PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 26, 2025

NEW ISSUE – BOOK-ENTRY ONLY | **RATINGS:** See "RATINGS" herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to The Regents, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2025 Bonds. See "TAX MATTERS" herein.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
GENERAL REVENUE BONDS,
$320,545,000[*] 2025 SERIES CB
$887,005,000[*] 2025 SERIES CC

Dated: Date of Delivery | **Due: As shown on inside cover**

The Regents of the University of California General Revenue Bonds, 2025 Series CB (the "2025 Series CB Bonds"), and The Regents of the University of California General Revenue Bonds, 2025 Series CC (the "2025 Series CC Bonds" and, together with the 2025 Series CB Bonds, the "2025 Bonds"), will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the 2025 Bonds. Individual purchases will be made in book-entry form only. Purchasers will not receive certificates representing their interests in the 2025 Bonds purchased.

The Regents will use the proceeds of the sale of the 2025 Bonds to finance or refinance all or a portion of certain projects of the University of California (the "University").

The 2025 Series CB Bonds and the 2025 Series CC Bonds will be issued in denominations of $5,000 each or any integral multiple thereof. Interest on the 2025 Series CB Bonds and the 2025 Series CC Bonds is payable on November 15, 2025 and semiannually thereafter on May 15 and November 15 of each year.

The interest, principal or redemption price of the 2025 Bonds are payable by The Bank of New York Mellon Trust Company, N.A. as successor trustee, to DTC. DTC is required to remit such principal or redemption price and interest to its Participants for subsequent disbursement to the Beneficial Owners of the 2025 Bonds, as described herein. The 2025 Bonds are subject to redemption prior to their stated maturities, as described herein.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS
SEE INSIDE COVER

The 2025 Bonds are limited obligations of The Regents, payable solely from General Revenues, the proceeds of the Bonds and any other amounts held in any fund or account established pursuant to the Indenture (excluding the Rebate Fund), as described herein. The 2025 Bonds and all other Bonds issued pursuant to the Indenture are entitled to the equal benefit, protection and security of the pledge and covenants and agreements of the Indenture, as hereinafter described. The Indenture permits The Regents to incur additional Indebtedness secured by a pledge and lien on General Revenues senior in priority, or on a parity, or subordinate in priority with the pledge and lien of the Indenture, as described herein. The 2025 Bonds will not constitute a liability of or a lien upon the funds or property of the State of California or of The Regents, except to the extent of the aforementioned pledge and lien of the Indenture. The Regents has no taxing power.

The 2025 Bonds are offered when, as and if issued, subject to the approval of certain legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to The Regents. Certain legal matters will be passed upon for The Regents by its Office of General Counsel and certain legal matters will be passed upon for the Underwriters by O'Melveny & Myers LLP, counsel to the Underwriters, and by Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to The Regents. It is anticipated that the 2025 Bonds will be available for delivery to DTC, on or about March __, 2025.

RBC Capital Markets | **Siebert Williams Shank**

Morgan Stanley | **TD Securities** | **Wells Fargo Corporate & Investment Banking**

Academy Securities | **Alamo Capital** | **Bancroft Capital, LLC**
Barclays | **Blaylock Van, LLC** | **BofA Securities**
Cabrera Capital Markets, LLC | **Goldman Sachs & Co. LLC** | **Great Pacific Securities**
J.P. Morgan | **Jefferies** | **Loop Capital Markets**
PNC Capital Markets LLC | **Ramirez & Co., Inc.** | **Raymond James**
Stern Brothers & Co. | **Stifel**

Dated: March __, 2025

[*] Preliminary, subject to change.

MATURITY SCHEDULE

2025 SERIES CB BONDS

Maturity (May 15)	Amount	Interest Rate	Yield	Price	CUSIP*

2025 SERIES CC BONDS

Maturity (May 15)	Amount	Interest Rate	Yield	Price	CUSIP*

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of The Regents, the Underwriters or their agents or counsel assume responsibility for the use or accuracy of such numbers.

Summaries of provisions of the Indenture relating to the 2025 Bonds and the Continuing Disclosure Agreement contained herein do not purport to be complete descriptions of the provisions thereof, and such summaries are qualified by reference to the Indenture and the Continuing Disclosure Agreement for full particulars of the 2025 Bonds, the Indenture and the Continuing Disclosure Agreement, respectively. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of The Regents since the date hereof.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of 2025 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by The Regents.

This Official Statement contains statements which, to the extent they are not recitations of historical facts, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. A number of important factors, including factors affecting The Regents' financial condition and factors which are otherwise unrelated thereto, could cause actual results to differ materially from those stated in such forward-looking statements.

The references to internet websites shown in this Official Statement are shown for reference and convenience only; the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information contained on any website mentioned in this Official Statement is not a part of this Official Statement and is not incorporated in this Official Statement, whether or not the web address for such website appears as an active hyperlink. No website mentioned in this Official Statement is intended to be an active hyperlink. Readers should not rely upon information other than that provided in this Official Statement, including information presented on any such website, in determining whether to purchase the 2025 Bonds.

THE 2025 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE 2025 BONDS WILL NOT HAVE BEEN RECOMMENDED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY OTHER FEDERAL, STATE OR FOREIGN SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND NO SUCH COMMISSIONS OR REGULATORY

AUTHORITIES WILL HAVE REVIEWED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

NO ACTION HAS BEEN TAKEN BY THE REGENTS THAT WOULD PERMIT A PUBLIC OFFERING OF THE 2025 BONDS OR POSSESSION OR DISTRIBUTION OF THE OFFICIAL STATEMENT OR ANY OTHER OFFERING MATERIAL IN ANY FOREIGN JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, EACH OF THE UNDERWRITERS HAS AGREED THAT IT WILL COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY FOREIGN JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE 2025 BONDS OR POSSESSES OR DISTRIBUTES THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING MATERIAL AND WILL OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE 2025 BONDS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY FOREIGN JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES AND THE REGENTS SHALL HAVE NO RESPONSIBILITY THEREFOR.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
GENERAL REVENUE BONDS,
$320,545,000* 2025 SERIES CB
$887,005,000* 2025 SERIES CC

INTRODUCTION

The purpose of this Official Statement (the "Official Statement") is to set forth certain information concerning The Regents of the University of California General Revenue Bonds, 2025 Series CB, issued in the aggregate principal amount of $320,545,000* (the "2025 Series CB Bonds"), and The Regents of the University of California General Revenue Bonds, 2025 Series CC, issued in the aggregate principal amount of $887,005,000* (the "2025 Series CC Bonds" and, together with the 2025 Series CB Bonds, the "2025 Bonds"). The 2025 Bonds are authorized to be issued pursuant to the powers and authority of The Regents of the University of California ("The Regents") contained in Article IX, Section 9 of the Constitution of the State of California. The 2025 Series CB Bonds are issued in accordance with the provisions of an indenture dated as of September 1, 2003 (the "General Revenue Bond Indenture") as previously amended and supplemented and as further supplemented by the Eighty-First Supplemental Indenture, dated as of March 1, 2025, and the 2025 Series CC Bonds are issued in accordance with the provisions of the General Revenue Bond Indenture as previously amended and supplemented and as further supplemented by the Eighty-Second Supplemental Indenture, dated as of March 1, 2025 (as so amended and supplemented, the "Indenture"), by and between The Regents and The Bank of New York Mellon Trust Company, N.A. as successor trustee (the "Trustee").

Prior to the issuance of the 2025 Bonds, The Regents has issued under the Indenture, and there remain Outstanding, Bonds (as defined below) as shown in Table 1 below:

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

* Preliminary, subject to change.

Table 1
General Revenue Bonds as of February 26, 2025
(dollars in thousands)

Series	Amount Outstanding
2011 Series W	$ 565
2010 Series X	41,860
2011 Series Z	150,000
2012 Series AD	860,000
2013 Series AG	86,625
2013 Series AL	600,000
2015 Series AP	309,120
2015 Series AQ	500,000
2016 Series AR	399,375
2016 Series AS	88,160
2017 Series AV	426,825
2017 Series AW	128,100
2017 Series AX	500,000
2017 Series AY	580,030
2018 Series AZ	923,485
2018 Series BA	89,210
2019 Series BB	113,540
2019 Series BC	21,170
2019 Series BD	500,000
2020 Series BE	778,975
2020 Series BF	246,180
2020 Series BG	1,500,000
2021 Series BH	245,220
2021 Series BI	549,025
2021 Series BJ	475,000
2022 Series BK	702,300
2022 Series BL	65,240
2023 Series BM	296,815
2023 Series BN	1,635,170
2023 Series BO	52,350
2023 Series BP	340,350
2023 Series BQ	586,545
2023 Series BR	120,050
2024 Series BS	1,021,000
2024 Series BT	200,430
2024 Series BU	143,970
2024 Series BV	1,059,315
2024 Series BW	934,490
2024 Series BX	498,700
2024 Series BY	250,000
2025 Series BZ	1,500,000
2025 Series CA	500,000
Total	**$20,019,190**

The 2011 Series W Bonds, the 2010 Series X Bonds, the 2011 Series Z Bonds, the 2012 Series AD Bonds, the 2013 Series AG Bonds, the 2013 Series AL Bonds, the 2015 Series AP Bonds, the 2015 Series AQ Bonds, the 2016 Series AR Bonds, the 2016 Series AS Bonds, the 2017 Series AV Bonds, the 2017 Series AW Bonds, the 2017 Series AX Notes, the 2017 Series AY Bonds, the 2018 Series AZ Bonds, the 2018 Series BA Bonds, the 2019 Series BB Bonds, the 2019 Series BC Bonds, the 2019 Series BD Bonds, the 2020 Series BE Bonds, the 2020 Series BF Bonds, the 2020 Series BG Bonds, the 2021 Series BH Bonds, the 2021 Series BI Bonds, the 2021 Series BJ Bonds, the 2022 Series BK Bonds, the 2022 Series BL Bonds, the 2023 Series BM Bonds, the 2023 Series BN Bonds, the 2023 Series BO Bonds, the 2023 Series BP Bonds, the 2023 Series BQ Bonds, the 2023 Series BR Bonds, the 2024 Series BS Bonds, the 2024 Series BT Bonds, the 2024 Series BU Bonds, the 2024 Series BV Bonds, the 2024 Series BW Bonds, the 2024 Series BX Bonds, the 2024 Series BY Bonds, the 2025 Series BZ Bonds, the 2025 Series CA Bonds, the 2025 Series CB Bonds, the 2025 Series CC Bonds and any additional Bonds to be issued under the Indenture from time to time are collectively referred to herein as the "Bonds."

The University of California (the "University"), established in 1868, is the public institution of higher education designated by the State of California in its master plan for higher education for the training of individuals for the professions, for the awarding of doctoral degrees in all fields of human knowledge, and for the conduct of research. The Constitution of the State of California provides that the University shall be a public trust administered by the corporation, "The Regents of the University of California," which is vested with full powers of organization and government, subject only to such legislative control as may be necessary to ensure the security of its funds and compliance with the terms of the endowments of the University and such competitive bidding procedures as may be made applicable to the University by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods and services. See "APPENDIX A – THE UNIVERSITY OF CALIFORNIA."

Proceeds of the 2025 Bonds will be used to finance or refinance all or a portion of certain projects of the University. See "PLAN OF FINANCE."

The 2025 Bonds are limited obligations of The Regents, payable solely from General Revenues, the proceeds of the Bonds and any other amounts held in any fund or account established pursuant to the Indenture (excluding the Rebate Fund), as hereinafter described. The 2025 Bonds and all other Bonds issued pursuant to the Indenture are entitled to the equal benefit, protection and security of the pledge and covenants and agreements of the Indenture, as hereinafter described. The Indenture permits The Regents to incur additional Indebtedness secured by a pledge and lien on General Revenues senior in priority, on a parity, or subordinate in priority with the pledge and lien of the Indenture, as described herein. See "SECURITY FOR THE BONDS" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE INDENTURE – Pledge." The Bonds do not constitute a liability of or a lien or charge upon the funds or property of the State of California or of The Regents, except to the extent of the aforementioned pledge and lien of the Indenture. The Regents has no taxing power.

The Regents has covenanted for the benefit of the registered owners and Beneficial Holders of the 2025 Bonds to provide certain financial information and operating data relating to the 2025 Bonds (the "Annual Report") not later than seven (7) months after the end of The

Regents' Fiscal Year (which Fiscal Year currently ends June 30), commencing with the report for the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of events will be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) System. The specific nature of the information to be contained in the Annual Report and in the notices of events is summarized in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the underwriters of the 2025 Bonds listed on the cover of this Official Statement (collectively, the "Underwriters") in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

This Official Statement contains brief descriptions of the 2025 Bonds, security for the Bonds, The Regents, the Continuing Disclosure Agreement and the Indenture. General information concerning the University is contained in Appendix A. The audited Annual Financial Report of the University for the fiscal year ended June 30, 2024 is contained in Appendix B. The information contained in Appendix B describes funds and other assets of The Regents that are not pledged as security for the Bonds.

Unless otherwise expressly stated, all financial and other data included herein have been provided by The Regents. The summaries of the Indenture and the Continuing Disclosure Agreement contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Indenture and the Continuing Disclosure Agreement. Copies of the Indenture and each Continuing Disclosure Agreement may be obtained from the Trustee or The Regents. See "MISCELLANEOUS."

Capitalized terms used herein which are not otherwise defined have the meanings set forth under the heading "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE INDENTURE – Definitions."

THE 2025 BONDS

General

The 2025 Bonds are issued in fully registered form in Authorized Denominations. "Authorized Denominations" means denominations of $5,000 or any integral multiple thereof. The principal or redemption price of the 2025 Bonds is payable at the corporate trust office of the Trustee in Los Angeles, California. See " — Book-Entry Only System."

The 2025 Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof unless such date of registration is an Interest Payment Date, in which event it shall bear interest from the date of registration thereof, or unless it is registered on or before the first Interest Payment Date, in which event it shall bear interest from the date of original delivery, and the 2025 Bonds shall mature on the dates and in the principal amounts set forth on the inside cover page hereof, subject to the rights of prior redemption described hereinafter.

Interest on the 2025 Bonds is payable on November 15, 2025 and semiannually thereafter on May 15 and November 15 (each an "Interest Payment Date") of each year to each registered owner of the 2025 Bonds as of the close of business on the first day of the month in which an Interest Payment Date occurs (the "Record Date"), whether or not such day is a Business Day. Interest on the 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemption*

Optional Redemption. The 2025 Bonds of each Series maturing on or before May 15, 20__ are not subject to redemption prior to their respective stated maturities. The 2025 Bonds of each Series maturing on or after May 15, 20__ are subject to redemption prior to their respective stated maturities, at the option of The Regents from lawfully available funds deposited in the 2025 Series CB Optional Redemption Subaccount or the 2025 Series CC Optional Redemption Subaccount, as applicable, of the Optional Redemption Account as a whole or in part on any date on or after May 15, 20__ (with respect to each Series, in such order of maturity as shall be selected by the Trustee upon direction by The Regents and by lot within a maturity), at a redemption price equal to the principal amount of the Series of 2025 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Notice of Redemption. Notice of any redemption shall be mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each 2025 Bond to be redeemed, in whole or in part, at the address shown on the registration books maintained by the Trustee. Failure to give such notice by mail or any defect in such notice to any Bondholder shall not affect the validity of any proceedings for the redemption of any other 2025 Bond.

If DTC or its nominee is the registered owner of any 2025 Bond to be redeemed, notice of redemption will be given to DTC or its nominee as the registered owner of such 2025 Bond. Any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner of any 2025 Bond to be redeemed shall not affect the validity of the redemption of such 2025 Bond.

Partial Redemption. Upon surrender of any 2025 Bond redeemed in part only, The Regents shall execute and the Trustee shall authenticate and deliver to the registered owner thereof, at the expense of The Regents, a new 2025 Bond of Authorized Denominations and of the same series and maturity, equal in aggregate principal amount to the unredeemed portion of the 2025 Bond surrendered. Each Series of 2025 Bonds shall be redeemed only in Authorized Denominations.

