



Financial Report
2024–2025
Yale University

Yale University Financial Report 2024–2025

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Front cover (from top left, moving clockwise)

Students studying in the newly renovated Linonia & Brothers Room, Sterling Memorial Library.
Photo: Jack Devlin

Yale President Maurie McInnis welcomes incoming students. Photo: Allie Barton

School of the Environment celebrating commencement, 2025. Photo: Cloe Poisson

Nick Frattini working on a quantum computer at Becton Engineering and Applied Science Center.
Photo: Andrew Hurley

Research Associate Meiling Zhu depends on the Olympus 1X70 microscope for experiments she conducts. Photo: Robert DeSanto

Back cover

Cryogen-free Dilution Refrigerator hosting a superconducting quantum processor at the Schoelkopf Lab. Photo: Nuch Graves

Inside back cover

Maurie McInnis at her inauguration, 2025. Photo: Robert DeSanto

Highlights

	Fiscal Years				
Five-Year Financial Overview (\$ in millions)	2025	2024	2023	2022	2021
Net Operating Results - Management View	\$ 235	\$ 211	\$ 147	\$ 167	\$ 276
Financial Position Highlights:					
Total assets	\$ 59,043	\$ 55,315	\$ 54,426	\$ 54,719	\$ 56,223
Total liabilities	9,672	9,278	9,698	10,025	11,931
Total net assets	\$ 49,371	\$ 46,037	\$ 44,728	\$ 44,694	\$ 44,292
Endowment:					
Net investments, at fair value	\$ 44,155	\$ 41,290	\$ 40,504	\$ 41,122	\$ 41,913
Total return on investments	11.1%	5.7%	1.8%	0.8%	40.2%
Spending from endowment	5.1%	4.8%	4.3%	3.8%	5.0%
Facilities:					
Land, buildings and equipment, net of accumulated depreciation	\$ 6,340	\$ 6,011	\$ 5,748	\$ 5,598	\$ 5,508
Disbursements for building projects	\$ 661	\$ 614	\$ 448	\$ 378	\$ 380
Debt	\$ 5,205	\$ 4,847	\$ 5,138	\$ 5,164	\$ 5,200
Statement of Activities Highlights:					
Operating revenues	\$ 6,155	\$ 5,755	\$ 5,104	\$ 4,810	\$ 4,579
Operating expenses	5,808	5,412	4,936	4,540	4,201
Increase in net assets from operating activities	\$ 347	\$ 343	\$ 168	\$ 270	\$ 378
Five-Year Enrollment Statistics	2025	2024	2023	2022	2021
First-Year Enrollment Class of:	'28	'27	'26	'25	'24
First-Year applications	57,516	51,803	50,060	47,240	35,220
First-Year admitted	2,227	2,332	2,289	2,509	2,299
Admissions rate	3.9%	4.5%	4.6%	5.3%	6.5%
First-Year enrollment	1,554	1,641	1,554	1,786	1,264
Yield	69.8%	70.4%	67.9%	71.2%	55.0%
Total Enrollment:					
Yale College	6,814	6,818	6,645	6,536	4,703
Graduate and professional schools	8,750	8,263	8,161	8,031	7,357
Total	15,564	15,081	14,806	14,567	12,060
Yale College Term Bill and Financial Aid:					
Yale College term bill	\$ 87,150	\$ 83,880	\$ 80,700	\$ 77,750	\$ 74,900
Average grant award for students receiving aid	\$ 67,366	\$ 65,195	\$ 64,686	\$ 59,944	\$ 58,340

Message from the Senior Vice President for Operations and the Vice President for Finance

Financial results

Yale finished the year ending June 30, 2025, with a surplus, despite a challenging environment for many universities, including Yale. The surplus from operations was on both a Generally Accepted Accounting Principles (GAAP) basis and a Management View basis – the way Yale looks at financial information for internal discussion and decision-making purposes (see page 4 for additional information). The surplus from operations was \$347 million on a GAAP basis and \$235 million on a Management View basis.

The balance sheet finished the year in a strong financial position with \$49.4 billion in net assets as of June 30, 2025, up from \$46.0 billion as of June 30, 2024.

Revenue growth

The university's operating revenue was \$6.2 billion, which represented 7% growth over the prior year. The university's three major sources of revenue – spending from the endowment, medical services, and grants and contracts – each grew at a healthy rate. Combined, these three revenue sources account for over 80% of the university's total revenue.

Spending from the endowment was \$2.1 billion, which grew by 7% over the prior year, enabling increased support for financial aid, research, teaching, and other mission-related activities. Spending from the endowment increased even though the market value of the endowment was roughly flat in nominal terms for the preceding four years. This increase in spending was a direct result of the smoothing component of the Endowment Spending Policy. This is a good illustration of the policy achieving one of its primary objectives, balancing years of lower and higher returns in order to provide a stable source of funding for the budget, “smoothing” the amount of year-to-year spending changes relative to the volatility of investment returns. The endowment investment return for the year ending June 30, 2025 was 11.1%, and it will begin to flow into the operating budget in July 2026, consistent with the spending policy.

Medical services revenue was \$1.7 billion, which grew by 6% over the prior year as a result of the continued expansion of the clinical practice in the School of Medicine, physician productivity, and strategic alignment and support from Yale New Haven Health System and its flagship Yale New Haven Hospital.

Grant and contract income was \$1.3 billion, which grew by 7% over the prior year as Yale faculty continued to secure federal and non-federal sponsored research funding for their groundbreaking research. This growth came in the context of a challenging environment for universities in general and federal funding for research in particular. Yale, like many universities and other recipients of federal research funding, experienced stop work orders and cancellations during the year. This seriously impacted the research and researchers funded by these grants. In terms of the university's overall financial results, these lost revenues only modestly impacted the university's results for the year.

New challenges

Recent months have seen a range of actions by the federal government that pose serious challenges for universities, including Yale. All of the university's major revenue sources face pressure from these actions.

In July 2025, Congress passed legislation that increases the tax rate on net investment income (the “endowment tax”) from 1.4% to 8% for Yale, beginning July 1, 2026. This increase in the tax will mean significantly less money available to spend on financial aid, research, teaching, and other mission-related activities.

In the area of federal support for sponsored research, the budgets for the National Institutes of Health (NIH) and other federal agencies to fund the direct and indirect costs of research have been under pressure, but the degree of impact in this area remains uncertain. The same recent federal legislation made changes in funding for healthcare, including Medicaid, which will affect medical services income, but the degree of the impact is also not yet known.

The university is actively developing and implementing programmatic and financial plans to prepare for and adapt to these new financial realities.

Focus on academic priorities

The university remains focused on its mission of teaching, research, and practice to improve the world today and for future generations. Yale has continued to invest in financial aid, fellowships, and stipends, which increased to \$690 million this year or 7% more than the previous year. In addition, Yale’s capital spending for the year was \$661 million, an increase of 44% over the prior year excluding property acquisitions. This represents a wide range of exciting investments in new spaces that will play a vital role in advancing Yale’s mission, including a new home for quantum research that is beginning to take shape on Science Hill, the renovation of Osborn Memorial Laboratories to become the intellectual hub for activities related to Yale Planetary Solutions, the outfitting of space at 101 College Street to support growth in the School of Medicine, the new Living Village at the Divinity School, and the first steps toward a new Dramatic Arts Building. These are just a few highlights from the past year, made possible through the generosity of donors to the *For Humanity* fundraising campaign, which is now in its final year with a goal of raising \$7 billion. We invite you to visit YaleNews (news.yale.edu) for more information about these and other topics.

Looking ahead

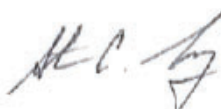
In July 2024, Yale welcomed its twenty-fourth president, Maurie McInnis, BA, ’90 MA, ’96 PhD. We join her hopeful view of the future of Yale and its positive impact on the world. As she noted in her inaugural address, “Across the generations, we have enlightened. We have inspired. And, time and again, we have been both challenged and refreshed by change.”

Yale University’s financial results this past year were solid and in line with the strong financial performance of the past several years. As we look ahead, the university is facing serious financial headwinds, but we are similarly hopeful about the university’s future. As we shared in a recent budget update to the campus, “throughout its history, Yale has weathered tremendous challenges, each time adjusting, adapting, and responding with new ways to advance its mission. The path ahead requires us to address harsh realities, but with careful and thoughtful stewardship of our resources, we will continue to shape a future defined by resilience, innovation, and progress.”

We are deeply grateful – and profoundly so in this challenging moment – for the incredible work and dedication of the faculty, staff, students, alumni, and friends of Yale who make the university and the pursuit of its mission possible each and every day.



Jack F. Callahan, Jr.
Senior Vice President for Operations and
Chief Operating Officer



Stephen C. Murphy
Vice President for Finance and
Chief Financial Officer

Financial Results

Overview

Yale University (“Yale” or the “university”) manages its operations to achieve long-term financial equilibrium. It is committed to sustaining both the programs and the capital assets (endowment and facilities) supporting those programs over multiple generations. Endowment allocation, Yale’s largest source of revenue, is allocated to the operating budget based on a spending policy that preserves the endowment asset values for future generations, while providing a robust revenue stream for current programs. Similarly, Yale’s operating budget provides the major portion of the funds needed, through the capital replacement charge (“CRC”), to replenish the capital base necessary to ensure that buildings are maintained to support current and future programs.

The consolidated statement of activities in the audited financial statements is presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”). GAAP generally recognizes revenue when earned and expenses when incurred. The Management View, used for internal decision-making, is focused more on resources available and used in the fiscal period presented. Some of the more significant differences between the two views are as follows:

- The Management View does not include certain long-term revenues and expenses, such as pledge revenue and expenses associated with community outreach programs, until they are received or paid.
- The Management View recognizes capital maintenance through a Capital Replacement Cost (“CRC”) and recognizes equipment purchases as expense in the year acquired versus the historical cost depreciation expense in the consolidated statement of activities.
- The Management View includes the realized gains and losses on interest rate swaps used to manage exposure to interest rate fluctuations in net operating results while the GAAP financial statements present these gains and losses in non-operating.
- The Management View presents the expenses related to the defined benefit plans differently as compared to GAAP.
- The GAAP financial statements do not present fund balance transfers as the Management View does.

The Management View presentation, along with a summary of the differences between the university’s net operating results from the Management View to the GAAP View, is presented on the following page.

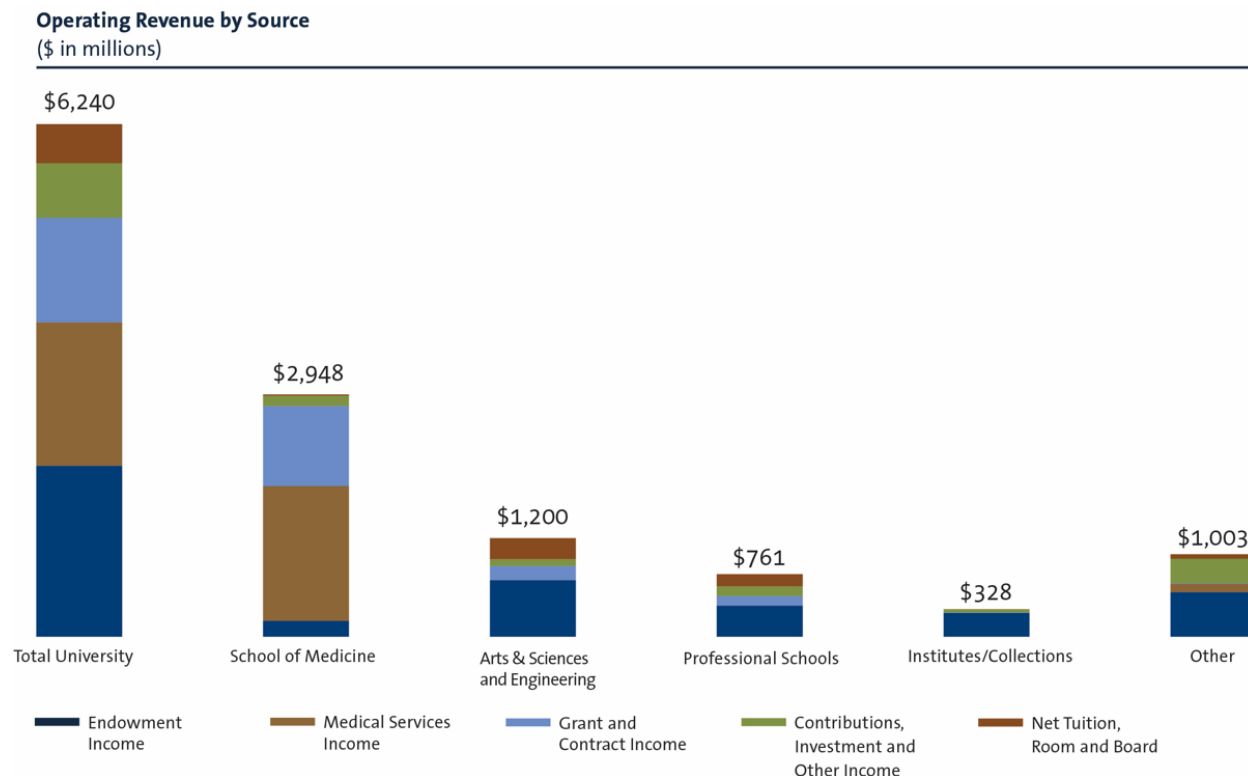
Yale University Operating Results – Management View
for the years ended June 30, 2025 and 2024 (\$ in thousands)

	June 30, 2025	June 30, 2024
Revenues:		
Tuition, room and board - gross	\$ 996,691	\$ 959,005
Tuition discount	(520,566)	(490,970)
Tuition, room and board - net	476,125	468,035
Grants and contract income	1,273,995	1,192,352
Medical services income, net	1,745,292	1,648,301
Contributions	197,115	182,854
Endowment income	2,079,771	1,943,853
Investment and other income	467,540	445,650
Total external income	6,239,838	5,881,045
Expenses:		
Faculty salaries	1,524,713	1,415,977
All other salaries	1,320,571	1,238,656
Employee benefits	902,923	843,667
Total salaries and benefits	3,748,207	3,498,300
Stipends and fellowships	170,068	152,742
Non-salary expenses	1,535,570	1,456,501
Interest, CRC and other amortization	435,960	403,464
Total expenses	5,889,805	5,511,007
Transfers	(115,526)	(159,006)
TOTAL NET OPERATING RESULTS (MANAGEMENT VIEW)	234,507	211,032
Summary of differences between the Management View and GAAP presentation of net operating results:		
Operating pledge activity	21,977	(13,674)
Changes in other receivables	(2,082)	-
Expenses related to long-term liabilities	(11,663)	(459)
Capital funding, depreciation and disposals	14,877	23,926
Lease activity	2,120	2,268
Interest rate swaps	(30,275)	(42,592)
Equity investment	1,685	3,500
Funding transfers	115,526	159,006
INCREASE IN NET ASSETS FROM OPERATIONS PER THE CONSOLIDATED STATEMENT OF ACTIVITIES (GAAP VIEW)	\$ 346,672	\$ 343,007

Fiscal Year 2025 Management View Results

The university budget structure is managed through 50 separate budget units that are combined into five categories for reporting purposes.

The following table summarizes Management View operating revenue by source in fiscal year 2025.



School of Medicine

The largest budget unit is the School of Medicine, representing 47% of university total operating revenue. The School of Medicine engages in research, teaching, and clinical practice. Revenues for patient care services, net of contractual adjustments, are primarily based on negotiated contracts with managed care companies, BlueCross BlueShield, Medicare, Medicaid, commercial insurance and others. Additionally, approximately 44% of the School of Medicine’s net medical services income in 2025 represents revenue recognized as a result of the university’s affiliation with Yale New Haven Health Services Corporation (doing business as Yale New Haven Health System and Subsidiaries) (“YNHHS”). Yale Medicine (“YM”) is a premier academic multi-specialty practice, recognized as a leader in Connecticut and across the nation. As of June 30, 2025, YM included 1,745 full-time and 189 part-time physicians providing services in over 100 specialty and subspecialty areas organized into 18 departments, engaging in research, and participating in teaching 1,363 total students (excluding Ph.D. students) and 958 residents. The School of Medicine performs significant research for federal and state governments, foundations, and corporate entities. Research funded by the federal government represents 78% of total research performed at the School of Medicine, with the National Institutes of Health (“NIH”) providing 93% of that funding. The university has established policies and procedures to manage and monitor compliance with these important agreements. School of Public Health revenues are included in the figures reported for professional schools in 2025 and the School of Medicine in 2024.

