stronger investment performance and higher interest rates on cash balances maintained with the Oklahoma State Treasury.

The following summarizes the University's other revenues (expenses) and gains (losses) for the years ended June 30:

	2025	2024	2023
Private gifts for capital purposes	$ 13.7	$ 26.5	$ 15.8
State appropriations for capital assets	18.0	11.0	30.0
State school land funds	12.4	10.9	9.9
On-behalf payments for OCIA capital leases	4.8	5.0	5.1
Gain (loss) on disposal of fixed assets	(2.9)	(1.4)	(19.0)
Additions to permanent endowments	2.9	0.3	0.6
Total other revenues (expenses) and gains (losses)	$ 48.9	$ 52.3	$ 42.4

2025

Other revenues (expenses) and gains (losses) declined by $3.4 million, or 6.5%, in fiscal year 2025. This decrease was primarily attributed to the completion of Love's Field stadium in 2024, which led to a reduction in private gifts designated for capital purposes. The decline was partially offset by revenue received for the renovation of Jacobson Hall and various athletics-related capital projects.

State appropriations for capital assets increased following the receipt of $8.0 million under a funding agreement intended to support future debt service obligations. These funds are designated to assist with payments that will become due upon initiation of draws against the Legacy Capital Funds and are reported as noncurrent restricted cash in the University's statement of net position.

The University continues to benefit from annual distributions for capital improvements provided by the state school land funds, administered by the Commissioners of the Land Office.

2024

Other revenues (expenses) and gains (losses) increased by $9.9 million, or 23.3%, in fiscal year 2025. This growth was primarily driven by an increase in capital gifts supporting the completion of Love's Field stadium in fiscal year 2024. The increase was partially offset by the expiration of one-time state appropriation support previously allocated for the expansion of the National Weather Center on the University's Research Campus and the establishment of the Aerospace & Defense Innovation Institute.

Additionally, in fiscal year 2023, the University recognized a $14.7 million loss related to the demolition of Adams Tower, undertaken as part of the construction of new freshman housing facilities. The University continues to benefit from annual capital improvement distributions provided by the state school land funds, administered by the Commissioners of the Land Office.

The Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide information about the cash receipts and disbursements of the University during a period. This statement also aids in the assessment of the University's ability to generate future net cash flows and meet obligations as they come due as well as needs for external financing.

The following summarizes the University's cash flows for the years ended June 30:

Condensed Statements of Cash Flows – Years Ended June 30 (in Millions)

	2025	2024	2023
Net Cash Provided by (Used in)			
Operating activities	$ (148.5)	$ (108.4)	$ (152.5)
Noncapital financing activities	343.9	292.5	262.0
Capital and related financing activities	(234.7)	35.5	(99.9)
Investing activities	13.6	7.1	5.9
Increase (Decrease) in Cash and Cash Equivalents	(25.7)	226.7	15.5
Cash and Cash Equivalents, Beginning of Year	591.7	365.0	349.5
Cash and Cash Equivalents, End of Year	$ 566.0	$ 591.7	$ 365.0

2025

The University's overall liquidity declined during fiscal year 2025, with a net reduction in cash of $25.7 million. Net cash used in operating activities totaled $148.5 million, representing an increase of $40.1 million compared to the prior year. This increase in cash outflows was primarily driven by compensation and benefits expenditures totaling $674.5 million, along with a modest rise in other operating expenses, which reached $476.8 million. These elevated costs were partially offset by growth in revenue from federal grants and contracts.

Net cash provided by noncapital financing activities totaled $343.9 million in fiscal year 2025, representing an increase of $51.4 million compared to the prior year. The most significant growth occurred in private gifts, which rose by $25.8 million. Additional notable increases were observed in federal grants and contracts, as well as endowment income, contributing to the overall improvement in noncapital financing cash flows.

Net cash used in capital and related financing activities totaled $234.7 million in fiscal year 2025, representing an increase of $270.2 million compared to the prior year. This change was primarily driven by the absence of bond proceeds in 2025, following the receipt of $222.9 million from the issuance of Series 2024 A/B bonds in the prior year. Additional capital asset acquisitions contributed to the increase in cash outflows, totaling $41.9 million. Principal and interest payments on capital debt and lease obligations also rose modestly, resulting in an additional $6.8 million in cash usage.

Net cash provided by investing activities totaled $13.6 million, an increase of $6.5 million compared to the prior year. Major sources of investing activities were investment income of $13.5 million.

2024

The University's overall liquidity improved in fiscal year 2024, with a net increase in cash of $226.7 million. Net cash used in operating activities totaled $108.4 million, reflecting a $44.1 million reduction in cash outflows compared to the prior year. This improvement was primarily driven by growth in operating revenues, particularly from net tuition and fees and state grants and contracts. Key sources of operating cash included tuition and fees totaling $406.7 million, grants and contracts of $301.5 million, and auxiliary enterprise revenues of $239.8 million. These inflows were offset by compensation and benefits payments of $634.8 million and other operating expenses amounting to $473.5 million.

Net cash provided by noncapital financing activities totaled $292.5 million, an increase of $30.5 million compared to the prior year. The increase was primarily related to an increase in state appropriation funding and endowment

income. Major sources of noncapital financing activities were state appropriations of $143.5 million, grants and contracts of $53.3 million, and private gifts of $66.8 million.

Net cash provided by capital and related financing activities totaled $35.5 million in fiscal year 2024, representing an increase of $135.4 million compared to the prior year. This improvement was primarily driven by proceeds from the issuance of Series 2024 A/B bonds, partially offset by capital asset acquisitions and principal repayments on outstanding debt. Key components of capital and related financing activities included capital, lease, and subscription asset purchases totaling $142.3 million; proceeds of $222.9 million from the issuance of Series 2024 A/B bonds and other financing arrangements; and principal and interest payments on capital debt and leases amounting to $61.6 million.

Net cash provided by investing activities totaled $7.1 million, an increase of $1.2 million compared to the prior year. Major sources of investing activities were investment income of $5.7 million and proceeds from the sale of investments of $3.5 million.

Capital, Lease, and Subscription Assets and Debt Administration

The following summarizes the University's capital, lease, and subscription assets at June 30 (in millions):

	2025	2024	2023
Land and land improvements	$ 52.9	$ 51.4	$ 49.6
Buildings	1,415.3	1,430.4	1,418.8
Construction in progress	181.2	82.4	51.4
Furniture, fixtures, and equipment	303.5	285.1	258.6
Infrastructure	46.1	44.2	40.3
Library books and periodicals	9.7	11.5	13.6
Lease asset building	11.5	9.5	9.7
Lease asset equipment	3.8	2.6	2.8
Subscription assets	19.5	19.2	13.3
Capital, lease, and subscription assets, net	$ 2,043.5	$ 1,936.3	$ 1,858.1

2025

At June 30, 2025, the University reported $2,043.5 million invested in capital, lease, and subscription assets, net of accumulated depreciation and amortization of $1,342.3 million. Depreciation and amortization expense for the current year totaled $99.9 million compared to $94.3 million in the prior year. During the year, the University had major projects in construction in progress, including McCasland Hall, the new freshmen dormitories, as well as various athletics projects. Construction projects completed during the year included the renovation of the Jones Family Welcome Center at Jacobson Hall, one of the oldest buildings on the Norman campus. More detailed information related to the University's capital, lease, and subscription assets is presented in Note 6 to the financial statements.

2024

At June 30, 2024, the University had $1,936.3 million invested in capital, lease, and subscription assets, net of accumulated depreciation and amortization of $1,318.7 million. Depreciation and amortization expense for the current year totaled $94.3 million compared to $86.1 million in the prior year. During the year, the University had major projects in construction in progress, including the new freshmen dormitories. Construction projects completed during the year included the Love's Field softball stadium and a radar innovation building. More detailed information related to the University's capital, lease, and subscription assets is presented in Note 6 to the financial statements.

Debt, Lease, and Subscription Obligations

The following summarizes outstanding debt, lease, and subscription obligations by type at June 30 (in millions):

	2025	2024	2023
General revenue bonds	$ 1,120.4	$ 1,173.9	$ 1,013.7
Lease obligations	17.1	12.6	12.7
Subscription obligations	17.2	16.8	11.3
Other financing arrangements	194.1	38.3	37.9
Total outstanding debt, lease, and subscription	$ 1,348.8	$ 1,241.6	$ 1,075.6

2025

At June 30, 2025, the University had $1,348.8 million in outstanding debt, an increase of $107.2 million or 8.6% over the prior year.

The University paid $62.2 million in principal related to capital debt and lease liabilities. During fiscal year 2025, the University entered into two agreements with the Oklahoma Capital Improvement Authority (OCIA), under which a total of $160.0 million was allocated from the state's Legacy Capital Fund for the construction and expansion of facilities (see Note 12). The debt balance of these funds is included under other financing arrangements. These funds are repayable to OCIA over 20 years at 0% interest, with repayment commencing upon the initial drawdown.

2024

At June 30, 2024, the University had $1,241.6 million in outstanding debt, an increase of $166.0 million or 15.4% over the prior year.

The University issued $210.4 million in General Revenue and Refunding Bonds Series 2024A for the construction of new freshmen dormitories and athletic facilities and the tender of $33.4 million of General Obligation and Refunding Bonds Series 2020C. The University also issued $20.1 million in General Revenue Bonds Series 2024B for construction of the Love's Field softball stadium. The University paid $95.0 million in principal related to capital debt and lease liabilities, which includes a repayment of $37.6 million related to the Series 2020C tender.

Future Outlook

The University's future outlook continues to be closely related to its role as the State of Oklahoma's premier comprehensive institution of higher education. It benefits from ongoing financial and political support from the State. In connection with the refreshed *Lead On, University* Strategic Plan, the University continues to scrutinize budget allocations and prioritize investment in areas aligned with the Strategic Plan.

For fiscal year 2026, state appropriations are expected to increase by $3.0 million or 2.1%, as a targeted investment was made to support a mathematics tutoring program. Additionally, in fiscal year 2026, the University expects to receive one-time capital support of $5.0 million to support biosciences and engineering.

The University's financial outlook continues to strengthen, supported by rising enrollment and increased state funding. It holds an A+ credit rating from Standard & Poor's Global Ratings (S&P) and Fitch Ratings. Building on this strong financial foundation, the fiscal year 2026 budget addresses key priorities from the University's refreshed Strategic Plan. These include a fourth straight year of faculty and staff raise programs, achieving a $25 million annual target to address deferred maintenance needs, new signature student experiences and events, investments supporting the inaugural Chief Artificial Intelligence Officer, and student support position investments.

A major contributor to the University's economic strength is its ability to recruit and retain top-tier students. The University continues to attract top students from across the nation and from countries around the world. In the Fall 2025 semester, headcount enrollment increased 5.8% to a record 32,622. A driver of this growth was the University welcoming its largest freshmen class of 6,229 in the Fall 2025 semester, an 11.4% increase compared to Fall 2024. Retention rates remained strong across the board, with the freshman-to-sophomore retention rate landing at 89.9%, the highest of any institution in the state, and second- and third-year rates reaching all-time highs.

As part of its Freshman Housing Master Plan, the University is in the process of modernizing its student housing infrastructure. In Summer 2023, Adams Center, a 900-bed facility built in 1964, was demolished to make way for two new buildings, which will add 1,150 beds for first-year students. Construction on the 560-bed McCasland Hall began in Summer 2023 and opened to students in Fall 2025, while the south building commenced in 2024 and is slated for completion by Fall 2026. Future phases will replace two remaining dormitory towers from the 1960s.