Effect of Redemption. The Indenture provides that if notice of redemption has been duly given and money for payment of the principal, premium, if any, and interest accrued to the redemption date of the 2025 Bonds (or portions thereof) called for redemption has been transferred to the Trustee, then on the redemption date designated in such notice, the 2025 Bonds so called for redemption will become due and payable and from and after the redemption date,

* Preliminary, subject to change.

interest on the 2025 Bonds (or portions thereof) so called for redemption will cease to accrue and the Holders of such 2025 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Rescission or Cancellation of Redemption. The Indenture provides that the Trustee shall rescind any redemption by notice of rescission if directed to do so by The Regents prior to the date of redemption, and that the Trustee shall give notice of rescission by the same means as for the giving of a notice of redemption. The redemption shall be deemed canceled once the Trustee has given notice of rescission. Under the Indenture neither the rescission nor the failure of funds being made available in part or in whole on or before a redemption date shall constitute an Event of Default.

Purchase of Bonds. The Indenture provides that at any time prior to giving notice of any redemption, the Trustee shall apply amounts in the applicable Optional Redemption Account, Special Redemption Account, or Sinking Account to the purchase of 2025 Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as may be directed by The Regents.

Book-Entry Only System

The Depository Trust Company ("DTC") will act as securities depository for the 2025 Bonds. The ownership of one fully registered 2025 Bond for each maturity of each Series set forth on the inside cover page hereof, in the aggregate principal amount of the 2025 Bonds of such Series maturing on that date, will be registered in the name of Cede & Co., as nominee of DTC. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" for a description of DTC and the Book-Entry Only System.

Additional Bonds

Additional bonds secured equally and ratably by the lien of the Indenture on General Revenues ("Additional Bonds") may be issued by The Regents under and pursuant to the Indenture and subject to the conditions set forth therein. In addition, The Regents may incur other additional Indebtedness secured by a Senior Lien or a Parity Lien or a Subordinate Lien on General Revenues subject to the conditions set forth in the Indenture. See "SECURITY FOR THE BONDS."

PLAN OF FINANCE

A portion of the proceeds of the 2025 Bonds will be used to finance or refinance all or a portion of certain projects of the University of California. Pursuant to the Indenture, The Regents may use such portion of the proceeds of the 2025 Bonds to finance or refinance all or a portion of additional projects authorized at any time by The Regents.

SECURITY FOR THE BONDS

General Revenues

Pledge; Definition of General Revenues. The Bonds are secured by a pledge of General Revenues, the proceeds of the Bonds and any other amounts held in any fund or account (excluding the Rebate Fund) established pursuant to the Indenture. As defined in the Indenture, General Revenues consist of certain operating and non-operating revenues of the University as reported in the University's Annual Financial Report, including (i) gross student tuition and fees; (ii) facilities and administrative cost recovery from contracts and grants; (iii) net sales and service revenues from educational and auxiliary enterprise activities; (iv) other net operating revenues; (v) certain other non-operating revenues, including unrestricted investment income; and (vi) any other revenues as may be designated as General Revenues from time to time by a Certificate of The Regents delivered to the Trustee, but excluding (a) appropriations from the State of California (except as permitted under Section 28 of the State Budget Act or other legislative action); (b) moneys which are restricted as to expenditure by a granting agency or donor; (c) gross revenues of the University Medical Centers; (d) management fees resulting from the contracts for management of the United States Department of Energy Laboratories; and (e) any revenues which may be excluded from General Revenues from time to time by a Certificate of The Regents delivered to the Trustee. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE INDENTURE – Definitions."

Pursuant to provisions of the 2013-14 State Budget and related legislation (the "2013-14 State Budget Legislation"), and clause (vi) of the definition of General Revenues, The Regents designated as General Revenues a portion of the annual General Fund support appropriation, when, as and if received from the State, less (a) the amount of that appropriation that is required to fund general obligation bond payments for general obligation bonds issued by the State for the benefit of The Regents, and (b) the State Public Works Board rental payments made for the benefit of The Regents (the "Pledged General Fund Support Appropriations").

Pursuant to the 2013-14 State Budget Legislation, the State covenanted with the Holders of the Bonds that, so long as any of Bonds remain Outstanding, the State will not impair or restrict the ability of The Regents to pledge any Pledged General Fund Support Appropriations. However, the State is not required to, and there can be no assurance that the State will in the future, appropriate the Pledged General Fund Support Appropriations. As a result, there can be no assurance that the Pledged General Fund Support Appropriations will be available as General Revenues to secure the Bonds in any given year.

Amount of General Revenues. The following table sets forth the approximate amount of General Revenues pledged under the Indenture as security for the Bonds for each of the indicated Fiscal Years:

Table 2
General Revenues

Fiscal Year	General Revenues (dollars in billions)
2019-2020	$18.1
2020-2021	16.8
2021-2022	19.5
2022-2023	21.2
2023-2024	21.7

The amount of General Revenues in each Fiscal Year will change based upon various factors affecting the operations of the University, including but not limited to its enrollment, research grants and contracts, auxiliary enterprises, gifts and fundraising, investment results and certain State support for capital projects. For a discussion of the University's financial performance, see "APPENDIX B – THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024 – Management's Discussion and Analysis."

Pursuant to the Indenture, the amounts that constitute General Revenues may be changed from time to time by The Regents to include other revenues or exclude portions of the General Revenues. Any amounts that are so excluded would no longer be pledged under the Indenture as security for the Bonds.

General Revenue Fund; No Reserve Account

General Revenue Covenant. Under the Indenture, so long as the Bonds are Outstanding, The Regents shall set rates, charges, and fees in each Fiscal Year so as to cause General Revenues deposited in the General Revenue Fund to be in an amount sufficient to pay the principal of and interest on the Bonds and amounts due and payable on Ancillary Obligations for the then-current Fiscal Year (the "General Revenue Covenant").

Unless an Event of Default has occurred and is continuing, however, The Regents may withdraw and use any or all amounts deposited in the General Revenue Fund pursuant to the General Revenue Covenant at any time for any lawful purpose, including for purposes other than paying debt service on the Bonds. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE INDENTURE – Flow of Funds – General Revenues."

No Reserve Account. There is no debt service reserve account established under the Indenture.

Indebtedness

Additional Indebtedness. The Regents may issue Additional Bonds, upon certain terms and conditions set forth in the Indenture, to provide moneys for any lawful purpose of The Regents, and may issue taxable or tax-exempt, fixed or variable interest rate or other types of

Additional Bonds. See Table 1 in "INTRODUCTION" for a listing of Bonds issued under and secured by the lien of the Indenture.

In addition, the Indenture provides that, so long as an Event of Default has not occurred and is continuing, The Regents may at any time incur any Indebtedness or other obligations payable from General Revenues, including, but not limited to, Indebtedness or other obligations secured by a Senior Lien, Parity Lien or Subordinate Lien.

Senior Lien Indebtedness. At the time of issuance of the 2025 Bonds, no Indebtedness secured by a Senior Lien will be outstanding.

Parity Lien Indebtedness. As of February 26, 2025, Indebtedness of The Regents secured by a Parity Lien consists of (i) loan agreements, including revolving credit facilities, with various financial institutions with commitments totaling $1.0 billion and outstanding advances totaling approximately $145 million, and (ii) interest rate swaps in an aggregate notional amount of $600 million with scheduled termination dates of March 1, 2039 and June 1, 2039, which constitute Financial Products Agreements with Qualified Providers. Payments due under such credit facilities and Financial Products Agreements (including, without limitation, regularly scheduled payments and payments due upon early termination) are secured by a Parity Lien. The credit facilities include events of default by The Regents which may result in the acceleration of the repayment of outstanding advances. Interest rate swap agreements, including the Financial Products Agreements, entail certain additional risks. For example, a party may be required to make significant payments to its swap counterparty in the event of an early termination, which could occur due to a default by either party or the occurrence of a termination event. For additional information concerning the University's swaps, see "APPENDIX B - THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024—Note 5."

Bonds issued under and secured by the lien of the Indenture that will be Outstanding at the time of issuance of the 2025 Bonds are described in Table 1 under "INTRODUCTION" above.

Subordinate Lien Indebtedness. As of February 26, 2025, Indebtedness of The Regents secured by a Subordinate Lien consists of (i) Indebtedness outstanding under the Indenture, dated as of October 1, 2004, as supplemented, by and between The Regents and The Bank of New York Mellon Trust Company, N.A., as successor trustee to J.P. Morgan Trust Company, National Association, securing The Regents of the University of California Limited Project Revenue Bonds 2012 Series H, 2015 Series J, 2016 Series K, 2016 Series L, 2017 Series M, 2017 Series N, 2018 Series O, 2018 Series P, 2021 Series Q, 2021 Series R, and 2022 Series S, and (ii) Indebtedness outstanding under the Indenture, dated as of November 1, 2008, as supplemented, by and between The Regents and U.S. Bank, National Association, securing The Regents of the University of California Commercial Paper Notes, Series A (Tax Exempt) and Series B (Taxable).

Other Indebtedness. For a description of other indebtedness of The Regents, see "APPENDIX A – THE UNIVERSITY OF CALIFORNIA – Indebtedness of The Regents."

Limited Obligations

The 2025 Bonds are limited obligations of The Regents, payable solely from General Revenues, the proceeds of the Bonds and any other amounts held in any fund or account (excluding the Rebate Fund) established pursuant to the Indenture. The 2025 Bonds and all other Bonds issued pursuant to the Indenture are entitled to the equal benefit, protection and security of the pledge and covenants and agreements of the Indenture, as hereinafter described. The Indenture permits The Regents to incur additional Indebtedness secured by a pledge and lien on General Revenues senior in priority, on a parity, or subordinate in priority with the pledge and lien of the Indenture. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – The Indenture – Pledge." The 2025 Bonds will not constitute a liability of or a lien upon the funds or property of the State of California or of The Regents, except to the extent of the aforementioned pledge and lien of the Indenture. The Regents has no taxing power.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

ESTIMATED SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the 2025 Bonds:

SOURCES

	2025 Series CB	2025 Series CC	Total
Principal Amount			
[Original Issue Premium]			
Total Sources of Funds			

USES

	2025 Series CB	2025 Series CC	Total
Project Costs			
Costs of Issuance(1)			
Total Use of Funds			

(1) Includes underwriters' discount and other costs of issuance.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to The Regents ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2025 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2025 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the 2025 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D – "PROPOSED FORM OF BOND COUNSEL OPINION FOR 2025 BONDS."

2025 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a purchaser's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owners. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2025 Bonds. The Regents has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2025 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2025 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2025 Bonds may adversely affect the value of, or the tax status of interest on, the 2025 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2025 Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2025 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of The Regents, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Regents has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2025 Bonds ends with the issuance of the 2025 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend The Regents or the beneficial owners regarding the tax-exempt status of the 2025 Bonds in the event of an audit examination by the IRS. Under current procedures, beneficial owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which The Regents legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2025 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the 2025 Bonds, and may cause The Regents or the beneficial owners to incur significant expense.

Payments on the 2025 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate beneficial owner of 2025 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the 2025 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the 2025 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a beneficial owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain beneficial owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery by The Regents of the 2025 Bonds and with regard to the tax-exempt status of interest on the 2025 Bonds under existing laws are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to The Regents. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. The forms of opinions Bond Counsel proposes to render are attached as Appendix D hereto. In addition, certain legal matters will be passed upon for The Regents by its Office of General Counsel and certain legal matters will be passed upon for the Underwriters by O'Melveny & Myers LLP, counsel to the Underwriters, and by Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to The Regents.

LITIGATION

There is no litigation of any nature pending or, to the knowledge of the Office of General Counsel, threatened, against The Regents as of the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the 2025 Bonds or in any way contesting or affecting the validity of the 2025 Bonds or the security thereof, or any proceedings of The Regents taken with respect to the issuance or sale thereof. At the time of delivery of the 2025 Bonds, The Regents will furnish a certificate to the effect that no such litigation is then pending.

At all times, including the date of this Official Statement, there are certain other claims and disputes, including those currently in litigation, that arise in the normal course of the University's activities. Such matters could, if determined adversely to The Regents, affect expenditures by The Regents, and in some cases, its revenues. For a discussion of certain litigation, see the following paragraph. University management and the Office of General Counsel are of the opinion that no pending actions, including the litigation described below, are likely to have a material adverse effect on The Regents' ability to pay the principal of, premium, if any, and interest on the 2025 Bonds when due.

University students have filed multiple State and federal class action lawsuits alleging that the University has unlawfully withheld tuition and fee refunds in the wake of COVID-19-related campus actions. The classes include not only students, but also anyone else who paid tuition or other fees on their behalf. In response to The Regents' motion to dismiss, all federal lawsuits were dismissed and the plaintiffs never appealed that decision. The State actions were consolidated in Los Angeles County Superior Court for pre-trial coordinated proceedings. The Regents successfully moved to dismiss the consolidated complaints but the plaintiffs were given leave to amend. The plaintiffs filed an amended complaint and The Regents filed another motion to dismiss the amended complaint. On March 29, 2022, The Regents successfully moved to dismiss the amended complaint and the plaintiffs were not given leave to amend. On May 18, 2022, the plaintiffs filed a notice of appeal. The appeal was argued on April 10, 2024 and a decision was rendered by the Court of Appeal on June 25, 2024. The Court of Appeal's decision vacated the Superior Court's judgment dismissing plaintiffs' operative complaint and remanded the case for further proceedings. On August 2, 2024, The Regents filed a petition for review with the California Supreme Court and, on October 16, 2024, the Court denied the petition and returned the case to Los Angeles County Superior Court for further proceedings. The Regents intends to continue to vigorously defend itself against the lawsuits. The Regents continues to assess the potential impact of the lawsuits and cannot predict the outcome of the cases. In the event that a judgment is rendered against The Regents, the resulting liability could have a material and adverse impact on The Regents' financial position.

RATINGS

The 2025 Bonds have been assigned ratings of "Aa2" by Moody's Investors Service ("Moody's"), "AA" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC business ("S&P"), and "AA" by Fitch Ratings ("Fitch"). The rating reflects only the view of the respective rating agency. An explanation of the significance of the rating must be obtained from the respective rating agency. There is no assurance that such ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of the rating agencies circumstances so warrant. A downward revision or withdrawal of any such credit ratings may have an adverse effect on the market price of the 2025 Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC is serving as Municipal Advisor to The Regents in connection with the sale of the 2025 Bonds.

UNDERWRITING

Pursuant to the bond purchase contract for the 2025 Bonds dated March __, 2025 (the Purchase Contract"), among RBC Capital Markets, LLC and Siebert Williams Shank & Co., LLC, as representatives of the Underwriters of the 2025 Bonds, The Regents and the State

Treasurer, such Underwriters have agreed to purchase the 2025 Bonds at a purchase price of $______________ (representing the sum of (i) the aggregate principal amount of the 2025 Series CB Bonds, [plus an original issue premium of $__________,] less an underwriters' discount of $__________ and (ii) the aggregate principal amount of the 2025 Series CC Bonds, [plus an original issue premium of $__________,] less an underwriters' discount of $__________).

The public offering prices of the 2025 Bonds may be changed from time to time by the Underwriters. The Purchase Contract provides that the Underwriters will purchase all the Series of 2025 Bonds if any are purchased and that the obligations to make such purchases are subject to certain terms and conditions set forth in the Purchase Contract including, among other things, the approval of certain legal matters by their counsel.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of The Regents. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of The Regents.

Several of the Underwriters have provided letters to The Regents and the State Treasurer's Office relating to their distribution practices or other affiliations for inclusion in this Official Statement, which are set forth in Appendix F. Neither The Regents nor the State Treasurer's Office guarantee the accuracy or completeness of the information contained in such letters and the information therein is not to be construed as a representation of The Regents, the State Treasurer's Office, or any Underwriter other than the Underwriter providing such representation.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof and which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Indenture and the Continuing Disclosure Agreement are available upon request from the Trustee or The Regents, Attention: Office of Capital Markets Finance, 1111 Franklin Street, 7th Floor, Oakland, California 94607-9828.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between The Regents and the purchasers or holders of any of the 2025 Bonds.

The execution and delivery of this Official Statement has been duly authorized by The Regents.

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA

EXECUTIVE VICE PRESIDENT – CHIEF FINANCIAL OFFICER,
UNIVERSITY OF CALIFORNIA

APPENDIX·A

THE UNIVERSITY OF CALIFORNIA

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

THE UNIVERSITY OF CALIFORNIA

GENERAL

The University of California (the "University") is the public institution of higher education designated by the State of California (the "State") in its Master Plan for Higher Education for the training of individuals for the professions, for the awarding of doctoral degrees in all fields of human knowledge, and for the conduct of research. Since it was chartered in 1868, the University has conferred approximately 2,947,000 higher education degrees, as of academic year 2022-23. The University's administrative offices are located in Oakland, California.