Arts & Sciences and Engineering

Arts & Sciences and Engineering includes Yale's undergraduate and graduate programs in the arts, humanities, social sciences, sciences, and engineering. During the 2024-2025 academic year, 6,814 undergraduate students were enrolled at Yale College. The undergraduate population is a diverse group attracted from across the United States and from many foreign countries. International students account for approximately 11% of the undergraduate population. Yale College is dedicated to providing undergraduates with a liberal arts education that fosters intellectual curiosity, independent thinking, and leadership abilities. Students learn to think critically and independently and to write, reason, and communicate clearly in preparation for a broad spectrum of careers and vocations. During the 2024-2025 academic year, 3,682 students were pursuing their studies at the Graduate School of Arts and Sciences. Yale Graduate School of Arts and Sciences considers learning to teach to be an integral part of doctoral education and incorporates training and teaching opportunities into every program. Throughout the unique program of study crafted by graduate students and their faculty advisers, the university provides support that allows Ph.D. students to focus on their scholarship, successfully complete their degrees, and pursue rewarding careers.

Professional Schools

The Professional Schools include the Divinity School, the School of Public Health, the Law School, the School of Art, the School of Music, the School of the Environment, the School of Nursing, the David Geffen School of Drama, the School of Architecture, the School of Management, the School of Engineering & Applied Science and the Jackson School of Global Affairs. During the 2024-2025 academic year, 4,372 students were pursuing their studies at one of Yale's professional schools.

Institutes/Collections and Other

Institutes and Collections includes the libraries, museums and galleries, and large institutes with significant programmatic and financial activity across multiple academic units. First-hand encounters with Yale's collections are an integral part of teaching and learning across the university, helping students forge creative connections and inspiring tomorrow's leaders. The Other category includes Athletics and various administrative and support units.

The university ended the year with a surplus from operations of \$235 million on the Management View basis. Operating revenues increased 6% and operating expenses, excluding transfers, increased 7% compared to 2024.

Fiscal Year 2025 GAAP Results

Operating Revenue

The university derives its operating revenue from the following sources: tuition, room and board (net of certain scholarships and fellowships), grant and contract income, medical services income (net of contractual discounts from third-party payors and implicit price concessions to uninsured patients), allocation of endowment spending from non-operating, contributions, investment income, and other income.

Net Tuition, Room and Board

Net tuition, room and board totaled \$499 million in fiscal year 2025, an increase of 6% from 2024, and represented 8% of the university's total operating revenue. Gross tuition, room and board totaled \$997 million in 2025, an increase of 4% from 2024 which totaled \$959 million. Of this amount, \$878 million represents tuition, a 4% increase over 2024, and \$119 million represents revenue from room and board, which increased less than 1% from 2024. The gross tuition, room and board increases are due to an increase in enrollment and rates. In accordance with GAAP, student income is presented net of certain scholarships and fellowships, which totaled \$498 million and \$487 million for 2025 and 2024, respectively, representing a 2% increase in 2025. Scholarships and fellowships as a percentage of gross tuition, room and board were 50% and 51% for 2025 and 2024, respectively. These amounts fluctuate based on the needs of enrolled students.

Tuition for students enrolled in Yale College was \$67,250, and room and board was \$19,900, bringing the total term bill to \$87,150 for the 2024-2025 academic year. The increase in the Yale College term bill was 4% over the 2023-2024 academic year.

The university maintains a policy of offering Yale College admission to qualified applicants without regard to family financial circumstances. This "need-blind" admission policy is supported with a commitment to meet the full demonstrated financial need of all students throughout their undergraduate years. Financial aid packages are designed to meet the full demonstrated financial need of students without the use of loans.

During the 2024-2025 academic year, 55% of Yale College undergraduates received financial aid. In the Graduate School of Arts and Sciences, 99% received financial aid in the form of tuition discounts, stipends, and health insurance. In the professional schools, 86% received financial aid. In all, 75% of total eligible university students enrolled received some form of university-administered student aid in the form of scholarships, loans, or a combination of both scholarships and loans.

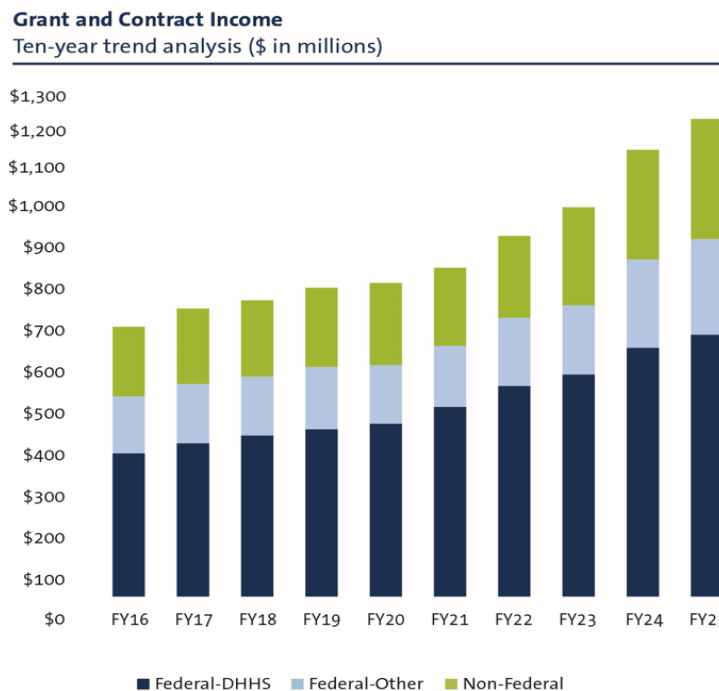
Grant and Contract Income

Grant and contract income totaled \$1.3 billion in fiscal year 2025, an increase of 7% from 2024, and represented 21% of the university's total operating revenue. The Yale School of Medicine, which recorded 76% of the university's grant and contract income in fiscal year 2025, reported an increase of 7% for 2025, while the remaining university schools and units increased by 6%.

Revenue recognized on grants and contracts from the federal government was \$954 million, or 75% of 2025 grant and contract income, supporting Yale's research and training programs. Included in the \$954 million is Department of Health and Human Services ("DHHS") funding of \$698 million,

primarily through the NIH, an increase of 5% compared to the prior year. The university also receives significant research funding from the National Science Foundation, the Department of Energy, and student aid awards from the Department of Education. Non-federal sources, which include foundations, voluntary health agencies, corporations, and the State of Connecticut, provided an additional \$320 million in funding for research, training, clinical, and other sponsored agreements during 2025.

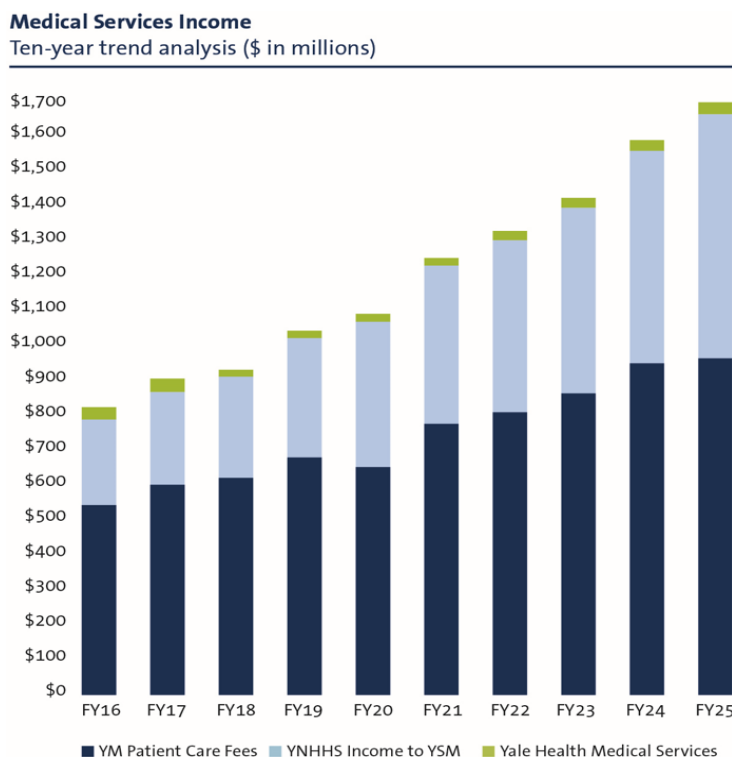
Federal regulations dictate which costs may be charged directly to grants. Certain costs are required to be reimbursed indirectly through the Facilities and Administrative (F&A) cost recovery rate. Specific examples of costs that may only be reimbursed through the F&A rate include laboratory building and maintenance, electricity, water, heating, venting, air conditioning, information technology security and administrative support and regulatory compliance associated with human subjects, research safety and grant administration. Reimbursements under the F&A rate amounted to \$314 million in 2025 and \$297 million in 2024. The F&A rate is negotiated with the DHHS, the university’s cognizant agency based on actual costs incurred. Yale’s current rate agreement is effective through June 30, 2028, and the base year for the university’s next F&A rate calculation is fiscal year 2027. The F&A rate represents the maximum rate that Yale may receive on any specific federal grant agreement, with actual reimbursement rates varying and yielding an average federal reimbursement rate of 42% of direct research costs (or 30% of total research costs) in fiscal year 2025 and 2024. Due to limitations in the costs that can be included in the rate calculation, as well as the negotiation process, the costs reimbursed through direct reimbursements and the F&A rate do not cover the full cost of research. As a result of recent federal actions, there is uncertainty as to the future level of federal funding, particularly with the NIH, and how future F&A reimbursements may be structured. The federal government has signaled that more of these actual costs of conducting research may no longer be funded by the federal government going forward.



Medical Services Income, Net

Medical services income, net totaled \$1.7 billion in fiscal year 2025, an increase of \$94 million or 6% from 2024, and represented 27% of the university’s operating revenue. The largest portion of this revenue stream is derived from medical services provided by Yale Medicine (“YM”), which increased by \$90 million over 2024, or 6%.

Patient care income, which accounts for 53% of net medical services income, increased \$70 million or 8%, reflecting broad-based growth across several specialties. This expansion was supported by collaborative efforts with YNHHS to improve patient access, strengthen care coordination, and execute the first joint strategic plan between YM and YNHHS. Physician productivity, measured by work relative value units (“RVUs”), increased 8% in fiscal year 2025. This growth was aided by the successful implementation of a new funds flow model between YM and YNHHS. This model aligns economic incentives, fosters transparency, supports faculty recruitments, and enables operational improvements that advance clinical program growth in the region, while also simplifying financial reporting.



Contributions

Donations from individuals, corporations, and foundations represent a vitally important source of revenue for the university. Gifts to the university provide necessary funding for current operations, for long-term investments in the university’s physical infrastructure, and, in the case of gifts to the endowment, provide permanent resources for core activities for current and future generations. Gifts of \$219 million in 2025 and \$169 million in 2024, made by donors to support the operations of the university, are reflected as contribution revenue in the operating section of the consolidated statement of activities, whereas gifts to the university’s endowment and for building, construction, and renovation are reflected as contribution revenue in the non-operating section of the consolidated statement of activities. In aggregate, contributions included in the university’s consolidated financial statements total \$527 million in 2025 compared to \$424 million in 2024.

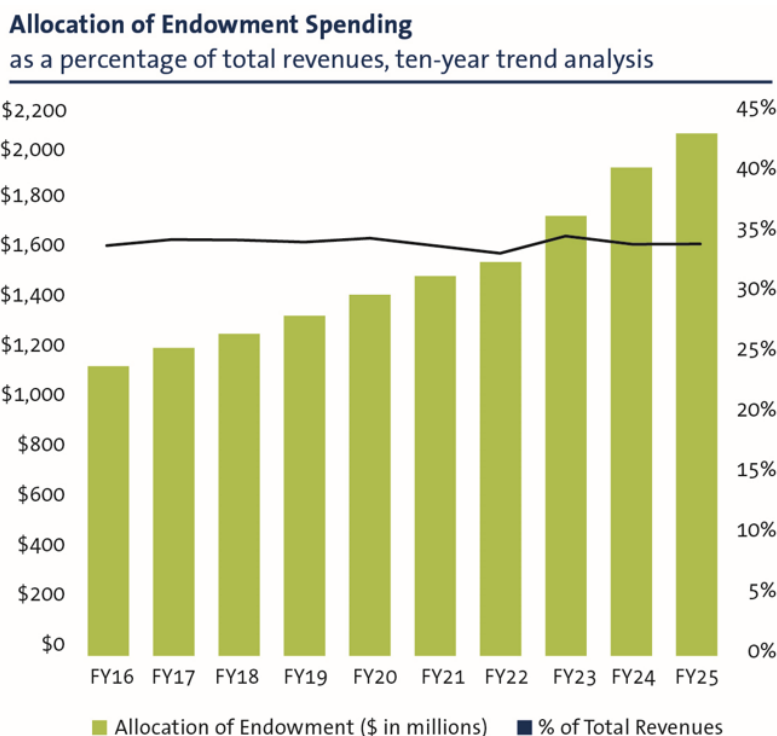
Certain gifts commonly reported in fundraising results are not recognized as contributions in the university’s consolidated financial statements. For example, “in-kind” gifts such as works of art and books that will be maintained as part of the university’s collections are not recognized as financial transactions in the consolidated financial statements. Grants from private, non-governmental sources (i.e., corporations and foundations) reported as gifts for fundraising purposes are included in the consolidated statement of activities as grant and contract income.

Allocation of Endowment Spending

Each year a portion of the endowment’s market value is allocated to support operational activity. This important source of revenue represents 34% of total operating revenue in fiscal year 2025, and is the largest source of operating revenue for the university. The level of spending is computed in accordance with an endowment spending policy that has the effect of smoothing year-to-year market value swings. Endowment investment returns allocated to operating activities increased by 7% in 2025 to \$2.1 billion. The 40% investment return recognized in fiscal year 2021 continues to drive a notable increase in endowment spending this year.

In July of 2025 federal tax legislation was passed which will significantly increase the tax burden on the university’s endowment, beginning in July 2026. This tax increase will have a detrimental impact on the amount of mission-related support the endowment spending will provide. The university is evaluating what this impact will be, but future spending is likely to be different from what it has been in the past.

Additional information on Yale’s endowment spending policy is provided in the endowment section of this report and in the notes to consolidated financial statements.



Other Investment Income

Other investment income includes interest, dividends, and gains on non-endowment investments.

Other Income

Other income primarily includes publications income, income from executive education and other non-degree granting programs, royalty income, admissions revenue relating to athletic events and drama productions, parking revenue, special event and seminar fees, and application and enrollment fees.

Operating Expenses

Operating expenses totaled \$5.8 billion for 2025, representing a 7% increase over 2024. Personnel costs are the single largest component (62%) of the university's total operating expenses, with 5,735 faculty, 1,957 postdoctoral and postgraduate associates, 6,264 managerial and professional staff ("M&P"), and 8,305 clerical, technical, service, and maintenance personnel including graduate student workers of 2,722 (counts represent headcount as of fall 2024).

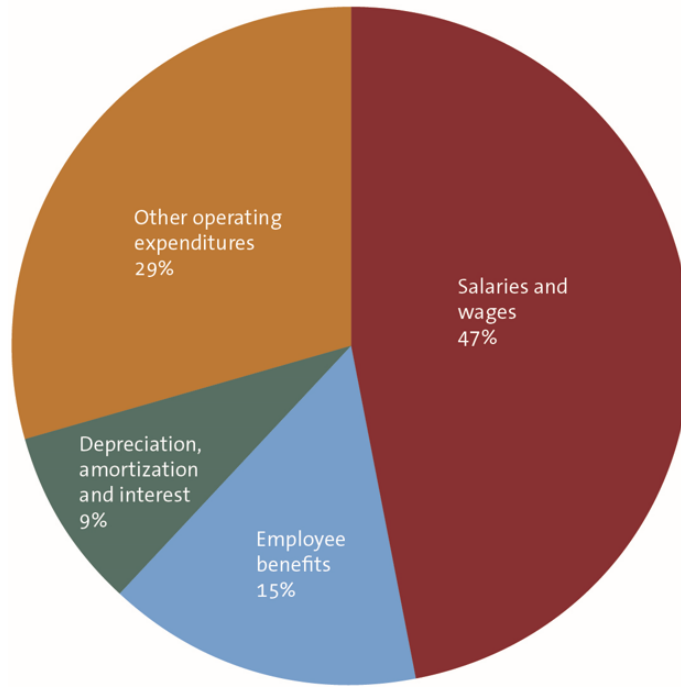
Personnel costs were \$3.6 billion in 2025, an 8% increase over 2024. Faculty salary expenses increased 8%, which is partly attributable to an increased headcount to support growth in clinical activities. Staff salaries and wages increased 7% from 2024 to 2025, largely due to increased headcount and salary and wage increases. The cost of providing employee benefits, including various pension, post-retirement health, and insurance plans in addition to Social Security and other statutory benefits, totaled \$862 million for 2025, an increase of 8% from 2024.