The University of Oklahoma – Norman Campus
Statements of Net Position
June 30, 2025 and 2024
(In Thousands)

	2025	2024 Restated (Note 19)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 345,149	$ 299,302
Restricted cash and cash equivalents	75,050	68,671
Accrued interest receivable	1,187	1,148
Accounts receivable, net	85,909	91,448
Leases receivable	3,869	4,342
Inventories and supplies	3,929	2,987
Loans to students, net of allowance for uncollectible loans	1,016	1,245
Deposits and prepaid expenses	9,165	18,069
Total Current Assets	525,274	487,212
Noncurrent Assets		
Restricted cash and cash equivalents	145,845	223,732
Endowment investments	133,015	120,445
Other long-term investments	25,799	22,633
Investments in real estate	220	220
Net OPEB assets	4,757	2,042
Net retirement plan asset	1,158	521
Loans to students, net of allowance for uncollectible loans	5,107	5,964
Leases receivable	33,772	33,539
Deposits and prepaid expenses	388	550
Cash held by other state agencies	160,000	-
Capital assets, net	2,008,630	1,905,019
Lease assets, net	15,305	12,154
Subscription assets, net	19,529	19,149
Total Noncurrent Assets	2,553,525	2,345,968
Total Assets	3,078,799	2,833,180
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding of bonds	6,818	7,460
Deferred loss on defeasance of bonds and other financing arrangements	7	11
Deferred outflows		
Pensions	64,302	87,583
OPEB	461	2,409
Total Deferred Outflows of Resources	71,588	97,463

The University of Oklahoma – Norman Campus
Statements of Net Position
June 30, 2025 and 2024
(In Thousands) **(Continued)**

	2025	2024 Restated (Note 19)
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	$ 119,173	$ 96,908
Accrued compensated absences	30,987	27,425
OPEB-current portion	5,779	5,072
Unearned revenues	68,972	65,363
Accrued interest payable	22,656	19,712
Revenue bonds payable and other financing arrangements – current portion	61,299	57,765
Leases payable – current portion	3,023	2,510
Subscriptions payable – current portion	6,609	6,336
Deposits held in trust for others	4,798	4,890
Total Current Liabilities	323,296	285,981
Noncurrent Liabilities		
OPEB	83,761	85,418
Net pension liability	272,122	315,936
Retirement plan liability	12,976	10,441
Accrued compensated absences	13,478	13,642
Federal loan program contributions refundable	3,204	4,516
Other financing arrangements	189,576	34,121
Revenue bonds payable	1,063,605	1,120,360
Leases payable	14,137	10,083
Subscriptions payable	10,599	10,418
Total Noncurrent Liabilities	1,663,458	1,604,935
Total Liabilities	1,986,754	1,890,916
DEFERRED INFLOWS OF RESOURCES		
Pensions	35,887	31,225
OPEB	3,029	37,657
OCIA financing restructure	3,331	3,821
Leases	34,212	35,049
Deferred gain on bond refunding	5,704	6,061
Total Deferred Inflows of Resources	82,163	113,813

The University of Oklahoma – Norman Campus
Statements of Net Position
June 30, 2025 and 2024
(In Thousands) **(Continued)**

	2025	2024 Restated (Note 19)
NET POSITION		
Net Investment in Capital Assets	$ 898,960	$ 842,980
Restricted for		
Nonexpendable	100,849	91,363
Expendable		
Education, general, and auxiliary operations	16,086	13,392
Capital projects	71,137	55,280
Debt service	49,763	46,005
OPEB and pension	5,915	2,562
Athletics	933	10,367
Unrestricted (Deficit)	(62,173)	(136,035)
Total Net Position	$ 1,081,470	$ 925,914

The University of Oklahoma – Norman Campus
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024
(In Thousands)

	2025	2024 Restated (Note 19)
Operating Revenues		
Student tuition and fees, net of scholarship allowances; see Note 20	$ 394,429	$ 405,889
Federal grants and contracts	181,800	163,120
State grants and contracts	125,214	123,802
Private grants and contracts	7,772	9,386
Housing and food service revenues, net of scholarship allowances; see Note 20	89,377	84,974
Athletic revenues, net of scholarship allowances; see Note 20	105,344	119,513
Sales and services of auxiliary enterprises – other	36,740	36,328
Other revenues	46,838	44,933
Total Operating Revenues	987,514	987,945
Operating Expenses		
Compensation and benefits	663,655	629,918
Contractual services	239,257	202,766
Supplies and materials	64,391	56,494
Depreciation and amortization	99,917	94,342
Utilities	41,363	43,624
Communications	5,048	4,811
Scholarships and fellowships	26,023	62,517
Travel	32,506	32,744
Other	61,681	66,922
Total Operating Expenses	1,233,841	1,194,138
Operating Loss	(246,327)	(206,193)
Nonoperating Revenues (Expenses)		
State appropriations	145,999	143,562
On-behalf payments – pension-related	19,101	19,205
Federal grants and contracts	47,463	35,462
State grants and contracts	21,844	19,117
Private gifts	93,602	65,163
Interest on indebtedness	(40,094)	(34,098)
Net investment income	30,724	18,638
Endowment income	34,329	28,598
Net Nonoperating Revenues (Expenses)	352,968	295,647
Income Before Other Revenues (Expenses) and Gains (Losses)	106,641	89,454

The University of Oklahoma – Norman Campus
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024
(In Thousands) **(Continued)**

	2025	2024 Restated (Note 19)
Other Revenues (Expenses) and Gains (Losses)		
Private gifts for capital purposes	$ 13,677	$ 26,501
State appropriations for capital projects	18,000	11,024
State school land funds	12,442	10,873
On-behalf payments for OCIA financing arrangements	4,774	5,007
Loss on disposal of capital assets	(2,873)	(1,378)
Additions to permanent endowments	2,895	284
Total Other Revenues (Expenses) and Gains (Losses)	48,915	52,311
Change in Net Position	155,556	141,765
Net Position, Beginning of Year – as Previously Reported	925,914	793,677
Change in Accounting Principle (Note 19)	-	(9,528)
Net Position, Beginning of Year – Restated	925,914	784,149
Net Position, End of Year	$ 1,081,470	$ 925,914

The University of Oklahoma – Norman Campus
Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(In Thousands)

	2025	2024 Restated (Note 19)
Cash Flows From Operating Activities		
Student tuition and fees	$ 392,549	$ 406,735
Federal grants and contracts	188,542	156,552
State grants and contracts	128,131	136,438
Private grants and contracts	8,314	8,536
Interest on loans receivable	633	687
Housing and food service revenues	89,120	84,375
Athletic revenues	117,606	127,060
Sales and services of auxiliary enterprises	29,848	28,339
Other additions	46,884	49,938
Collection of loans	1,401	1,855
Loans issued to students	(238)	(621)
Compensation and benefits	(674,463)	(634,822)
Other operating expenses	(476,784)	(473,474)
Net Cash Used in Operating Activities	(148,457)	(108,402)
Cash Flows From Noncapital Financing Activities		
State appropriations	146,024	143,537
Federal grants and contracts	46,152	34,153
State grants and contracts	21,845	19,117
Private gifts	92,628	66,810
Endowment income	34,329	28,598
Additions to permanent endowment	2,895	284
Federal Family Education loan receipts	160,851	155,848
Federal Family Education loan disbursements	(160,851)	(155,848)
Net Cash Provided by Noncapital Financing Activities	343,873	292,499
Cash Flows From Capital and Related Financing Activities		
Private gifts for capital assets	11,736	21,644
State appropriations for capital projects	18,000	11,024
State school land funds	12,442	10,873
Proceeds from sale of capital assets	858	1,138
Purchases of capital assets	(184,132)	(142,281)
Net proceeds from issuance of bonds and other financing arrangements	-	222,918
Principal paid on capital debt, leases, and subscription liabilities	(58,938)	(61,578)
Collections on leases receivable	6,955	4,016
Collections on accrued interest receivable for leases	1,363	1,267
Interest paid on capital debt, leases, and subscription liabilities	(42,951)	(33,479)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(234,667)	35,542

The University of Oklahoma – Norman Campus
Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(In Thousands) **(Continued)**

	2025	2024 Restated (Note 19)
Cash Flows From Investing Activities		
Investment income	$ 13,496	$ 5,653
Proceeds from sales and maturities of investments	1,684	3,504
Purchases of investments	(1,590)	(2,099)
Net Cash Provided by Investing Activities	13,590	7,058
Increase (Decrease) in Cash and Cash Equivalents	(25,661)	226,697
Cash and Cash Equivalents, Beginning of Year	591,705	365,008
Cash and Cash Equivalents, End of Year	$ 566,044	$ 591,705
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Current assets		
Cash and cash equivalents	$ 345,149	$ 299,302
Restricted cash and cash equivalents	75,050	68,671
Noncurrent assets		
Restricted cash and cash equivalents	145,845	223,732
Total Cash and Cash Equivalents	$ 566,044	$ 591,705
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (246,327)	$ (206,193)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation and amortization	99,917	94,342
Noncash bond issuance costs	-	803
On-behalf contributions related to pensions	19,101	19,205
Changes in assets and liabilities		
Accounts receivable	8,743	11,846
Inventories and supplies	(942)	(370)
Loans to students	1,086	1,327
Deposits and prepaid expenses	9,066	(1,802)
Net OPEB asset	(2,715)	(489)
Net retirement plan asset	(637)	-
Deferred outflows related to pensions and OPEB	25,229	35,523
Accounts payable and accrued expenses	12,169	9,756
Compensated absences	3,398	(564)
Unearned revenue	3,609	5,552
Deposits held in custody for others	(407)	216
Total OPEB liability	(950)	(62,711)
Net pension liability	(43,814)	(19,619)
Retirement plan liability	2,535	2,733
Deferred inflows related to pensions and OPEB	(29,966)	7,221
Deferred inflows related to leases receivable	(7,552)	(5,178)
Net Cash Used in Operating Activities	$ (148,457)	$ (108,402)

The University of Oklahoma – Norman Campus
Statements of Cash Flows
Years Ended June 30, 2025 and 2024
(In Thousands) **(Continued)**

	2025	2024 Restated (Note 19)
Noncash Investing, Capital, and Financing Activities		
Principal on capital debt paid by state agency on behalf of the University	$ 3,220	$ 3,486
Interest on capital debt paid by state agency on behalf of the University	$ 1,554	$ 1,521
Capital asset acquisitions included in accounts payable	$ 28,463	$ 18,371
Change in fair value of investments	$ (15,830)	$ (10,979)
Leases receivable obtained for lease assets	$ 6,715	$ 5,893
Lease obligations incurred for property and equipment	$ 7,654	$ 3,130
Subscription assets and liabilities incurred through subscription agreements	$ 8,913	$ 13,404
Deferred inflows of resources related to OCIA financing	$ -	$ 2,185
Bond proceeds deposited with escrow agent	$ -	$ 33,394
Bonds redeemed by escrow agent	$ -	$ 37,605
Deferred inflows of resources related to 2020C bond tender	$ -	$ 4,485

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Note 1. Summary of Significant Accounting Policies

Nature of the Organization

The University of Oklahoma – Norman Campus (University) is a comprehensive institution providing undergraduate, graduate, and professional education in a variety of academic programs. The University operates under the jurisdiction of the Board of Regents of the University of Oklahoma (Board of Regents) and the Oklahoma State Regents for Higher Education (State Regents) and is an agency of the State of Oklahoma.

Reporting Entity

The University is one of the four institutions of higher education in Oklahoma that comprise the Regents of the University of Oklahoma, which in turn is part of the Higher Education Component Unit of the State of Oklahoma. The Board of Regents has constitutional authority to govern, control, and manage the Regents of the University of Oklahoma, which consists of the University, The University of Oklahoma Health Campus, Rogers State University, and Cameron University. This authority includes but is not limited to the power to designate management; the ability to significantly influence operations; acquire and take title to real and personal property in its name; and appoint or hire all necessary officers, supervisors, instructors, and employees for member institutions.

Accordingly, the University is considered an organizational unit of the Regents of the University of Oklahoma reporting entity for financial reporting purposes due to the significance of its legal, operational, and financial relationships with the Board of Regents, as defined in Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

For financial reporting purposes, the University has included all funds, organizations, agencies, boards, commissions, and authorities within the reporting entity defined above. The University has also considered all potential component units for which it is financially accountable and other organizations for which the nature or significance of their relationship with the University are such that the exclusion would cause the University's financial statements to be misleading or incomplete. GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and 1) the ability of the University to impose its will on that organization or 2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the University. The University does not have any material component units that meet GASB criteria.

Although the University is a beneficiary of the University of Oklahoma Foundation, Inc. (Foundation), the Foundation is independent of the University in all respects. The Foundation is not a subsidiary or affiliate of the University and is not directly or indirectly controlled by the University or the Board of Regents. Assets that the University places with the Foundation for investment, together with investment income, are held, administered, and distributed to the University under the direction and supervision of the Foundation based upon the University's policies and instructions. With the exception of assets that the University and others have placed with the Foundation for investment (and the investment income from such assets), the assets of the Foundation are the exclusive property of the Foundation. The University is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. Neither the University nor the Board of Regents has the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The trustees of the Foundation are entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the University. Under state law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of state-appropriated funds allocated to the University. Third parties dealing with the University, the Board of Regents, the State Regents, and the State of Oklahoma (or any agency thereof) should not rely upon any financial information contained herein about the Foundation for any purpose without consideration of all of the foregoing conditions and limitations.

Financial Statement Presentation

The University presents its financial statements in accordance with the requirements of GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, which require a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. All intra-agency transactions have been eliminated.

Cash Equivalents

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State Treasurer's Cash Management Program are considered cash equivalents and are carried at amortized cost.

Restricted cash and cash equivalents pertain to amounts that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase capital or other noncurrent assets.

Investments

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the accompanying statements of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable consists of tuition and fees charged to students and auxiliary enterprise services provided to external parties. Accounts receivable also include amounts due from federal, state, and local governments or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts.

Accounts receivable are recorded net of estimated uncollectible amounts. The University determines its allowance by considering a number of factors, including length of time accounts receivable are past due and the University's previous loss history. The University writes off specific accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Inventories and Supplies

Inventories and supplies are carried at the lower of cost or market. Inventory is primarily comprised of goods held by printing services, facilities management, Goddard Health, and other miscellaneous areas.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of $5 or more and an

estimated useful life of greater than one year. Construction of or renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings; 20 years for infrastructure, land improvements, and library books; 5 years for software; and 3 to 18 years for equipment or the duration of the lease term for capital leases.