The University is governed by a 26-member Board of Regents, 18 of whom are appointed by the Governor and approved by a majority vote of the State Senate (currently for a 12-year term), one student Regent, who is appointed by the Board to a one-year term, and seven ex officio Regents who are members of the board by virtue of their elective or appointed positions. The ex officio Regents are the Governor of the State, Lieutenant Governor of the State, Speaker of the Assembly, State Superintendent of Public Instruction, President of the Alumni Associations of the University, Vice President of the Alumni Associations of the University, and the President of the University.

Classes began at Berkeley in 1873 and the University currently operates general campuses located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, Santa Barbara, and Santa Cruz; a health science campus located in San Francisco; and laboratories, research stations and institutes, affiliated schools, activity locations, and a statewide Division of Agriculture and Natural Resources. The University operates a cooperative extension program and numerous public service programs. The Education Abroad Program of the University is offered at many different host institutions around the world.

The University is engaged in numerous sponsored research projects, in addition to operating one major national laboratory and being a member in two joint ventures that manage two other national laboratories for the United States Department of Energy, which conduct broad and diverse basic and applied research in nuclear science, energy production, and national defense, and in environmental and health areas. The University has six medical schools. In connection with five of the University's medical schools and other health science disciplines, the University operates five academic medical centers (and UCSF Benioff Children's Hospital Oakland, which is affiliated with the University of California, San Francisco Medical Center) with a total of 5,845 licensed beds and 5,277 available beds as of December 31, 2024.

The University has a pre-eminent ladder-rank and equivalent faculty[1] of approximately 12,000 members as of October 2024. Seventy researchers affiliated with the University have been awarded 71 Nobel Prizes, the pinnacle of achievement for groundbreaking research. The University's faculty and affiliated researchers also include MacArthur "Genius" grant winners,

---

[1] Does not include lecturers and other faculty who are counted here as "other academic personnel." These "other academic personnel" include clinical faculty, in-residence faculty, adjunct faculty, lecturers, other academic employees, postdoctoral scholars, medical interns/residents, and student teaching/research assistants.

Pulitzer Prize winners, Fulbright award recipients, National Medal of Science winners, and Guggenheim fellowship recipients.

As of October 2024, in addition to the teaching faculty, the University employed, on a full-time and part-time basis, approximately 61,800 other academic personnel and approximately 192,400 staff and management personnel.

During the year ended June 30, 2024, the University provided instruction to approximately 293,000 full-time equivalent undergraduate and graduate students. The following table shows full year (including summer) full-time equivalent enrollments by campus for general campus and health sciences students for Fiscal Years 2020 to 2024. Further information on the University enrollment can be found at http://www.ucop.edu/operating-budget/fees-and-enrollments/fte-student-enrollments/index.html. The information contained in such website is not incorporated by reference herein.

UNIVERSITY OF CALIFORNIA
FULL-TIME EQUIVALENT ENROLLMENTS[(1)] FOR FISCAL YEARS 2020 TO 2024

	2019-20	2020-21	2021-22	2022-23	2023-24
Berkeley	41,365	41,597	42,348	42,105	42,608
Davis	38,370	39,424	39,416	39,031	39,348
Irvine	37,390	36,828	35,783	35,449	36,472
Los Angeles	43,820	44,391	44,313	44,637	45,311
Merced	8,964	9,288	9,388	9,116	9,262
Riverside	24,935	25,874	25,401	25,670	25,844
San Diego	39,224	40,778	42,438	42,855	43,160
San Francisco	4,645	4,711	4,544	4,579	4,588
Santa Barbara	26,666	26,676	25,796	25,973	26,117
Santa Cruz	19,848	19,747	20,486	20,281	20,772
Total University	**285,227**	**289,314**	**289,913**	**289,696**	**293,482**

(1) Does not include students in self-supporting programs. Includes undergraduate, graduate and health sciences students, and summer enrollment. (Summer enrollment in 2023-24 was 18,752.)

INDEBTEDNESS OF THE REGENTS

The Regents of the University of California ("The Regents") has outstanding various revenue bonds, as listed in the following table, maturing from 2025 through 2060 (excluding the final maturity of 2112 for the General Revenue Bonds, 2012 Series AD, the final maturity of 2115 for the General Revenue Bonds, 2015 Series AQ, and the final maturity of 2120 for the Medical Center Pooled Revenue Bonds, 2020 Series N). The following table lists the revenue bonds issued by The Regents outstanding as of February 26, 2025.

REVENUE BONDS ISSUED AND OUTSTANDING[1]
As of February 26, 2025 (dollars in thousands)

General Revenue Bonds	Amount Issued	Amount Outstanding
2011 Series W	$ 3,725	$ 565
2010 Series X	48,700	41,860
2011 Series Z[2]	150,000	150,000
2012 Series AD	860,000	860,000
2013 Series AG	501,170	86,625
2013 Series AL[2]	600,000	600,000
2015 Series AP	381,785	309,120
2015 Series AQ	500,000	500,000
2016 Series AR	410,255	399,375
2016 Series AS	182,330	88,160
2017 Series AV	449,685	426,825
2017 Series AW	185,915	128,100
2017 Series AX	500,000	500,000
2017 Series AY	625,500	580,030
2018 Series AZ	945,810	923,485
2018 Series BA	281,895	89,210
2019 Series BB	114,410	113,540
2019 Series BC	38,650	21,170
2019 Series BD	500,000	500,000
2020 Series BE	826,195	778,975
2020 Series BF	323,335	246,180
2020 Series BG	1,500,000	1,500,000
2021 Series BH	290,230	245,220
2021 Series BI	614,330	549,025
2021 Series BJ	475,000	475,000
2022 Series BK	702,300	702,300
2022 Series BL	65,240	65,240
2023 Series BM	317,960	296,815
2023 Series BN	1,771,690	1,635,170
2023 Series BO	52,350	52,350
2023 Series BP[2]	344,380	340,350
2023 Series BQ	586,545	586,545
2023 Series BR	120,050	120,050
2024 Series BS	1,051,495	1,021,000
2024 Series BT	200,430	200,430
2024 Series BU	143,970	143,970
2024 Series BV	1,092,295	1,059,315
2024 Series BW	934,490	934,490
2024 Series BX	498,700	498,700
2024 Series BY[2]	250,000	250,000
2025 Series BZ	1,500,000	1,500,000
2025 Series CA	500,000	500,000
SUBTOTAL	**$21,440,815**	**$20,019,190**

Limited Project Revenue Bonds		
2012 Series H	$ 100,420	$ 83,350
2015 Series J	436,455	397,230
2016 Series K	434,165	401,770
2016 Series L	97,905	46,800
2017 Series M	733,450	720,100
2017 Series N	126,935	67,155
2018 Series O	736,215	719,045
2018 Series P	95,080	68,735
2021 Series Q	739,045	720,625
2021 Series R	392,945	327,840
2022 Series S	411,710	363,255
SUBTOTAL	**$ 4,304,325**	**$ 3,915,905**
Medical Center Pooled Revenue Bonds		
2007 Series B(3)	$ 96,155	$ 40,470
2009 Series F	429,150	413,635
2010 Series H	700,000	641,015
2010 Series I	9,175	855
2013 Series K(3)	31,300	31,300
2016 Series L	872,795	672,935
2016 Series M	173,360	110,995
2020 Series N	1,800,000	1,800,000
2020 Series O(3)	149,210	142,320
2022 Series P	1,900,000	1,900,000
2022 Series Q	1,100,000	1,100,000
SUBTOTAL	**$7,261,145**	**$6,853,525**
Total	**$33,006,285**	**$30,788,620**

(1) Does not include commercial paper notes, leases, bank loans, and indebtedness issued by conduit public entities.

(2) The 2011 Series Z Bonds bear interest at a Weekly Rate and mature on July 1, 2041. The 2013 Series AL Bonds bear interest at a Daily Rate and mature on May 15, 2048. The 2023 Series BP Bonds bear interest at a Weekly Rate and mature on May 15, 2048. The 2024 Series BY Bonds bear interest at a Weekly Rate and mature on May 15, 2054. In connection with the issuance of the 2013 Series AL Bonds, The Regents entered into two interest rate swaps in a total notional amount equal to the outstanding principal amount of the 2013 Series AL Bonds. In connection with the issuance of the 2023 Series BP Bonds, The Regents entered into two interest rate swaps in a total notional amount equal to the outstanding principal amount of the 2023 Series BP Bonds. For additional information concerning interest rate swaps, see "APPENDIX B - THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024—Note 5."

(3) The 2007 Series B Bonds bear interest at a Daily Rate and mature on May 15, 2032. The 2013 Series K Bonds bear interest at a Daily Rate and mature on May 15, 2047. The 2020 Series O Bonds bear interest at a Daily Rate and mature on May 15, 2045. In connection with the issuance of the 2007 Series B Bonds, the 2013 Series K Bonds, and the 2020 Series O Bonds, The Regents entered into interest rate swaps in notional amounts equal to all of the outstanding principal amount of the 2007 Series B Bonds and a portion of the outstanding principal amount of the 2013 Series K Bonds and the 2020 Series O Bonds. For additional information concerning interest rate swaps, see "APPENDIX B - THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024—Note 5."

Source: UCOP, Capital Markets Finance.

In addition to revenue bonds, there are also outstanding commercial paper notes, leases, bank loans, and indebtedness issued by conduit public entities. Certain of these other obligations are described below.

Commercial Paper. The Regents has established a commercial paper program in an authorized amount of up to $2 billion. As of February 26, 2025, $741,725,000 of commercial paper was outstanding.

Bank Loans and Credit Agreements. The Regents has entered into loan agreements, including revolving credit agreements, with various financial institutions. As of February 26, 2025, commitments under the agreements totaled $1,000,000,000 (all of which is secured by a pledge of General Revenues on a parity with the pledge securing The Regents' General Revenue Bonds, including $800,000,000 providing hybrid liquidity for obligations of The Regents) and outstanding principal amounts, including advances under the revolving credit agreements, totaled $145,000,000 (all of which are secured by a pledge of General Revenues on a parity with the pledge securing The Regents' General Revenue Bonds). From time to time, The Regents may enter into additional loan and revolving credit agreements.

Conduit Issuer Bonds. The California Infrastructure and Economic Development Bank (the "Infrastructure Bank") has issued bonds to finance capital improvements for the University. These bonds include revenue bonds issued in the aggregate principal amount of $207,670,000 (of which $192,330,000 was outstanding as of February 26, 2025) to finance the costs of Neurosciences Building 19A and revenue bonds issued in the aggregate principal amount of $170,980,000 (of which $161,190,000 was outstanding as of February 26, 2025) to finance the costs of a facility for psychiatry services at 2130 Third Street, for the San Francisco campus. Through leases, The Regents is required to make base rent payments that equal the debt service on those bonds. In addition, the Infrastructure Bank issued revenue bonds in the aggregate principal amount of $62,000,000 to finance the costs of a stem cell research facility for a consortium of institutions conducting stem cell research. The San Diego campus is one of the three institutions in the consortium. These bonds were subsequently refunded in their entirety by refunding bonds, and $42,830,000 of aggregate principal amount of such refunding bonds was outstanding as of February 26, 2025. Through a debt service payment agreement, The Regents is required to pay any debt service shortfall on these bonds.

The California Statewide Communities Development Authority has issued bonds to finance and refinance the costs of certain student housing projects for the Irvine campus. Such bonds were outstanding in the aggregate principal amount of $538,280,000 as of February 26, 2025. The Regents leased the sites on which the student housing projects are situated to a special purpose, limited liability company that owns the projects and applies project revenues to repay these revenue bonds.

The California Municipal Finance Authority ("CMFA") has issued bonds to finance the cost of a student housing project for the Davis campus. Such bonds were outstanding as of February 26, 2025 in the aggregate principal amount of $506,465,000. The Regents leased the site on which the student housing project is situated to a special purpose, limited liability company that owns the project and applies project revenues to repay these revenue bonds.

CMFA has also issued bonds to finance the cost of another student housing project for the Davis campus. Such bonds were outstanding as of February 26, 2025 in the aggregate principal amount of $272,995,000. The Regents leased the site on which the student housing project is situated to a special purpose, limited liability company that owns the project and applies project revenues to repay these revenue bonds.

CMFA has issued bonds to finance the cost of a student housing and dining project for the Riverside campus. Such bonds were outstanding as of February 26, 2025 in the aggregate principal amount of $139,425,000. The Regents leased the site on which the project is situated to a special purpose, limited liability company that owns the project. The limited liability company repays these revenue bonds with project revenues and dining facility usage fee payments that The Regents is obligated to pay equal to approximately 38% of total debt service on the project.

CMFA has also issued bonds to finance the cost of another student housing project for the Riverside campus. Such bonds were outstanding as of February 26, 2025 in the aggregate principal amount of $170,725,000. The Regents leased the site on which the student housing project is situated to a special purpose, limited liability company that owns the project and applies project revenues to repay these revenue bonds.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

The Constitution of the State of California provides that the University shall be a public trust administered by the corporation, "The Regents of the University of California," which is vested with full powers of organization and government subject only to such legislative control as may be necessary to ensure compliance with the terms of the endowments of the University and the security of its funds and such competitive bidding procedures as may be applicable to the University by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods and services. The Regents has a board composed of seven ex officio members, 18 members appointed by the Governor and confirmed by the Senate, and one student Regent appointed by the board, all of whom are voting members of the board.

The members of the Board of Regents and the Officers of The Regents as of February 26, 2025 are listed below. Under the Bylaws of The Regents, nine Regents constitute a quorum for transaction of business at regular meetings of the Board, twelve Regents constitute a quorum for the transaction of business at special meetings of the Board, and a simple majority of such quorums is sufficient to approve most actions. As of February 26, 2025, there was one vacancy on the Board. Vacancies with respect to such appointed members must be filled by appointment by the Governor and approved by a majority vote of the State Senate, but such appointed members may serve for up to 365 days prior to Senate confirmation. Additional information and a current list of Regents can be obtained at http://regents.universityofcalifornia.edu/index.html. The foregoing website is not incorporated by reference herein.

Appointed Regents:

Maria Anguiano	Ana Matosantos
Elaine E. Batchlor	Robert Myers[1]
Carmen Chu	Lark Park
Michael Cohen	Janet Reilly
Gareth Elliott	Mark Robinson
Howard "Peter" Guber	Gregory Sarris
Jose M. Hernandez	Jonathan "Jay" Sures
Nancy Lee	Josiah Beharry[2]
Richard Leib	
Hadi Makarechian	

(1) On November 15, 2024, Governor Gavin Newsom announced the appointment of Robert Myers to the Board. This appointment has not yet been approved by the State Senate.

(2) Student Regent appointed by the Board.

Ex Officio Regents:

Gavin Newsom
Governor of California

Eleni Kounalakis
Lieutenant Governor

Robert Rivas
Speaker of the Assembly

Tony Thurmond
State Superintendent of
Public Instruction

Michael V. Drake, M.D.
President of the
University of California

Alfonso Salazar
Alumni Regent
(President of the
Alumni Associations of the
University of California)

Geoffrey Pack
Alumni Regent
(Vice President of the
Alumni Associations of the
University of California)

Board Leadership:

President
Gavin Newsom
Governor of California

Chair
Janet Reilly

Vice Chair
Maria Anguiano

Officers of The Regents:

Chief Investment Officer
Jagdeep Bachher

General Counsel
Charles F. Robinson

Secretary and Chief of Staff
Tricia Lyall

Chief Compliance and Audit Officer
Alexander Bustamante

FINANCIAL INFORMATION

Financial information for the University is set forth in the University's Annual Financial Report for the fiscal year ended June 30, 2024. See "APPENDIX B – THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024."