Depreciation, amortization, and interest expense increased 7% from 2024, primarily as a result of higher depreciation and interest costs in fiscal year 2025.

Other operating expenditures, including services, materials and supplies, and other expenses, increased 7% from 2024, primarily due to an increase in non-salary expenses in most schools and units, driven by increased activity in support of the university's revenue growth and increases in general expenses due to inflation.

Yale reports its operating expenses by natural classification in the consolidated statement of activities and discloses these operating expenses across functional classification in the notes to consolidated financial statements in accordance with GAAP.

Operating Expenses by Natural Classification



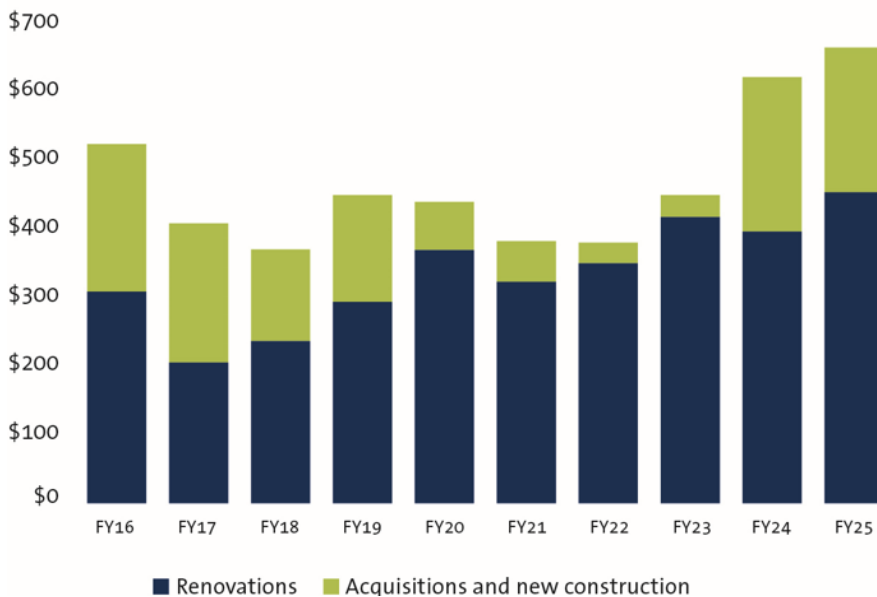
The university spent 70% of its operating resources on programmatic support, 23% on patient care and other related services, and 7% on administration and other institutional support.

Physical Capital

Capital spending on facilities in fiscal year 2025 totaled \$661 million. This represents an increase of 8% from the 2024 spending level.

Capital Spending by Year

Ten-year trend analysis (in 2025 dollars, in millions)



Capital spending for the biological and physical sciences accounted for approximately 29% of the university's 2025 capital expenditures as work continued on the Upper Science Hill Development ("USHD"). USHD is a comprehensive revision of the Science Hill area of campus with the goal of creating a new research-intensive facility, the Physical Sciences and Engineering Building. Located at the northeastern section of Science Hill, USHD is one of the largest capital commitments in university history, totaling more than 600,000 gross square feet. The USHD will provide: new lab spaces for approximately fifty faculty across Arts & Sciences and Engineering, including those in physics, applied physics, and other quantum-focused departments; convening space for affiliated departments, institutes, centers, and programs that will serve as a magnet for science and engineering at Yale; a shared university facility to support the design and development of custom instrumentation; and a large and modern cleanroom and core facilities for materials characterization and imaging within the facility. The project also includes a Thermal Utilities Plant that will provide electrified thermal energy to the upper Science Hill. The university also began construction on a comprehensive renovation and addition for the Osborn Memorial Laboratories building, a project that will feature a full renovation of an existing five-story 109,000 square foot building. The new labs, core facilities, offices, and teaching spaces will be a central hub for the faculty of the Department of Ecology and Evolutionary Biology, the Yale School of the Environment, Yale Center for Natural Carbon Capture and the Yale Institute for Biospheric Studies.

Nineteen percent of the university's capital spending was invested in the Yale School of Medicine ("YSM"). The largest expenditure in this category was attributed to the fit out of 134,000 square feet of leased space at the newly constructed 101 College Street. This renovation will allow for the relocation and expansion of the existing Endocrinology section of the Department of Internal Medicine, a vivarium and freezer farm, and a microscopy core for Cell Biology. The renovations will also create office space for the newly formed section of Biomedical Informatics and Data Science, and they will accommodate the relocation and expansion of the departments of Anesthesiology & Cell Biology, Nephrology, and a section of the Department of Internal Medicine, as well as a conference center to serve YSM's departments in the building. Construction is anticipated to be completed in early 2027. The remaining expenditures are related to other programmatic renovation, clinical expansion and upgrades, and capital maintenance projects throughout YSM.

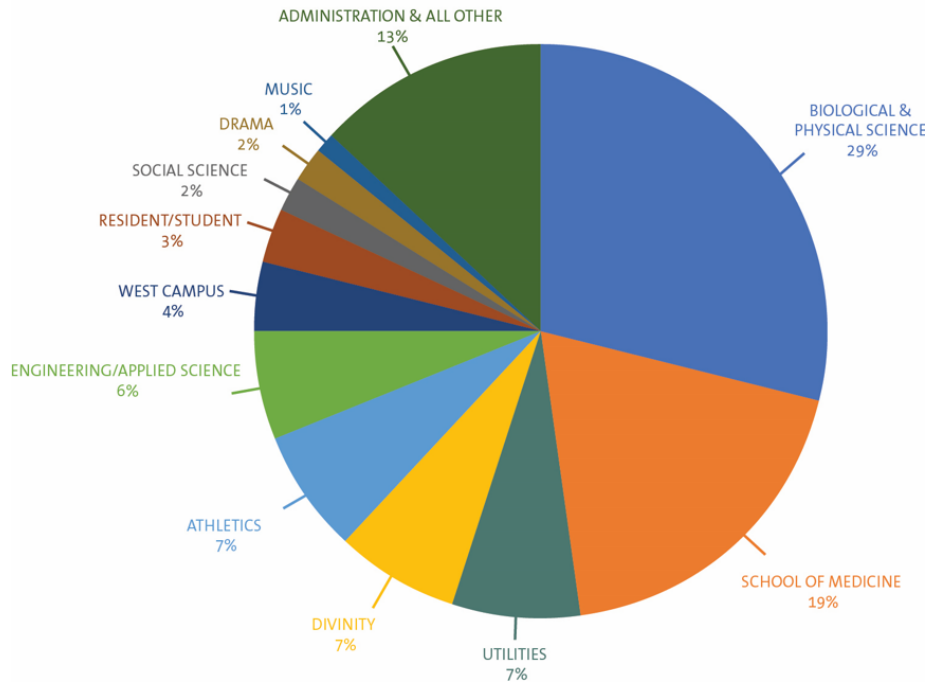
Seven percent of the university's capital spending was invested in improvements to Yale Divinity School facilities. This work includes the construction of the 44,000 square foot Living Village, a regenerative graduate student residential hall that was designed to be the largest living-building housing complex on a university campus. The project features an ecologically sustainable structure with zero-carbon footprint.

Seven percent of the university's capital spending was invested in improvements to Athletic facilities, which includes a comprehensive restoration of the Yale Golf Course. The goal of the project is to restore the course to its original layout and design from a century ago. The work includes the teeing areas, greens, bunkers, and fairways, as well as lengthening of the course and expansion of the driving range to accommodate championship play. The university also made capital investments in various areas throughout the campus to provide for programmatic renovations, capital maintenance projects, and infrastructure support.

The university's renovation and building plans were funded by a combination of gifts, debt, and the operating budget. The university continues to rely heavily on the extraordinary generosity of its alumni and friends. Gifts designated for facilities in 2025 totaled \$67 million, which includes gifts to

support the construction of new graduate student housing and physical plant buildings for the Yale Divinity School’s Living Village Project, renovation of the Yale Golf Course and construction of the new Dramatic Arts Building.

Capital Spending by Campus Area



A major source of funding for the capital program is debt provided through the Connecticut Health and Facilities Authority (“CHEFA”), which allows the university to borrow at tax-exempt rates. The university issued \$500 million (Series 2025B) in May 2025 through CHEFA to finance planned renovations at Osbourne Memorial Laboratory and capital additions for the USHD. This funding source is critical to keep the cost of funding at low levels, which allows the university to maximize the use of its resources and further advance the fulfillment of its mission of teaching and research. The university continues to receive the highest bond ratings available: AAA from Standard and Poor’s and Aaa from Moody’s Investors Service.

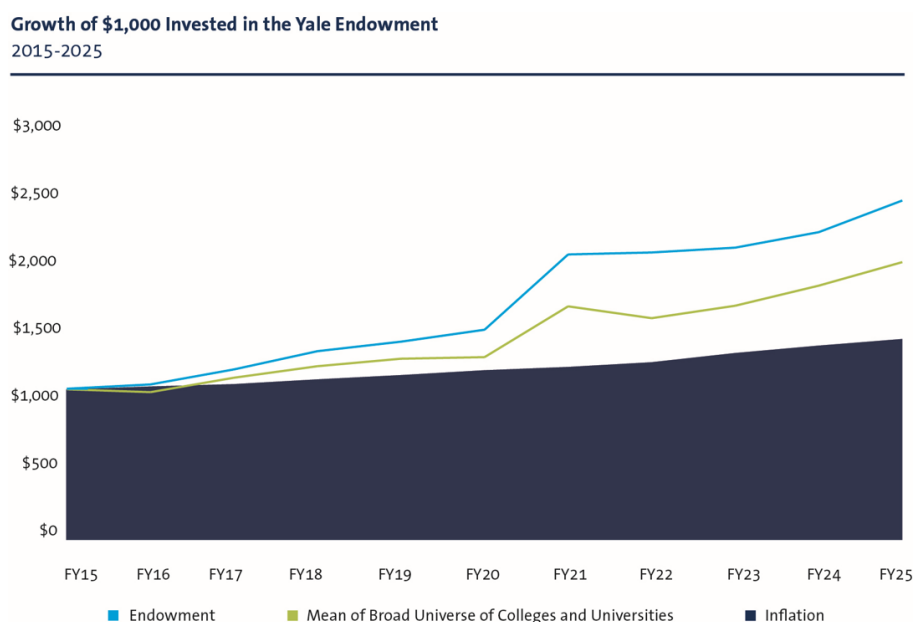
Recognizing the critical importance of maintaining its physical capital over many generations, the university allocates funds directly from the operating budget to a capital maintenance account. The annual equilibrium funding target for internal purposes is an estimate of the amount needed to maintain Yale’s facilities in good condition on a consistent basis, thus avoiding deferred maintenance. While not an exact science, an estimate of the full capital replacement equilibrium level for 2025 is \$360 million.

Endowment

The endowment provides the largest source of support for the academic programs of the university. To balance current and future needs, Yale employs investment and spending policies designed to preserve endowment asset values while providing a substantial flow of income to the operating budget. At June 30, 2025, net assets in the endowment totaled approximately \$44.2 billion, after the allocation of endowment spending of \$2.1 billion to the operating budget during the year.

Investment Performance

For the fiscal year ended June 30, 2025, the endowment earned an 11.1% investment return. During the past decade, the endowment earned an annualized 9.4% return, which added \$19.2 billion of value relative to the university's composite passive benchmark and \$11.3 billion relative to the mean return of the broad universe of colleges and universities.



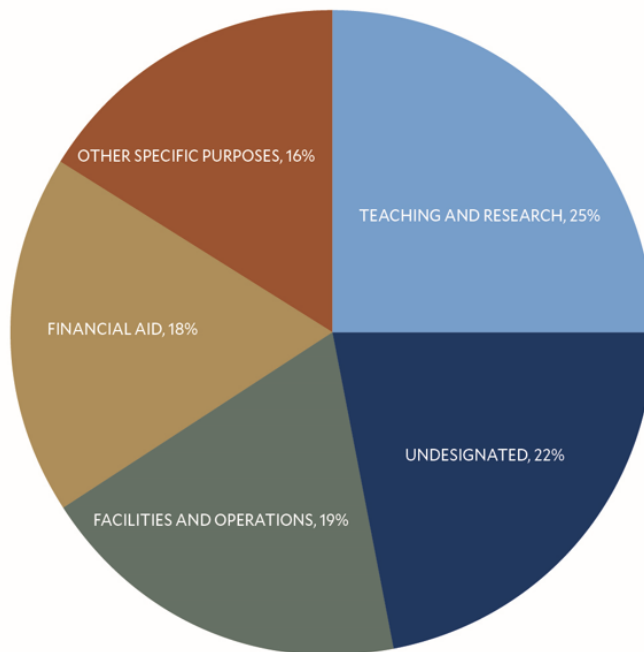
Endowment Spending

The endowment spending policy, which allocates endowment earnings to operations, balances the competing objectives of providing a stable flow of income to the operating budget and protecting the real value of the endowment over time. The spending policy manages the trade-off between these two objectives by using a long-term target spending rate combined with a smoothing rule, which adjusts spending in any given year gradually in response to changes in endowment market value.

The target spending rate approved by the Yale Corporation currently stands at 5.25%. According to the smoothing rule, endowment spending in a given year represents the sum of 80% of the previous year's spending and 20% of the target long-term spending rate applied to the market value at the start of the prior year. The spending amount determined by the formula is adjusted for inflation and an allowance for taxes and constrained so that the calculated rate is at least 4.0% and not more than 6.5% of the endowment's inflation adjusted market value at the start of the prior year. The smoothing rule and the diversified nature of the endowment mitigate the impact of short-term market volatility on the flow of funds to support Yale's operations.

The majority of endowment spending is allocated across multiple purposes, including financial aid and professorships, based on donor restrictions or internal designations by the university. Endowment spending that is neither restricted nor designated provides additional support for budgetary priorities that carry out the university’s mission.

Endowment Spending Allocation



Asset Allocation

Asset allocation is critical to successful endowment performance. Yale’s asset allocation policy combines tested theory and informed market judgment to balance investment risks with the desire for high returns.

Both the need to provide resources for current operations and the desire to preserve the purchasing power of assets dictate investing for high returns, which leads the endowment to be weighted toward equities. In addition, the endowment’s vulnerability to inflation directs the university away from fixed income instruments. Hence, roughly 91% of the endowment pool is invested in assets expected to produce equity-like returns, through domestic and international securities, real assets, and private equity.

Endowment Summary

Yale continues to rely on the principles of equity orientation and diversification. These principles guide Yale’s investment strategy, as equity orientation makes sense for investors with long time horizons and diversification allows the construction of portfolios with superior risk and return characteristics. The university’s equity-oriented, well-diversified portfolio positions the endowment for long-term investment success.

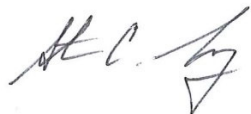
Management’s Responsibility for Financial Statements

Management of the university is responsible for the integrity and reliability of the consolidated financial statements. Management represents that, with respect to the university’s financial information, the consolidated financial statements in this annual report have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accompanying consolidated financial statements have been audited by the university’s independent auditors, PricewaterhouseCoopers LLP. Their audit opinion, on the following two pages, expresses an informed judgment as to whether the consolidated financial statements, considered in their entirety, present fairly, in conformity with GAAP, the consolidated financial position and changes in net assets and cash flows.

The university maintains a system of internal controls over financial reporting, which is designed to provide a reasonable assurance to the university’s management and the Yale board of trustees regarding the preparation of reliable published financial statements. Such controls are maintained by the establishment and communication of accounting and financial policies and procedures, by the selection and training of qualified personnel, and by an internal audit program designed to identify internal control weaknesses in order to permit management to take appropriate corrective action on a timely basis. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of the internal control system can change with circumstances.

The Yale board of trustees, through its Audit Committee comprised of members not employed by the university, are responsible for engaging the independent auditors and meeting with management, internal auditors, and the independent auditors to independently assess whether each is carrying out its responsibilities. Both the internal auditors and the independent auditors have full and free access to the Audit Committee.