Costs incurred during construction of long-lived assets are recorded as construction in progress and are not depreciated until placed in service.

Lease Assets

Lease assets are recognized at the lease commencement date and represent the University's right to use the underlying asset for the lease term. Right to use lease assets are initially recorded as the sum of 1) the amount of the initial measurement of the lease liability, 2) lease payments made at or before the commencement of the lease term less any lease incentives received from the lessor at or before the commencement of the lease term, and 3) initial direct costs that are ancillary charges necessary to place the asset into service. Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Subscription Assets

Subscription assets are recognized at the subscription commencement date and represent the University's right to use the underlying information technology (IT) asset for the subscription term. Right-to-use subscription assets are initially recorded as the sum of 1) the initial value of the subscription liability, 2) payments made to the vendor at the commencement of the subscription term less any subscription incentives received from the vendor at or before the commencement of the subscription term, and 3) any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

Capital, Lease, and Subscription Asset Impairment

Capital, lease, and subscription assets are subject to an evaluation of possible impairment when events or circumstances indicate that the related changes in carrying amounts may not be recoverable. If required, impairment losses are reported in the accompanying statements of revenues, expenses, and changes in net position. The University did not have significant impairments during the year reported.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that relate to a subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Accrued Compensated Absences

Employees of the University earn paid time off, extended sick leave, and various other accrued compensated absences in accordance with the leave policies defined within the Staff Handbook. The University recognizes a liability for accrued compensated absences when the benefits are earned by employees, rather than when they are used or paid. The liability for accrued compensated absences includes leave that is 1) attributable to services already rendered, 2) leave that accumulates, and 3) leave that is more likely than not to be used for time off or otherwise paid or settled. The liability is measured using pay rates in effect at the statement of net position date and includes salary-related payments such as the employer's share of Social Security taxes, Medicare taxes, and estimated retirement benefits. The estimated compensated absences liability expected to be used or paid more than one year after the statement of net position date is included in other long-term liabilities.

Estimated Self-Insurance Reserves

The University provides for self-insurance reserves for estimated incurred but not reported claims for its employee and student health plans, workers' compensation program, and unemployment compensation insurance program. These reserves, which are included in accounts payable and accrued expenses on the accompanying statements of net position, are estimated based upon historical submission and payment data, cost trends, utilization history, and other relevant factors. Adjustments to reserves are reflected in compensation and benefits on the accompanying statements of revenues, expenses, and changes in net position in the period in which the change in estimate is identified.

Noncurrent Liabilities

Noncurrent liabilities include 1) principal amounts of revenue bonds payable and financing, lease, or IT subscription obligations; 2) estimated amounts for accrued compensated absences; 3) other postemployment benefits (OPEB) and net pension liabilities; and 4) other liabilities that will not be paid within the next fiscal year.

Pensions and Benefit Plans

The University participates in a cost-sharing multiple-employer defined benefit pension plan, the Oklahoma Teachers' Retirement System (OTRS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The University participates in a cost-sharing multiple-employer defined benefit OPEB plan, OTRS. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The University has a single-employer defined benefit OPEB plan providing health and dental insurance to retirees (OPEB Plans). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are made on a pay-as-you-go basis as there are no assets accumulated in a trust for the purpose of this plan.

Deferred Inflows/Outflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, deferred outflows of resources and deferred inflows of resources result from the consumption or acquisition of net assets in one period that is applicable to future periods. These items are to be reported separately from assets and liabilities.

The University reports increases in net position generated by its defined benefit pension plan or OPEB that relate to future periods and the cost of refunding debt as deferred outflows of resources in a separate section of its statements of net position.

The University reports decreases in net position generated by its defined benefit pension plan or OPEB that relate to future periods, savings of refunding debt, Oklahoma Capital Improvement Authority (OCIA) financing

arrangements, and uncollected rents receivable due in future years as deferred inflows of resources in a separate section of its statements of net position.

Net Position

The University's net position is classified as follows:

Net Investment in Capital Assets – Represents the University's investment in capital, lease, and subscription assets, net of accumulated depreciation and amortization, outstanding debt obligations, and deferred inflows of resources and deferred outflows of resources related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted Net Position – Nonexpendable – Consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted Net Position – Expendable – Includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.

Unrestricted Net Position (Deficit) – Represents resources derived from student tuition and fees, state appropriations, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. Auxiliary enterprises are substantially self-supporting activities that provide services to the public, outside parties, students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues – Include activities that have the characteristics of exchange transactions, such as 1) student tuition and fees, net of scholarship allowances; 2) sales and services of auxiliary enterprises; 3) certain federal, state, and local grants and contracts; and 4) interest on institutional student loans.

Nonoperating Revenues – Include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, certain grants, and investment income.

Scholarship Allowances

Student tuition and fee revenue, and certain other revenues from students, are reported net of scholarship allowances in the accompanying statements of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or nongovernmental programs are recorded as nonoperating

revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance.

Contributions

From time to time, the University receives contributions from individuals and private organizations. Revenues from contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted for a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported as capital grants, gifts, and donations.

Endowments are provided to the University on a voluntary basis by individuals and private organizations. Permanent endowments require that the principal or corpus of the endowment be retained in perpetuity. If a donor has not provided specific instructions, the net appreciation of the investments of endowment funds is recorded with investment income in nonoperating revenue.

Tax Status

As a state institution of higher education, the income of the University is exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code (IRC); however, income generated from activities unrelated to the exempt purpose is subject to income tax under IRC Section 511(a)(2)(B).

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements Adopted in Fiscal Year 2025

In June 2022, GASB Statement No. 101, *Compensated Absences (GASB 101)*, was issued. The new accounting standard updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements.

In accordance with the provisions of GASB 101, the University implemented the standard by recalculating the compensated absences liability as of June 30, 2024 and restating the fiscal year 2024 financial statements presented, including 2024 beginning net position. This approach reflects the cumulative effect of the new recognition and measurement criteria as of the transition date. The financial statement lines impacted by the restatement are detailed in Note 19 – Change in Accounting Principle.

In December 2023, GASB Statement No. 102, *Certain Risk Disclosures (GASB 102),* was issued, which requires new risk disclosures related to a government's vulnerabilities due to certain concentrations or constraints. University management evaluated this standard and determined that it did not have a material impact on its financial statement disclosures.

In September 2024, GASB Statement No. 104, *Disclosure of Certain Capital Assets (GASB 104)*, was issued, which requires certain information regarding capital assets to be presented by major class, including lease assets recognized in accordance with GASB 87, lease and intangible right-to-use assets recognized in accordance with GASB 94, and subscription assets recognized in accordance with GASB 96. In addition, this Statement requires

additional disclosures for capital assets held for sale. The University already discloses these capital assets by major class in compliance with GASB 104, therefore, no changes to the financial statements resulted from adopting this new standard.

New Accounting Pronouncement Issued Not Yet Adopted

GASB issued a new accounting pronouncement that will be effective for the University in fiscal year 2026. A description of the new accounting pronouncement and the fiscal year in which it is effective is described below:

In April 2024, GASB Statement No. 103, *Financial Reporting Model Improvements (GASB 103)*, was issued, which standardizes the presentation for various elements in governmental financial statements to eliminate diversity in practice and improve comparability. Affected areas include management's discussion and analysis, unusual or infrequent items, the definitions and presentation of operating and nonoperating revenues and expenses in proprietary funds, the presentation of major component units, budgetary comparison information, and financial trends data in the statistical section of separately issued report. The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025.

University management is currently evaluating the impact this new standard will have on its financial statements.

Revisions

Immaterial revisions have been made to the 2024 financial statements to report the overfunded portion of select defined-benefit special retirement plans as an asset rather than netting against the liability in the Statements of Net Position, and to decrease the cumulative state match amount plus retained accumulated earnings for the State Regents' Endowment Fund Program disclosed in Note 9. These revisions did not have a significant impact on the disclosures or financial statement line items impacted.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. These reclassifications had no effect on the change in net position.

Note 2. Deposits and Investments

Deposits

The carrying amounts of the University's deposits included as cash and cash equivalents on the accompanying statements of net position are as follows as of June 30:

	2025	2024
State Treasurer	$ 493,390	$ 525,724
U.S. and foreign financial institutions	178	205
Trustees related to bond indentures	72,419	65,716
Petty cash and change funds	57	60
	$ 566,044	$ 591,705

Custodial credit risk for deposits is the risk that in the event of a bank failure the University's deposits may not be returned or the University will not be able to recover collateral securities in the possession of an outside party. To

mitigate this risk, the University deposits most of its funds with the Oklahoma State Treasurer (OST). Oklahoma Statutes require the OST to ensure that all state funds are either insured by the FDIC, collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. All deposits with the OST are pooled with funds of other state agencies and then, in accordance with statutory limitations, placed in banks or invested as the OST may determine, in the State's name.

Some deposits with the OST are placed in their investment pool, OK INVEST. Only agencies that are part of the State's reporting entity in the State's Annual Comprehensive Financial Report can participate in OK INVEST. OK INVEST pools the resources of all state funds and agencies and invests them in (a) U.S. Treasury securities that are explicitly backed by the full faith and credit of the U.S. government; (b) U.S. agency securities that carry an implicit guarantee of the full faith and credit of the U.S. government; (c) money market mutual funds that participate in investments, either directly or indirectly, in securities issued by the U.S. Treasury and/or agency and repurchase agreements relating to such securities; (d) collateralized certificates of deposit; (e) obligations of state and local governments; and (f) foreign bonds.

Of funds on deposit with the OST, amounts invested in OK INVEST totaled $315,065 and $357,096 at June 30, 2025 and 2024, respectively, and are included as cash and cash equivalents on the accompanying statements of net position.

The distribution of deposits in OK INVEST is as follows as of June 30:

	2025		2024	
	Cost	Market Value	Cost	Market Value
U.S. Treasury securities	$ 230,343	$ 231,651	$ 253,405	$ 249,836
U.S agency securities	4,798	4,766	18,781	18,396
Mortgage-backed securities	43,294	38,983	54,981	48,200
Money market mutual funds	33,173	33,173	26,818	26,818
Certificates of deposit	911	911	834	834
Foreign bonds	2,546	2,543	2,277	2,268
	$ 315,065	$ 312,027	$ 357,096	$ 346,352

Oklahoma Statutes and the State Treasurer's Investment Policy, which can be found on the State Treasurer's website at http://www.ok.gov/treasurer, establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the management of OK INVEST, with an emphasis on safety of the capital, the probable income to be derived, and meeting the State's daily cash flow requirements. The State Treasurer, at their discretion, may further limit or restrict investments on a day-to-day basis. OK INVEST includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to 10 years. OK INVEST maintains an overall weighted-average maturity of no more than four years.

Participants in OK INVEST maintain an interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the OK INVEST Information Statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher. Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that OK INVEST will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of

redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's Investment Policy to mitigate those risks; however, any interest in OK INVEST is not insured or guaranteed by the State of Oklahoma, the FDIC, or any other government agency.

Investments

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Level 2 Observable inputs other than Level 1 prices, such quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

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

The University's investments consisted of the following at June 30:

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Investments				
Fidelity revenue-sharing investments	$ 404	$ 404	$ -	$ -
BancFirst retirement plan investments	13,228	13,228	-	-
Real property	220	-	-	220
Total investments, at fair value	13,852	$ 13,632	$ -	$ 220
Investments, at NAV				
CIF – OU Foundation	133,015			
EIP II – OU Foundation	12,167			
Total investments, at NAV	145,182			
Total investments	$ 159,034			

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2024				
Investments				
Fidelity revenue-sharing investments	$ 291	$ 291	$ -	$ -
BancFirst retirement plan investments	10,725	10,725	-	-
Real property	220	-	-	220
Total investments, at fair value	11,236	$ 11,016	$ -	$ 220
Investments, at NAV				
CIF – OU Foundation	120,445			
EIP II – OU Foundation	11,617			
Total investments, at NAV	132,062			
Total investments	$ 143,298			

Fidelity Revenue-Sharing Investments – Level 1 – These investments include bonds, stable value investments, and short-term money market mutual funds.

BancFirst Retirement Plan Investments – Level 1 – These investments include target retirement date mutual funds.

Real Property – Level 3 – These investments are owned directly by the University and held for investment purposes. The real property is measured using an internal analysis that considers indications of impairment or changes in property values. Management does not adjust this investment for immaterial changes based on this assessment.

Investments Measured at NAV per Unit – Title 70, Section 4306 of the Oklahoma Statutes directs, authorizes, and empowers the University's Board of Regents to hold, invest, or sell donor-restricted endowments in a manner that is consistent with the terms of the gift as stipulated by the donor and with the provision of any applicable laws. The University has entrusted the Foundation with a portion of its funds totaling $145,182 and $132,062 as of June 30, 2025 and 2024, respectively. The investments held at the Foundation on behalf of the University within two separate investment pools are as follows:

Consolidated Investment Fund (CIF) – Investments in this pool consist primarily of domestic and international equity securities, U.S. government securities, derivative financial instruments, and alternative holdings. The Foundation considers the underlying investments within this pool to include Level 1, 2, 3, and net asset value (NAV) inputs. The University owns 6.0% of the fund as of June 30, 2025 and 2024.