INVESTMENTS

As of December 31, 2024, the market values and investment returns for the University's investment pools for the fiscal year beginning July 1, 2024 were as follows:

	Market Value (in 000's)	Investment Return
Short Term Investment Pool(1)	$ 10,164,055	2.30%
Blue and Gold Pool	6,818,213	5.70%
Total Return Investment Pool(2)	10,177,614	4.69%
General Endowment Pool(3)	23,424,768	4.87%
University of California Retirement Plan(4)	102,112,787	5.00%

(1) Includes: (a) approximately $6.5 billion internal receivable from campuses and medical centers for funds transferred to the Retirement Plan, (b) approximately $657.0 million held on behalf of the Retirement Plan, (c) approximately $339.3 million held on behalf of the General Endowment Pool, (d) approximately $3.7 million held on behalf of the University of California Retirement Savings Program, and (e) approximately $2.6 million held on behalf of the Total Return Investment Pool.
(2) Includes approximately $2.6 million invested in the Short Term Investment Pool.
(3) Includes approximately $339.3 million invested in the Short Term Investment Pool.
(4) Includes approximately $657.0 million invested in the Short Term Investment Pool.
Source: UCOP.

For additional information concerning the investments of the University, including the pools listed above, see "APPENDIX B – THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024—Note 3."

BUDGETARY PROCESS

The following is a description of the budgetary process for the University. Because the process for developing, negotiating and allocating the capital budget differs from the operating budget, the capital budget is described below under "—Capital Budget."

Budget Consultation: Administrators from the Office of the President meet regularly with faculty and student groups to keep them informed of budget developments and seek their input on budget issues. Further, there are budget discussions at meetings of the Council of Chancellors, meetings of the Council of Executive Vice Chancellors, meetings of campus Vice Chancellors for Planning and Budget, and with various other groups within the University.

The Regents' Budget: The Regents' Budget is the annual budget statement for the ten-campus system. It provides a description of the existing budget, including income and expenditures from all fund sources, and serves as the budget request to the State for the next fiscal year, describing in some detail the need for additional funds from State appropriations. The budget is presented to the Board of Regents each year for approval.

State Budget: The Governor's proposed budget is released each year around the 10th of January and then revised in early May. Each February, the Legislative Analyst's Office publishes an analysis of, and recommendations for legislative actions on, the Governor's proposed budget. The Governor's proposed budget is debated during legislative hearings and subsequently the Legislature sends its own recommended budget back to the Governor. Following the Governor's approval of the Legislature's recommended budget, it becomes final as the "State Budget Act."

For the most part, the State Budget Act appropriates funds each year for the operating budget of the University in a lump sum. Operating funds received from the State are allocated by the President of the University to the campuses according to a formula intended to achieve equitable State dollars provided per weighted student.

Capital Budget: Annually, the University prepares a multi-year State and non-State funded capital plan titled, "Capital Financial Plan." After compilation and review of campus submittals by the Office of the President, discussions are held with campus representatives regarding project need, justification, priority, and likelihood of funding. With regard to non-State funds, the University uses external financing, gift funds, certain fees and reserves, and other funds available to The Regents for capital projects. State funds for capital projects may take the form of (1) proceeds of State-issued general obligation bonds, (2) the pledge or use of a portion of the University's annual State general fund support appropriation to (A) secure or make debt service payments for capital expenditures funded by the University's General Revenue Bonds or commercial paper associated with the University's General Revenue Bond program or (B) secure or make availability payments, lease payments, installment payments, and other similar or related payments for capital expenditures, and (3) the use of a portion of the University's annual State general fund support appropriation to fund pay-as-you-go capital outlay projects. With respect to State funds for capital projects that take the form of proceeds of State-issued general obligation bonds, a line-item capital budget request is submitted annually to the State for approval, along with the Capital Financial Plan for context. Major capital projects that are State funded are approved by the State on a line-item basis; any funds requested for minor capital projects are approved on a lump-sum basis.

The process with respect to the use of a portion of the University's annual State general fund support appropriation to (1) make debt service payments for capital expenditures funded by the University's General Revenue Bonds or commercial paper associated with the University's General Revenue Bond program, (2) make availability payments, lease payments, installment payments, and other similar or related payments for capital expenditures, and (3) fund pay-as-you-go capital outlay projects is as follows. The University may apply a portion of its annual State general fund support appropriation so long as it, among other things, receives approval under the following process: 1) the University submits on or before September 1 prior to such subsequent fiscal year, a report detailing, among other things, the scope and funding plan for the proposed capital expenditures and capital outlay projects to the committees in each house of the Legislature that consider the annual State budget, the budget subcommittees in each house of the Legislature that consider appropriations for the University, and the Department of Finance, 2) the Department of Finance reviews the report and submits, by February 1, a list of preliminarily approved capital expenditures and capital outlay projects to the committees in each house of the Legislature that consider the annual State budget and the budget subcommittees in each house of the Legislature that consider appropriations for the University, and 3) the Department of Finance submits a final list of approved projects to the University no earlier than the following April 1.

Recent State Support for the University: The following table sets forth State appropriations for Fiscal Year 2020-21 through Fiscal Year 2024-25.

STATE APPROPRIATIONS

Fiscal Year	**State Appropriations To University**[1]
2020-21	$3.474 billion[2]
2021-22	4.753 billion[3]
2022-23	4.917 billion[4]
2023-24	4.864 billion[5]
2024-25	4.857 billion[6]

(1) Includes appropriations for lease purchase payments, general obligation debt service, State grants and direct payments to the Retirement Plan for pledges from 1990.

(2) Reflects a reduction of $259.0 million to the University's base budget. Also includes one-time funds of $8.7 million for various programs across the University. Of the amount shown, $187.9 million, $63.4 million, and $45.7 million was used to fund the University of California Office of the President, the University of California Division of Agriculture and Natural Resources and UCPath, respectively, and $226.6 million was used for debt service on previously issued State general obligation bonds that benefited the University.

(3) Includes $545.7 million in new ongoing support, with $302.4 million provided to restore cuts to the University's budget made in 2020-21. Also includes one-time funds of $741.8 million, including $325 million intended to address deferred maintenance across the system. Also includes $189.5 million used for debt service on previously issued State general obligation bonds that benefited the University. The Budget Act no longer funded the University of California Office of the President and UCPath as separate line items for General Fund support.

(4) Includes $358.0 million in additional ongoing support, $550.2 million in one-time funding, including $125 million intended to address deferred maintenance across the system and $185 million to support climate research, and $184.4 million for debt service on previously issued State general obligation bonds that benefited the University. Funding of $166 million previously appropriated for the Berkeley clean energy project and for expansion projects at UC Merced and UC Riverside reverted to the State in the Budget Act of 2023 and was replaced with ongoing funding to cover debt service on an amount estimated to be equivalent to the funds needed to finance these projects. Funding of $100 million previously appropriated for the California Institute for Immunology and Immunotherapy at UCLA reverted to the State in the Budget Act of 2023 and was replaced with one-time funding in the following fiscal year.

(5) Includes $346.4 million in additional ongoing support, $142.5 million in one-time funding, including $100 million for the California Institute for Immunology and Immunotherapy at UCLA, and $155.4 million for debt service on previously issued State general obligation bonds that benefited the University.

(6) Includes $134.8 million in additional ongoing support, and $158.0 million for debt service on previously issued State general obligation bonds that benefited the University.

State Budget for the University for 2022-23. The Governor signed SB-154 on June 27, 2022, and AB-178 on June 30, 2022; together, these bills constituted the 2022-23 State Budget Act. For 2022-23, State funds allocated to the University totaled $5.183 billion, including $358.0 million in new, ongoing funding (an increase of approximately 9.0% over 2021-22) and $816.2 million in one-time support. Of this one-time funding, $125 million was intended to address deferred maintenance across the system and $185 million would support climate research. A portion of the one-time funding ($166 million) appropriated for the UC Berkeley clean energy project and for expansion projects at UC Merced and UC Riverside reverted to the State in the Budget Act of 2023 and was replaced with ongoing funding to cover debt service on an amount estimated to be equivalent to the funds needed to finance these projects. Funding of $100 million previously appropriated for the California Institute for Immunology and Immunotherapy at UCLA also reverted to the State in the Budget Act of 2023 and was replaced with one-time funding in the following fiscal year. State funds allocated to the University totaled $4.917 billion after one-time funds described above reverted to the State.

The Governor's budget also reflected the first year of a multi-year compact with the University for sustained ongoing funding. The multi-year compact provides for UC to receive annual 5% base budget adjustments through 2026-27, as long as progress is made towards specified policy goals related to access, student success and equity, affordability, intersegmental collaboration, workforce preparedness, and access to online offerings.

In addition to the University's main appropriation, the State Budget included $389 million in one-time funds for specific student housing projects through the Higher Education Student Housing Grant Program, all of which reverted to the State in the Budget Act of 2023 and was replaced with ongoing funding to cover debt service on an amount estimated to be equivalent to the funds needed to finance these projects.

State Budget for the University for 2023-24. The Governor signed SB-101 on June 27, 2023, and AB-102 on July 10, 2023. The Governor signed SB 104, a budget trailer bill amending the Budget Act of 2022 and Budget Act of 2023, on September 13, 2023, overriding most previous State General Fund appropriations in SB 101 and AB 102 for the University of California. Together with issue-specific budget trailer bills, these bills constituted the Budget Act of 2023-24.

For 2023-24, State funds allocated to the University totaled $4.864 billion, including $346.4 million in new, ongoing funding (an increase of 7.9% over 2022-23) and $142.5 million in one-time support. The Governor's budget reflected the second year of a multi-year compact with the University for sustained ongoing funding.

The budget provided $50.7 million in annual ongoing funding to move the Higher Education Student Housing Grant Program projects from grant funding to the University-issued bond programs. Similarly, campus expansion projects at the Merced and Riverside campuses will be funded with University-issued bonds equal to the originally-intended State appropriations, and the UC Berkeley clean energy campus project will also be funded with University-issued bonds. The University receives $33.3 million in annual ongoing support funding that will be used to cover the debt service for these campus expansion and clean energy projects.

State Budget for the University for 2024-25. The Governor signed SB-108 on June 29, 2024. This bill, together with AB-107, which the Governor signed on June 26, 2024, constitute the Budget Act of 2024. For 2024-25, State funding allocated to the University totals $4.857 billion, including $134.8 million in new, ongoing funding (an increase of 2.9% over 2023-24).

The budget provides the University with an increase of $227.8 million, consistent with the multi-year compact, $31.0 million for the replacement of nonresident students with resident undergraduates at the Berkeley, Los Angeles, and San Diego campuses, and $14.5 million to cover debt service costs for a medical educational building at the Merced campus. However, the budget also reflects a reduction of $125.0 million to the University's base budget and reduces support for Graduate Medical Education programming by $13.5 million.

Proposed State Budget for the University for 2025-26. On January 10, 2025, the Governor released his 2025-26 State budget proposal and allocated a total of approximately $4.59 billion in ongoing State General Fund support to the University of California. Following the restoration of the one-time reduction of $125 million from 2024-25, the University will see a reduction of 7.95 percent, or $396.6 million, to its ongoing budget, reflecting a net reduction of $271.6 million relative to 2024-25 funding. The Governor's budget plan reflects the legislative intent language in the Budget Act of 2024 to reduce both the University's budget by 7.95 percent and defer 2025-26 Compact funding (equivalent to a five percent base budget increase) to 2026-27.

The final State budget will be signed in June 2025 and may vary from the above proposed budget.

EMPLOYER–EMPLOYEE RELATIONS

The Higher Education Employee Relations Act (HEERA), the law that provides for collective bargaining in higher education, became effective July 1, 1979. The following table shows the membership of each systemwide employee bargaining unit and the expiration dates of the applicable current labor contracts as of October 2024:

University of California
Systemwide Employee Organizations[1]

Union	Bargaining Unit	Head Count	Contract Expiration
United Academic Workers, Local 4811	BX – Academic and Student Employees[2]	20,787	1/1/26
United Academic Workers, Local 4811	BR – Graduate Student Researchers[2]	13,371	1/1/26
International Brotherhood of Teamsters 2010	CX – Clerical & Allied Services	16,638	3/31/26
UAPD Union of American Physicians & Dentists	DX – Student Health Center Physicians and Dentists	122	6/30/27
AFSCME American Federation of State, County and Municipal Employees, AFL-CIO Local 3299	EX – Patient Care Technical	25,263	7/31/24[3]
UPTE University Professional & Technical Employees, CWA, Local 9119	HX – Residual Health Care Professionals	8,022	9/30/24[3]
UC-AFT American Federation of Teachers	IX – Non Senate Instructional	5,152	6/30/26
UC – AFT American Federation of Teachers	LX – Professional Librarians	342	1/1/29
CNA California Nurses Association	NX – Registered Nurses	23,539	10/31/25
FUPOA Federated University Police Officers Association	PA – Police Officers	292	6/30/26
United Academic Workers, Local 4811	PX – Post Doctoral Scholars	7,167	9/30/27
United Academic Workers, Local 4811	RA – Academic Researchers	4,992	9/30/27
UPTE University Professional & Technical Employees, CWA, Local 9119	RX – Research Support Professionals	6,454	10/31/24[3]
AFSCME American Federation of State, County and Municipal Employees, AFL-CIO Local 3299	SX – Service	11,429	10/31/24[3]
UPTE University Professional & Technical Employees, CWA, Local 9119	TX – Technical	4,691	10/31/24[3]

(1) Table does not include employees represented by local bargaining units.
(2) Bargaining units merged as of January 1, 2024. The existing contracts will remain unchanged until a new contract is negotiated and accepted, which is expected on or around expiration of the current contracts on January 1, 2026.
(3) Contract under negotiation.

It is always difficult to determine with assurance the future course of employer–employee relations. Nevertheless, at the current time, The Regents does not anticipate that the future labor relations climate within the University will have a material adverse impact upon the ability of The Regents to pay debt service on its General Revenue Bonds when due.

RETIREMENT PLAN FUNDS

Administration: The Regents maintains the University of California Retirement Plan ("UCRP" or the "Retirement Plan"), a governmental defined benefit pension plan, which provides lifetime retirement income, disability protection, death benefits, and pre-retirement survivor benefits to eligible employees of the University. The four Retirement Plan benefit tiers that employees participate in are: the 1976 Tier, the 2013 Tier, the Modified 2013 Tier and the 2016 Tier. Each tier bases benefits on the same components: age factor, service credit and highest average plan compensation, although the formulas relating to benefits differ.

The Regents is the trustee of the Retirement Plan, and the President of the University is the Administrator of the Retirement Plan. The University of California Systemwide Human Resources is responsible for the day-to-day management and operation of the Retirement Plan.

Membership: The following table shows membership in the Retirement Plan for each Fiscal Year from the Fiscal Year beginning July 1, 2020 through the Fiscal Year beginning July 1, 2024:

RETIREMENT PLAN MEMBERSHIP

Fiscal Year Beginning July 1	Active Vested Members	Active Nonvested Members	Inactive Members[(1)]	Retired Members[(2)]	Ratio of Retirees to Actives
2020	80,555	54,398	99,156	80,745	0.60
2021	82,376	48,722	106,291	83,012	0.63
2022	83,619	51,281	112,927	85,466	0.63
2023	85,487	55,929	120,556	87,282	0.62
2024	88,197	63,363	125,098	89,186	0.59

The 2013 Tier of pension benefits was created for employees hired on or after July 1, 2013, which increased the earliest retirement age from 50 to 55, with a corresponding shift in the age factors by five years, while retaining many of the prior features of the Retirement Plan (henceforth known as the "1976 Tier"). The 2013 Tier does not offer lump sum cash outs, inactive member cost-of-living adjustments, or subsidized survivor annuities for spouses, domestic partners, children, and dependent parents. These changes were subject to collective bargaining for union-represented employees and the University agreed to some variations in the 2013 Tier (the Modified 2013 Tier[(3)]) for certain unions that did not adopt the provisions of the 2013 Tier.

(1) Inactive members entitled to, but not yet receiving, benefits.

(2) Includes beneficiaries receiving benefits and deferred retirees and deferred beneficiaries who are entitled to future benefits.

(3) Generally, these pension benefit tiers use the same age factors as the current 1976 Tier and allow lump sum cash outs but have higher member contribution rates for all active members in those bargaining units.

Under the Retirement Choice Program, effective July 1, 2016, the Retirement Plan was amended to provide another new tier of pension benefits. The new program provides eligible University employees hired (or becoming eligible) on or after July 1, 2016 (and certain eligible rehires who return to work after a tier break in service) a choice between two primary retirement benefit options: (1) "Pension Choice" also known as the "2016 Tier," which is the UCRP pension benefit with covered compensation for new hires capped at the California Public Employees' Pension Reform Act of 2013 (PEPRA) covered compensation limit, referred to below as the ("PEPRA Cap") ($151,446 for the fiscal year beginning July 1, 2024), or (2) "Savings Choice," which is a defined contribution plan-only option for any pension eligible earnings up to the Internal Revenue Code ("IRC") limit ($345,000 for the fiscal year beginning July 1, 2024), with the University contribution rate set at 8.0% for all employees (whether they are faculty or staff) to the University of California Defined Contribution Plan ("DC Plan").