Stephen C. Murphy
Vice President for Finance and
Chief Financial Officer



Shannon N. Smith
Assistant Vice President and University
Controller and Chief Accounting Officer



Report of Independent Auditors

To the President and Fellows of Yale University

Opinion

We have audited the accompanying consolidated financial statements of Yale University and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities for the year ended June 30, 2025 and of cash flows for the years ended June 30, 2025 and 2024, including the related notes (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2024 and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated October 25, 2024, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended June 30, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with US GAAS, we:

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Yale University Financial Report 2024-2025 but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 23, 2025

Yale University Consolidated Statements of Financial Position

as of June 30, 2025 and 2024 (\$ in thousands)

	2025	2024
Assets:		
Cash and cash equivalents	\$ 764,569	\$ 1,058,065
Accounts receivable, net	476,746	463,305
Contributions receivable, net	795,716	850,238
Notes receivable	75,352	77,533
Investments, at fair value	49,708,318	46,117,492
Right of use assets	291,274	139,717
Other assets	591,052	598,008
Land, buildings and equipment, net of accumulated depreciation	6,339,842	6,011,123
Total assets	\$ 59,042,869	\$ 55,315,481
Liabilities:		
Accounts payable and accrued liabilities	\$ 715,849	\$ 745,779
Advanced payments and other deposits	210,613	199,050
Lease liabilities	360,467	200,868
Other liabilities	1,014,318	1,120,497
Liabilities under split-interest agreements	144,878	136,931
Bonds and notes payable	5,204,502	4,847,302
Liabilities associated with investments	2,021,423	2,028,004
Total liabilities	\$ 9,672,050	\$ 9,278,431
Net Assets:		
Net assets without donor restrictions: Yale University	\$ 10,757,069	\$ 9,831,692
Net assets without donor restrictions: non-controlling interests	4,787	3,499
Total net assets without donor restrictions	10,761,856	9,835,191
Net assets with donor restrictions	38,608,963	36,201,859
Total net assets	\$ 49,370,819	\$ 46,037,050
Total liabilities and net assets	\$ 59,042,869	\$ 55,315,481

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

Yale University Consolidated Statement of Activities

for the year ended June 30, 2025 with summarized comparative totals for the year ended June 30, 2024 (\$ in thousands)

	Without Donor Restrictions	With Donor Restrictions	2025	2024
Operating				
<i>Revenues and releases:</i>				
Net tuition, room and board	\$ 498,831	\$ -	\$ 498,831	\$ 471,578
Grant and contract income, primarily for research and training	1,273,995	-	1,273,995	1,191,507
Medical services income, net	1,680,905	-	1,680,905	1,587,178
Contributions	16,347	202,667	219,014	168,919
Allocation of endowment spending from non-operating	588,345	1,492,420	2,080,765	1,944,794
Other investment income	163,332	9,364	172,696	167,396
Other income	228,288	89	228,377	223,889
Total revenues	4,450,043	1,704,540	6,154,583	5,755,261
Net assets released from restrictions	1,545,226	(1,545,226)	-	-
Total revenues and releases	\$ 5,995,269	\$ 159,314	\$ 6,154,583	\$ 5,755,261
<i>Expenses:</i>				
Salaries and wages	\$ 2,737,371	\$ -	\$ 2,737,371	\$ 2,546,768
Employee benefits	861,635	-	861,635	799,156
Depreciation, amortization and interest	504,923	-	504,923	470,601
Other operating expenditures	1,703,982	-	1,703,982	1,595,729
Total expenses	5,807,911	-	5,807,911	5,412,254
Increase in net assets from operating activities	187,358	159,314	346,672	343,007
Non-operating				
Contributions	1,314	306,509	307,823	255,418
Total endowment return	790,101	3,717,527	4,507,628	2,271,310
Allocation of endowment spending to operations	(372,355)	(1,708,410)	(2,080,765)	(1,944,794)
Other investment income	44,446	210	44,656	204,308
Change in funding status of defined benefit plans	155,956	-	155,956	127,572
Other increases	48,199	2,312	50,511	51,830
Net assets released from restrictions	70,358	(70,358)	-	-
Increase in net assets from non-operating activities	738,019	2,247,790	2,985,809	965,644
Total increase in net assets - Yale University	925,377	2,407,104	3,332,481	1,308,651
Change in non-controlling interests	1,288	-	1,288	438
Total increase in net assets	926,665	2,407,104	3,333,769	1,309,089
Net assets, beginning of year	9,835,191	36,201,859	46,037,050	44,727,961
Net assets, end of year	\$ 10,761,856	\$ 38,608,963	\$ 49,370,819	\$ 46,037,050

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

Yale University Consolidated Statements of Cash Flows

for the years ended June 30, 2025 and 2024 (\$ in thousands)

	2025	2024
Operating activities:		
Change in net assets	\$ 3,333,769	\$ 1,309,089
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	387,277	357,618
Realized and unrealized gain on other investments	(34,277)	(187,476)
Net endowment investment gain	(3,859,282)	(1,623,747)
Change in non-controlling interests	(1,288)	(438)
Change in funding status of defined benefit plans	(155,956)	(127,572)
Non-operating contributions	(307,823)	(255,418)
Contributed securities	(75,712)	(163,268)
Proceeds from sale of donated securities	16,725	33,111
Other adjustments	174,907	94,937
Changes in assets and liabilities that (use) provide cash:		
Accounts receivable	(13,441)	(53,105)
Contributions receivable	(21,982)	13,674
Other operating assets	(8,533)	9,323
Accounts payable and accrued expenses	43,033	57,949
Advances under grants and contracts and other deposits	11,563	(20,919)
Other liabilities	10,982	(42,511)
Net cash used in operating activities	(500,038)	(598,753)
Investing activities:		
Student loans repaid	11,442	10,430
Student loans granted	(8,370)	(9,552)
Purchases related to capitalized software costs and other assets	(116,081)	(45,594)
Proceeds from sales and maturities of investments	17,840,360	9,826,519
Purchases of investments	(17,629,138)	(8,398,652)
Purchases of land, buildings and equipment	(700,273)	(669,735)
Net cash (used in) provided by investing activities	(602,060)	713,416
Financing activities:		
Proceeds from restricted contributions	384,327	351,885
Proceeds from sale of contributed securities restricted for endowment	58,987	130,157
Contributions received for split-interest agreements	6,135	7,488
Payments made under split-interest agreements	(13,765)	(15,981)
Proceeds from long-term debt	947,455	-
Repayments of long-term debt	(659,682)	(320,142)
Repayments to the Federal government for student loans	(1,073)	(1,687)
Net cash provided by financing activities	722,384	151,720
Net (decrease) increase in cash and cash equivalents	(379,714)	266,383
Cash and cash equivalents, beginning of year	1,204,841	938,458
Cash and cash equivalents, end of year	\$ 825,127	\$ 1,204,841

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

Yale University

Notes to Consolidated Financial Statements

1. Significant Accounting Policies

a. General

Yale University ("Yale" or the "university") is a private, not-for-profit institution of higher education located in New Haven, Connecticut. The university is governed by the Yale Corporation (the "Corporation" or the board of trustees), a body comprised of the President, ten appointed Successor Trustees, six elected Alumni Fellows, and the Governor and Lieutenant Governor of Connecticut, who are board members *ex officio*.

The university provides educational services primarily to students and trainees at the undergraduate, graduate and postdoctoral levels, and performs research, training and other services under grants, contracts and other similar agreements with agencies of the federal government and other sponsoring organizations. The university's academic organization includes Yale College, the Graduate School of Arts and Sciences, thirteen professional schools and a variety of research institutions and museums. The largest professional school is the Yale School of Medicine, which conducts medical services and research in support of its teaching and research missions.

b. Basis of Presentation

The consolidated financial statements of the university include the accounts of academic and administrative departments of the university, and affiliated organizations which are required to be consolidated under the applicable accounting guidance.

The university measures aggregate net assets and net asset activity based on the absence or existence of donor-imposed restrictions. Net assets are reported as without donor restrictions and with donor restrictions and serve as the foundation of the accompanying consolidated financial statements. Brief definitions of the two net asset classes are presented below:

Net Assets Without Donor Restrictions - Net assets derived from tuition and other institutional resources that are not subject to explicit donor-imposed restrictions. Net assets without donor restrictions also include board-designated funds functioning as endowment.

Net Assets With Donor Restrictions - Net assets that are subject to explicit donor-imposed restrictions on the expenditure of contributions, including those given to be maintained in perpetuity; income and gains on contributed assets subject to donor-imposed restrictions not yet appropriated for spending by the Corporation and student loan funds. In addition, net assets with donor restrictions include restricted contributions from donors classified as funds functioning as endowment. Restrictions include support of specific schools or departments of the university, for professorships, research, faculty support, scholarships and fellowships, library and art museums, building construction and other purposes. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Measure of Operations - The university's measure of operations as presented in the consolidated statement of activities includes revenue from tuition (net of certain scholarships and fellowships) and fees, grants and contracts, medical services (net of contractual discounts from third-party payors and implicit price concessions to uninsured patients), contributions for operating programs or purposes without donor restrictions, other investment income, the allocation of endowment spending for operations and other income. Operating expenses are reported on the consolidated statement of activities by natural classification.

The university's non-operating activity within the consolidated statement of activities includes contributions to the university's endowment and for building construction and renovation, investment returns and other activities related to endowment, unrealized gains and losses on interest rate swaps and long-term benefit plan obligation funding changes.

Liquidity - The university's financial assets available within one year of the date of the consolidated statements of financial position for general expenditure as of June 30 are as follows, in thousands of dollars:

	2025	2024
Total assets, at year end	\$ 59,042,869	\$ 55,315,481
Less nonfinancial assets:		
Land, buildings and equipment, net of accumulated depreciation	6,339,842	6,011,123
Other assets	591,052	598,008
Right of use assets	291,274	139,717
Financial assets, at year end	51,820,701	48,566,633
Less those unavailable for general expenditure within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	708,588	750,898
Subject to appropriation and satisfaction of donor restrictions including board-designated endowments	46,007,304	43,040,576
Other long-term notes receivable	75,352	77,533
Financial assets available to meet cash needs for general expenditures within one year	\$ 5,029,457	\$ 4,697,626

The university has \$5,029.5 million of financial assets that are available within one year of the date of the 2025 consolidated statement of financial position to meet cash needs for general expenditure consisting of cash and cash equivalents of \$764.6 million, accounts receivable of \$476.7 million, contributions receivable of \$87.1 million, and short-term investments of \$3,701.1 million. In addition to these available financial assets, a significant portion of the university's annual expenditures will be funded by current year operating revenues including tuition, grant and contract income and medical services income. The university has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the university invests cash in excess of daily requirements in various short-term investments, including U.S. government instruments.

Additionally, the university has board-designated funds of \$7,734.1 million at June 30, 2025. Although the university does not intend to spend from this endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its

board-designated funds could be made available if necessary. However, both the board-designated funds and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available, as described in Note 2.

c. Cash and Cash Equivalents

Cash and cash equivalents are recorded at cost, which approximates fair value due to their short-term nature and include institutional money market funds and similar temporary investments with maturities of three months or less at the time of purchase. Cash and short-term investments awaiting investment in the long-term investment pool are reported as investments and totaled \$2,238.6 million and \$956.7 million at June 30, 2025 and 2024, respectively. Short-term investments included in the long-term investment pool which may otherwise qualify as cash equivalents under the university's policy are accounted for as investments by policy and are accordingly not included within these cash disclosures.

Supplemental disclosures of cash flow information include the following, in thousands of dollars:

	2025	2024
Cash paid during the year for interest	\$ 106,328	\$ 88,074
Noncash investing activities:		
Land, buildings and equipment purchases payable to vendor	\$ 58,625	\$ 58,101

The following table summarizes supplemental cash flow information related to leases for the years ended June 30, in thousands of dollars:

	2025	2024
Cash paid for amounts included in measurement of liabilities:		
Operating cash flows from financing leases	\$ 12,877	\$ 6,213
Operating cash flows from operating leases	11,035	11,656
Financing cash flows from financing leases	5,059	8,395
Non-cash lease related items:		
Financing leases reclassified to land, buildings and equipment, net of accumulated depreciation due to the exercise of a purchase option	\$ -	\$ 152,220
ROU assets obtained in exchange for new and remeasured financing liabilities	158,384	16,612
ROU assets obtained in exchange for new and remeasured operating liabilities	16,892	8,675

The following table provides a reconciliation of amounts reported within the consolidated statements of financial position that sum to the total of the amount shown in the consolidated statements of cash flows for the years ended June 30, in thousands of dollars:

	2025		2024	
Cash and cash equivalents	\$	764,569	\$	1,058,065
Cash included in investments, at fair value		60,558		146,776
Total cash and cash equivalents shown in the consolidated statements of cash flows	\$	825,127	\$	1,204,841

d. Investments

Fair Value - The university's investments are recorded in the consolidated financial statements at fair value.

Fair value is a market-based measurement based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, a three-tier fair value hierarchy has been established which categorizes the inputs used in measuring fair value. The hierarchy of inputs used to measure fair value and the primary methodologies used by the university to measure fair value include:

- *Level 1* - Quoted prices for identical assets and liabilities in active markets. Market price data is generally obtained from relevant exchange or dealer markets.
- *Level 2* - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable.
- *Level 3* - Unobservable inputs for which there is little or no market data, requiring the university to develop its own assumptions.

Assets and liabilities measured at fair value are determined based on the following valuation techniques:

- *Market approach* - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities; and/or
- *Income approach* - Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques and option-pricing models.

The fair value of publicly traded fixed income and equity securities is based upon quoted market prices and exchange rates, if applicable. The fair value of direct real estate investments is determined from periodic valuations prepared by independent appraisers.

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the university's consolidated financial statements.

Derivatives - Derivative financial instruments in the investment portfolio include interest rate swaps which are recorded at fair value with the resulting gain or loss recognized in the consolidated statement of activities.

Resell and Repurchase Agreements - Payments under resell agreements are secured by federal agency and foreign debt securities, with the university taking possession and monitoring the collateral's value to ensure it covers the amount due. Receipts from repurchase agreements are secured by asset-backed securities, corporate debt, federal agency debt, and foreign debt securities, with collateral fair value regularly monitored to cover the agreements' amounts due.

Management Fees - The university records the cost of managing its endowment portfolio as a decrease in non-operating activity as a component of total endowment return within the applicable net asset class in the consolidated statement of activities. Management fees consist of the internal costs of the university's Investments Office (the "Investments Office"), outside custodian fees, fees for external investment managers and general partners, and other endowment-related costs.

Total Return - The university invests its endowment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation of investments earned during the year is provided for program support. The university has adopted a current endowment spending policy in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted in the State of Connecticut, designed specifically to stabilize annual spending levels and to preserve the real value of the endowment portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the endowment's fair value. An administrative charge is assessed against the funds when distributed.

To the extent that a donor-restricted endowment fund falls below its historic dollar value a deficit would exist, and it would be reported as a reduction of net assets with donor restrictions. Spending from an endowment fund in a deficit position would continue under the spending policy so long as the fund's value is more than 70% of its historical dollar value.

The university uses a long-term targeted spending rate of 5.25%. The spending amount is calculated using 80% of the previous year's spending and 20% of the targeted long-term spending rate applied to the fair value at the start of the prior year. The spending amount determined by the formula is adjusted for inflation and taxes and constrained so that the calculated rate is at least 4.0% and not more than 6.5% of the endowment's fair value as of the start of the prior year. The actual rate of spending for 2025 and 2024, when measured against the previous year's June 30th endowment fair value, was 5.1% and 4.8%, respectively.

The university determines the expected return on endowment investments with the objective of producing a return exceeding the sum of inflation and the target spending rate. Asset allocation is the key factor driving expected return. Yale's asset allocation policy combines tested theory and informed market judgment to balance investment risks with the need for high returns. Both the need to provide resources for current operations and the desire to preserve the purchasing power of assets lead the endowment to be weighted toward equity investments.

The university manages the majority of its endowment in its Long-Term Investment Pool (the “Pool”). The Pool is unitized and allows for efficient investment among a diverse group of funds with varying restricted purposes. In addition to university funds, the Pool includes assets of affiliated entities where the university has established investment management agreements.

e. Leases

At the inception of an arrangement, the university determines if an arrangement is, or contains, a lease based on the unique facts and circumstances present in that arrangement. Lease classification, recognition, and measurement are then determined as of the lease commencement date. Lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable, and as such, the university uses its incremental borrowing rate based on the information available at the lease commencement date, a rate which represents one that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment. Some leases include options to renew and/or terminate the lease, which can impact the lease term. The exercise of these options is at the university’s discretion and the university does not include any of these options within the expected lease term where it is not reasonably certain that these options will be exercised.