Expendable Investment Pool II (EIP II) – Investments in this pool primarily consist of liquid money market funds, mutual funds, equities, and separate accounts holding U.S. government and corporate fixed income securities. The Foundation considers the underlying investments within this pool to include Level 1, 2, and NAV inputs. The University owns 21.9% and 22.3% of the fund as of June 30, 2025 and 2024, respectively.

Ownership interests in each pool are unitized. The Foundation calculates NAV per unit monthly based on the value of the underlying assets in each pool. New investments and withdrawals from these pools for the benefit of the unit holders are transmitted at NAV per unit on the monthly valuation dates.

The University's investments have no unfunded commitments, and funds may be redeemed daily with no redemption notice. Within the CIF pool, certain investments held do have unfunded commitments and limitations on redemption frequency, including redemption notice periods. The total market value of the CIF as of June 30, 2025 and 2024 totaled $2,220,610 and $2,006,200, respectively. Unfunded commitments within this fund totaled $289,289 and $251,876 at June 30, 2025 and 2024, respectively. There were redemption limitations that ranged from quarterly to three years with a 30- to 90-day redemption notice period on investments with a total market value of $319,087 and $264,794 at June 30, 2025 and 2024, respectively. Investments held in real estate funds and private equity funds with a total market value of $704,430 and $648,172 at June 30, 2025 and 2024, respectively, cannot be redeemed and are subject to the terms of the individual funds. These funds typically have lives up to 10 years (with the potential for extensions, if necessary) and distributions at the discretion of the general partners.

Credit Risk – Risk that the issuer or other counterparty to an investment will not fulfill its obligation. As a means of limiting exposure to losses arising from credit risk, the University limits its exposure to this risk as follows:

- State law limits investments in obligations of state and local governments to the highest rating from at least one nationally recognized rating agency acceptable to the State Treasurer.
- Short-term investments managed by the University are generally limited to direct obligations of the United States government and its agencies, certificates of deposit, and demand deposits.
- Investments in municipal money market funds are limited to funds with a rating of AAA by Standard & Poor's.
- The Board of Regents has authorized endowment and similar funds to be invested in direct obligations of the U.S. government and its agencies, certificates of deposit, prime commercial paper, bankers' acceptances, demand deposits, corporate debt (no bond below a single A rating by Moody's Investors Service or Standard & Poor's Corporation may be purchased), convertible securities, and equity securities. In addition, the Board of Regents authorized investments in the CIF and EIP II.
- The University's fixed income securities are generally limited to holdings of high-quality fixed income securities.

Custodial Credit Risk – Risk that in the event of failure of the counterparty the University will not be able to recover the value of investment or collateral securities in the possession of an outside party. As a means of limiting its exposure to losses arising from custodial credit risk, the University's investment policies limit the exposure to this risk as follows:

- Investment securities held in bond debt service reserve funds are held by the respective bond trustee for the benefit of the University and bondholders.
- Endowment investments are pooled with The University of Oklahoma Health Campus in the CIF and EIP II with the Foundation and held in the Board of Regents' name.
- Long-term investments are held in the CIF and EIP II with the Foundation.

Concentration of Credit Risk – The risk of loss attributed to the magnitude of the University's investment in a single issuer. The University has adopted the Foundation's "Statement of Investment Policy" for the CIF and EIP II investments with the Foundation. Within the CIF, investments consist of domestic and international equity securities,

U.S. government securities, derivative financial instruments, and alternative holdings. Within the EIP II, investments consist of liquid money market funds, mutual funds, equities, and separate accounts holding U.S. government and corporate fixed income securities. Due to the diversification within these investments, the University believes it does not have any significant concentrations of credit risk. For investments not held by the Foundation, the University places no limit on the amount the University may invest in any one issuer. However, most of the investments are in pooled investments and mutual funds.

Interest Rate Risk – The risk that changes in interest rates will negatively affect the value of an investment. The University has a short-term investment strategy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The University has adopted the Foundation's "Statement of Investment Policy" for funds invested at the Foundation. The University is responsible for determining its operating cash flow requirements and to ensure that adequate funds are available to maintain the University's operations. In determining liquidity needs, the appropriate mix of short-term, intermediate, and long-term investments will be evaluated.

The reconciliation between investments per the accompanying statements of net position and total investments is as follows at June 30:

	2025	2024
Endowment investments	$ 133,015	$ 120,445
Other long-term investments	25,799	22,633
Investments in real estate and mineral interest	220	220
	$ 159,034	$ 143,298

Note 3. Accounts Receivable

Accounts receivable are shown net of allowances for doubtful accounts in the accompanying statements of net position. Accounts receivable consisted of the following at June 30:

	2025	2024
Student tuition and fees	$ 42,095	$ 49,105
Federal, state, and private grants and contracts	37,520	47,048
Auxiliary enterprises	12,929	13,574
Other operating activities	17,896	15,174
	110,440	124,901
Less allowance for doubtful accounts	(24,531)	(33,453)
Accounts receivable, net	$ 85,909	$ 91,448

Note 4. Inventories and Supplies

Inventories and supplies consisted of the following at June 30:

	2025	2024
University printing services	$ 527	$ 843
Facilities management	1,562	376
Goddard Health Services	229	279
University Press	317	336
Jimmie Austin Golf Course	618	272
Housing and food services	235	219
Stephenson Research Store	-	221
Other	441	441
	$ 3,929	$ 2,987

Note 5. Loans to Students

Student loans made through the Federal Perkins Loan Program (Program) comprised 39% and 47% of the student loan balance at June 30, 2025 and 2024, respectively. Under certain conditions, such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University to the extent of 10% of the amounts forgiven for loans originated prior to July 1, 1993 under the Program. No reimbursements are provided for loans originated after this date. Amounts refundable to the federal government upon cessation of the Program of $3,204 and $4,516 at June 30, 2025 and 2024, respectively, are reflected in the accompanying statements of net position as noncurrent liabilities.

As the University determines that loans are uncollectible and not eligible for reimbursement by the federal government, the loans are written off and assigned to the U.S. Department of Education. The allowance for uncollectible loans only applies to University-funded loans and the University portion of federal student loans, as the University is not obligated to fund the federal portion of uncollected student loans. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2025 and 2024, the allowance for uncollectible loans was $511 and $587, respectively.

At June 30, 2025 and 2024, interest revenue on student loans receivable was $281 and $314, respectively.

Note 6. Capital, Lease, and Subscription Assets

Capital, lease, and subscription asset activity is on the following pages as of and for the years ended June 30.

	Beginning Balance	Additions	Transfers	Deductions	Ending Balance
2025					
Capital assets not being depreciated					
Land	$ 44,513	$ 212	$ -	$ -	$ 44,725
Art	720	824	27	-	1,571
Construction in progress	82,380	150,179	(50,768)	(633)	181,158
Total capital assets not being depreciated	127,613	151,215	(50,741)	(633)	227,454
Capital, lease, and subscription assets being depreciated/amortized					
Buildings	2,110,058	2,047	22,646	(1,499)	2,133,252
Equipment	325,933	29,098	8,247	(29,786)	333,492
Leasehold improvements	3,369	1,025	-	-	4,394
Capital improvements	300,330	5,340	17,171	(508)	322,333
Land improvements	55,483	984	1,020	(23,561)	33,926
Infrastructure	123,121	4,402	1,657	(21,681)	107,499
Library books	116,255	-	-	(243)	116,012
Lease asset building	13,493	4,839	-	(339)	17,993
Lease asset equipment	5,014	2,816	-	(802)	7,028
Subscription asset	30,153	8,913	-	(946)	38,120
Software	44,180	113	-	(16)	44,277
Total capital, lease, and subscription assets being depreciated/amortized	3,127,389	59,577	50,741	(79,381)	3,158,326
Less accumulated depreciation					
Buildings	679,640	39,491	-	(1,149)	717,982
Equipment	223,440	23,549	-	(27,712)	219,277
Leasehold improvements	2,340	401	-		2,741
Capital improvements	121,799	15,754	-	(207)	137,346
Land improvements	48,568	730	-	(23,561)	25,737
Infrastructure	78,887	4,217	-	(21,681)	61,423
Library books	104,785	1,726	-	(243)	106,268
Less accumulated amortization					
Lease asset building	3,970	2,814	-	(337)	6,447
Lease asset equipment	2,383	1,653	-	(767)	3,269
Subscription asset	11,004	8,206	-	(619)	18,591
Software	41,864	1,376	-	(5)	43,235
Total accumulated depreciation and amortization	1,318,680	99,917	-	(76,281)	1,342,316
Capital, lease, and subscription assets being depreciated/ amortized, net	1,808,709	(40,340)	50,741	(3,100)	1,816,010
Capital, lease, and subscription assets, net	$ 1,936,322	$ 110,875	$ -	$ (3,733)	$ 2,043,464

	Beginning Balance	Additions	Transfers	Deductions	Ending Balance
2024					
Capital assets not being depreciated					
Land	$ 44,098	$ 698	$ -	$ (283)	$ 44,513
Art	312	408	-	-	720
Construction in progress	51,425	106,318	(75,198)	(165)	82,380
Total capital assets not being depreciated	95,835	107,424	(75,198)	(448)	127,613
Capital, lease, and subscription assets being depreciated/amortized					
Buildings	2,059,737	2,092	49,035	(806)	2,110,058
Equipment	294,364	35,950	14,331	(18,712)	325,933
Leasehold improvements	3,369	-	-	-	3,369
Capital improvements	286,984	6,528	7,105	(287)	300,330
Land improvements	52,921	2,199	363	-	55,483
Infrastructure	114,139	4,618	4,364	-	123,121
Library books	116,969	-	-	(714)	116,255
Lease asset building	12,987	1,471	-	(965)	13,493
Lease asset equipment	5,066	1,080	-	(1,132)	5,014
Subscription asset	17,666	13,404	-	(917)	30,153
Software	43,954	232	-	(6)	44,180
Total capital, lease, and subscription assets being depreciated/amortized	3,008,156	67,574	75,198	(23,539)	3,127,389
Less accumulated depreciation					
Buildings	640,894	38,876	-	(130)	679,640
Equipment	220,871	20,299	-	(17,730)	223,440
Leasehold improvements	1,999	341	-	-	2,340
Capital improvements	106,985	14,930	-	(116)	121,799
Land improvements	47,438	1,130	-	-	48,568
Infrastructure	73,878	5,009	-	-	78,887
Library books	103,337	2,162	-	(714)	104,785
Less accumulated amortization					
Lease asset building	3,262	1,777	-	(1,069)	3,970
Lease asset equipment	2,290	1,216	-	(1,123)	2,383
Subscription asset	4,360	7,227	-	(583)	11,004
Software	40,494	1,375	-	(5)	41,864
Total accumulated depreciation and amortization	1,245,808	94,342	-	(21,470)	1,318,680
Capital, lease, and subscription assets being depreciated/ amortized, net	1,762,348	(26,768)	75,198	(2,069)	1,808,709
Capital, lease, and subscription assets, net	$ 1,858,183	$ 80,656	$ -	$ (2,517)	$ 1,936,322

The University maintains various collections of inexhaustible assets for which no value can be determined. Such collections include contributed works of art, historical treasures, and literature.

Note 7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at June 30:

	2025	2024
Accounts payable	$ 62,510	$ 56,785
Accrued payroll	46,641	31,402
Self-insurance reserves	10,022	8,721
	$ 119,173	$ 96,908

Note 8. Unearned Revenues

Unearned revenues consisted of the following at June 30:

	2025	2024
Prepaid tuition and student fees	$ 19,098	$ 19,041
Prepaid athletic ticket sales	40,538	39,122
Grants and contracts	6,020	4,542
Other auxiliary enterprises	3,316	2,658
	$ 68,972	$ 65,363

Note 9. Funds Held in Trust by Others

Beneficial Interest in State School Land Funds

The University has a beneficial interest in the Section Thirteen State Educational Institutions Fund and the New College Fund held in the care of the Commissioners of the Land Office as trustees. The University has the right to receive annually 30% of the distribution of income produced by Section Thirteen State Educational Institutions Fund assets and 100% of the distribution of income produced by the University's New College Fund.

The University received $12,442 and $10,873 during the years ended June 30, 2025 and 2024, respectively, which is restricted to acquisition of buildings, equipment, or other capital items. Per direction and approval of the Board of Regents, during the years ended June 30, 2025 and 2024, the University distributed $1,280 and $3,998, respectively, of these funds to The University of Oklahoma Health Campus. Present state law prohibits the distribution of any corpus of these funds. The total funds for the University, held in trust by the Commissioners of the Land Office, are $219,424 and $220,314 at June 30, 2025 and 2024, respectively, and have not been reflected in the accompanying financial statements.