In addition, under the 2016 Tier, the University makes a supplemental contribution of 5.0% to the DC Plan for eligible faculty on all pension eligible earnings up to such IRC annual compensation limit. For staff subject to the PEPRA Cap, the University makes a supplemental contribution of 3.0% to the DC Plan for pension eligible earnings between the PEPRA Cap up to the above referenced IRC limit. Retirement benefit changes for union-represented employees will be effective upon completion of the collective bargaining process.

Funding Policy: The Retirement Plan's independent actuary prepares an annual actuarial valuation of the Retirement Plan. The purpose of the annual actuarial valuation is to disclose the Retirement Plan's funded position as of the beginning of the current fiscal year, analyze the preceding fiscal years' experience and determine the total funding policy contribution rate for the following fiscal year. The actuarial valuation includes economic assumptions based on the experience of the Retirement Plan. As of July 1, 2024, these economic assumptions include a long-term investment earnings assumption of 6.75% per year, projected salary increases ranging from 3.65-5.95% per year, cost-of-living adjustments of 2.00% per year and inflation of 2.50% per year.

The total funding policy contribution rate is calculated based upon applying the following methodology, approved by The Regents:

First, the "Normal Cost" is calculated for the Retirement Plan. The Normal Cost represents the portion of the actuarial present value of Retirement Plan benefits that the Retirement Plan will be expected to fund that is attributable to the current year of employment. The Retirement Plan uses the entry age actuarial cost method, which is an actuarial method of calculating the anticipated cost of pension liabilities, designed to fund benefits as a level percentage of compensation over the working lifetime of the Retirement Plan's active members.

Second, the contribution calculation includes an amortization of the amount by which the Retirement Plan actuarial accrued liability exceeds the actuarial value of the Retirement Plan assets (the "unfunded actuarial accrued liability" or "UAAL").

There are many factors that impact the UAAL. Any changes in UAAL due to actuarial experience gains or losses or a change in actuarial assumptions that occur after July 1, 2014, are separately amortized over a fixed (closed) 20-year period. The market value of assets less unrecognized returns in each of the last five years is used to calculate the actuarial value of the Retirement Plan assets. Unrecognized return is equal to the difference between the actual and the expected returns on a market value basis and is recognized over a five-year period.

While the independent actuary annually determines the total funding policy contribution rate, the University is not required to contribute an amount equal to its total funding policy contribution. The actual contribution rates of the University and members are based on numerous factors, including the availability of funds to the University, the impact of member contributions on the competitiveness of the University's total remuneration package, and collective bargaining agreements.

Funded Status: The UAAL for the campus and medical centers segment as of the July 1, 2024 and July 1, 2023 actuarial valuation was $19.9 billion and $19.4 billion, respectively, or 81.3% and 80.6% funded, respectively, on an actuarial value of assets basis. These results are based on the "smoothed" or Actuarial Value of Assets, which had a return of 7.68% during Fiscal Year 2023-24, higher than the 6.75% investment earnings assumption.

The "actuarially-determined" contributions for UCRP in total for Fiscal Year 2023-24 and Fiscal Year 2022-23 were $4.22 billion and $3.81 billion, respectively. In Fiscal Year 2023-24, University contributions were approximately $3.00 billion and member contributions were approximately $1.33 billion. In Fiscal Year 2022-23, University contributions were approximately $2.77 billion, and member contributions were approximately $1.21 billion. The total funding policy contribution rates for the campus and medical centers segment for Fiscal Years 2023-24 and 2022-23 represented 32.9% and 32.7% of covered compensation, respectively.

The member contribution rate for the 1976 Tier is approximately 8.0%. The member contribution rate is 7.0% for both the 2013 and 2016 Tiers and 9.0% for the Modified 2013 Tier. The University pays a uniform contribution rate on behalf of all active members in the campus and medical centers segment, which is 14.5% for the Fiscal Year 2024-25. In November 2023, the Regents approved a new schedule of the University contribution levels, pursuant to which the rate will increase by 0.5% each July 1 until reaching a maximum of 18.0%. The University reevaluates and adjusts contribution rates from time to time.

The Regents granted the President of the University the authority and discretion to fund additional contributions with respect to the Retirement Plan through a combination of transfers from the Short-Term Investment Pool ("STIP") and external financing as provided in the following table.

Regents' Approvals

Regents' Authorizations		Transfers to Retirement Plan	
Date	Approval	Date	Action
March 2011	$2.1 billion from STIP and/or external borrowing, with external borrowing not to exceed $1 billion, in Fiscal Years 2010-11 and 2011-12	April 2011	$1.1 billion from STIP
		July 2011	$935 million from proceeds of General Revenue Bonds[1]
July 2014	$700 million from STIP in Fiscal Year 2014-15	August 2014	$700 million from STIP
November 2015	$563.6 million from STIP in Fiscal Year 2015-16, $481 million from STIP in Fiscal Year 2016-17, and $391.8 million from STIP in Fiscal Year 2017-18	December 2015	$563.5 million from STIP
		Between July 2016 and December 2016	$481 million from STIP
		Between July 2017 and January 2018	$391.8 million from STIP
July 2017	$500 million from STIP and/or external borrowing in Fiscal Year 2018-19, $500 million from STIP and/or external borrowing in Fiscal Year 2019-20, $600 million from STIP and/or external borrowing in Fiscal Year 2020-21, and $700 million from STIP and/or external borrowing in Fiscal Year 2021-22	Between July 2018 and December 2018	$500 million from STIP
		Between July 2019 and December 2019	$500 million from STIP
		Between July 2020 and December 2020	$213 million from proceeds of General Revenue Bonds and $387 million from STIP[2]
		July 2021	$700 million from STIP
November 2021	$500 million from STIP and/or external borrowing in Fiscal Year 2022-23, $500 million from STIP and/or external borrowing in Fiscal Year 2023-24	July 2022	$500 million from STIP
		July 2023	$500 million from STIP

(1) The Regents issued $1.2 billion of General Revenue Bonds 2011 Series Y, 2011 Series Z, and 2011 Series AA and approximately $935 million of the proceeds of those bonds were applied to fund a portion of the annual required contribution ("ARC").

(2) Financed with General Revenue Bond, 2019 Series BD proceeds.

Regents' Approval (continued)

Regents' Authorizations		Transfers to Retirement Plan[3]	
Date	Approval	Date	Action
November 2023	$800 million from STIP in Fiscal Year 2024-2025	July 2024 August 2024	$200 million from STIP $400 million from STIP
	$700 million from STIP in Fiscal Year 2025-2026		
	$550 million from STIP in Fiscal Year 2026-2027		
	$550 million from STIP in Fiscal Year 2027-2028		
	$400 million from STIP in Fiscal Year 2028-2029		

(3) Timing of remaining transfers is to be determined.

The national laboratory "segments" of the Retirement Plan are accounted for and evaluated separately from those of the campus and medical centers segment.[1] The Lawrence Berkeley National Laboratory ("LBNL") segment employer contribution rate is based on contractual agreements between The Regents and the U.S. Department of Energy ("DOE"). Currently, this rate is the same as the University contribution rate for the campus and medical centers segment (also referred to as the "non-laboratory segment"). The DOE is contractually required to make actuarially-determined contributions to the Retirement Plan for the Los Alamos National Laboratory and Lawrence Livermore National Laboratory Retained Segments, based on the provisions in each contract.

The table below shows the fair market value of assets held in trust for payment of pension benefits; the actuarial value of assets adjusted according to the Retirement Plan's actuarial methods as summarized above; the actuarial accrued liability of the Retirement Plan; the actuarial deficit, the funded ratio on an actuarial and market value basis; the annual covered payroll; and the actuarial deficit as a percentage of annual covered payroll for the total Retirement Plan as of July 1, in each of years 2020 through 2024.

(1) There are four separate and distinct "segments" that comprise the Retirement Plan as a whole: the campus/medical centers segment, the Lawrence Berkeley National Laboratory segment, the Lawrence Livermore National Laboratory retained segment, and the Los Alamos National Laboratory retained segment.

Retirement Plan Funding[1]
(dollars in millions)

Actuarial Valuation Date	Market Value of Assets	Actuarial Value of Assets	Actuarial Accrued Liability	Actuarial Deficit (Actuarial Basis)	Funded Ratio (Actuarial Basis)	Funded Ratio (Market Basis)	Annual Covered Payroll	Actuarial Deficit as a Percentage of Annual Covered Payroll
July 1, 2020	70,916.2	73,318.7	93,088.2	(19,769.6)	78.8%	76.2%	13,109.9	(150.8%)
July 1, 2021	91,749.8	80,812.1	97,243.8	(16,431.8)	83.1%	94.4%	13,283.0	(123.7%)
July 1, 2022	81,363.0	85,720.2	102,715.8	(16,995.6)	83.5%	79.2%	14,028.5	(121.1%)
July 1, 2023	88,194.8	90,045.0	110,057.2	(20,012.3)	81.8%	80.1%	15,871.7	(126.1%)
July 1, 2024	98,689.6	96,053.5	116,497.2	(20,443.7)	82.5%	84.7%	17,708.1	(115.4%)

(1) Includes campuses, medical centers, and laboratories.

Asset Management Plan: The Regents, as the governing board and as trustee, is responsible for the oversight of the Retirement Plan's investments and establishes investment policy, which is carried out by UC Investments. UC Investments has primary responsibility for investing the Retirement Plan's assets consistent with the policies established by The Regents.

Over the past ten years, the Retirement Plan's asset allocation targets have been adjusted periodically to diversify the assets over multiple asset classes, investment styles and strategies. The result has been a movement away from a single, concentrated source of risk (primarily U.S. equities) toward a balanced and diversified portfolio across global assets and risk factors that are less correlated with markets. Currently, the assets of the Retirement Plan are invested across the institutional global capital markets. In addition to U.S. equities and fixed income securities, the Retirement Plan also holds international equities, global sovereign and corporate debt, global public and private real estate, and an array of alternative investments including private equity, venture capital, real estate, and real assets.

Net Pension Liability: The University follows Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires recognition of a liability equal to the net pension liability, which is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. As of June 30, 2024, the University reported a net pension liability for the Retirement Plan of $17.5 billion. As of June 30, 2023, the University reported a net pension liability for the Retirement Plan of $20.4 billion. The change in net pension liability for Fiscal Year 2023-24 was primarily driven by investment returns for the UCRP portfolio. The total investment rate of return for UCRP was 12.2% in Fiscal Year 2023-24, which was higher than the discount rate of 6.75% used to estimate the net pension liability. For a further description of the University's pension accounting practices and the University's pension plan funds, see "APPENDIX B - THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-2024", including Note 15 and Required Supplementary Information.

RETIREE HEALTH PROGRAM FUNDS

The University administers the Retiree Health Benefit Program (the "Retiree Health Program"). The Retiree Health Program is a single-employer health and welfare plan that provides health and welfare benefits (primarily medical, dental and vision) to eligible retirees and their families and survivors of the University and its affiliates. Membership in the Retirement Plan, DC Plan (Savings Choice described above), or another retirement plan to which the University contributes, is required to become eligible for retiree health benefits. Retirees employed by the University prior to January 1, 1990 and who have not had a break in covered service of more than 120 days following that date are eligible for the University's maximum contribution if they retire before age 55 and have at least 10 years of UCRP service credit, if they retire at age 55 or later and have at least five years of UCRP service credit, or if they retire on disability and have at least 5 years of UCRP service credit. Retirees employed by the University after January 1, 1990, and prior to July 1, 2013 are subject to graduated eligibility provisions that generally require 10 years of service before becoming eligible for 50% of the maximum University contribution, increasing to 100% after 20 years of service. Retirees employed by the University on or after July 1, 2013 are subject to graduated eligibility provisions based on both a member's age and years of UCRP or equivalent DC Plan service credit upon retirement(1). Active employees do not make any contributions toward the Retiree Health Program. Retirees pay the excess, if any, of the premium over the applicable portion of the University's maximum contribution.

Funding Policy: The contribution requirements of the University and eligible retirees are established and may be amended by the University. The contribution requirements are based upon projected pay-as-you-go financing. Contributions toward medical and dental benefits are shared between the University and the retiree. The University does not contribute toward the cost of other benefits available to retirees.

On July 1, 2007, The Regents established the University of California Retiree Health Benefit Trust (the "Trust") to allow certain University locations (primarily campuses and medical centers (LBNL does not participate in the Trust)), that share the risks, rewards and costs of providing for retiree health benefits, to fund such benefits on a cost-sharing basis and accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. While the University does not currently pre-fund retiree health benefits, if pre-funding occurs in the future, the Trust will be used as the funding vehicle. As of June 30, 2024, the balance in the Trust was $225.9 million.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("the Statement"), which the University implemented in Fiscal Year 2016-17, requires recognition of a liability equal to the net retiree health benefit liability, which is measured as the total retiree health benefit liability, less the amount of the Trust's fiduciary net position. The total retiree health benefit liability is determined based upon discounting projected benefit payments based on claims costs, the benefit terms and legal agreements existing at the Trust's fiscal year end. Projected benefit payments are required to be discounted using a single

(1) In addition, members of the HA, HX, K7, NX, RX, EX, SX and TX bargaining units negotiated the effective date of revised eligibility rules for Retiree Health Program benefits as part of contract negotiations. Generally, new employees hired after the negotiated effective date of revised eligibility rules must retire at 65 and have worked at least 20 years in order to receive the maximum employer contribution to the retiree health premium.

rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. The Statement requires that most changes in the net retiree health benefit liability be included in retiree health benefit expense in the period of change.

The actuarial methods and assumptions used in determining the Retiree Health Program liability as of June 30, 2024 include the entry age normal level percentage of pay actuarial cost method; a 3.93% discount rate (index rate for 20-year tax-exempt general obligation municipal bond index rate with an average rating of AA/Aa or higher); and health care cost trend rate ranging from 4.87% to 20.46% for non-Medicare and 0.20% to 18.15% for Medicare initially, depending on the type of plan, gradually adjusted to an ultimate rate of 3.94% for 2076 and later years.

The following table shows the fair market value of assets held in the Trust; the total OPEB (other post-employment benefits) liability; the net OPEB liability; the funded ratio on market value of assets basis; the annual covered payroll; and the net OPEB liability as a percentage of annual covered payroll as of June 30, 2020, through June 30, 2024. The net OPEB liability as of the June 30, 2024, and 2023 actuarial valuations were \$20.3 billion and \$21.7 billion, respectively, or 1.1% and 0.9% funded, respectively, on a market value of assets basis. The decrease in net OPEB liability as of June 30, 2024 was primarily driven by changes in assumptions around plan participation and healthcare cost trends and by the increase in the applied discount rate from 3.65% to 3.93%.

Measurement Date	Market Value of Assets (in millions of dollars)	Total OPEB Liability (in millions of dollars)	Net OPEB Liability (in millions of dollars)	Funded Ratio	Annual Covered Payroll (in millions of dollars)	Net OPEB Liability as a Percentage of Annual Covered Payroll
June 30, 2020	156.8	23,303.1	23,146.3	0.7%	13,104.8	176.6%
June 30, 2021	171.6	24,380.4	24,208.8	0.7%	13,595.9	178.1%
June 30,2022	179.5	19,751.0	19,571.5	0.9%	15,048.2	130.1%
June 30, 2023	192.8	21,860.7	21,667.8	0.9%	16,665.1	130.0%
June 30, 2024	225.9	20,515.1	20,289.3	1.1%	18,599.8	109.1%

For more information on the Retiree Health Program and Trust, see "APPENDIX B - THE UNIVERSITY OF CALIFORNIA ANNUAL FINANCIAL REPORT 2023-24" including Note 16 and Required Supplementary Information.