Lease payments on operating leases are recognized over the expected term of the lease on a straight-line basis, while payments on financing leases are recognized using the effective interest method. Lease expense on operating leases is recognized within other operating expenditures in the consolidated statement of activities. Financing lease ROU asset amortization and interest costs are recorded within depreciation, amortization and interest in the consolidated statement of activities. The university has elected the short-term lease exemption and, therefore, does not recognize an ROU asset or corresponding liability for lease arrangements with an original term of twelve months or less.

Operating and financing leases are included in right of use assets and lease liabilities in the university’s consolidated statements of financial position as of June 30, 2025 and 2024.

The university is a lessor of portions of certain buildings owned for retail and research purposes. Leases are generally five-year terms or less and are classified as operating leases. These leasing arrangements are not material to the consolidated financial statements.

f. Land, Buildings and Equipment

Land, buildings, and equipment are generally stated at cost. Annual depreciation is calculated on a straight-line basis over the lesser of the remaining useful lives or the lease term for financing leases, ranging from 15 to 50 years for buildings and improvements and 4 to 15 years for equipment.

g. Other Assets

Other assets include prepaid pension costs, insurance receivables, capitalized software costs, deferred expenses, and inventories. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the software, ranging from 5 to 10 years.

h. Collections

Collections at Yale include works of art, literary works, historical treasures, and artifacts that are maintained in the university's museums and libraries. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. Collections are not capitalized; purchases of collection items are recorded as expenses in the university's consolidated statement of activities in the period in which the items are acquired.

i. Split-Interest Agreements

The university's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds, and irrevocable charitable remainder trusts for which the university serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements.

Contribution revenue related to charitable gift annuities and charitable remainder trusts is recognized at the date the agreements are established. In addition, the fair value of the estimated future payments to be made to the beneficiaries under these agreements is recorded as a liability. For pooled income funds, contribution revenue is recognized upon establishment of the agreement at the fair value of the estimated future receipts, discounted for the estimated time period until culmination of the agreement.

j. Beneficial Interest in Trust Assets

The university is the beneficiary of certain irrevocable perpetual trusts and charitable remainder trusts held and administered by others. The estimated fair values of trust assets are recognized as assets and as gift revenue when reported to the university.

k. Net Tuition, Room and Board

Tuition, room and board revenue is generated from an enrolled student population of approximately 15,600 and 15,100 in 2025 and 2024, respectively, and is recognized in the period in which it satisfies its performance obligations. Net tuition, room and board revenue from undergraduate enrollment represents approximately 58.9% and 62.9% of total tuition, room and board revenue in 2025 and 2024, respectively.

The university maintains a policy of offering qualified applicants admission to Yale College without regard to financial circumstance, as well as meeting in full the demonstrated financial need of those admitted. Student need in all programs throughout the university is generally fulfilled through a combination of scholarships and fellowships, loans and employment during the academic year. Tuition, room and board revenue has been reduced by certain scholarships and fellowships in the amounts of \$497.9 million and \$487.4 million in 2025 and 2024, respectively.

l. Contributions

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Amounts expected to be collected in future years are recorded at the present value of estimated future cash flows, which includes estimates for potential uncollectible receivables. The discount on those contributions is computed using an interest rate that reflects the time value of money

applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue.

Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized as revenue until the performance barrier and the right of return or release have been overcome.

m. Grant and Contract Income

The university receives grant and contract income for exchange and non-exchange agreements from both governmental and private sources. Revenue from exchange agreements is recognized when performance obligations are met. Revenue from conditional non-exchange agreements is recognized as performance barriers are overcome and as the university overcomes either a right of return of assets transferred or the right of release of a promisor's obligation to transfer assets. Grant and contract revenue from conditional non-exchange agreements is generally recognized as qualified costs of sponsored programs are incurred. At June 30, 2025 and 2024, the university has research activities which are contractually authorized by the sponsor, but for which costs have not yet been incurred, totaling \$1,916.0 million and \$1,819.2 million, respectively.

In 2025 and 2024, grant and contract income from the federal government totaled \$953.6 million and \$898.7 million, respectively. Recovery of facilities and administrative costs of federally sponsored programs is at rates negotiated with the university's cognizant agency, the Department of Health and Human Services. The current negotiated rates will expire on June 30, 2028. New rates are due to be negotiated based on actual costs incurred in fiscal year 2027, however recent federal actions related to facilities and administrative costs make the format and timing of such negotiations uncertain.

n. Medical Services Income, Net

The university provides medical care to patients primarily under agreements with third-party payors, including health maintenance organizations, that provide payment for medical services at amounts different from standard rates established by the university. The university also recognizes revenue from Yale New Haven Health Services Corporation (doing business as Yale New Haven Health System and Subsidiaries) ("YNHHS") for services such as physician coverage, graduate medical education, medical directorship, program development and for use of university space. The university determines performance obligations based on the nature of the services provided and recognizes revenue as it satisfies those performance obligations. Generally, these performance obligations are satisfied at the point in time the service is provided.

Medical services income is reported net of contractual discounts from third-party payors and implicit price concessions to uninsured patients. The university estimates the discounts based on contractual agreements and estimates the implicit price concessions based on its historical collection experience with these classes of patients.

The following table summarizes patient care revenue for the university, net of allowances and discounts at June 30, in thousands of dollars:

	2025		2024	
Gross revenue	\$	2,937,624	\$	2,734,664
Allowances and discounts		(2,041,600)		(1,908,480)
Total patient care revenue	\$	896,024	\$	826,184

In 2025 and 2024, net patient revenue, included in income from medical services, totaled \$648.0 million and \$600.1 million from insurance companies, \$223.4 million and \$212.0 million from Medicare, \$85.4 million and \$75.5 million from Medicaid, and \$134.3 million and \$125.8 million from other third parties, respectively. In 2025 and 2024, patient care revenue is primarily offset by denials, charity care and bad debts of \$195.1 million and \$187.2 million, respectively.

o. Net Assets Released from Restrictions

Net assets released from restrictions are based upon the satisfaction of the purpose for which the net assets were restricted or the completion of a time stipulation. Restricted operating activity including contributions and net investment return earned, which are restricted, are reported as net assets with donor restrictions and reclassified to net assets without donor restrictions when any donor-imposed restrictions are satisfied. Non-operating restricted net assets associated with building costs are reclassified to net assets without donor restrictions when the capital asset is placed in service.

p. Self-Insurance

The university self-insures at varying levels for unemployment, disability, workers' compensation, property losses, certain healthcare plans, general liability, and professional liability, and obtains coverage through a captive insurance company for medical malpractice and related general liability losses. Insurance is purchased to cover liabilities above self-insurance limits. Estimates of retained exposures are accrued.

q. Tax Status

The university has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code.

The university is subject to several provisions of the Tax Cuts and Jobs Act (the "Act"), enacted on December 22, 2017. Specifically, the Act introduced excise taxes on net investment income and executive compensation, as well as updated rules for calculating unrelated business taxable income. The university records tax assets and liabilities in its consolidated financial statements based on reasonable estimates determined using current guidance, including the U.S. Treasury Department final regulations. In accordance with the guidance on accounting for uncertainty in income taxes, management regularly evaluates its tax positions and does not believe the university has any uncertain tax positions that require disclosure in or adjustment to the consolidated financial statements.

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was enacted. The Act impacts the university in several ways, including changes to excise taxes on executive compensation and net investment income. Under the Act, the university's tax rate on net investment income may increase from

1.4 percent to 8.0 percent, effective for the university's fiscal year 2027. The university is currently evaluating the potential impact of the Act on the consolidated financial statements.

r. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant estimates made by management include the valuation of certain investments and interest rate swap agreements, the estimated net realizable value of receivables, estimated asset retirement obligations, liabilities under split interest agreements, estimated tax liabilities, and the actuarially determined employee benefit and self-insurance liabilities. Actual results could differ from those estimates.

s. Related Parties

Transactions with related parties occur in the normal course of the university's activities which do not have a material effect on the university's financial position. University related parties may include affiliates, trusts, and investment holdings. In addition, related parties may also include The President and Fellows of Yale University and senior management, their family members and any entities with which they are associated that may do business with the university.

The university and YNHHS are parties to an affiliation agreement that establishes guidelines for the operation of activities between these two separate organizations. These guidelines set forth each organization's responsibility under the common goal of delivering comprehensive patient care services. The university provides professional services from faculty of the Yale School of Medicine and a variety of other administrative and clinical services. See additional disclosures in Notes 3 and 5.

t. Recent Authoritative Pronouncements

In June of 2022, the Financial Accounting Standards Board ("FASB") issued new accounting guidance related to the valuation of equity securities subject to contractual sale restrictions. The guidance is required to be implemented in the university's fiscal year 2026 with early adoption permitted. The standard is not expected to have a significant impact to the university's consolidated financial statements.

In July of 2025, the FASB issued new accounting guidance related to simplifying the measurement of credit losses for accounts receivable and contract assets. The guidance is required to be implemented in the university's fiscal year 2027 with early adoption permitted. The standard is not expected to have a significant impact to the university's consolidated financial statements.

u. Summarized 2024 Financial Information

The 2025 consolidated financial statements include selected comparative summarized financial information for 2024. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the

university's 2024 consolidated financial statements, from which the summarized financial information was derived.

2. Investments

The university endowment maintains a diversified investment portfolio with a strong orientation to equity investments and strategies designed to take advantage of market inefficiencies. The university's investment objectives are guided by its asset allocation policy and are achieved in partnership with external investment managers operating through a variety of investment vehicles, including separate accounts, limited partnerships and commingled funds. The university's heavy allocation to non-traditional asset classes, such as marketable alternative strategies, private equity (venture capital and leveraged buyouts) and real assets (real estate, timber, energy and minerals) generates return potential and diversification in the portfolio.

The components of endowment and non-endowment investments, net of related liabilities at June 30 are presented below, in thousands of dollars:

	2025	2024
Endowment investments:		
Long-term investment pool	\$ 44,072,483	\$ 41,207,871
Other	82,431	82,089
Total net endowment investments	44,154,914	41,289,960
Non-endowment investments:		
Long-term investment pool	500,000	500,000
Fixed income	1,120,249	632,122
Derivatives	271,312	264,934
Other	1,635,633	1,398,973
Total non-endowment investments	3,527,194	2,796,029
Net investments, at fair value	\$ 47,682,108	\$ 44,085,989

As described in Note 1d, investments are recorded at fair value. The following tables summarize the fair values of the university's investments by major type and related liabilities as of June 30, in thousands of dollars:

2025	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 2,937,202	\$ -	\$ -	\$ 2,937,202
Fixed income	2,199,948	61	-	2,200,009
Common stock:				
Domestic	1,097,695	13,646	1,010	1,112,351
Foreign	176,324	-	41,822	218,146
Total common stock	1,274,019	13,646	42,832	1,330,497
Other equity investments:				
Developed equities	-	-	1,165,841	1,165,841
Real assets	-	-	365,244	365,244
Venture capital	-	-	73,385	73,385
Total other equity investments	-	-	1,604,470	1,604,470
Other investments	152,239	792,124	337,041	1,281,404
Total leveled investments, at fair value	\$ 6,563,408	\$ 805,831	\$ 1,984,343	9,353,582
Investments at net asset value				39,315,787
Investment receivable				1,038,949
Total investments				\$ 49,708,318
Liabilities associated with investments:				
Securities sold, not yet purchased	\$ 295,062	\$ -	\$ -	\$ 295,062
Other liabilities	118,836	61,521	1,546,004	1,726,361
Total liabilities associated with investments	\$ 413,898	\$ 61,521	\$ 1,546,004	2,021,423
Non-controlling interests				4,787
Net investments				\$ 47,682,108

On June 30, 2025, the university completed a sale of investments. The transaction resulted in a receivable that is expected to be collected within one year and is included in investment receivable in the above table.

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 1,280,880	\$ -	\$ -	\$ 1,280,880
Fixed income	1,970,194	102	-	1,970,296
Common stock:				
Domestic	1,070,386	12,464	1,134	1,083,984
Foreign	261,217	-	43,082	304,299
Total common stock	1,331,603	12,464	44,216	1,388,283
Other equity investments:				
Developed equities	-	-	1,597,481	1,597,481
Real assets	-	-	375,952	375,952
Venture capital	-	-	128,154	128,154
Total other equity investments	-	-	2,101,587	2,101,587
Other investments	65,664	700,732	364,405	1,130,801
Total leveled investments, at fair value	\$ 4,648,341	\$ 713,298	\$ 2,510,208	7,871,847
Investments at net asset value				
Total investments				\$ 38,245,645
				\$ 46,117,492
Liabilities associated with investments:				
Securities sold, not yet purchased	\$ 333,645	\$ -	\$ -	\$ 333,645
Other liabilities	123,129	42,284	1,528,946	1,694,359
Total liabilities associated with investments	\$ 456,774	\$ 42,284	\$ 1,528,946	2,028,004
Non-controlling interests				
Net investments				3,499
				\$ 44,085,989

Included within cash and short-term investments are restricted short-term investment balances held as collateral in the amount of \$2,178.0 million and \$809.9 million as of June 30, 2025 and 2024, respectively.

While not part of a leveling category, fair values for certain investments held are based on the net asset value (“NAV”) of such investments as determined by the respective external investment managers, including general partners, if market values are not readily ascertainable. These valuations involve assumptions and methods that are reviewed by the Investments Office.

Investments at NAV as of June 30, in thousands of dollars, include:

	2025	2024
Developed equities	\$ 6,784,787	\$ 5,499,213
Emerging equities	976,733	1,266,060
Leveraged buyouts	9,238,573	10,685,258
Marketable alternatives	6,299,769	6,141,123
Real assets	4,786,255	4,551,622
Venture capital	11,229,670	10,102,369
Total investments, at NAV	\$ 39,315,787	\$ 38,245,645

Certain investment companies are required to be consolidated for financial reporting purposes, and the related assets and liabilities of those investment companies have been included in these consolidated financial statements. Where such entities are not wholly owned by the university, the portion of the

consolidated entity's net assets that is not owned by the university is reported as a non-controlling interest.

The fair value of consolidated investment company assets and liabilities included in the university's consolidated financial statements, in thousands of dollars, include:

	2025		2024	
Consolidated investment company assets	\$	69,446	\$	71,168
Consolidated investment company liabilities		5,512		5,858
	\$	63,934	\$	65,310

Level 3 investments are valued by the university or by its external investment managers using valuation techniques standard in the industry in which they operate. The Investments Office reviews these valuation methods and evaluates the appropriateness of these valuations each year. In certain circumstances, when the general partner does not provide a valuation or the valuation provided is not considered appropriate, the Investments Office will determine those values. During the years ended June 30, 2025 and 2024, the university reassessed the NAV for certain investments, resulting in write-downs to fair value of \$48.1 million and \$193.1 million, respectively.

The following table summarizes quantitative inputs and assumptions used for Level 3 investments at June 30, for which fair value is based on unobservable inputs that are not developed by external investment managers. Weighted averages were calculated based on relative fair values. Significant increases or decreases in these unobservable inputs may result in significantly higher or lower valuation results.

Asset Class	Fair Value (in 000s)		Valuation Technique	Significant Unobservable Input	Range		Weighted Average			
	2025	2024			2025	2024	2025	2024		
Emerging equities	\$	42,832	\$	44,216	Calibrated price of recent investment	Calibrated price of recent round in private investment	N/A	N/A	N/A	N/A
					NAV of the underlying fund	NAV of investment holding company	N/A	N/A	N/A	N/A
Developed equities	\$	1,165,841	\$	1,597,481	Carried interest calculation	Fund high water mark	N/A	N/A	N/A	N/A
Real assets	\$	365,244	\$	375,952	Discounted cash flow	Discount rate	8.0 - 12.0%	8.0 - 12.0%	10.0%	10.0%
Trusts	\$	243,367	\$	225,614	Net present value	Discount rate	0.0 - 73.1%	5.0%	13.3%	N/A
Venture capital	\$	73,385	\$	128,154	Tax analysis	Likelihood of taxation	0.0%	0.0%	N/A	N/A
					Write-down	Likelihood of realization	N/A	N/A	N/A	N/A
Other investments	\$	93,674	\$	138,791	Market comparables	Price per acre	\$13,000 - \$149,322	\$10,822 - \$53,288	\$18,042	\$15,243
Liabilities	\$	(1,546,004)	\$	(1,528,946)	Various methods	University pooled unit market value	\$5,066	\$4,788	\$5,066	N/A

The valuation process for investments at NAV and those categorized in Level 3 of the fair value hierarchy includes evaluating the operations and valuation procedures of external investment managers and the transparency of those processes through background and reference checks, attendance at investor meetings, and periodic site visits. In determining the fair value of investments, Investments Office staff reviews periodic investor reports, interim and annual audited financial statements received from external investment managers, and material quarter over quarter changes in valuation; and assesses the impact of

macro market factors on performance. The Investments Office meets with the Corporation's Investment Committee quarterly to review investment transactions and monitor performance of external investment managers.