Oklahoma State Regents for Higher Education Endowment Fund Program

In connection with the State Regents' Endowment Fund Program, the State of Oklahoma matches contributions received under this program. The cumulative state match amount plus any retained accumulated earnings totaled $188,092 and $185,428 at June 30, 2025 and 2024, respectively, and is invested by the State Regents on behalf of the University. The University is entitled to receive an annual distribution of earnings on these funds. The distribution of $7,454 and $7,177 received during 2025 and 2024, respectively, has been reflected as endowment income in the accompanying statements of revenues, expenses, and changes in net position. Institutional matching funds are on deposit with the Foundation for the benefit of the University.

Note 10. Leases

Lease Liabilities

The University has entered into leases of equipment, vehicles, office space, etc., the terms of which expire in various years through 2045. Variable payments of certain leases are based on the Consumer Price Index (Index). These leases were measured based upon the Index at lease commencement. Variable payments based upon future performance of the lessee or usage of the underlying asset are not included in the lease liability because they are not fixed in substance.

During the years ended June 30, 2025 and 2024, the University did not recognize rental expense for variable payments (residual value guarantees or termination penalties) not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the leases as of June 30, 2025:

Year Ending June 30,	Total to be Paid	Principal	Interest
2026	$ 3,681	$ 3,023	$ 658
2027	3,179	2,652	527
2028	2,335	1,927	408
2029	1,315	980	335
2030	979	681	298
2031–2035	3,840	2,629	1,211
2036–2040	3,892	3,192	700
2041–2042	2,229	2,076	153
	$ 21,450	$ 17,160	$ 4,290

Leases Receivable

The University has entered into leases of its property, including buildings and land, to third parties for purposes such as office, warehouse, or retail space. The terms of these leases expire in various years through 2077. Variable payments of certain leases are based upon the Index. These leases were measured based upon the Index at lease commencement. Lease payments based on the future performance of the lessee are not included in the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the years ended June 30, 2025 and 2024 was $6,101 and $6,119, respectively, which includes both lease revenue and interest. The University did not recognize any variable

payments not previously included in the measurement of the lease receivable for the years ended June 30, 2025 and 2024.

Note 11. Subscription-Based Information Technology Arrangements (SBITA)

The University has entered into various SBITAs, the terms of which expire in various years through 2032. Variable payments based on the use of the underlying subscription asset are not included in the subscription liability because they are not fixed in substance.

During the years ended June 30, 2025 and 2024, the University did not recognize subscription expense for variable payments (termination penalties) not previously included in the measurement of the subscription liability.

The following is a schedule by year of payments under the SBITAs as of June 30, 2025:

Year Ending June 30,	Total to be Paid	Principal	Interest
2026	$ 7,423	$ 6,609	$ 814
2027	4,701	4,177	524
2028	2,736	2,410	326
2029	1,803	1,599	204
2030	883	761	122
2031–2035	1,778	1,652	126
	$ 19,324	$ 17,208	$ 2,116

Note 12. Long-Term Liabilities

Long-term liability activity was as follows for the years ended June 30:

	Interest Rates	Maturity Through	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2025							
Bonds and financing arrangements							
General Revenue Refunding Bonds, Series 2012D	0.40%–3.12%	7/1/2027	$ 8,070	$ -	$ (1,925)	$ 6,145	$ 1,985
General Revenue Bonds, Series 2013A	2.00%–3.38%	7/1/2042	8,420	-	(340)	8,080	350
General Revenue Bonds, Series 2013B	0.52%–4.29%	7/1/2042	37,665	-	(1,390)	36,275	1,430
General Revenue Refunding Bonds, Series 2013D	0.54%–5.12%	7/1/2034	7,065	-	(1,190)	5,875	1,240
General Revenue Bonds, Series 2014A	2.00%–4.50%	7/1/2043	9,850	-	(335)	9,515	345
General Revenue Bonds, Series 2014B	0.58%–5.17%	7/1/2043	9,715	-	(295)	9,420	310
General Revenue Refunding Bonds, Series 2014C	1.00%–5.00%	7/1/2034	51,365	-	(4,850)	46,515	5,040
General Revenue Bonds, Series 2015A	3.00%–5.00%	7/1/2044	26,695	-	(475)	26,220	805
General Revenue Bonds, Series 2015B	0.68%–2.68%	7/1/2024	300	-	(300)	-	-
General Revenue Bonds, Series 2015C	3.00%–5.00%	7/1/2045	213,705	-	-	213,705	4,915
General Revenue Bonds, Series 2015D	1.56%–3.37%	7/1/2025	7,900	-	(6,280)	1,620	1,620
General Revenue Refunding Bonds, Series 2016A	2.00%–5.00%	7/1/2031	41,765	-	(5,640)	36,125	5,905
General Revenue and Refunding Bonds, Series 2016B	2.00%–5.00%	7/1/2046	62,980	-	(1,995)	60,985	3,135
General Revenue and Refunding Bonds, Series 2016C	1.00%–3.38%	7/1/2032	4,865	-	(1,280)	3,585	400
General Revenue and Refunding Bonds, Series 2017A	3.00%–5.00%	7/1/2047	14,360	-	-	14,360	105
General Revenue and Refunding Bonds, Series 2017B	1.85%–3.00%	7/1/2025	704	-	(399)	305	305
General Revenue and Refunding Bonds, Series 2017C	2.00%–5.00%	7/1/2034	23,575	-	(1,855)	21,720	1,940
General Revenue Refunding Bonds, Series 2020A	1.37%–2.93%	7/1/2041	73,796	-	(3,511)	70,285	3,565
General Revenue Refunding Bonds, Series 2020B	3.00%–5.00%	7/1/2039	35,940	-	(2,960)	32,980	3,085
General Revenue and Refunding Bonds, Series 2020C	0.41%–3.26%	7/1/2041	99,810	-	(8,830)	90,980	7,030
General Revenue Bonds, Series 2021A	3.00%–5.00%	7/1/2051	145,985	-	(2,660)	143,325	2,795
General Revenue and Refunding Bonds, Series 2024A	4.13%-5.00%	7/1/2054	210,350	-	-	210,350	3,830
General Revenue Bonds, Series 2024B	4.94%-5.69%	7/1/2054	20,110	-	-	20,110	280
			1,114,990	-	(46,510)	1,068,480	50,415
Premium (discount)			58,941		(7,061)	51,880	6,340
Total revenue bonds payable			1,173,931	-	(53,571)	1,120,360	56,755
OCIA 2024A financing arrangement			17,077	-	(2,438)	14,639	2,655
OCIA 2024B financing arrangement			10,553	-	(782)	9,771	886
OCIA LCF teaching lab financing arrangement			-	80,000	-	80,000	-
OCIA LCF engineering facilities financing arrangement			-	80,000	-	80,000	-
ODFA financing arrangements			9,840	-	(882)	8,958	911
			37,470	160,000	(4,102)	193,368	4,452
Premium (discount)			845	-	(93)	752	92
Total financing arrangements			38,315	160,000	(4,195)	194,120	4,544
Lease liabilities			12,593	7,654	(3,087)	17,160	3,023
Subscription liabilities			16,754	8,914	(8,460)	17,208	6,609
Total bonds, financing arrangements, leases, and subscription liabilities			$ 1,241,593	$ 176,568	$ (69,313)	$ 1,348,848	$ 70,931

	Beginning Balance (Restated)	Net Increase (Decrease)	Ending Balance	Current Portion
Other noncurrent liabilities				
Accrued compensated absences	$ 41,067	$ 3,398	$ 44,465	$ 30,987

2024	Interest Rates	Maturity Through	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds and financing arrangements							
General Revenue Refunding Bonds, Series 2012D	0.40%–3.12%	7/1/2027	$ 9,940	$ -	$ (1,870)	$ 8,070	$ 1,925
General Revenue Bonds, Series 2013A	2.00%–3.38%	7/1/2042	8,755	-	(335)	8,420	340
General Revenue Bonds, Series 2013B	0.52%–4.29%	7/1/2042	39,020	-	(1,355)	37,665	1,390
General Revenue Refunding Bonds, Series 2013D	0.54%–5.12%	7/1/2034	8,210	-	(1,145)	7,065	1,190
General Revenue Bonds, Series 2014A	2.00%–4.50%	7/1/2043	10,170	-	(320)	9,850	335
General Revenue Bonds, Series 2014B	0.58%–5.17%	7/1/2043	10,000	-	(285)	9,715	295
General Revenue Refunding Bonds, Series 2014C	1.00%–5.00%	7/1/2034	55,985	-	(4,620)	51,365	4,850
General Revenue Bonds, Series 2015A	3.00%–5.00%	7/1/2044	26,695	-	-	26,695	475
General Revenue Bonds, Series 2015B	0.68%–2.68%	7/1/2024	1,340	-	(1,040)	300	300
General Revenue Bonds, Series 2015C	3.00%–5.00%	7/1/2045	213,705	-	-	213,705	-
General Revenue Bonds, Series 2015D	1.56%–3.37%	7/1/2025	13,985	-	(6,085)	7,900	6,280
General Revenue Refunding Bonds, Series 2016A	2.00%–5.00%	7/1/2031	47,160	-	(5,395)	41,765	5,640
General Revenue and Refunding Bonds, Series 2016B	2.00%–5.00%	7/1/2046	64,185	-	(1,205)	62,980	1,995
General Revenue and Refunding Bonds, Series 2016C	1.00%–3.38%	7/1/2032	6,925	-	(2,060)	4,865	1,280
General Revenue and Refunding Bonds, Series 2017A	3.00%–5.00%	7/1/2047	14,360	-	-	14,360	-
General Revenue and Refunding Bonds, Series 2017B	1.85%–3.00%	7/1/2025	1,089	-	(385)	704	400
General Revenue and Refunding Bonds, Series 2017C	2.00%–5.00%	7/1/2034	25,340	-	(1,765)	23,575	1,855
General Revenue Refunding Bonds, Series 2020A	1.37%–2.93%	7/1/2041	77,256	-	(3,460)	73,796	3,510
General Revenue Refunding Bonds, Series 2020B	3.00%–5.00%	7/1/2039	38,755	-	(2,815)	35,940	2,960
General Revenue and Refunding Bonds, Series 2020C	0.41%–3.26%	7/1/2041	146,185	-	(46,375)	99,810	8,830
General Revenue Bonds, Series 2021A	3.00%–5.00%	7/1/2051	148,515	-	(2,530)	145,985	2,660
General Revenue and Refunding Bonds, Series 2024A	4.13%-5.00%	7/1/2054	-	210,350	-	210,350	-
General Revenue Bonds, Series 2024B	4.94%-5.69%	7/1/2054	-	20,110	-	20,110	-
			967,575	230,460	(83,045)	1,114,990	46,510
Premium (discount)			46,083	18,991	(6,133)	58,941	7,061
Total revenue bonds payable			1,013,658	249,451	(89,178)	1,173,931	53,571
OCIA 2014A financing arrangements			20,730	-	(20,730)	-	-
OCIA 2014C financing arrangements			12,570	-	(12,570)	-	-
OCIA 2024A financing arrangements			-	17,077	-	17,077	2,438
OCIA 2024B financing arrangements			-	10,553	-	10,553	781
ODFA financing arrangements			4,162	6,336	(658)	9,840	882
			37,462	33,966	(33,958)	37,470	4,101
Premium (discount)			392	525	(72)	845	93
Total financing arrangements			37,854	34,491	(34,030)	38,315	4,194
Lease liabilities			12,746	3,130	(3,283)	12,593	2,510
Subscription liabilities			11,337	13,404	(7,987)	16,754	6,336
Total bonds, financing arrangements, leases, and subscription liabilities			$ 1,075,595	$ 300,476	$ (134,478)	$ 1,241,593	$ 66,611

	Beginning Balance (Restated)	Net Increase (Decrease)	Ending Balance	Current Portion
Other noncurrent liabilities				
Accrued compensated absences	$ 41,631	$ (564)	$ 41,067	$ 27,425

Revenue Bonds Payable

General revenue bonds have been issued by the Board of Regents pursuant to the Master Resolution and supplemental resolutions establishing The University of Oklahoma General Revenue Financing System. The principal and interest are secured by a pledge of general revenues of the University. General revenues consist of all lawfully available funds excluding: 1) revenues appropriated by the Oklahoma legislature from tax receipts and 2) funds whose purpose has been restricted by the donors or grantors to a purpose inconsistent with the payment of such obligations. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method.

At June 30, 2025 and 2024, total principal and interest remaining to be paid on outstanding bonds was $1,602,020 and $1,689,732, respectively, and the total pledged revenue received was $985,741 and $928,252, respectively. Debt service payments, including both principal and interest, of $90,510 were 9.2% of pledged revenues at June 30,

2025. Debt service payments, including both principal and interest, of $82,403 were 8.9% of pledged revenues at June 30, 2024.