CYBERSECURITY RISKS

Like many other large public entities, the University relies on a large and complex technological environment to conduct its operations, including at its campuses and medical centers. The University handles a significant amount of sensitive information, like student financial aid data, patient health information, and personnel records for hundreds of thousands of employees and contractors. Moreover, the University oversees other highly sensitive information, such as world-class research, valuable intellectual property, financial trade secrets, and "big data" health information. The University faces a variety of risks to its networks and systems, including but not limited to hacking malware and other attempted intrusions on its networks and systems. In addition, the University's information technology ("IT") systems are designed to be open, collaborative, permissive, and distributed, and all of these features increase cybersecurity risk. Moreover, there is an enormous number of users of such systems, the users are constantly changing, and training and proper protocol are difficult to enforce. As a public university, the University also faces financial challenges as compared to a for-profit corporation and it is more challenging to maintain and update IT security with limited resources. Moreover, demand for remote work and learning has increased reliance on IT systems, which further heightens the risk and impact of a cyberattack. Potential consequences of a future cyberattack include government administrative, civil, or criminal enforcement actions; class-action litigation; complicated remediation; interruption of medical center or academic/research functionality; delayed or destroyed research; violation of security obligations in government contracts and grants including federally funded research awards; disclosure of protected faculty, student, patient, research participant, or other individually identifiable information; and reputational risk related to the University's commitment to protecting information.

In the past several years, a number of threat actors have sought to gain unauthorized access to digital systems of large organizations such as the University for the purpose of misappropriating assets or information, causing operational disruptions, or demanding payment for the return of system data or control of a system. These attempts have included highly-sophisticated efforts to electronically circumvent network security, as well as more traditional intelligence gathering, and social engineering aimed at obtaining information necessary to gain access.

As to cybersecurity claims, the University maintains a large self-insured retention and commercial insurance coverage for liabilities in excess of its self-insured retention. The commercial insurance coverage consists of a comprehensive cybersecurity insurance policy, which covers, among other things, wrongful acts or breaches; defense costs, regulatory fines and penalties or compensatory awards; privacy breach response costs; and loss of digital assets and business protection. However, some risks such as betterment (i.e., the cost of improving internal technology systems post-event) are not covered by the policy.

The University has taken, and continues to take, measures to protect its IT systems against cyberattacks. Such measures include, but are not limited to, improved technical security controls; improved vendor management processes; audits conducted by The Office of Ethics Compliance & Audits Services to identify and remediate gaps and vulnerabilities; corrective actions in response to findings related to recent incidents; centralization of the information security function at locations; expanded scope of cybersecurity tools across the system; improvements in security governance, policies, and procedures; more formalized and comprehensive risk assessment processes; improvements in implementing systemwide minimum security standards contained in the University's IS-3 policy; improvements in assessing the value of different types of information stored in University systems and the security protections that it implements with respect to each category of information; and increased scope of work of the Cyber-Risk Coordination Center, a systemwide group which issues guidance and directives to improve security systems and assure escalation and remediation of security incidents and other problems. However, despite these efforts, there can be no assurance that the University will not experience future significant breaches. Such breaches could have a material adverse impact on the University.

CLIMATE CHANGE AND SUSTAINABILITY

General. The University, like many other institutions in California, has recently experienced the impact of unpredictable changes in environmental conditions and climate change-induced events that include wildfires, heat waves, and extreme storm events. Because University campuses are located throughout the State, campuses may face differing challenges as a result of climate change, and such challenges may include soil erosion, fires, reduced air quality, sea-level rise, drought and/or flood conditions.

University Policies. The University is committed to adapting campuses and building systemwide resiliency to mitigate these risks and to ensure the continuity of operations and long-term viability at its campuses and medical centers. The University has adopted policies and initiatives intended to ensure that it meets this commitment, including the University of California – Policy for Sustainable Practices, which focuses on, among other things: climate protection, clean energy, green building design, and sustainable transportation, building and laboratory operations. The Policy for Sustainable Practices can be found at the following website: https://policy.ucop.edu/doc/3100155/SustainablePractices. On an annual basis, the President of the University reports to the Board of Regents on the University's sustainability efforts in each area of the Policy for Sustainable Practices. Such reports can be found at the following website: https://www.ucop.edu/sustainability/policy-areas/annual-reports.html.

The information contained in such websites is not incorporated by reference herein and is not necessarily updated in a regular manner.

The events referenced above under "General" have not thus far had a material adverse impact on the University generally or the ability of The Regents to pay debt service on its General Revenue Bonds when due; however, the future fiscal and operational impacts of climate change on the University are difficult to predict and could be significant.

AUDITS, COMPLIANCE REVIEWS AND OTHER INQUIRIES

At all times, there are audits, compliance reviews and other inquiries that arise in the normal course of the University's activities. Such audits, compliance reviews and other inquiries may relate to any activity at the University, and may be conducted by persons or entities within or outside the University, including but not limited to the University's internal audit, investigations and compliance units, the California State Auditor and a variety of other federal and State governmental agencies. Such audits, compliance reviews and other inquiries could identify improper actions by University personnel or others affecting expenditures by The Regents, and in some cases, its revenues. University management is not aware of any pending audit, compliance review or other inquiry concerning matters that are likely to have a material adverse effect on The Regents' ability to pay debt service on its General Revenue Bonds when due.

APPENDIX·B

THE UNIVERSITY OF CALIFORNIA
ANNUAL FINANCIAL REPORT 2023-2024

[THIS PAGE INTENTIONALLY LEFT BLANK]

UNIVERSITY
OF
CALIFORNIA

Annual Financial Report

2023–24

The University of California was founded on a revolutionary idea: That the state deserved a great public research university, open to all. Today, UC is essential to California's success, creating social mobility for its people and developing solutions to our most urgent societal challenges.

Contents

University of California
Annual Financial Report 2023–24

Letter from the President

The past year was one of steadiness and strength for the University of California, as the tripartite UC mission of teaching, research, and public service continued to expand opportunity, feed the economy, and fuel innovation throughout California and beyond.

I am pleased with what this support reflects — a diligent and committed partnership with the Governor and the State legislature to increase access to higher education, ensure affordability, and provide the support students need to succeed. Stability in this investment enables the University of California to continue to make vital contributions to the lives of every Californian, as we have since our founding over 150 years ago — whether through our health enterprise, expanding access to a debt-free education, or clean energy research at our affiliated national labs.

One of the clearest examples of this impact this year came in the strong demand for a UC education and in our record-breaking class of admits. We admitted the largest and most diverse class in University of California history for fall 2024, including big increases in admission offers to California students, community college transfers, and students from groups historically underrepresented in higher education. This increase is part of a years-long effort to expand educational opportunities for California students. In fact, the number of admitted California first-years has increased by 50 percent since 2014.

Meanwhile, our campuses continue to shine in their capacity to spur innovation, with the National Academy of Inventors ranking the University of California No. 1 among U.S. universities for utility patents in 2023 — the second year in a row for this recognition.

Throughout this growth and innovation, our campuses and hospitals continue to be ranked among the best in the nation. And every day, our faculty, students, and staff contribute their talents toward the pursuit of new knowledge and the creation of a healthier, more just society and planet for all. I am grateful to the University of California community for another fiscal year's progress toward this hopeful endeavor, as we work together to serve the greater good as one of the world's great universities.

Michael V. Drake, M.D.
President, University of California

Letter from the Executive Vice President and CFO

The University of California continues to move forward across many fronts, most importantly in advancing access and opportunity for students across California. The 2023–24 fiscal year brought yet more progress on our goals, as we look for innovative solutions to challenges the University faces going forward.

On the heels of a record-breaking class of new students in 2023, the University of California once again broke its own record for the fall of 2024, admitting the largest and most diverse class in its history. UC offered admission to two out of every three applicants overall, with nearly 167,000 students offered a spot at one of the university's nine undergraduate campuses. These numbers reflect the University's role as an engine of social mobility for the state, as we continue to narrow opportunity gaps for students. Of these admitted students, 43 percent would be the first in their families to go to college.

While navigating economic headwinds, State leaders continued their steadfast support of UC in 2023, a testament to the value they see in growing access to a UC degree, and in UC research and public service for the benefit and prosperity of Californians broadly. The University of California received over $4.7 billion in State General Fund in the Budget Act of 2023. This represented an increase of $329.2 million, or 7.5 percent, in ongoing funding over the 2022-23 budget. Additionally, the University received $142.5 million in one-time funding for campus-specific projects and capital outlay for health research.

Meanwhile, the University of California has expanded its health enterprise significantly, acquiring eight hospitals and adding 2,000 hospital beds across the state — a 50 percent increase in beds and a strong investment in taking care of the health of Californians.

We continue to champion innovative approaches to the financial wellbeing of the University, including solutions for the perennial challenge of housing. Even in the highest interest rate environment in decades, UC was able to continue to take advantage of the University's strong credit and the central bank implementation to finance projects systemwide at a low cost of capital. Projects included housing at UC Santa Cruz, where the Delaware Avenue development will provide housing for about 400 upper-division undergraduate students and more than 60 employees.

All of this growth is further evidence of the University of California's strength and vitality, but challenges remain. Demands in the area of capital remain pressing, and we must also be mindful of increasing expenses for the University. We will need to continue to seek creative strategies to grow revenue.

We are encouraged and motivated by student demand for our UC campuses, and we're grateful for the strong and growing partnership with the State. Hand in hand with our dedicated and creative UC faculty and staff, we'll continue to push forward toward a strong and sustainable future for the University.

Recognizing the historic housing crisis in California and its effects on college students, the Budget Act and accompanying budget trailer bills fund critical student housing projects at our campuses. The budget provides $33.5 million in ongoing support funding to move the Higher Education Student Housing Grant Program projects from grant funding to the University's institutional bond funds. The UC Merced and UC Riverside intersegmental student housing projects with their local community colleges are both funded, providing over 2,000 new student housing beds for these campuses.

Nathan Brostrom
Executive Vice President, CFO
University of California

Facts in Brief *(Unaudited)*

University of California Population

Population segment	2024	2023	2022	2021	2020
Students					
Undergraduate fall enrollment	233,272	230,407	230,529	226,595	226,275
Graduate fall enrollment	68,607	70,098	70,327	65,274	64,964
Total fall enrollment	**301,879**	**300,505**	**300,856**	**291,869**	**291,239**
University Extension course enrollments	332,211	349,189	300,583	334,329	333,586
Faculty and staff *(full-time equivalents)*	**197,402**	**189,743**	**180,193**	**168,446**	**169,789**

University of California: Summary Financial Information

(in thousands of dollars)

Description	2024	2023	2022	2021	2020
Primary revenue sources					
Student tuition and fees, net[1]	$5,663,450	$5,514,899	$5,440,530	$5,100,747	$5,298,018
Grants and contracts, net	8,403,406	7,614,917	7,055,009	6,234,370	6,248,923
Medical centers, educational activities and auxiliary enterprises, net	30,256,606	26,901,261	24,463,503	21,006,438	19,813,552
State educational appropriations	4,713,643	4,387,338	4,296,909	3,260,441	3,686,105
Federal Pell Grants	441,616	447,641	443,777	607,356	443,282
Private gifts, net	2,023,566	1,825,635	1,736,613	1,572,402	1,516,475
Capital gifts and grants, net	647,560	339,658	311,160	228,422	251,616
Department of Energy laboratories	1,190,174	1,147,115	1,031,233	1,081,254	1,083,215
Operating expenses by function					
Instruction	10,345,611	10,078,087	9,247,472	8,126,839	9,042,366
Research	6,989,811	6,372,538	6,011,775	5,194,750	5,492,011
Public service	1,199,486	1,029,124	915,903	787,475	829,864
Academic support	4,631,312	3,901,644	3,644,864	3,396,245	3,699,479
Student services	1,774,003	1,598,149	1,404,110	1,205,324	1,365,576
Institutional support	2,360,564	2,013,577	2,530,862	1,897,211	1,929,186
Operation and maintenance of plant	1,662,030	1,141,966	897,983	382,519	770,489
Student financial aid[2]	928,403	864,179	1,161,776	1,097,227	1,018,510
Medical centers	18,843,616	18,218,096	16,337,439	14,318,946	14,438,685
Auxiliary enterprises	1,674,316	1,792,990	1,458,613	1,044,381	1,408,764
Depreciation and amortization	3,202,066	2,829,698	2,694,875	2,623,858	2,184,431
Department of Energy laboratories	1,146,576	1,104,266	990,713	1,042,258	1,075,559
Other	(54,366)	224,630	111,500	78,729	150,486
Change in net position	4,887,531	(491,112)	(4,387,783)	4,993,885	(3,445,594)
Financial position					
Investments, at fair value	39,914,453	37,609,407	37,340,881	38,448,400	30,239,155
Capital assets, at net book value	48,572,417	43,803,907	41,893,424	40,335,142	36,543,172
Other assets and deferred outflows	22,195,861	21,656,991	25,321,911	21,558,026	25,022,132
Outstanding debt, including financing obligations	(37,909,348)	(36,340,775)	(35,929,881)	(32,667,856)	(26,652,748)
Obligations for pension and retiree health benefits	(38,406,068)	(42,712,748)	(41,574,932)	(30,811,391)	(45,631,992)
Other liabilities and deferred inflows	(29,520,354)	(24,046,071)	(26,589,580)	(32,012,715)	(19,636,224)
Net position	4,846,961	(29,289)	461,823	4,849,606	(116,505)

[1]Scholarship allowances, including both financial aid and fee waivers that are not paid directly to students, are recorded primarily as a reduction of student tuition and fees in the statement of revenues, expenses and changes in net position.

[2]Includes only financial aid paid directly to students. The state-administered California grant awards are not included as expenses since the government determines grantees. Work-study expenses are shown in the programs in which the student worked.

University of California Campus Foundations: Summary Financial Information

(in thousands of dollars)

Description	2024	2023	2022	2021	2020
Primary revenue sources					
Private gifts	$1,298,412	$2,241,726	$1,980,697	$1,310,945	$1,301,479
Primary expenses					
Grants to campuses	1,903,810	1,846,139	1,528,788	1,350,578	1,292,075
Change in net position	1,170,005	1,695,516	(150,838)	3,670,980	647,424
Financial position					
Investments, at fair value	16,003,395	14,824,345	13,274,035	13,910,200	10,224,313
Pledges receivable, net	1,572,120	1,650,698	1,228,442	927,869	842,167
Net position	17,474,974	16,304,969	14,609,453	14,760,291	11,089,311

University of California Retirement System: Summary Financial Information

(in thousands of dollars, except for retirement plan membership information)

Description	2024	2023	2022	2021	2020
Plan participation					
Plan membership	365,844	349,254	333,293	320,401	314,854
Retirees and beneficiaries currently receiving payments	89,186	87,282	85,466	83,012	80,745
Primary revenue sources					
Contributions[1]	$6,685,653	$6,123,368	$6,009,511	$5,615,851	$5,107,118
Interest, dividends and other investment income, net	2,962,318	5,572,589	1,778,104	3,023,265	1,589,132
Net appreciation (depreciation) in the fair value of investments	13,883,079	5,808,449	(16,450,328)	25,738,318	978,372
Primary expenses					
Benefit payments	4,981,862	4,626,420	4,363,593	4,144,612	3,800,561
Participant and member withdrawals	2,425,490	2,315,919	2,097,185	1,834,962	1,680,533
Change in net position	16,017,840	10,482,009	(15,212,142)	28,328,964	2,122,138
Financial position					
Investments, at fair value	134,618,075	118,799,215	109,139,801	124,576,493	97,278,282
Members' defined pension plan benefits	98,764,294	88,262,774	81,428,052	91,826,002	70,977,922
Participants' defined contribution plan benefits	39,097,313	33,580,993	29,933,706	34,747,898	27,267,014
Actuarial information *(as of the beginning of the year)*					
Actuarial value of assets	90,044,950	85,720,233	80,812,073	73,318,652	70,170,196
Actuarial accrued liability	110,057,241	102,715,788	97,243,831	93,088,224	87,782,652

[1] *Total contributions to the University of California Retirement Plan and the University of California Retirement Savings Plan.*

University of California Retiree Health Benefit Trust: Summary Financial Information

(in thousands of dollars, except for retirement plan membership information)

Description	2024	2023	2022	2021	2020
Plan participation					
Plan membership	205,652	195,669	190,380	186,726	179,752
Retirees and beneficiaries currently receiving payments	50,291	49,252	47,765	46,751	44,944
Primary revenue sources					
Contributions	$414,775	$371,631	$355,137	$350,774	$340,726
Interest, dividends and other investment income, net	9,987	7,345	345	208	2,281
Primary expenses					
Insurance premiums	386,180	360,771	343,198	331,810	338,567
Change in net position	33,062	13,350	7,853	14,803	(91)
Financial position					
Investments, at fair value	196,916	176,766	164,240	148,451	141,872
Net position for retiree health benefits	225,886	192,824	179,474	171,621	156,818
Actuarial information *(as of the beginning of the year)*					
Actuarial value of assets	192,824	179,474	171,621	156,818	156,909
Actuarial accrued liability	21,860,662	19,750,973	24,380,432	23,303,096	19,401,053