Realized and unrealized gains and losses are reported in total endowment return, net of fees. Included in realized and unrealized gain (loss), net in Level 3 reported below were unrealized gains of \$25.8 million and unrealized losses of \$91.9 million that relate to investments held at June 30, 2025 and 2024, respectively.

The tables below present the change in fair value measurements for the university's Level 3 investments during the years ended June 30, in thousands of dollars:

2025	Developed equities	Real assets	Venture capital	Other	Liabilities	Total
Beginning balance	\$ 1,597,481	\$ 375,952	\$ 128,154	\$ 408,621	\$ (1,528,946)	\$ 981,262
Realized and unrealized gain, net	153,520	21,158	16,034	19,256	(77,532)	132,436
Purchases	117,222	27,601	-	9,969	(58,776)	96,016
Sales	(72,643)	(59,467)	(70,803)	(57,973)	119,250	(141,636)
Transfers out	(629,739)	-	-	-	-	(629,739)
Ending balance	\$ 1,165,841	\$ 365,244	\$ 73,385	\$ 379,873	\$ (1,546,004)	\$ 438,339

2024	Developed equities	Real assets	Venture capital	Other	Liabilities	Total
Beginning balance	\$ 1,529,689	\$ 320,216	\$ 196,454	\$ 368,617	\$ (1,466,392)	\$ 948,584
Realized and unrealized gain (loss), net	133,780	16,721	(68,444)	14,697	(12,274)	84,480
Purchases	218,163	74,201	123	14,498	(53,813)	253,172
Sales	(284,151)	(35,186)	(194,448)	(22,827)	3,533	(533,079)
Transfers in	-	-	194,469	33,636	-	228,105
Ending balance	\$ 1,597,481	\$ 375,952	\$ 128,154	\$ 408,621	\$ (1,528,946)	\$ 981,262

Transfers into or out of Level 3 consist primarily of investments reclassified when there are changes in circumstances impacting whether the practical expedient is applied.

Agreements with external investment managers include certain redemption terms and restrictions as noted in the following table:

Asset Class	Fair Value (in 000s)		Remaining Life	Unfunded Commitment (in 000s)		Redemption Terms	Redemption Restrictions
	2025	2024		2025	2024		
Developed equities	\$ 7,950,628	\$ 7,096,694	No Limit	\$ 129,615	\$ 230,587	Redemption terms range from monthly with 3 days notice to annually with 90 days notice.	Lock-up provisions range from none to 7 years.
Emerging equities	976,733	1,266,060	No Limit	67,650	-	Redemption terms range from monthly with 15 days notice to closed end structures not available for redemption.	Lock-up provisions range from none to 7 years.
Leveraged buyouts	9,238,573	10,685,258	1-25 years	5,307,835	5,360,071	Closed end funds not eligible for redemption.	Not redeemable.
Marketable alternatives	6,299,769	6,141,123	No Limit	206,989	99,447	Redemption terms range from monthly with 30 days notice to annually with 90 days notice.	Lock-up provisions range from none to 5 years.
Real assets	5,151,499	4,927,574	1-25 years	2,271,563	2,219,454	Closed end funds not eligible for redemption.	Not redeemable.
Venture capital	11,303,055	10,230,523	1-25 years	2,284,981	2,714,799	Redemption terms range from semi-annually with 120 days notice to closed end structures not available for redemption.	Lock-up provisions range from 2 to 3 years.
Total	<u>\$ 40,920,257</u>	<u>\$ 40,347,232</u>		<u>\$ 10,268,633</u>	<u>\$ 10,624,358</u>		

The fair value of cash and fixed income securities of \$74.4 million and \$168.9 million was provided at June 30, 2025 and 2024, respectively, to collateralize securities sold, not yet purchased.

The university may employ derivatives and other strategies to (1) manage against market risks, (2) arbitrage mispricing of related securities, and (3) replicate long or short positions more cost effectively. The fair value of derivative positions held at June 30 and related gain for the year, in thousands of dollars, were as follows:

	2025		
	Assets	Liabilities	Gain
Endowment:			
Other	\$ 86	\$ 9	\$ 43,467
	86	9	43,467
Other:			
Interest rate swaps	271,458	6,209	38,105
	271,458	6,209	38,105
Gross value of derivatives	271,544	6,218	\$ 81,572
Other-counterparty netting	(22,072)	(22,072)	
Collateral:			
Cash collateral received	28,700	-	
Securities collateral received	221,001	-	
Total net exposure for derivatives	\$ (229)	\$ (15,854)	

2024

	Assets	Liabilities	Gain
Endowment:			
Other	\$ 3	\$ 2	\$ 145
	3	2	145
Other:			
Interest rate swaps	279,495	21,289	195,357
	279,495	21,289	195,357
Gross value of derivatives	279,498	21,291	\$ 195,502
Other-counterparty netting	(13,356)	(13,356)	
Collateral:			
Cash collateral received	107,300	-	
Securities collateral received	120,384	-	
Total net exposure for derivatives	\$ 38,458	\$ 7,935	

Derivatives are reported as other investments and other liabilities for fair value leveling purposes. The university initiates derivatives under legally enforceable master netting agreements. The net exposure for derivatives is presented above, net of these master netting agreements and required collateral.

Interest Rate Swaps

Interest rate swaps are used to manage exposure to interest rate fluctuations. The notional amount of contracts that pay based on fixed rates and receive based on variable rates was \$1.9 billion and \$1.8 billion at June 30, 2025 and 2024, respectively. The notional amount of contracts that pay based on variable rates and receive based on fixed rates was \$525.0 million and \$500.0 million at June 30, 2025 and 2024, respectively.

Derivative assets are reported as investments in the consolidated statements of financial position and derivative liabilities are reported as liabilities associated with investments. Gains and losses on derivatives used for investing are reported as part of total endowment return and gains and losses related to university debt management are reported as other investment income in the consolidated statement of activities as non-operating activity.

Derivatives held by limited partnerships and commingled investment trusts in which Yale invests pose no off-balance sheet risk to the university due to the limited liability structure of the investments.

Certain investment transactions, including derivative financial instruments, necessarily involve counterparty credit exposure. Such exposure is monitored regularly by the university's Investments Office in accordance with established credit policies and other relevant criteria.

Endowment investments include beneficial interests in outside trusts of \$203.2 million and \$184.8 million at June 30, 2025 and 2024, respectively.

The following investments held under split-interest agreements are included in the endowment investment portfolio, in thousands of dollars:

	2025	2024
Charitable gift annuities	\$ 305,803	\$ 282,011
Charitable remainder trusts	121,384	112,810
Pooled income funds	5,646	5,352
	<u>\$ 432,833</u>	<u>\$ 400,173</u>

Split-interest liabilities reported in the consolidated statements of financial position totaled \$144.9 million and \$136.9 million at June 30, 2025 and 2024, respectively, and are recorded at fair value using Level 2 measurements.

The university has agreements with certain affiliates to invest in the Pool. The obligation to these affiliates included in other liabilities within liabilities associated with investments is \$1,242.6 million and \$1,230.2 million at June 30, 2025 and 2024, respectively. The largest balance recorded is for YNHHS, with \$884.0 million and \$896.8 million invested at June 30, 2025 and 2024, respectively. On July 1, 2025, YNHHS liquidated \$250.0 million from the Pool.

A summary of the university's total investment return as reported in the consolidated statement of activities is presented below, in thousands of dollars:

	2025	2024
Investment income	\$ 648,346	\$ 647,563
Realized and unrealized gain, net of investment management fees	3,859,282	1,623,747
Total endowment return	4,507,628	2,271,310
Other investment income	217,352	371,704
	<u>\$ 4,724,980</u>	<u>\$ 2,643,014</u>

Endowment investment returns totaling \$2,080.8 million and \$1,944.8 million were allocated to operating activities in 2025 and 2024, respectively, using the spending policy described in Note 1d.

3. Accounts Receivable

Accounts receivable from the following sources were outstanding at June 30, in thousands of dollars:

	2025	2024
Medical services	\$ 308,977	\$ 317,055
Grant and contracts	209,453	161,373
Affiliated organizations	133,104	161,212
Publications	8,809	6,497
Other	45,348	54,487
	<u>705,691</u>	<u>700,624</u>
Less: Allowance for doubtful accounts	(228,945)	(237,319)
	<u>\$ 476,746</u>	<u>\$ 463,305</u>

Medical services receivables are net of discounts and allowances of \$211.2 million and \$221.4 million at June 30, 2025 and 2024, respectively.

Receivables for medical services, net of contractual adjustments, are primarily based on negotiated contracts with the following:

	2025	2024
Insurance companies	42%	43%
Payments due directly from patients	26%	22%
Medicare	17%	20%
Commercial insurance and others	12%	12%
Medicaid	3%	3%

The university assesses credit losses on accounts receivable on a regular basis to determine the allowance for doubtful accounts.

The net receivable from YNHHS amounted to \$128.9 million, of which the amount due from Yale New Haven Hospital (the "Hospital") amounted to \$124.7 million at June 30, 2025. The net receivable from the Hospital amounted to \$154.4 million at June 30, 2024. Balances are settled in the ordinary course of business. The university recognized \$720.3 million in revenue and incurred \$143.4 million in expenses related to activities with YNHHS during the year ended June 30, 2025, including \$698.7 million in revenue and incurred \$142.3 million in expenses related to activities with the Hospital during the year ended June 30, 2025. The university recognized \$608.6 million in revenue and incurred \$145.5 million in expenses related to activities with the Hospital during the year ended June 30, 2024.

4. Contributions Receivable

Contributions receivable consist of the following unconditional promises to give as of June 30, in thousands of dollars:

	2025	2024
Purpose:		
Operating programs	\$ 457,275	\$ 453,804
Endowment	418,584	501,061
Capital purposes	88,637	97,873
Gross unconditional promises to give	964,496	1,052,738
Less: Discount to present value	(81,519)	(99,807)
Allowance for uncollectible accounts	(87,261)	(102,693)
	\$ 795,716	\$ 850,238
Amounts due in:		
Less than one year	\$ 322,000	\$ 361,801
One to five years	641,492	687,312
More than five years	1,004	3,625
	\$ 964,496	\$ 1,052,738

Discount rates used to calculate the present value of contributions receivable ranged from 0.07% to 7.00% at June 30, 2025 and 2024.

The university had conditional pledges of approximately \$12.0 million at June 30, 2025 and 2024, which are subject to donor-imposed conditions.

5. Notes Receivable

Notes receivable at June 30, in thousands of dollars, include:

	2025	2024
Institutional student loans	\$ 47,333	\$ 45,984
Federally-sponsored student loans	4,544	5,127
Notes receivable	45,139	47,006
	97,016	98,117
Less: Allowance for doubtful accounts	(21,664)	(20,584)
	\$ 75,352	\$ 77,533

Student Loans

Institutional student loans are funded by donor funds restricted for student loan purposes and university funds made available to meet demonstrated need in excess of all other sources of student loan borrowings. Interest accrues at fixed rates upon loan disbursement.

Management regularly assesses the adequacy of the allowance for credit losses for student loans by performing ongoing evaluations of the student loan portfolio, including such factors as the differing

economic risks associated with each loan category, the financial condition of specific borrowers, the level of delinquent loans, and, where applicable, the existence of any guarantees or indemnifications. Federally-sponsored loans represent amounts due from current and former students under certain federal loan programs. Loans disbursed under these programs can be assigned to the federal government in certain non-repayment situations. In these situations, the federal portion of the loan balance is guaranteed. Federally-sponsored student loans have mandated interest rates and repayment terms subject to restrictions as to their transfer and disposition.

Amounts received from the federal government to fund a portion of the federally-sponsored student loans are ultimately refundable to the federal government and have been reported as part of other liabilities in the consolidated statements of financial position. The recorded value of student loan instruments approximates fair value.

Notes Receivable

The university and the Hospital entered into an agreement under which the Hospital will reimburse the university over a 40-year term for advances made relating to the construction of Hospital facilities. The payment includes interest based on the five-year Treasury bill rate plus 175 basis points, which resets every five years. In 2025, the interest rate was reset, and the monthly payment was adjusted accordingly.

6. Right of Use Assets and Lease Liabilities

The following table summarizes the university's lease assets and liabilities as of June 30, in thousands of dollars:

Right of use assets and liabilities	Consolidated statement of financial position location	2025	2024
Right of use asset - Operating	Right of use assets	\$ 34,778	\$ 28,643
Right of use asset - Financing	Right of use assets	256,496	111,074
Right of use liabilities - Operating	Lease liabilities	35,648	29,374
Right of use liabilities - Financing	Lease liabilities	324,819	171,494

The following table summarizes the university's lease-related costs for the year ended June 30, in thousands of dollars:

Lease cost	Consolidated statement of activities location	2025	2024
Financing lease cost			
Amortization of right of use assets	Depreciation, amortization and interest	\$ 15,082	\$ 13,259
Interest on lease liabilities	Depreciation, amortization and interest	12,877	6,213
Operating lease cost			
	Other operating expenditures	11,222	11,841
Total lease cost		\$ 39,181	\$ 31,313

The following table summarizes maturities of lease liabilities as of June 30, 2025, in thousands of dollars:

	Financing	Operating	Total
2026	\$ 22,200	\$ 10,279	\$ 32,479
2027	23,060	7,892	30,952
2028	23,409	4,311	27,720
2029	23,763	3,880	27,643
2030	23,814	3,350	27,164
Thereafter	370,223	6,691	376,914
Total lease payments	486,469	36,403	522,872
Imputed interest	(161,650)	(755)	(162,405)
Present value of lease liabilities	\$ 324,819	\$ 35,648	\$ 360,467

The following table summarizes information about financing and operating leases as of June 30, in thousands of dollars:

	2025		2024	
	Financing	Operating	Financing	Operating
Weighted-average remaining lease term (years)	18	8	19	7
Weighted-average discount rate	4.35%	2.26%	3.62%	1.73%
Total undiscounted lease liability	\$ 486,469	\$ 36,403	\$ 241,074	\$ 31,467

During the fiscal year ended June 30, 2024 the university exercised a purchase option for a building that it previously leased and as a result the related financing leases were reclassified to land, buildings and equipment, net of accumulated depreciation.

7. Other Assets

Other assets at June 30, in thousands of dollars, include:

	2025	2024
Prepaid pension costs	\$ 287,514	\$ 241,395
Insurance receivables	150,115	223,602
Software costs, net of accumulated amortization	98,946	80,816
Deferred expenses	35,740	33,330
Inventories	18,737	18,865
	\$ 591,052	\$ 598,008

Prepaid pension costs represent the amount by which the fair value of plan assets exceed the defined benefit obligation at June 30, 2025 and 2024 (see Note 12).

Amortization expense related to other assets included in operating expenses amounted to \$25.9 million and \$13.1 million in 2025 and 2024, respectively.

8. Land, Buildings and Equipment

Land, buildings and equipment at June 30, less accumulated depreciation and amortization, in thousands of dollars, are as follows:

	2025	2024
Land and real estate improvements	\$ 138,844	\$ 138,812
Buildings	9,543,951	9,241,048
Equipment	487,754	466,676
	<u>10,170,549</u>	<u>9,846,536</u>
Less: Accumulated depreciation and amortization	(4,655,744)	(4,341,320)
	<u>5,514,805</u>	<u>5,505,216</u>
Construction in progress	825,037	505,907
	<u>\$ 6,339,842</u>	<u>\$ 6,011,123</u>

Depreciation expense included in operating expenses amounted to \$344.8 million and \$328.9 million in 2025 and 2024, respectively.