Bond Issuance and Refunding

In April 2024, the General Revenue and Refunding Bonds 2024A were issued in the amount of $210,350 to be used to (i) construct and equip new student housing facilities located on the Norman campus of the University; and (ii) finance athletic facilities improvements and/or construct and equip new athletic facilities on the Norman campus. Proceeds of $195,000 were received to fund these projects. The remaining portion of the proceeds of the 2024A Bonds were used to tender a portion of the General Revenue and Refunding Bonds 2020C (having a total principal balance outstanding of $137,415, of which $37,605 was tendered). This resulted in cash flow savings of $4,479 and net present value savings (economic gain) of $2,825. Funds of $33,394 were deposited to a Tender Purchase Fund and were used to purchase and cancel the tendered 2020C Bonds on the date of issuance of the Series 2024A Bonds. The total principal outstanding on General Revenue Bonds 2020C was $99,810 and $146,185 at June 30, 2024 and 2023, respectively.

In April 2024, General Revenue Bonds Series 2024B were issued in the amount of $20,110, to fund construction costs associated with the Love's Field softball stadium. The total cost of the construction was $42,693, funded in part from proceeds of $20,000 received from the bond issuance. The Love's Field softball stadium was placed into service during the fiscal year ended June 30, 2024.

Maturity Information

The scheduled maturities of the revenue bonds are as follows at June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	$ 50,415	$ 43,054	$ 93,469
2027	52,300	41,141	93,441
2028	50,300	39,206	89,506
2029	50,040	37,274	87,314
2030	48,415	35,329	83,744
2031–2035	255,835	146,230	402,065
2036–2040	207,980	97,867	305,847
2041–2045	177,795	58,602	236,397
2046–2050	101,235	27,197	128,432
2051–2055	74,165	7,640	81,805
	$ 1,068,480	$ 533,540	$ 1,602,020

Financing Arrangements

OCIA Financing Arrangements

OCIA periodically issues bonds, notes, or other obligations to finance construction of buildings or other facilities for the State of Oklahoma and its departments and agencies. OCIA may also issue refunding bonds to refinance its existing obligations. OCIA issues bonds and the State Regents allocate amounts to the University, who then enters into financing agreements with OCIA for projects being funded. These bonds have varying maturities ranging from 15 to 20 years. As a result, the University recognizes its share of the liability and the related assets in connection with the projects being constructed or acquired in its financial statements. Annually, the State Legislature appropriates funds to the State Regents to make the monthly principal and interest payments on behalf of the

University. The University's financing agreements with OCIA secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues. During the years ended June 30, 2025 and 2024, the State Regents made principal and interest payments totaling $4,774 and $5,007, respectively, on behalf of the University. These on-behalf payments have been recorded in the University's statements of revenues, expenses, and changes in net position. As stated above, the on-behalf payments are subject to annual appropriations by the State Legislature. The arrangements range from 5 to 25 years and secure the OCIA bond debt and any future debt that might be issued to refund earlier bond issues.

As OCIA restructures the bond obligations, the financing arrangements are also restructured, which can result in a gain or loss on restructuring. This gain or loss is recorded as deferred inflows or deferred outflows of resources and amortized over the shorter of the remaining life of the old agreement or the life of the new agreement. As of June 30, 2025 and 2024, $3,331 and $3,821, respectively, were included in deferred inflows of resources.

During fiscal year 2024, the OCIA issued two new bonds. The University's financing arrangements with OCIA automatically restructured to secure the new bond issues. Series 2024A was issued to refund series 2014A. The restructuring resulted in a reduction in principal of $1,078 and an increase in interest of $32 for a total aggregate debt service reduction of $1,046. Series 2024B was issued to refund Series 2014C. The restructuring resulted in a reduction in principal of $1,107 and an increase in interest of $371 for a total aggregate debt service reduction of $736.

The cost of University assets held under OCIA financing arrangements totaled $97,063 as of June 30, 2025 and 2024. Accumulated depreciation of the assets totaled $31,963 and $30,022 as of June 30, 2025 and 2024, respectively.

OCIA Legacy Capital Fund Financing Arrangements

During fiscal year 2025, the University entered into two agreements with OCIA, under which $80,000 per agreement ($160,000 total) was allocated from the state's Legacy Capital Fund (LCF) for the construction and expansion of engineering facilities and teaching and research laboratories. These funds are repayable to OCIA over 20 years at 0% interest, with repayment commencing upon the initial drawdown.

As of June 30, 2025, no drawdowns had occurred; therefore, no debt service payments were made during the fiscal year. The undrawn funds are reported as cash held by state agencies on the accompanying statements of net position.

In addition, the state legislature appropriated $4,000 per agreement ($8,000 total) in fiscal year 2025 and is expected to continue annual appropriations of $4,000 per agreement over the 20-year repayment period to service the related debt. The agreements include provisions for termination in the event the legislature fails to appropriate the necessary funds. The $8,000 appropriated during fiscal year 2025 has been recorded as state appropriations for capital projects in the statement of revenues, expenses, and changes in net position.

Debt service requirements on financing arrangements with OCIA are as follows at June 30, 2025:

	Principal*	Interest	Total
2026	$ 3,541	$ 1,221	$ 4,762
2027	3,718	1,043	4,761
2028	3,886	857	4,743
2029	4,082	663	4,745
2030	4,308	459	4,767
2031–2034	4,875	624	5,499
	$ 24,410	$ 4,867	$ 29,277

*This schedule does not include the $160,000 in principal recorded for OCIA LCF financing arrangements entered during fiscal year 2025 to fund the construction of engineering facilities and teaching labs. Repayment of the principal will begin once drawdown of funds commences, which has not yet occurred.

ODFA Financing Arrangements

The University has entered into various agreements with the Oklahoma Development Finance Authority (ODFA) and the State Regents as a beneficiary of a portion of the proceeds from the ODFA State Regents for Higher Education Master Lease Revenue Bonds. These bonds have varying maturities ranging from 5 to 20 years.

The proceeds have been used by the University to fund the acquisition of major capital projects on the Norman campus, and the assets under these arrangements have been recorded as follows as of June 30:

ODFA Master Leases	Issued	Terms	Amount Financed	Accumulated Depreciation*	Net Book Value
2025					
ODFA 2009A/2021A	July 2009	5–20 Years	$ 345	$ 276	$ 69
ODFA 2009B	December 2009	5–10 Years	467	374	93
ODFA 2022A	May 2022**	10 Years	4,350	837	3,513
ODFA 2023A	December 2023	15 Years	3,582	796	2,786
ODFA 2023B	November 2023	10 Years	3,170	507	2,663
			$ 11,914	$ 2,790	$ 9,124
2024					
ODFA 2009A/2021A	July 2009	5–20 Years	$ 345	$ 259	$ 86
ODFA 2009B	December 2009	5–10 Years	467	350	117
ODFA 2022A	May 2022**	10 Years	4,350	475	3,875
ODFA 2023A	December 2023	15 Years	3,582	199	3,383
ODFA 2023B	November 2023	10 Years	3,170	190	2,980
			$ 11,914	$ 1,473	$ 10,441

*Depreciation expense on these financing arrangement assets is included on the accompanying statement of revenues, expenses, and changes in net position.

**The financing was received in fiscal year 2022; however, the funds were not fully spent on capitalized assets until fiscal year 2024.

Debt service requirements on financing arrangements with ODFA are as follows at June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	$ 911	$ 445	$ 1,356
2027	948	401	1,349
2028	901	354	1,255
2029	946	310	1,256
2030	970	263	1,233
2031–2035	3,297	634	3,931
2036–2039	985	112	1,097
	$ 8,958	$ 2,519	$ 11,477

Note 13. Retirement Plans

The University's academic and nonacademic personnel are covered by various retirement plans depending on job classification. The plans available to University personnel include:

Name of Plan/System	Type of Plan
Oklahoma Teachers' Retirement System (OTRS)	Cost-Sharing Multiple-Employer Defined Benefit Plan
Oklahoma Law Enforcement Retirement System (OLERS) – certain University employees	Cost-Sharing Multiple-Employer Defined Benefit Plan
University of Oklahoma Defined Contribution Plan (DCP)	Single-Employer Defined Contribution Plan
University of Oklahoma Optional Retirement Plan (ORP)	Single-Employer Defined Contribution Plan

The following is a summary of the University's pension plans – their related liability, deferred inflows, deferred outflows, and pension expense for the years ended June 30:

	Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
2025				
OTRS Pension	$ 267,419	$ 34,887	$ 61,050	$ 27,124
OLERS Pension	4,703	1,000	3,252	1,224
	$ 272,122	$ 35,887	$ 64,302	$ 28,348
2024				
OTRS Pension	$ 312,388	$ 29,869	$ 84,540	$ 41,552
OLERS Pension	3,548	1,356	3,043	759
	$ 315,936	$ 31,225	$ 87,583	$ 42,311

Oklahoma Teachers' Retirement System

Plan Description

The University contributes to OTRS, a cost-sharing multiple-employer defined benefit pension plan sponsored by the State of Oklahoma. OTRS provides retirement, disability, and death benefits to plan members and beneficiaries. Benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 70 of the Oklahoma Statutes assigns the authority for management and operation of OTRS to the Board of Trustees of OTRS. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS/.

Benefits Provided

OTRS provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O.S. Section 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the Oklahoma Legislature.

Benefit provisions include:

- Members who joined OTRS prior to November 1, 2017 become 100% vested in retirement benefits earned to date after five years of credited Oklahoma service. Those who become members on or after November 1, 2017 become 100% vested in retirement benefits earned to date after seven years of credited Oklahoma service. Members who joined OTRS prior to July 1, 1992 are eligible to retire with an unreduced benefit at age 62 or when their age and years of creditable service total 80. Members who joined OTRS July 1, 1992 or after, and before November 1, 2011 may retire with an unreduced benefit at age 62 or when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55. Members who joined on or after November 1, 2011 may retire with an unreduced benefit at age 65, or when the member's age is at least 60 and age and years of creditable service total at least 90. A reduced annuity is available at the minimum age of 60. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service.

- Final compensation for members who joined OTRS prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining OTRS after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which

contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to $40 or $25, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the University.

- Upon the death of a member, the designated beneficiary shall receive the member's total contributions and 100% of interest on those contributions. Members who are in an active in-service status can receive an additional $18 benefit.

- Upon the death of a retired member, OTRS will pay $5 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.

- A member is eligible for disability benefits after 10 years of credited Oklahoma service.

- Upon separation from OTRS, members' contributions are refundable with interest based on certain restrictions provided in the plan or by the IRC.

Contributions

Employees of the University who are OTRS members are required to contribute to the plan at a rate established by the Oklahoma Legislature. For the years ended June 30, 2025 and 2024, the contribution rate was 7.0% of annual compensation. For the years ended June 30, 2025 and 2024, the local employer contribution rate was 8.55%. There is also a federal match required on all compensation paid from federal funds, which had a contribution rate of 8.0% and 8.4% for 2025 and 2024, respectively.

The University's contributions to OTRS for the years ended June 30, 2025 and 2024, which include the 8.55% regular employer contribution and the federal match, were $24,921 and $23,712, respectively.

In addition, the State of Oklahoma also contributed 5.25% of state revenues from sales, use, and individual income taxes to OTRS. The amounts contributed on behalf of the University and recognized in the University's statements of revenues, expenses, and changes in net position as both revenues and compensation and benefits expense in 2025 and 2024 were $18,664 and $18,916, respectively. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2025 and 2024, the University reported a liability of $267,419 and $312,388, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The University's proportion of the net pension liability was based on the University's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2024. Based upon this information, the University's proportion was 4.06% and 4.05% as of June 30, 2024 and 2023, respectively.

For the years ended June 30, 2025 and 2024, the University recognized pension expense of $27,124 and $41,552, respectively.

The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	2025	2024
Deferred outflows of resources		
Changes in proportion and contributions	$ 14,288	$ 21,181
University contributions subsequent to measurement date*	24,921	23,712
Changes of assumptions	2,933	12,691
Difference between expected and actual experience	18,908	5,096
Net difference between projected and actual earnings on pension plan investments	-	21,860
	$ 61,050	$ 84,540
Deferred inflows of resources		
Differences between expected and actual experience	$ 4,132	$ 6,082
Changes of assumptions	11,472	-
Net difference between projected and actual earnings on pension plan investments	9,142	-
Changes in proportion and contributions	10,141	23,787
	$ 34,887	$ 29,869

*Recognized as a reduction of net pension liability in the subsequent year

The average expected remaining life of the plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan, including retirees. The total future service years of the plan are determined using the mortality, termination, retirement, and disability assumptions associated with the plan. The average expected service life of the plan equals 5.34 and 5.40 years at June 30, 2024 and 2023, respectively, the valuation date.