Campus Facts in Brief *(Unaudited)*

University of California Population: Berkeley – Merced Campuses

Population segment	Berkeley	Davis	Irvine	Los Angeles	Merced
Students					
Undergraduate fall enrollment	33,078	31,797	29,503	33,040	8,372
Graduate fall enrollment	12,621	9,051	7,842	15,010	775
Total fall enrollment	**45,699**	**40,848**	**37,345**	**48,050**	**9,147**
University Extension course enrollments[1]	34,745	59,312	14,094	80,175	2,273
Degrees conferred[2]					
Bachelor	9,216	8,283	8,438	9,221	1,804
Advanced	5,267	2,571	2,770	5,370	215
Cumulative	730,618	351,404	266,652	661,507	18,358
Faculty and staff *(full-time equivalents)*[3]	15,729	29,563	21,466	44,990	2,729
Library collection *(volumes)*[4]	14,565,817	6,067,616	4,911,377	11,227,326	2,594,244
Campus land area *(in acres)*	8,168	7,192	1,582	704	7,658

[1]*Total courses enrolled in by University Extension students for academic year 2023–2024.*
[2]*As of academic year 2022–2023.*
[3]*As of April 30, 2024.*
[4]*As of June 30, 2023.*

Campus Financial Facts: Berkeley – Merced Campuses *(in thousands of dollars)*

Description	Berkeley	Davis	Irvine	Los Angeles	Merced
Operating expenses by function					
Instruction	$1,093,098	$1,328,614	$1,169,259	$3,718,678	$98,746
Research	777,769	925,960	416,202	1,191,241	61,151
Public service	114,339	180,502	17,541	265,002	10,021
Academic support	148,916	325,491	370,362	1,399,101	37,874
Student services	369,224	212,461	137,363	242,811	48,071
Institutional support	464,603	53,888	134,722	387,791	81,118
Operation and maintenance of plant	153,841	794,960	85,528	144,864	43,602
Student financial aid	209,929	127,147	99,337	178,467	18,919
Medical centers		2,802,908	2,273,143	3,534,859	
Auxiliary enterprises	184,076	90,463	152,965	497,780	69,663
Depreciation and amortization	271,876	590,570	316,521	574,600	87,619
Other[1]	17,342	38,346	18,092	5,618	9,931
Total	**$3,805,013**	**$7,471,310**	**$5,191,035**	**$12,140,812**	**$566,715**
Grants and contracts revenue					
Federal government	$466,118	$588,437	$364,212	$875,420	$52,708
State government	129,078	145,641	35,834	166,963	
Local government	7,002	17,244	3,720	97,936	1,435
Private	253,285	276,873	151,718	388,994	8,658
Total	**$855,483**	**$1,028,195**	**$555,484**	**$1,529,313**	**$62,801**
University endowments					
Nonspendable endowments	$430,078	$136,056	$13,665	$337,290	$26,307
Other endowments	4,440,052	1,489,802	575,677	3,781,970	58,816
Annual income distribution	179,482	60,942	22,183	98,143	3,959
Campus foundations' endowments					
Nonspendable endowments and gifts	1,879,882	432,193	529,542	2,102,256	16,425
Other endowments	1,296,224	341,024	369,814	1,427,289	16,256
Capital assets					
Capital assets, at net book value	4,569,263	6,587,027	5,572,891	8,699,487	1,650,594
Capital expenditures	891,873	1,198,248	1,374,269	1,513,070	13,973

[1]*Includes impairment of capital assets, noncapitalized expenses associated with capital projects and write-off, cancellation and bad debt expenses for loans.*

University of California Population: Riverside through Santa Cruz campuses, with Systemwide

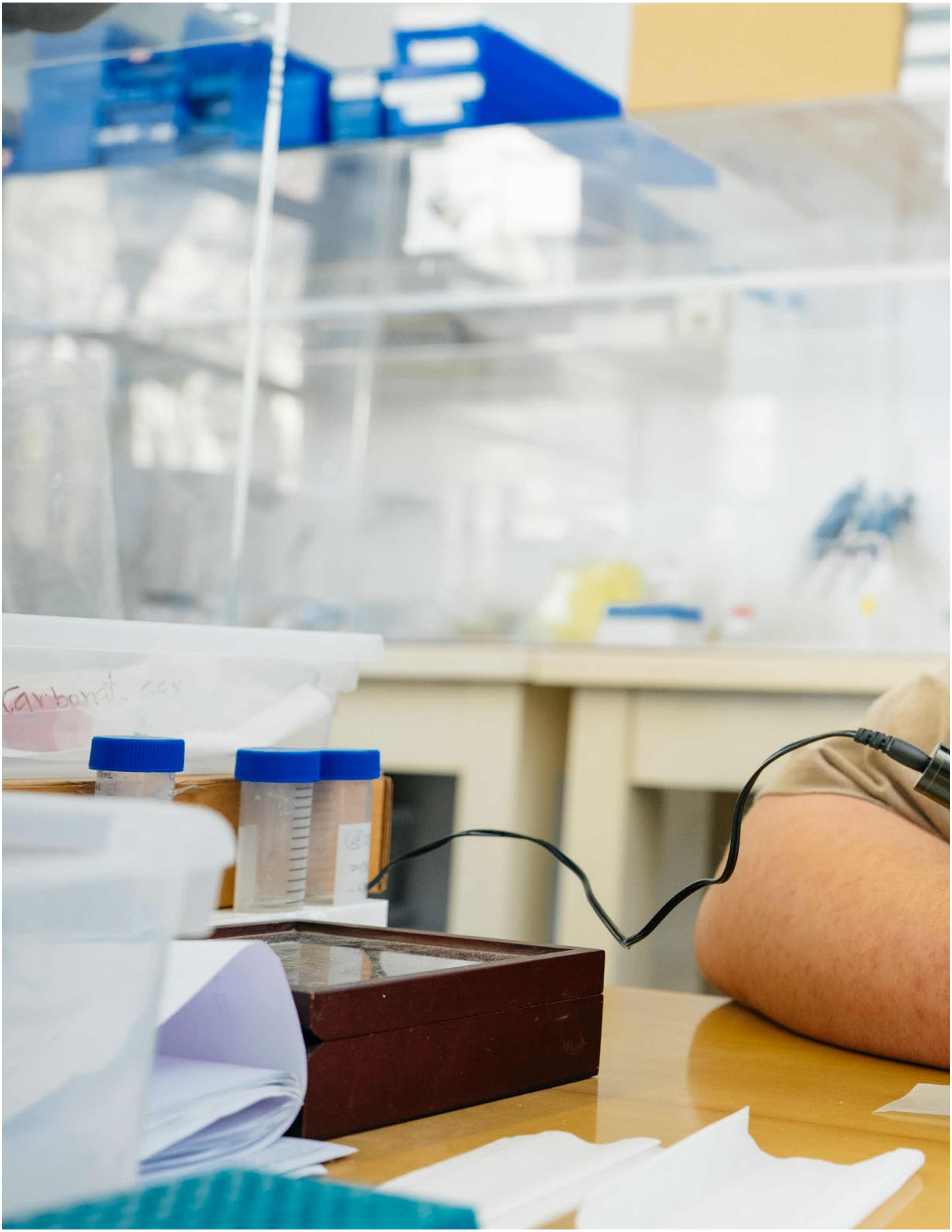
Population segment	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Systemwide[1]
Students						
Undergraduate fall enrollment	22,646	33,792		23,232	17,812	
Graduate fall enrollment	3,905	9,542	5,073	2,836	1,952	
Total fall enrollment	**26,551**	**43,334**	**5,073**	**26,068**	**19,764**	
University Extension course enrollments[2]	12,780	82,884		7,578	38,370	
Degrees conferred[3]						
Bachelor	5,772	8,535		6,563	4,526	
Advanced	1,367	3,536	944	897	590	
Cumulative	158,273	270,662	59,999	279,327	150,248	
Faculty and staff *(full-time equivalents)*[4]	6,328	31,677	28,757	7,174	5,818	3,171
Library collection *(volumes)*[5]	4,653,145	5,642,748	1,826,098	5,601,863	3,779,843	
Campus land area *(in acres)*	1,942	2,206	218	1,127	6,088	67,022

[1] *Full-time equivalents count includes employees at all campuses involved in systemwide activities, including Agriculture and Natural Resources.*
[2] *Total courses enrolled in by University Extension students for academic year 2023–2024.*
[3] *As of academic year 2022–2023.*
[4] *As of April 30, 2024.*
[5] *As of June 30, 2023.*

Campus Financial Facts: Riverside through Santa Cruz campuses, with Systemwide *(in thousands of dollars)*

Description	Riverside	San Diego	San Francisco	Santa Barbara	Santa Cruz	Systemwide[1]
Operating expenses by function						
Instruction	$423,335	$1,181,971	$347,515	$457,118	$281,281	$245,996
Research	213,864	1,291,762	1,403,023	275,923	200,541	232,375
Public service	13,116	45,073	290,932	17,159	60,440	185,361
Academic support	102,199	1,354,276	517,720	115,817	73,065	186,491
Student services	166,642	265,127	34,274	120,667	130,882	46,481
Institutional support	89,545	164,904	368,004	30,040	56,611	529,338
Operation and maintenance of plant	91,951	63,786	127,217	71,659	62,293	22,329
Student financial aid	75,530	47,884	15,931	111,571	36,038	7,650
Medical centers		3,344,776	6,752,114			135,816
Auxiliary enterprises	118,572	227,479	43,684	137,958	128,955	22,721
Depreciation and amortization	115,359	464,293	473,514	96,422	83,877	127,415
Department of Energy laboratories						1,146,576
Other[2]	(26,039)	35,263	17,689	5,794	12,013	(188,415)
Total	**$1,384,074**	**$8,486,594**	**$10,391,617**	**$1,440,128**	**$1,125,996**	**$2,700,134**
Grants and contracts revenue						
Federal government	$105,954	$1,046,258	$996,623	$152,981	$107,455	$4,445
State government	35,716	123,000	158,013	10,151	13,569	39,475
Local government	4,039	23,631	313,611	2,029	2,326	83
Private	56,285	487,248	566,857	72,942	45,541	3,898
Total	**$201,994**	**$1,680,137**	**$2,035,104**	**$238,103**	**$168,891**	**$47,901**
University endowments						
Nonspendable endowments	$16,707	$63,240	$161,992	$37,617	$12,262	$81,354
Other endowments	494,833	1,323,691	3,807,742	184,472	121,498	1,647,872
Annual income distribution	19,675	50,316	112,325	7,974	4,614	41,001
Campus foundations' endowments						
Nonspendable endowments and gifts	154,110	783,818	1,232,050	213,479	67,049	
Other endowments	122,972	773,997	1,371,526	230,565	97,903	
Capital assets						
Capital assets, at net book value	1,739,630	8,390,807	7,757,702	1,592,434	1,457,198	555,384
Capital expenditures	256,422	1,468,129	915,373	89,611	115,179	37,775

[1] *Includes expenses for systemwide and research programs, systemwide support services and administration.*
[2] *Includes impairment of capital assets, noncapitalized expenses associated with capital projects and write-off, cancellation and bad debt expenses for loans.*




UCLA
carhartt

University of California Management's Discussion and Analysis *(Unaudited)*

The objective of this Management's Discussion and Analysis is to help readers of the University of California's financial statements better understand the financial position and operating activities for the year ended June 30, 2024, with selected comparative information for the years ended June 30, 2023 and 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2022, 2023 and 2024, etc.) in this discussion refer to the fiscal years ended June 30.

The University of California's financial report communicates financial information for the University of California (the University), the University of California campus foundations (campus foundations), the University of California Retirement System (UCRS), the University of California Retiree Health Benefit Trust (UCRHBT) and custodial external investment pool funds, through five primary financial statements and notes to the financial statements. Three of the primary statements, the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows, present the financial position, changes in financial position and cash flows for the University and the affiliated campus foundations. The financial statements for the campus foundations are presented discretely from the University. Two of the primary statements, the statements of fiduciary net position and the statements of changes in fiduciary net position, present the financial position and operating activities for UCRS, UCRHBT and the custodial external investment pool funds. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

The University of California

The University of California, one of the largest and most acclaimed institutions of higher learning in the world, is dedicated to excellence in teaching, research, health care and public service. The University encompasses 10 campuses, five medical centers, four law schools and a statewide Division of Agriculture and Natural Resources. The University is also involved in the operation and management of three national laboratories for the U.S. Department of Energy (DOE).

Campuses. The 10 campuses are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara and Santa Cruz. All of the campuses, except San Francisco, offer undergraduate, graduate and professional education; the San Francisco campus is devoted exclusively to graduate and professional education in health sciences.

Health sciences. The University operates one of the nation's largest health science and medical training programs. The instructional program is conducted in 16 health professional schools on six campuses. The University's health programs include five medical centers, two dental schools, three nursing schools, two public health schools and two pharmacy schools, in addition to a school of optometry and a school of veterinary medicine. The University's medical schools play a leading role in the development of health services and the advancement of medical science and research.

Law schools. The University has law schools at Berkeley, Davis, Irvine and Los Angeles. Also, UC College of the Law, San Francisco (UC Law SF) is affiliated with the University, although not included in the financial reporting entity.

Agriculture and Natural Resources. The Division of Agriculture and Natural Resources is a statewide research and public service organization that serves a large and diverse agricultural community. The division collaborates on research with all campuses and conducts studies at nine research and extension centers and on private land in cooperation with California producers. In addition, research and educational programs are conducted in each of the state's 58 counties.

University Extension. The foremost continuing education program of its kind in size, scope and quality of instruction, University Extension offers almost 20,000 self-supporting courses statewide and in several foreign countries.

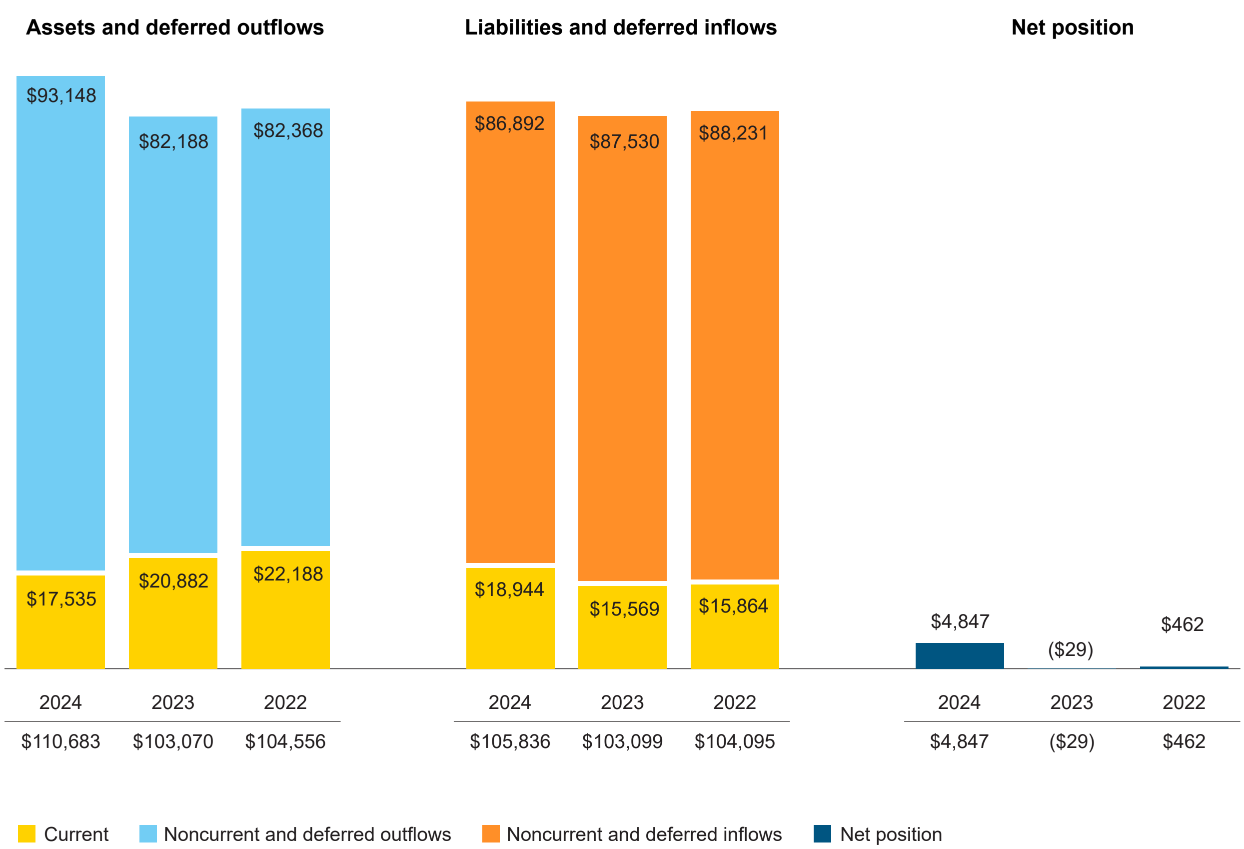
National laboratories. Under contract with the DOE, the University operates and manages the Ernest Orlando Lawrence Berkeley National Laboratory (LBNL) in California. The University is also a member in two separate joint ventures, Triad National Security, LLC (Triad) and Lawrence Livermore National Security, LLC (LLNS) that operate and manage the Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL), respectively, under contracts directly with the DOE. The laboratories conduct broad and diverse basic and applied research in nuclear science, energy production, national defense and environmental and health areas.