9. Other Liabilities

Other liabilities include obligations of the university that will be paid over extended periods of time and consist of the following as of June 30, in thousands of dollars:

	2025	2024
Employee benefit obligations	\$ 653,887	\$ 769,883
Compensated absences	88,478	85,740
Financial aid grant obligations	29,576	52,282
Asset retirement obligations	43,202	35,446
Other	199,175	177,146
	<u>\$ 1,014,318</u>	<u>\$ 1,120,497</u>

Included in employee benefit obligations are defined benefit plan liabilities in excess of plan assets. These liabilities amounted to \$267.3 million and \$436.8 million at June 30, 2025 and 2024, respectively (see Note 12).

10. Bonds and Notes Payable

Bonds and notes payable outstanding at June 30, in thousands of dollars, include:

	Interest Rate at June 30, 2025	Fiscal Year of Maturity	Outstanding Balance	
			2025	2024
CHEFA tax-exempt bonds:				
Series S	5.00%	2028	\$ 111,205	\$ 111,205
Series T	5.00%	2030	93,625	93,625
Series U	5.00%	2034	219,700	250,000
Series V	2.43%	2037	200,000	200,000
Series X	5.00%	2038	103,890	103,890
Series 2010A	2.29%	2050	300,000	300,000
Series 2013A	2.46%	2043	100,000	100,000
Series 2014A	2.80%	2049	250,000	250,000
Series 2015A	5.00%	2036	254,320	300,000
Series 2016A	2.16%	2043	399,320	399,320
Series 2017A	2.73%	2043	170,920	170,920
Series 2017B	3.96%	2030/2038	194,530	194,530
Series 2017C	3.51%	2041/2058	383,380	383,380
Series 2018A	5.00%	2026	-	67,610
Series 2025B	5.00%	2065	500,000	-
Total CHEFA bonds			3,280,890	2,924,480
Medium term notes	7.38%	2096	125,000	125,000
Taxable Series 2020A	1.59%	2030/2050	1,000,000	1,500,000
Taxable Series 2025A	4.70%	2032	400,000	-
Commercial paper	4.82%	2026	240,000	240,000
Principal amount			5,045,890	4,789,480
Less: Bond issue costs			(15,125)	(15,390)
Plus: Unamortized premiums and discounts, net			173,737	73,212
			\$ 5,204,502	\$ 4,847,302

CHEFA Tax-Exempt Bonds

The university borrows at tax-exempt rates through the Connecticut Health and Facilities Authority (“CHEFA”), a conduit issuer. CHEFA debt is a general unsecured obligation of the university. Although CHEFA is the issuer, the university is responsible for the repayment of the tax-exempt debt.

Series S bonds total \$111.2 million, bear a fixed interest rate of 5.00%, and mature in July 2027. These bonds include a net premium of \$5.9 million as of June 30, 2025.

Series T bonds consist of \$93.6 million Series T-2 bonds maturing in July 2029. The Series T-2 bonds bear a fixed interest rate of 5.00% through June 2029. These bonds include a net premium of \$13.3 million as of June 30, 2025.

Series U bonds total \$219.7 million and mature in July 2033. On February 11, 2025 Series U was remarketed from a fixed rate of 1.10% to a fixed rate of 5.00% through July 1, 2033 and the par value was reduced from \$250.0 million to \$219.7 million. These bonds include a net premium of \$28.6 million as of June 30, 2025.

Series V bonds total \$200.0 million, bear interest at a daily rate, and mature in July 2036. The bonds may be converted from a daily rate period to other variable rate modes or to a fixed rate mode at the discretion of the university.

Series X bonds consist of \$103.9 million, maturing in July 2037. On February 9, 2024 Series X was remarketed from a fixed rate of 0.25% to a fixed rate of 5.00% through maturity. These bonds include a net premium of \$18.9 million as of June 30, 2025.

Series 2010A bonds consist of 1) \$150.0 million Series 2010A-3 and 2) \$150.0 million Series 2010A-4, maturing in July 2049. On February 9, 2024 Series 2010A-3 was remarketed from a fixed rate of 0.25% to a fixed rate of 2.95% through June 30, 2027. On February 11, 2025 Series 2010A-4 was remarketed from a fixed rate of 1.10% to a daily variable interest rate.

Series 2013A bonds total \$100.0 million, bear interest at a daily variable interest rate, and mature in July 2042.

Series 2014A bonds total \$250.0 million, maturing in July 2048, and bear interest at a fixed rate of 2.80% through February 9, 2026.

Series 2015A bonds total \$254.3 million and mature in July 2035. On July 12, 2024, Series 2015A bonds were remarketed from a fixed rate of 0.38% to a fixed rate of 5.00% through July 1, 2035 and the par value was reduced from \$300.0 million to \$254.3 million. These bonds include a net premium of \$41.5 million as of June 2025.

Series 2016A bonds consist of 1) \$150.0 million Series 2016A-1 bonds bearing interest at a daily variable rate which may be converted from a daily rate period to other variable rate modes or to a fixed rate mode at the discretion of the university and 2) \$249.3 million Series 2016A-2 bonds bearing a fixed interest rate of 2.00% through June 30, 2026. Both bond series mature in July 2042. Series 2016A-2 bonds include a net premium of \$68 thousand as of June 30, 2025.

Series 2017A bonds consist of 1) \$85.5 million Series 2017A-1 bonds and 2) \$85.5 million Series 2017A-2 bonds. Both bond series mature in July 2042 and bear interest at a weekly variable interest rate.

Series 2017B bonds consist of 1) \$82.4 million Series 2017B-1 bonds that bear a fixed interest rate of 5.00% maturing in July 2029 and 2) \$112.1 million Series 2017B-2 bonds maturing in July 2037. On July 3, 2023, Series 2017B-2 were remarketed from a fixed rate of 0.55% to a fixed rate of 3.20% through June 30, 2026. The Series 2017B-1 bonds include a net premium of \$13.2 million as of June 30, 2025.

Series 2017C bonds consist of 1) \$123.3 million Series 2017C-1 bonds maturing in July 2040 and 2) \$260.1 million 2017C-2 bonds maturing in July 2057. Series 2017C-1 bonds bear a fixed interest rate

of 5.00% through January 2028 and include a net premium of \$7.6 million as of June 30, 2025. Series 2017C-2 bears interest at a fixed interest rate of 2.80% through February 2, 2026.

Series 2018A bonds consisted of \$67.6 million, bore a fixed interest rate of 5.00%, and matured on July 1, 2025. The bonds were fully repaid on June 30, 2025, with the remaining interest paid on July 1, 2025.

Series 2025B bonds issued on May 15, 2025 consist of: 1) \$200.0 million Series 2025B-1 bearing a fixed interest rate of 5.00% through June 30, 2030, 2) \$200.0 million Series 2025B-2 bearing a fixed interest rate of 5.00% through June 30, 2032 and 3) \$100.0 million Series 2025B-3 bearing a fixed rate of 5.00% through July 1, 2035. Series 2025B bonds mature on July 1, 2064. The Series 2025B-1, 2025B-2 and 2025B-3 bonds include net premiums of \$15.6 million, \$19.6 million and \$11.1 million as of June 30, 2025, respectively.

Notes Payable

Medium-term notes bear a fixed interest rate of 7.38% and mature in 2096, with an optional redemption provision in the year 2026. The discount associated with these notes was \$38 thousand as of June 30, 2025.

Taxable Bonds

Taxable bonds, Series 2020A, in the amount of \$1.5 billion were issued on June 9, 2020 and consisted of 1) Series 2020A-1 bonds in the amount of \$500.0 million bearing a fixed rate of 0.87% through maturity date of April 15, 2025, 2) Series 2020A-2 bonds in the amount of \$500.0 million bearing a fixed rate of 1.48% through maturity date of April 15, 2030 and 3) Series 2020A-3 bonds in the amount of \$500.0 million bearing a fixed rate of 2.40% through maturity date of April 15, 2050. Series 2020A-1 bonds in the amount of \$500.0 million were repaid on April 14, 2025. The remaining bonds are subject to an optional redemption (in whole or in part) prior to maturity at the written direction of the issuer to the trustee.

Taxable bonds, Series 2025A, in the amount of \$400.0 million were issued on May 9, 2025 bearing a fixed rate of 4.70%. The bonds mature on April 15, 2032.

Commercial Paper

Commercial paper consists of notes issued in the short-term taxable market and is sold at a discount from par. The maturities of individual notes are issued in ranges from one day to no more than one year and fall, on average, in a range of thirty to sixty days. The discount associated with commercial paper was \$1.5 million as of June 30, 2025.

Scheduled maturities of the debt obligations, in thousands of dollars, are as follows:

Fiscal Year	Amount
2026	\$ 240,000
2027	-
2028	111,205
2029	-
2030	676,055
Thereafter	4,018,630
Total	\$ 5,045,890

Certain CHEFA Series are subject to tender by bondholders. To the extent all bonds subject to tender could not be remarketed, \$1.6 billion of bonds scheduled for maturity between 2037 and 2064 would be due when tendered.

Total interest expense incurred on indebtedness was \$108.3 million and \$111.3 million in 2025 and 2024, respectively. Interest capitalized to land, buildings and equipment totaled \$14.4 million and \$9.9 million in 2025 and 2024, respectively. Amortization expense related to bond issue costs included in operating expenses amounted to \$3.0 million and \$3.7 million in 2025 and 2024, respectively.

11. Retirement Plans – Defined Contribution

The university maintains defined contribution plans for faculty and certain staff employees. Participants may direct employee and employer contributions to annuities, mutual funds, and other investment options. Retirement expense for these plans amounted to \$197.7 million and \$183.5 million in 2025 and 2024, respectively, and is included in operating expense.

12. Pension and Postretirement Plans – Defined Benefit

The university has a noncontributory, defined benefit pension plan for staff. The staff pension plan provides payments based on the employee's earnings and years of participation.

In addition, the university provides postretirement benefits including health benefits based on years of service, life insurance, and a pay-out of unused sick time. While the university's subsidy of the cost of comprehensive health care benefits differs among retiree groups, substantially all employees who meet minimum age and service requirements and retire from the university are eligible for these benefits. Non-faculty employees are paid 50% of unused sick time and receive life insurance benefits upon retirement from active status.

The university uses a June 30 measurement date for its defined benefit plans.

The following table sets forth the pension and postretirement plans' funded status that is reported in other assets or other liabilities within the consolidated statements of financial position at June 30, in thousands of dollars:

	Pension		Postretirement	
	2025	2024	2025	2024
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 1,806,313	\$ 1,806,227	\$ 1,486,912	\$ 1,447,343
Service cost	57,690	59,115	52,778	50,859
Interest cost	90,388	82,461	72,553	62,891
Benefit payments	(63,306)	(60,694)	(34,417)	(34,613)
Assumption changes	(41,657)	(84,086)	(31,464)	40,578
Actuarial loss (gain)	32,352	3,290	(32,685)	(80,146)
Benefit obligation, end of year	\$ 1,881,780	\$ 1,806,313	\$ 1,513,677	\$ 1,486,912
Change in plan assets:				
Fair value, beginning of year	\$ 2,047,708	\$ 1,974,861	\$ 1,050,072	\$ 874,598
Actual return on plan assets	188,676	136,918	132,440	85,744
University contributions	-	-	99,839	126,031
Benefits paid	(63,306)	(60,694)	(34,417)	(34,613)
Expenses paid	(3,784)	(3,377)	(1,569)	(1,688)
Fair value, end of year	\$ 2,169,294	\$ 2,047,708	\$ 1,246,365	\$ 1,050,072
Funded Status	\$ 287,514	\$ 241,395	\$ (267,312)	\$ (436,840)

Benefit Obligation

The benefit obligation represents the actuarial present value of expected future payments to plan participants for services rendered prior to that date, based on the pension benefit formula. In calculating the value, the participants' compensation levels are projected to retirement.

The accumulated benefit obligation differs from the benefit obligation above in that it does not consider assumptions about future compensation levels. It represents the actuarial present value of future payments to plan participants using current and past compensation levels. The accumulated benefit obligation for the pension plan was \$1,676.0 million and \$1,600.4 million at June 30, 2025 and June 30, 2024, respectively.

Assumptions used in determining the year end obligation of the pension and postretirement plans are:

	2025	2024
Weighted-average discount rate -		
all plans except unused sick pay plan	5.20%	5.05%
Weighted-average discount rate - unused sick pay plan	5.00%	5.10%
Weighted-average increase in future compensation levels	3.19%	3.19%
Projected health care cost trend rate (pre-65/post-65)	7.65%/19.17%	8.20%/13.08%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2034	2033
Mortality	RP2014 Collar Adj., Scale MP2019	RP2014 Collar Adj., Scale MP2019

Changes in assumptions during the year resulted in a net decrease to the pension benefit obligation and postretirement benefit obligation at June 30, as follows, in thousands of dollars:

	Pension		Postretirement	
	2025	2024	2025	2024
Discount rate	\$ (40,774)	\$ (110,945)	\$ (36,515)	\$ (102,037)
Medical trend rates	-	-	(4,312)	90,669
Covered spouse rates	-	-	9,196	-
Termination rates	-	1,388	-	659
Retirement rates	-	15,853	-	51,287
Deferred participant commencement age	-	9,765	-	-
Population growth	(883)	(147)	167	-
	\$ (41,657)	\$ (84,086)	\$ (31,464)	\$ 40,578

Net Periodic Benefit Cost

Net periodic benefit cost for the plans includes the following components for the years ended June 30, in thousands of dollars:

	Pension		Postretirement	
	2025	2024	2025	2024
Service cost	\$ 57,690	\$ 59,115	\$ 52,778	\$ 50,859
Administrative expenses	3,539	3,413	1,400	1,400
Interest cost	90,388	82,461	72,553	62,891
Expected return on plan assets	(148,854)	(142,336)	(80,280)	(69,775)
Net amortization:				
Prior service cost	1,135	1,579	-	-
Net gain	(10,148)	(4,671)	(51)	-
Net periodic benefit cost	\$ (6,250)	\$ (439)	\$ 46,400	\$ 45,375

The service cost component of net periodic benefit cost is included in employee benefits as a part of operating expenses in the consolidated statement of activities. The components of net periodic benefit cost other than service cost, are included in other increases, which is reported as non-operating activity in the consolidated statement of activities.

Assumptions used in determining the net periodic benefit cost of the pension and postretirement plans are:

	2025	2024
Weighted-average discount rate -		
all plans except unused sick pay plan	5.05%	4.65%
Weighted-average discount rate - unused		
sick pay plan	5.10%	4.85%
Expected long-term rate of return	7.25%	7.25%
Weighted-average compensation increase	3.19%	3.19%
Health care cost increase (pre-65/post-65)	8.20%/13.08%	6.82%/13.02%
Ultimate trend rate (pre-65/post-65)	5.00%/5.00%	5.00%/5.00%
Year ultimate trend rate is achieved	2033	2033
Mortality	RP2014 Collar Adj., Scale MP2019	RP2014 Collar Adj., Scale MP2019

The funded status consists of the cumulative unfunded net periodic benefit cost and the cumulative change in funded status of defined benefit plans. The components of the change in funded status of defined benefit plans, which is reported in non-operating results, for the years ended June 30, in thousands of dollars, include:

	Pension		Postretirement	
	2025	2024	2025	2024
Unrecognized net actuarial loss	\$ (48,881)	\$ (75,414)	\$ (116,139)	\$ (55,250)
Amortization of gain included in net periodic cost	10,148	4,671	51	-
Amortization of prior service cost	(1,135)	(1,579)	-	-
	\$ (39,868)	\$ (72,322)	\$ (116,088)	\$ (55,250)

During fiscal year 2025, the postretirement plans experienced an actuarial gain of \$32.7 million largely attributable to lower than expected increases in medical plan rates. The pension plan experienced an actuarial loss of \$32.4 million largely attributable to updated census information. At the same time, both plans experienced assumption change gains, as summarized on the prior page, and asset gains of \$52.2 million and \$39.8 million for the postretirement and pension plans, respectively.

During fiscal year 2024, the postretirement plans experienced an actuarial gain of \$80.1 million largely attributable to lower than expected increases in medical plan rates. The pension plan experienced an actuarial loss of \$3.3 million largely attributable to updated census information. At the same time, the postretirement plan experienced an assumption change loss and the pension plan experienced an assumption change gain, as summarized on a prior page, and asset gains of \$16.0 million and asset losses of \$5.4 million for the postretirement and pension plans, respectively.