Net deferred outflows (inflows) of resources will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred (Inflows)/ Outflows
2026	$ (11,841)
2027	24,359
2028	(5,504)
2029	(6,160)
2030	388
	$ 1,242

Actuarial Assumptions

The total pension liability was determined based on actuarial valuations using the following actuarial assumptions as of June 30:

	2025	2024
Valuation date	June 30, 2024	June 30, 2023
Actuarial cost method	Entry age normal	
Future ad hoc cost-of-living increases	None	
Inflation rate	2.25%	2.25%
Salary increase rate	3.00%	3.00%
Investment rate of return	7.00%	7.00%
Retirement age	Experience-based tables of rates based on age, service, and gender	
Mortality tables	Various based on age, gender, and status	

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

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class are summarized in the following table as of June 30, 2025:

	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38.3%	4.5%
International equity	16.7%	4.5%
Domestic fixed income	22.0%	2.4%
Real estate*	10.0%	4.4%
Private equity	8.0%	6.9%
Private debt	5.0%	5.6%
	100.0%	

*The real estate total expected return is a combination of Core Real Estate (25% leverage) and Non-Core Real Estate (100% leverage).

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2025 and 2024 was 7.0%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan

members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain at a level percentage of payroll. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the University calculated using the discount rate of 7.0%, as well as what the University's net pension liability would be if OTRS calculated the total pension liability using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
2025			
University's net pension liability	$ 408,434	$ 267,419	$ 149,950
2024			
University's net pension liability	$ 451,197	$ 312,388	$ 197,476

Oklahoma Law Enforcement Retirement System

OLERS is the administrator of the Oklahoma Law Enforcement Retirement Plan, a cost-sharing defined benefit pension plan established by Oklahoma Statutes. OLERS is a component unit of the State of Oklahoma and is part of the State's reporting entity. Currently, University campus police officers are included as members of this plan. The University has recorded the following amounts related to these employees' participation in OLERS:

	2025	2024
Net pension liability	$ 4,703	$ 3,548
Deferred outflows related to pensions	$ 3,252	$ 3,043
Deferred inflows related to pensions	$ 1,000	$ 1,356
Pension expense	$ 1,224	$ 759

Because the University's participation in OLERS is not material to the University's financial statements, additional information and disclosures are not included in these financial statements. OLERS issues a publicly available annual financial report that can be obtained at www.olers.state.ok.us.

Defined Contribution Plans

Plan Description

The University offers two 401(a) defined contribution plans that are administered by Fidelity Investments Inc. – the OU Contributory Retirement Plan and the OU Retirement Plan (DCP). All contributions to these plans are made by the University and directed by the plan participants to a variety of different fund options and companies within the plans. All new employees eligible for either of the plans must complete a 12-month waiting period before receiving contributions from the University. There is a three-year vesting period for both plans.

Participation

All benefits-eligible employees must decide within the first 30 days of employment if they wish to elect Option 1, which consists of OTRS, or Option 2, which consists of the 401(a) Defined Contribution Plan. This is a one-time irrevocable election. Salaried employees who choose Option 2 will receive contributions to the DCP.

If an election is not made within the first 30 days of employment, employees will be automatically enrolled in Option 1.

Contributions

Contributions to the DCP are based on the hire date of the plan participants. For participants hired prior to July 1, 1995 and enrolled in OTRS, the rate is 15% of regular salary, supplemental salary, and wages paid during the plan year in excess of $9. For participants hired on or after July 1, 1995 and enrolled in OTRS, the rate is 8% of regular salary, supplemental salary, and wages paid during the plan year in excess of $9. Employees hired on or after January 1, 2023 and enrolled in OTRS are not eligible for the DCP. The University's contributions to the DCP for the years ended June 30, 2025 and 2024 were $13,650 and $14,034, respectively. The authority for contributing to this plan is contained in the following policy document, "University of Oklahoma Defined Contribution Retirement Plan," amended and restated December 20, 2022.

The University's contribution rate for the ORP and hourly DCP participants is 9% of regular salary, supplemental salary, and wages paid for the plan year. The University's contributions to the ORP for the years ended June 30, 2025 and 2024 were $16,555 and $15,165, respectively. The authority for contributing to this plan is contained in the following policy document, "University of Oklahoma Optional Retirement Plan," amended and restated December 20, 2022.

Special Retirement Plans

The University provides additional defined benefit and defined contribution plans for certain key employees. Contributions and benefits are determined based on individual agreements for each employee.

The University has recorded the following amounts related to these plans at June 30:

	2025	2024
Defined benefit plans		
Net pension liability (asset)	$ (1,158)	$ (521)
Pension expense (offset)	$ (499)	$ (52)
Defined contribution plans		
Net pension liability (asset)	$ 12,976	$ 10,441
Pension expense (offset)	$ 2,708	$ 3,098

Because the University's participation in these plans is not material to the University's financial statements, additional information and disclosures are not included in these financial statements.

Note 14. Other Postemployment Benefits

The following is a summary of the University's OPEB plans – their related liability, deferred inflows, deferred outflows, and expense for the years ended June 30:

	OPEB Liability (Asset)	Deferred Inflows	Deferred Outflows	OPEB Expense (Offset)
2025				
OU OPEB	$ 89,540	$ 669	$ 96	$ (31,225)
OTRS OPEB	(4,757)	2,360	365	(287)
	$ 84,783	$ 3,029	$ 461	$ (31,512)
2024				
OU OPEB	$ 90,490	$ 36,885	$ 1,278	$ (35,123)
OTRS OPEB	(2,042)	772	1,131	62
	$ 88,448	$ 37,657	$ 2,409	$ (35,061)

Retiree Insurance Plan

Plan Description

The University's retiree insurance plan is considered a single-employer defined benefit plan and does not issue a stand-alone financial report. The University, with approval by the Board of Regents, has the authority to establish and amend the benefit provisions and financing arrangements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Employees eligible for retirement who have been enrolled in the University's medical insurance plan for five years immediately prior to retirement are eligible to participate in the group medical insurance plan as a retiree. Premiums are subsidized for employees hired prior to January 1, 2008, as described below. Employees hired on or after January 1, 2008 may participate in the retiree medical plan at the group rates at the retiree's own expense. Retirees may also elect the University's medical coverage for eligible dependents at their own expense. Retirees will be allowed a one-time opportunity to opt out of the University's retiree medical plan coverage if the individual is enrolled in other coverage. The retiree may return to the University's plan if medical coverage is maintained during the opt-out period. Medicare-eligible retirees enroll in Medicare Part A and Part B, with coverage provided by a Medicare Advantage plan. University medical coverage for active employees is not affected when they enroll in Medicare. As of January 1, 2021, all Medicare eligible retirees are covered by a fully insured Medicare Advantage plan.

There are currently two eligible groups for subsidized retiree medical benefits:

- Group 1 – Employees who were eligible for retirement on or before December 31, 2015. The University provides a 100% premium subsidy for retirees in this group.

- Group 2 – Employees who were eligible for retirement on or after January 1, 2016 and hired before January 1, 2008. The University will subsidize premiums for retirees in this group as follows:

Medical Insurance Premium Subsidy for Employees Eligible on or after January 1, 2016				
Age at Retirement	Years of Service at Retirement			
	10–14	15–19	20–24	25+
Under 55	Employees can retire with 25 years of service. No university subsidy until age 55.			
55–61	No subsidy	55% – Must meet rule of 80	65% – Must meet rule of 80	75%
62–64	55%	65%	75%	85%
65+	65%	75%	85%	100%

Employees who qualify for University retirement and have been enrolled in the University's dental insurance plan for five years immediately prior to retirement are eligible to participate in the group dental plan as a retiree. Dental premiums will be fully subsidized by the University for employees hired prior to January 1, 2008. Retirees may also elect coverage for dependents at their own expense.

On June 30, 2025 and 2024, there were 920 and 1,028 active participants, respectively, with subsidized benefits and 1,945 and 1,989 retirees, respectively, with University benefits. All active employees who are eligible for subsidized benefits are assumed to elect coverage at retirement and are included in the calculation of the total OPEB liability. Active employees without subsidized benefits, who are required to pay the full cost of coverage, are not included in the calculation of the total OPEB liability.

Contributions

Contribution requirements of the University are established and may be amended by the Board of Regents. All contributions are made by the University. Benefits are funded on a pay-as-you-go basis. For the years ended June 30, 2025 and 2024, the University made benefit payments in the amount of $4,760 and $4,131, respectively, for current retirees.

Total OPEB Liability

The following schedule shows the changes in the University's total OPEB liability for fiscal years 2025 and 2024:

	2025	2024
Total OPEB liability, beginning of year	$ 90,490	$ 153,201
Service cost	1,194	1,706
Interest	3,761	6,313
Changes in assumptions	192	1,437
Differences between expected and actual experience	(1,337)	(68,036)
Benefit payments	(4,760)	(4,131)
Total OPEB liability, end of year	$ 89,540	$ 90,490

Changes of assumptions reflect a change in the discount rate from 4.21% in 2024 to 5.20% in 2025.

Actuarial Assumptions

The total OPEB liability was determined based on actuarial valuations using the following actuarial assumptions as of June 30:

	2025	2024
Valuation and measurement date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry age normal level % of salary method	
Discount rate	5.20%	4.21%
Inflation rate	3.00%	3.00%
Payroll growth	Includes inflation plus various amounts ranging from 3.0% to	Includes inflation plus various amounts ranging from 3.0% to
Retirement age	Experience-based tables of rates based on age and gender	
Mortality tables	Various based on age, gender, and status	

The discount rate was based on a range of indices, including the Bond Buyer GO 20-Bond Municipal Bond Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate and Discount Rate

The following tables present the total OPEB liability of the University for the years ended June 30, 2025 and 2024, calculated using the current healthcare cost trend rate of 8.0%, decreasing to an ultimate rate of 4.5%, as well as what the University's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 3.5%) or 1 percentage point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% Decreasing to 3.5%)	Current Healthcare Trend Rate (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing to 5.5%)
2025			
Total OU OPEB liability	$ 80,301	$ 89,540	$ 100,443
2024			
Total OU OPEB liability	$ 80,215	$ 90,490	$ 102,781

The following tables present the total OPEB liability of the University for the years ended June 30, 2025 and 2024, calculated using the current discount rate as well as what the University's total OPEB liability would be if calculated using discount rates that are 1 percentage point lower or 1 percentage point higher than the current discount rates:

	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
2025			
Total OU OPEB liability	$ 98,630	$ 89,540	$ 81,777

	1% Decrease (3.21%)	Current Discount Rate (4.21%)	1% Increase (5.21%)
2024			
Total OU OPEB liability	$ 100,655	$ 90,490	$ 81,915

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2025 and 2024, the University recognized OPEB expense (offset) of $(31,225) and $(35,123), respectively.

The University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2025	2024
Deferred outflows of resources		
Changes of assumptions	$ 96	$ 1,278
	$ 96	$ 1,278
Deferred inflows of resources		
Differences between expected and actual experience	$ 669	$ 36,885
	$ 669	$ 36,885

Deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense using the average expected remaining service life of the plan. The net deferred outflows (inflows) related to OPEB will be recognized as follows:

Year ending June 30,	
2026	$ (573)
	$ (573)

The average expected remaining service life of the plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan, including retirees. The average expected remaining service life of the plan equals 2.0 years at June 30, 2025 and 2024.

Oklahoma Teachers' Retirement System

There is a closed group of retirees at June 30, 2025 and 2024 who are enrolled in the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) plans. The University pays the premiums for these

retirees. The liability (asset) for these retirees is included in the OTRS valuation. The University has recorded the following amounts related to these retirees' participation in OTRS:

	2025	2024
Net OPEB asset	$ (4,757)	$ (2,042)
Deferred outflows related to OPEB	$ 365	$ 1,131
Deferred inflows related to OPEB	$ 2,360	$ 772
OPEB expense	$ (287)	$ 62

Because the University's participation in OTRS is not material to the University's financial statements, additional information and disclosures are not included in these financial statements. OTRS issues a publicly available annual financial report that can be obtained at www.ok.gov/TRS/.

Note 15. The University of Oklahoma Foundation, Inc.

The Foundation is a public foundation organized to receive and administer gifts for the benefit of the University and The University of Oklahoma Health Campus. The Foundation expended $208,411 and $180,364 (unaudited) on behalf of the University and The University of Oklahoma Health Campus in 2025 and 2024, respectively, for facilities and equipment, salary supplements, general university educational assistance, and student scholarships. Of these expenditures, $106,438 and $89,686 are reflected in the University's financial statements as revenue in 2025 and 2024, respectively. The amounts not reflected herein consist of direct Foundation expenditures for general university educational purposes and amounts reflected in The University of Oklahoma Health Campus financial statements.

The University's investments, other than marketable securities, are also held by the Foundation (see Note 2).

Note 16. Risk Management

Due to the diverse risk exposure of the University, the insurance portfolio contains a comprehensive variety of coverage. Oklahoma Statutes require participation of all state agencies in basic tort, educators' legal liability, property and casualty programs, and fidelity bonding provided by the Office of Management and Enterprise Services Division of Capital Assets Management Risk Management Department (OMES Risk Management). In addition to these basic policies, the University's Office of Enterprise Risk Management (ERM) establishes guidelines for risk assessment, risk avoidance, risk acceptance, and risk transfer.