The cumulative amounts of these adjustments reported as additions to net assets in the consolidated statements of financial position at June 30, in thousands of dollars, include:

	Pension		Postretirement	
	2025	2024	2025	2024
Unrecognized net actuarial gain	\$ (344,030)	\$ (305,298)	\$ (172,701)	\$ (56,612)
Unrecognized prior service cost	681	1,816	-	-
	\$ (343,349)	\$ (303,482)	\$ (172,701)	\$ (56,612)

Actuarial gains or losses and prior service costs resulting from plan amendments are amortized over the average remaining years of service of active participants.

Plan Assets

The defined benefit plan assets are valued utilizing the same fair value hierarchy as the university's investments as described in Note 1d.

The following table summarizes the fair values of investments by major type held by the staff pension plan at June 30, 2025 in thousands of dollars:

2025	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 167,802	\$ -	\$ -	\$ 167,802
US government securities	337,713	-	-	337,713
Common stock - domestic	607	-	-	607
Other equity investments:				
Real assets	-	-	27,588	27,588
Venture capital	-	-	62	62
Total other equity investments	-	-	27,650	27,650
Other investments	32,677	-	-	32,677
Total leveled investments, at fair value	\$ 538,799	\$ -	\$ 27,650	566,449
Investments at net asset value				1,693,824
Total investments				2,260,273
Liabilities associated with investments	\$ 96,375	\$ -	\$ -	96,375
Net investments, at fair value				2,163,898
Prepaid benefit payments				5,396
Fair value, end of year				<u>\$ 2,169,294</u>

The following table summarizes the fair values of investments by major type held by the staff pension plan at June 30, 2024 in thousands of dollars:

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 33,225	\$ -	\$ -	\$ 33,225
US government securities	165,279	-	-	165,279
Common stock:				
Domestic	35,311	-	-	35,311
Foreign	257	-	-	257
Total common stock	35,568	-	-	35,568
Other equity investments:				
Real assets	-	-	28,234	28,234
Venture capital	-	-	80	80
Total other equity investments	-	-	28,314	28,314
Other investments	715	-	-	715
Total leveled investments, at fair value	\$ 234,787	\$ -	\$ 28,314	263,101
Investments at net asset value				1,779,538
Total investments				2,042,639
Liabilities associated with investments	\$ 87	\$ -	\$ -	87
Net investments, at fair value				2,042,552
Prepaid benefit payments				5,156
Fair value, end of year				<u>\$ 2,047,708</u>

The following table summarizes the fair values of investments by major type held by the retiree health plan at June 30, 2025 in thousands of dollars:

2025	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 53,798	\$ -	\$ -	\$ 53,798
US government securities	125,200	-	-	125,200
Common stock - domestic	10,787	-	-	10,787
Other investments	13,840	-	-	13,840
Total leveled investments, at fair value	\$ 203,625	\$ -	\$ -	203,625
Investments at net asset value				1,044,535
Total investments				1,248,160
Trust payables				(1,795)
Fair value, end of year				\$ 1,246,365

The following table summarizes the fair values of investments by major type held by the retiree health plan at June 30, 2024 in thousands of dollars:

2024	Level 1	Level 2	Level 3	Total
Investments, at fair value:				
Cash and short-term investments	\$ 85,316	\$ -	\$ -	\$ 85,316
US government securities	69,233	-	-	69,233
Common stock:				
Domestic	36,813	-	-	36,813
Foreign	110	-	-	110
Total common stock	36,923	-	-	36,923
Other investments	620	-	-	620
Total leveled investments, at fair value	\$ 192,092	\$ -	\$ -	192,092
Investments at net asset value				859,353
Total investments				1,051,445
Liabilities associated with investments	\$ 90	\$ -	\$ -	90
Net investments, at fair value				1,051,355
Trust payables				(1,283)
Fair value, end of year				\$ 1,050,072

The table below represents the change in fair value measurements for Level 3 investments held by the staff pension plan for the plan's year ended June 30, in thousands of dollars:

	Pension	
	2025	2024
Beginning balance	\$ 28,314	\$ 23,918
Unrealized gain (loss)	1,592	(265)
Purchases	2,208	5,936
Sales	(4,464)	(1,355)
Transfers in	-	80
Ending balance	\$ 27,650	\$ 28,314

Transfers into Level 3 consist primarily of investments reclassified from NAV to Level 3 when the practical expedient is not used. There are no Level 3 investments held by the retiree health plan.

The investment objective for the pension and retiree health plans seeks a positive long-term total return after inflation to meet the university's current and future plan obligations. Asset allocations for both plans combine tested theory and informed market judgment to balance investment risks with the need for high returns. Actual plan asset allocations by category at June 30 are as follows:

	Pension		Postretirement	
	2025	2024	2025	2024
Developed equities	25.8%	37.6%	39.4%	45.8%
Emerging equities	0.2%	0.2%	0.2%	0.2%
Marketable alternatives	16.4%	16.5%	22.4%	17.3%
Fixed income	15.1%	8.1%	10.0%	6.6%
Leveraged buyouts	17.1%	16.2%	9.5%	8.5%
Venture capital	11.3%	11.2%	8.2%	7.8%
Real assets	8.9%	8.7%	5.7%	5.8%
Cash	5.2%	1.5%	4.6%	8.0%

The pension and retiree health long-term rate of return assumption is determined by adding expected inflation to expected long-term real returns of various asset classes, considering expected volatility and correlation between the returns of various asset classes.

Contributions

Annual contributions for the pension and retiree health plans are determined by the university considering calculations prepared by the plans' actuary as well as other factors. Expected contributions on a cash basis to the retiree health plan in fiscal year 2026 are \$82.9 million. There are no contributions expected to the pension plan in fiscal year 2026.

Benefit Payments

The following estimated benefit payments, which reflect expected future service, are expected to be paid out of the plans, in thousands of dollars:

Fiscal year	Pension	Postretirement	Total
2026	\$ 79,521	\$ 48,574	\$ 128,095
2027	85,335	55,048	140,383
2028	90,807	59,947	150,754
2029	95,736	64,567	160,303
2030	100,859	70,105	170,964
2031-2035	580,485	426,186	1,006,671
	<u>\$ 1,032,743</u>	<u>\$ 724,427</u>	<u>\$ 1,757,170</u>

13. Net Assets

The university's net assets as of June 30, in thousands of dollars, includes:

	2025	2024
With Donor Restrictions:		
Donor-restricted endowments, perpetual in nature	\$ 6,431,400	\$ 6,152,664
Student loans, perpetual in nature	55,874	54,354
Donor-restricted endowments, subject to spending policy and appropriation	30,041,516	28,045,048
Board designated endowment, subject to spending policy and appropriation	341,683	331,803
Unexpended gift balances	1,738,490	1,617,990
Total net assets with donor restrictions	\$ 38,608,963	\$ 36,201,859
Without Donor Restrictions:		
Board designated endowment, subject to spending policy and appropriation	\$ 7,392,426	\$ 6,912,130
Funded status of defined benefit plans	20,202	(195,445)
Derivatives	271,312	264,934
Undesignated	3,073,129	2,850,073
Non-controlling interest	4,787	3,499
Total net assets without donor restrictions	10,761,856	9,835,191
Total net assets	\$ 49,370,819	\$ 46,037,050

Yale's endowment consists of approximately 8,900 funds established for a variety of purposes.

The endowment includes both donor-restricted and board-designated endowment funds. Board designated endowment funds are designated by the Corporation to function as endowments and include funds that have donor-imposed purpose restrictions.

The university endowment fund composition by fund type as of June 30, in thousands of dollars, includes:

2025	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 36,472,916	\$ 36,472,916
Board-designated endowment	7,392,426	341,683	7,734,109
	\$ 7,392,426	\$ 36,814,599	\$ 44,207,025
<hr/>			
2024	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment	\$ -	\$ 34,197,712	\$ 34,197,712
Board-designated endowment	6,912,130	331,803	7,243,933
	\$ 6,912,130	\$ 34,529,515	\$ 41,441,645

The classification of endowment net assets by purpose as of June 30, in thousands of dollars, is as follows:

	2025		2024	
Undesignated	\$	9,651,939	\$	9,117,213
Teaching and research		10,878,987		10,147,967
Facilities and operations		8,259,272		7,539,951
Financial aid		8,036,118		7,451,762
Other specific purposes		7,380,709		7,184,752
	\$	44,207,025	\$	41,441,645

Changes in endowment net assets for the fiscal years ended June 30, in thousands of dollars, were:

2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 6,912,130	\$ 34,529,515	\$ 41,441,645
Investment return:			
Investment income	112,288	536,058	648,346
Net appreciation	677,813	3,181,469	3,859,282
Total investment return	790,101	3,717,527	4,507,628
Contributions	1,314	257,819	259,133
Allocation of endowment spending	(372,355)	(1,708,410)	(2,080,765)
Other increases	61,236	18,148	79,384
Endowment net assets, end of year	\$ 7,392,426	\$ 36,814,599	\$ 44,207,025

2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 6,725,358	\$ 34,021,509	\$ 40,746,867
Investment return:			
Investment income	111,432	536,131	647,563
Net appreciation	288,573	1,335,174	1,623,747
Total investment return	400,005	1,871,305	2,271,310
Contributions	731	230,746	231,477
Allocation of endowment spending	(344,118)	(1,600,676)	(1,944,794)
Other increases	130,154	6,631	136,785
Endowment net assets, end of year	\$ 6,912,130	\$ 34,529,515	\$ 41,441,645

14. Functional and Natural Classification of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the university. Expenses reported by functional categories include allocations of costs for the operation and maintenance of plant, interest on indebtedness and depreciation and amortization expense. The university applies various methods to allocate costs among the program and support functions, the most significant of which is based on the amount of building space utilized.

Operating expenses by functional and natural classification for the fiscal years ended June 30, in thousands of dollars, were:

2025	Programmatic support	Patient care and other related services	Administration and other institutional support	Total
Salaries and wages	\$ 1,727,449	\$ 798,453	\$ 211,469	\$ 2,737,371
Employee benefits	567,123	220,520	73,992	861,635
Depreciation, amortization and interest	470,836	13,632	20,455	504,923
Other operating expenditures	1,300,370	304,206	99,406	1,703,982
Total operating expenses	\$ 4,065,778	\$ 1,336,811	\$ 405,322	\$ 5,807,911

2024	Programmatic support	Patient care and other related services	Administration and other institutional support	Total
Salaries and wages	\$ 1,604,540	\$ 751,189	\$ 191,039	\$ 2,546,768
Employee benefits	541,817	189,781	67,558	799,156
Depreciation, amortization and interest	438,658	12,614	19,329	470,601
Other operating expenditures	1,169,476	280,118	146,135	1,595,729
Total operating expenses	\$ 3,754,491	\$ 1,233,702	\$ 424,061	\$ 5,412,254

15. Commitments and Contingencies

The university is involved in various legal actions arising in the normal course of activities and is also subject to periodic audits, inquiries and investigations by various governmental agencies. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of these pending matters should not have a material adverse effect upon the university's financial position.

The university has outstanding commitments on contracts to construct campus facilities in the amount of \$705.4 million at June 30, 2025. Funding for these projects is expected to come from capital replacement reserves, gifts, and previously issued debt.

16. Subsequent Events

Management has evaluated subsequent events for the period after June 30, 2025, through October 23, 2025, the date the consolidated financial statements were issued. Other than what has been disclosed in Note 1 and Note 2, there were no subsequent events that occurred after the balance sheet date that have a material impact on the university's consolidated financial statements.

The President and Fellows of Yale University

President

Maurie Dee McInnis, B.A., M.A., Ph.D.

Fellows

His Excellency the Governor of
Connecticut, *ex officio*

Her Honor the Lieutenant Governor of
Connecticut, *ex officio*

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Columbus, Ohio

Michael James Cavanagh, B.A., J.D.
Philadelphia, Pennsylvania

Maryana Felib Iskander, B.A., M.Sc., J.D.
Round Rock, Texas

William Earl Kennard, B.A., J.D.
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Frederic David Krupp, B.S., J.D.
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Marta Lourdes Tellado, B.A., Ph.D.
New York, New York

David Anthony Thomas, B.A., M.A., M.A., Ph.D.
Atlanta, Georgia

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Washington, D.C.

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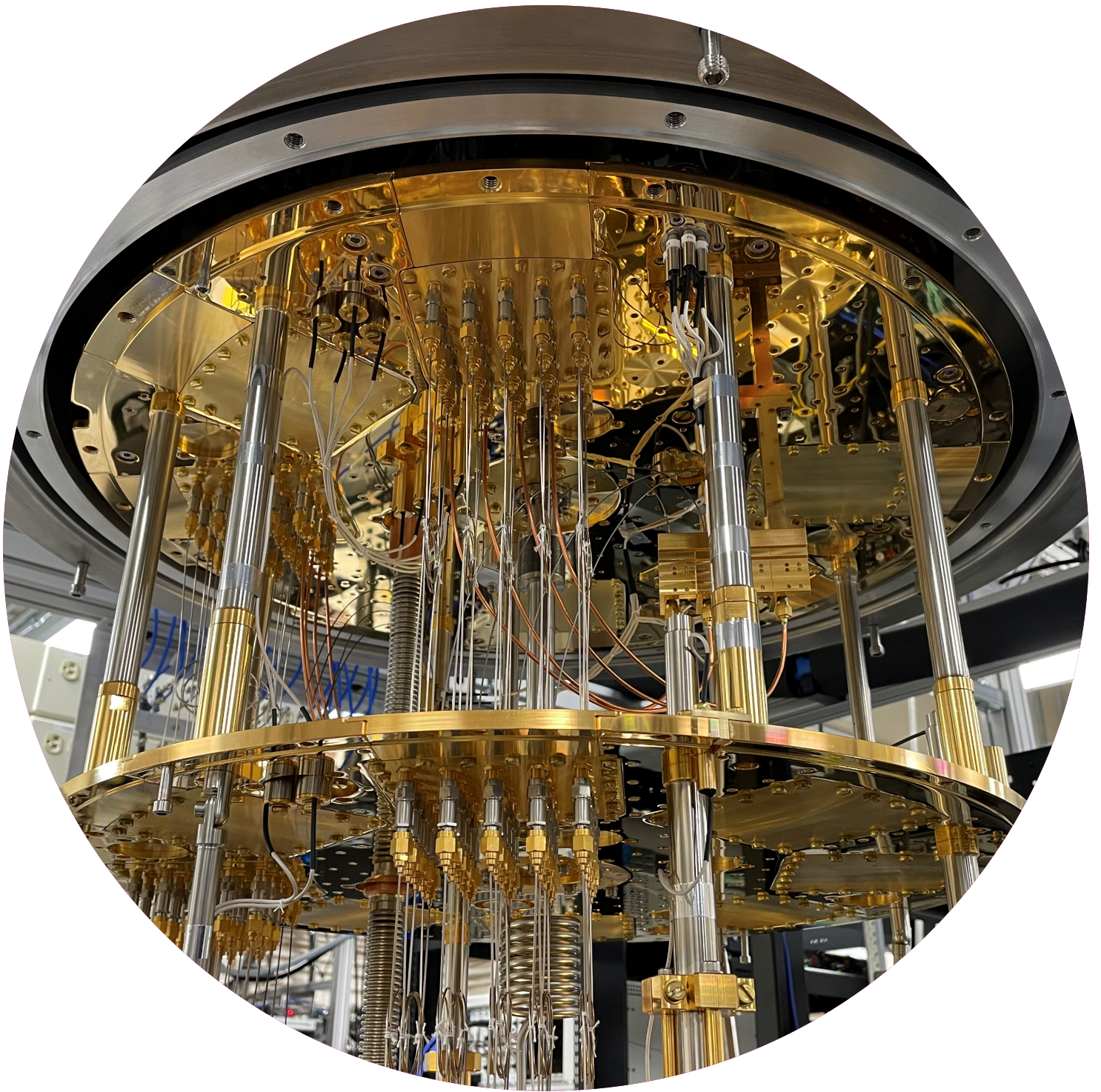
*That the schoolhouse belongs to all of us – and in the schoolhouse, we all belong. No matter **who** you are, **where** you come from, or **what** you believe – inside these four walls, you have a place.*

To question. To explore. To exchange ideas freely. That is the design and the promise of each and every schoolhouse, wherever it may stand.

The courage to practice restraint over retribution. The courage to see a fellow human being, even when every voice around you insists they are the enemy. The courage, in short, to show compassion.

Compassion is not the absence of conviction. It is not weakness. And it is certainly not retreat. It is, in fact, an act of radical strength in its rarest form.

Maurie McInnis, President,
Yale University



Yale

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