The University and its individual employees are provided sovereign immunity when performing official business within the course and scope of their employment in accordance with the *Oklahoma Governmental Tort Claims Act*.

Beyond acceptable retention levels, complete risk transfer is practiced by purchasing conventional insurance coverage through an insurance broker or through OMES Risk Management. These coverages are as follows:

- Buildings and contents are insured for replacement value. Each loss incident is subject to a $750 deductible. Coverage is purchased by the University from OMES Risk Management. The University has not filed any material claims with the State under these policies in the past three fiscal years.
- General liability and tort claim coverages (including comprehensive general liability, product liability, and auto liability) are purchased by the University from OMES Risk Management. Coverage for cybersecurity is purchased through an insurance broker. The University has not filed any material claims with the State in the past three fiscal years.

- Additional coverage is purchased by the University (including property, aircraft liability, and watercraft liability) based on specific departmental and institutional needs and risks, but the related risks are not considered material to the University as a whole. The University has not filed any material claims under these policies in the past three fiscal years.

Settled claims have not exceeded coverage in any of the three preceding years.

Self-Funded Programs

The University is self-funded for unemployment compensation, workers' compensation, employee health and dental care, and student healthcare. These programs are all administered by a third party and the estimated liabilities for incurred but not reported claims recorded on the University's financial statements are based on annual actuarial valuations.

Unemployment benefits that separated employees receive are determined by Oklahoma Statutes and are administered by the Oklahoma Employment Security Commission (OESC). As a reimbursing employer, the University is billed quarterly by the OESC for benefits paid to former employees. The University's reserve with the OESC is the average claims paid over the past three years.

Workers' compensation benefits are prescribed by State Statutes and include lump-sum payments for rated disabilities, in addition to medical expenses and a portion of salary loss, resulting from an on-the-job injury or illness. The University maintains a cash deposit with the administrator and reimburses the administrator for claims paid on a monthly basis, and administrative expenses are paid on a quarterly basis.

Health and dental insurance premiums collected from employees, retirees, and students are recorded in a self-insurance pool at the University. The claims and administrative expenses are paid as incurred directly from this pool and the cash balance is included in cash and cash equivalents on the accompanying statements of net position. As of June 30, 2025 and 2024, the cash balance of the self-insurance pool was $8,968 and $21,776, respectively.

Changes in the claims liability for the University are as follows from July 1, 2023 to June 30, 2025:

	Unemployment	Workers' Compensation	Health and Dental	Total
Liabilities, July 1, 2023	$ 178	$ 742	$ 6,957	$ 7,877
Claims incurred and changes in estimates	134	835	91,532	92,501
Claim payments	(140)	(586)	(90,931)	(91,657)
Liabilities, June 30, 2024	172	991	7,558	8,721
Claims incurred and changes in estimates	105	2,735	92,499	95,339
Claim payments	(148)	(1,019)	(92,871)	(94,038)
Liabilities, June 30, 2025	$ 129	$ 2,707	$ 7,186	$ 10,022

Note 17. Contingencies and Commitments

At June 30, 2025 and 2024, the University had outstanding commitments under construction contracts totaling $98,582 and $196,569, respectively.

The University is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of University management, the ultimate resolution of these matters will not have a material adverse effect upon the University's financial position.

The University participates in certain federal and state grant programs. These activities are subject to financial and compliance audits by the grantor. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Management is not aware of any disallowed expenditures or any potential liabilities that would have a material adverse effect upon the University's financial position.

As part of the normal course of operations, the University routinely enters into contracts with an intermediary to purchase natural gas at future dates. The University endeavors to acquire natural gas at the lowest possible cost and to reduce volatility in operating expenses through these purchases. Under the terms of the purchase contracts, the University agrees to purchase a set volume of natural gas at a set price for a particular month. Purchased volume is generally determined based on a percentage of average historical usage for that month. Any consumption beyond the purchased volume is obtained at current market rates. As of June 30, 2025 and 2024, the University has entered into agreements to purchase $6,415 of natural gas through June 2027 and $10,615 of natural gas through June 2026, respectively. A portion of these natural gas commitments will ultimately be purchased and consumed by The University of Oklahoma Health Campus.

Note 18. Operating Expense by Functional Classification

The University's operating expenses by functional classification were as follows for the years ended June 30:

	2025	2024 Restated (Note 19)
Instruction	$ 340,365	$ 334,832
Research	161,126	151,090
Public service	114,687	116,571
Academic support	110,121	105,170
Student services	57,370	44,628
Institutional support	55,896	54,121
Operation and maintenance of plant	44,556	61,359
Scholarships	18,104	54,022
Auxiliary enterprises	331,616	272,345
Total	$ 1,233,841	$ 1,194,138

Note 19. Restatement for Change in Accounting Principle

Nature of the Change

Effective for the fiscal year ended June 30, 2025, the University implemented GASB Statement No. 101, *Compensated Absences*. This new standard replaces previous guidance and requires the recognition of compensated absences liabilities when leave earned is more likely than not to be paid or otherwise settled.

Disclosure of Affected Line Items

The University adopted this standard on July 1, 2024, and applied it retrospectively to the earliest period presented. Accordingly, the fiscal year 2024 beginning net position has been restated as follows to reflect the cumulative effect of this change in accounting principle:

Beginning net position, as previously stated	$	793,677
Adjustment for implementation of GASB 101		(9,528)
Beginning net position, as restated	$	784,149

The following is a summary of the effects of the restatement on the University's June 30, 2024 statements of net position:

	As Previously Reported	Restatement Adjustment	Restated Balance
Current liabilities			
Accrued compensated absences	$ 23,284	$ 4,141	$ 27,425
Noncurrent liabilities			
Accrued compensated absences	$ 9,313	$ 4,329	$ 13,642
Net position	$ 934,384	$ (8,470)	$ 925,914

The following is a summary of the effects of the restatement of the University's June 30, 2024 statements of revenues, expenses, and changes in net position.

	As Previously Reported	Restatement Adjustment	Restated Balance
Operating expenses			
Compensation and benefits	$ 630,976	$ (1,058)	$ 629,918
Change in net position	$ 140,707	$ 1,058	$ 141,765
Net position, beginning of year	$ 793,677	$ (9,528)	$ 784,149
Net position, end of year	$ 934,384	$ (8,470)	$ 925,914

The following is a summary of the effects of the restatement on the University's June 30, 2024 statements of cash flows:

	As Previously Reported	Restatement Adjustment	Restated Balance
Reconciliation of operating loss to net cash used in operating activities			
Operating loss	$ (207,251)	$ 1,058	$ (206,193)
Compensated absences	$ 494	$ (1,058)	$ (564)

As a result of the restatement to operating expense, the June 30, 2024 balances in Note 18 – Operating Expense by Functional Classification have also been restated.

Note 20. Change in Accounting Estimate

Nature of the Change

Effective for the fiscal year ending June 30, 2025, the University adopted a revised methodology for estimating scholarship allowances and scholarship expense offsets, as outlined in the National Association of College and University Business Officers (NACUBO) Advisory Report 2023-01. This change reflects a shift from a pooled refund-based allocation method to a more accurate student-level estimation approach enabled by advancements in student information systems.

Reason for the Change

The previous methodology relied on aggregated student refund data, which introduced non-discountable transactions into the tuition discount calculation. The new methodology improves the precision of estimates by aligning with the actual flow of financial aid and leveraging detailed student-level data. This change was made to enhance the reliability and relevance of financial reporting. The new methodology is also recommended by NACUBO.

Disclosure of Affected Line Items

The change in estimate is accounted for prospectively beginning in fiscal year 2025. Comparative prior year amounts have not been restated. The financial statement line items affected by this change in accounting estimate are:

- Student tuition and fees, net of scholarship allowances
- Housing and food service revenues, net of scholarship allowances
- Athletic revenues, net of scholarship allowances
- Scholarships and fellowships

The allowances reported as of June 30, 2025 under the revised methodology compared to the those reported as of June 30, 2024 under the previous methodology are as follows:

	Revised Methodology 2025	Previous Methodology 2024
Scholarship allowances		
Student tuition and fees scholarship allowances	$ 218,652	$ 154,211
Housing and food service scholarship allowances	5,417	-
Athletic scholarship allowances	1,270	13,543
	$ 225,339	$ 167,754
Operating expenses		
Scholarships and fellowships	$ 26,023	$ 62,517

Because the change in methodology provided improved alignment between student financial aid and revenues reported, amounts reported for the year ended June 30, 2025 include scholarship allowances for housing and food services that were previously not reported using the previous methodology. Additionally, the improved alignment also resulted in an increased scholarship allowance and decreased scholarship expense for fiscal year 2025 compared to fiscal year 2024.

Note 21. Subsequent Events

The University has evaluated events and transactions that occurred subsequent to June 30, 2025 through October 28, 2025, the date these financial statements were available to be issued and determined there are no material subsequent events or transactions that would require additional disclosure in the University's financial statements.

Required Supplementary Information

The University of Oklahoma – Norman Campus
Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 1,194	$ 1,706	$ 1,861	$ 3,210	$ 5,484	$ 2,876	$ 2,870	$ 3,592
Interest	3,761	6,313	6,417	3,929	7,992	9,725	10,469	9,929
Change of benefit terms	-	-	-	-	(129,954)	-	-	-
Changes of assumptions	192	1,437	1,680	(33,033)	17,650	25,935	23,204	(6,806)
Differences between expected and actual experience	(1,337)	(68,036)	(8,601)	10,425	(14,917)	(11,691)	(23,092)	(6,087)
Benefit payments	(4,760)	(4,131)	(6,327)	(5,107)	(4,925)	(7,175)	(6,654)	(6,795)
Net change in total OPEB liability	(950)	(62,711)	(4,970)	(20,576)	(118,670)	19,670	6,797	(6,167)
Total OPEB liability – beginning	90,490	153,201	158,171	178,747	297,417	277,747	270,950	277,117
Total OPEB liability – ending	$ 89,540	$ 90,490	$ 153,201	$ 158,171	$ 178,747	$ 297,417	$ 277,747	$ 270,950
Covered employee payroll	$ 436,889	$ 414,759	$ 391,556	$ 360,310	$ 356,964	$ 345,236	$ 331,244	$ 338,110
Total OPEB liability as a percentage of covered payroll	20.5%	21.8%	39.1%	43.9%	50.1%	86.1%	83.8%	80.1%

Notes to Schedule

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2025	5.20%
2024	4.21%
2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

Changes in benefit terms reflect a substantive plan provision change effective January 1, 2021, when all Medicare-eligible retirees moved to a fully insured Medicare Advantage plan.

The University of Oklahoma – Norman Campus
Schedule of the University's Proportionate Share of the Net Pension Liability (Unaudited)
Oklahoma Teachers' Retirement System
(In Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
University's proportion of the net pension liability	4.06%	4.05%	4.06%	3.55%	3.97%	4.68%	4.55%	4.64%	4.76%	4.81%
University's proportionate share of the net pension liability	$ 267,419	$ 312,388	$ 333,022	$ 181,352	$ 376,881	$ 309,430	$ 277,494	$ 312,042	$ 409,362	$ 302,466
University's covered employee payroll	$ 250,332	$ 240,550	$ 222,433	$ 205,822	$ 205,049	$ 208,910	$ 212,561	$ 208,855	$ 215,864	$ 213,329
University's proportionate share of the net pension liability as a percentage of its covered employee payroll	106.83%	129.86%	149.72%	88.11%	183.80%	148.12%	130.55%	149.41%	189.64%	141.78%
Plan fiduciary net position as a percentage of the total pension liability	77.33%	72.57%	70.05%	80.80%	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%

Note to Schedule

Year as of measurement date.

The University of Oklahoma – Norman Campus
Schedule of the University's Contributions (Unaudited)
Oklahoma Teachers' Retirement System
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 24,921	$ 23,712	$ 22,709	$ 20,697	$ 19,014	$ 19,333	$ 22,106	$ 21,992	$ 21,834	$ 22,926
Actual contribution	24,921	23,712	22,709	20,697	19,014	19,333	22,106	21,992	21,834	22,926
Contribution (excess) deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered employee payroll*	$ 260,351	$ 250,332	$ 240,550	$ 222,433	$ 205,822	$ 205,049	$ 208,910	$ 212,561	$ 208,855	$ 215,864
Contributions as a percentage of covered employee payroll	9.57%	9.47%	9.44%	9.30%	9.24%	9.43%	10.58%	10.35%	10.45%	10.62%

*Increase in covered employee payroll in 2022 due to SB 683, effective July 1, 2021, which changed when an optional employee is eligible to participate and makes their election regarding participation permanent.

Note to Schedule

Year as of fiscal year-end date.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Regents of the University of Oklahoma
The University of Oklahoma – Norman Campus
Norman, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the University of Oklahoma – Norman Campus (University), which comprise the University's statements of financial position as of June 30, 2025 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 28, 2025, which contained an Emphasis of Matter paragraph regarding the reporting entity.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

Tulsa, Oklahoma
October 28, 2025