The University's Financial Position

The University's financial position by component for 2024, 2023 and 2022 is presented in **Display 1**

The statements of net position present the financial position of the University at the end of each fiscal year. They display all of the University's assets, deferred outflows, liabilities, deferred inflows and net position. The difference between assets, deferred outflows, liabilities and deferred inflows is net position. The major components of the statements of net position as of June 30, 2024, 2023 and 2022 are presented on page 14 in **Table MDA.1**.

Display 1: The University's Financial Position *(in millions of dollars)*



The University's Assets and Deferred Outflows

The University's total assets and deferred outflows of resources have fluctuated since 2022, at $110.7 billion in 2024, compared to $103.1 billion in 2023 and $104.6 billion in 2022. Capital assets have increased due to continued investments in facilities in excess of depreciation. Investments increased in 2024 due to positive financial market returns. Deferred outflows have fluctuated primarily due to changes in the University's net pension and retiree health benefits liabilities.

Investments

Investments held by the University are principally carried in the following investment pools: the Short Term Investment Pool (STIP), the Total Return Investment Pool (TRIP), the Blue and Gold Pool (BGP) and the General Endowment Pool (GEP). Cash for operations and bond proceeds for construction expenditures are invested in STIP. The University uses STIP to meet operational liquidity needs. TRIP provides the opportunity to enhance returns on long-term capital by taking advantage of the economies of scale of investing in a large pool across a broad range of asset classes. The University maximizes its use of TRIP while still maintaining sufficient funds in STIP to meet operational and liquidity needs. BGP was created to enhance returns by passively investing funds in the equity and fixed-income markets while still maintaining liquidity. The investment policy for TRIP is balanced between equities and fixed income while the investment policy for BGP is more heavily weighted toward equities. GEP is a balanced portfolio and the primary investment vehicle for individual endowments and funds functioning as endowments.

Table MDA.1: The University's Net Position *(in millions of dollars)*

Net position	2024	2023	2022
Assets			
Investments	$39,914	$37,609	$37,341
Investment of cash collateral	2,299	1,914	2,163
Accounts receivable, net	8,226	6,930	6,124
Capital assets, net	48,572	43,804	41,893
Other assets	5,100	5,119	5,537
Total assets	**104,111**	**95,376**	**93,058**
Deferred outflows of resources	**6,571**	**7,694**	**11,499**
Liabilities			
Debt, including commercial paper	37,909	36,341	35,930
Securities lending collateral	2,299	1,914	2,163
Net pension liability	17,495	20,385	21,403
Net retiree health benefits liability	20,911	22,328	20,172
Other liabilities	14,605	12,637	12,996
Total liabilities	**93,219**	**93,605**	**92,664**
Deferred inflows of resources	**12,616**	**9,495**	**11,430**
Net position			
Net investment in capital assets	18,602	13,778	11,833
Restricted: Nonexpendable	1,349	1,336	1,307
Restricted: Expendable	12,994	11,639	11,527
Unrestricted	(28,098)	(26,782)	(24,205)
Total net position	**$4,847**	**($29)**	**$462**

The University utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and at acceptable levels of risk. GEP had returns of 11.7 percent in 2024, 8.2 percent in 2023 and (7.6) percent in 2022. BGP had returns of 15.7 percent in 2024, 13.3 percent in 2023 and (15.2) percent in June 30, 2022. TRIP had returns of 12.1 percent, 8.6 percent and (11.3) percent in 2024, 2023 and 2022, respectively. STIP had returns of 4.2 percent, 2.8 percent and 0.4 percent in 2024, 2023 and 2022, respectively.

Capital assets, net

The University's enrollment growth and continuing needs for renewal, modernization and seismic correction of existing facilities are the key drivers of capital investments. Capital spending continued at a brisk pace in order to provide the facilities necessary to support the University's teaching, research and public service mission and for patient care. Capital spending includes constructing and renovating academic buildings, research laboratories, libraries, student services, parking structures and infrastructure projects at all 10 campuses and five medical centers. The University has a goal to increase affordable campus housing for more students, given escalating living costs in many of the surrounding campus communities. The largest capital asset additions in 2024 were related to the medical center acquisitions and construction of housing and research facilities at various campuses. The largest capital asset additions in 2023 were related to the construction of housing, classroom, parking and research facilities at various campuses and expansion of medical center facilities. The largest capital asset additions in 2022 were related to the construction of housing and research facilities at various campuses and expansion of medical center facilities. Total additions of capital assets were $7.9 billion in 2024 as compared to $5.0 billion in 2023 and $4.3 billion in 2022.

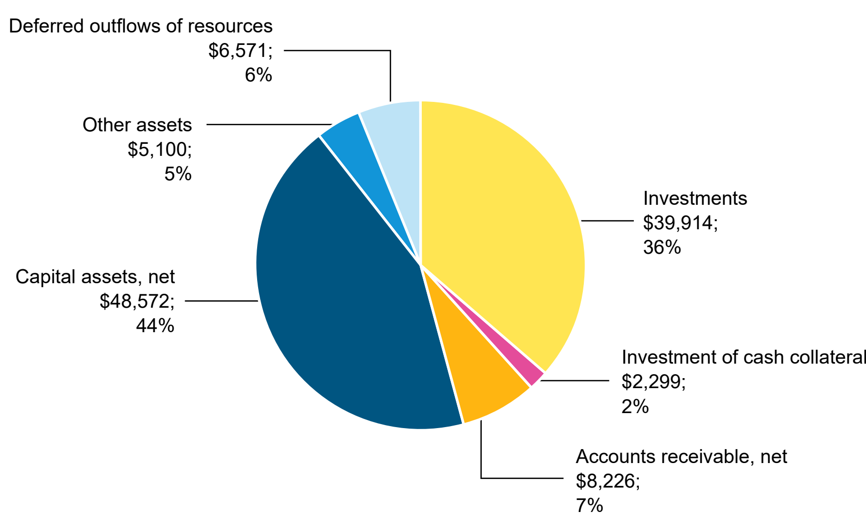
Other assets

Other assets include cash, investments held by trustees, pledges receivable, notes and mortgages receivable, inventories and receivables from the DOE. The noncurrent receivable from the DOE, which fluctuates with the net pension and retiree health benefits liabilities due to the DOE's continuing responsibility to contribute for retired and terminated vested members of LLNL and LANL, decreased by $122.7 million in 2024 and increased by $22.5 million in 2023.

Deferred outflows of resources

Changes in the fair value of the University's interest rate swaps that are determined to be hedging derivatives, losses on debt refundings, asset retirement obligations, excess of consideration from acquisitions and certain changes in the net pension and net retiree health benefits liabilities are reported as deferred outflows of resources. In 2024, deferred outflows decreased due to changes in the pension obligations as a result of actual earnings more than expected and changes in assumptions for retiree health benefits partially offset by increases due to acquisitions for the Irvine and Los Angeles medical centers. In 2023, deferred outflows decreased due to higher than expected investment returns for the UCRP portfolio. The major components of the University's assets and deferred outflows for 2024 are presented in **Display 2**.

Display 2: The University's Assets and Deferred Outflows for 2024 *(in millions of dollars)*



The University's Liabilities and Deferred Inflows

The University's liabilities and deferred inflows of resources increased to $105.8 billion in 2024 as compared to $103.1 billion in 2023, and $104.1 billion in 2022.

The major components of the University's liabilities and deferred inflows for 2024 are presented in **Display 3**.

Debt, including commercial paper

Capital assets are financed from a variety of sources, including state support, gifts, revenue bonds, bank loans and leases or structures that involve separate legal entities.

Commercial paper and bank loans provide interim financing for capital assets during the construction period. Outstanding debt increased by $1.6 billion and $0.4 billion in 2024 and 2023, respectively. A summary of the debt activity in 2024 and 2023 is displayed on page 17 in **Table MDA.2**.

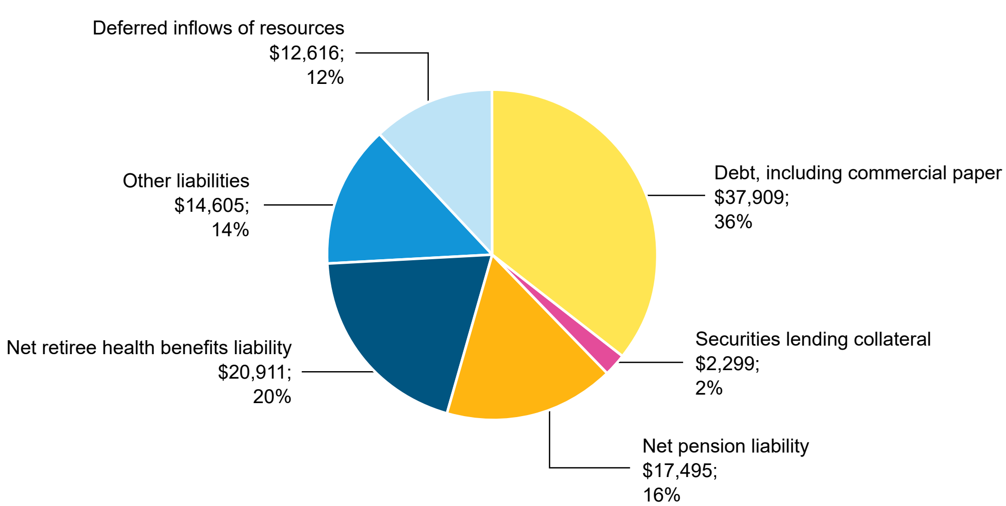
The University's debt, which is used primarily to finance capital assets, includes $1.6 billion, $0.9 billion and $0.9 billion of commercial paper outstanding at the end of 2024, 2023 and 2022, respectively. Total debt outstanding was $37.9 billion at the end of 2024 compared to $36.3 billion and $35.9 billion at the end of 2023 and 2022, respectively.

In 2024, General Revenue Bonds totaling $3.2 billion were issued to finance the acquisition, construction, improvement and renovation of certain facilities of the University and refund general revenue bonds totaling $1.6 billion and limited project revenue bonds totaling $0.5 billion.

In 2023, General Revenue Bonds totaling $3.3 billion, including $2.8 billion in tax-exempt bonds, were issued to finance the acquisition, construction, improvement and renovation of certain facilities of the University and refund general revenue bonds totaling $2.0 billion and medical center pooled revenue bonds totaling $0.3 billion.

The University's General Revenue Bond ratings are currently affirmed at Aa2, AA and AA by Moody's Investors Service, Standard & Poor's and Fitch, respectively, all with stable outlooks. The University's Limited Project Revenue Bonds and Medical Center Pooled Revenue Bonds are currently affirmed at Aa3, AA- and AA- by Moody's Investors Service, Standard & Poor's and Fitch, respectively, all with stable outlooks.

Display 3: The University's Liabilities and Deferred Inflows for 2024 *(in millions of dollars)*



Commercial paper borrowings increased by $702.5 million in 2024 as compared to 2023 and decreased by $60.0 million in 2023 compared to 2022. Commercial paper is primarily used as interim financing for construction projects and short-term financing for other needs. Commercial paper fluctuates based upon the timing of refinancing construction projects with the issuance of long-term revenue bonds. The University has various revolving credit agreements totaling $700.0 million with major financial institutions for the purpose of providing additional liquidity for certain variable-rate demand bonds, commercial paper and other liquidity needs.

Net pension liability and retiree health benefits

The University has financial responsibility for pension benefits associated with its defined benefit plans and for retiree health benefits. The University's net pension liability was $17.5 billion, $20.4 billion and $21.4 billion in 2024, 2023 and 2022, respectively. The changes were driven primarily by investment returns for the UCRP portfolio. In both 2024 and 2023 market performance was favorable compared to expected returns. The total investment rate of return for UCRP was 12.2 percent in 2024, 10.1 percent in 2023 and (10.8) percent in 2022. The discount rate used to estimate the net pension liability was 6.75 percent for 2024, 2023 and 2022, respectively.

LBNL participates in the University's defined benefit pension plan, although the DOE has ongoing financial responsibility to reimburse the University for LBNL's share of the obligation to UCRP. In addition, under certain circumstances, the University makes contributions to UCRP for LANL and LLNL retirees and, based upon contractual arrangements with the DOE, is reimbursed by the DOE. The University recorded receivables from the DOE of $0.5 billion for each of 2024, 2023 and 2022, respectively, representing the DOE's share of the net pension liability.

The University's net retiree health benefits liability was $20.9 billion, $22.3 billion and $20.2 billion in 2024, 2023 and 2022, respectively. While retiree health benefits are not a legal obligation of the University and can be canceled or modified at any time, accounting standards require the University to recognize a net retiree health benefits liability based on the current practices of providing such benefits. The University funds the retiree health benefits through UCRHBT on a pay-as-you-go basis. Since the assets in the trust are not currently sufficient to fund retiree health benefits, the Bond Buyer 20-year tax-exempt general obligation municipal bond index rate is used to discount the retiree health benefits liability. The decrease in the net retiree health benefits liabilities in 2024 was primarily driven by changes in actuarial assumptions including an increase in the discount rate and a decrease in plan participation and

Table MDA.2: Summary of Debt Activity *(in millions of dollars)*

Debt activity	2024	2023
Additions to outstanding debt		
General Revenue Bonds	$3,195	$3,254
Medical Center Pooled Revenue Bonds		
Blended Component Unit Revenue Bonds		
Limited Project Revenue Bonds		
Financing obligations, leases and SBITAs	450	516
Commercial paper, net	703	
Other borrowings	132	
Bond premium, net	443	309
Additions to outstanding debt	**4,923**	**4,079**
Reductions from outstanding debt		
Refinancing and prepayments	(2,082)	(2,430)
Scheduled principal payments	(1,036)	(926)
Payments on other borrowings	(75)	(95)
Commercial paper, net		(60)
Amortization of bond premium	(161)	(157)
Reductions from outstanding debt	**(3,354)**	**(3,668)**
Net increase in outstanding debt	**$1,569**	**$411**

health care cost trend assumptions. The changes in the net retiree health benefits liabilities in 2023 were primarily driven by an actuarial loss from higher than projected health care premium rates. The discount rates as of June 30, 2024, 2023 and 2022 were 3.93 percent, 3.65 percent and 3.54 percent, respectively.

LBNL participates in the University's retiree health benefits plans and, based on contractual arrangements with the DOE, the University is reimbursed for retiree health benefits costs associated with LBNL retirees. The University recorded receivables from the DOE of $715.1 million, $710.0 million and $708.6 million for 2024, 2023 and 2022, respectively, representing the DOE's share of the net retiree health benefits liability.

Other liabilities

Other liabilities consist of accounts payable, accrued salaries, other employee benefits, unearned revenue, DOE laboratories' liabilities, federal refundable loans, self-insurance liabilities and obligations under split-interest agreements held by the University. Accrued salaries changes were due to the timing of payroll and benefit payments. Self-insurance liabilities increased by $451.6 million and decreased by $336.6 million in 2024 and 2023, respectively, due to changes in claims and changes in estimates.

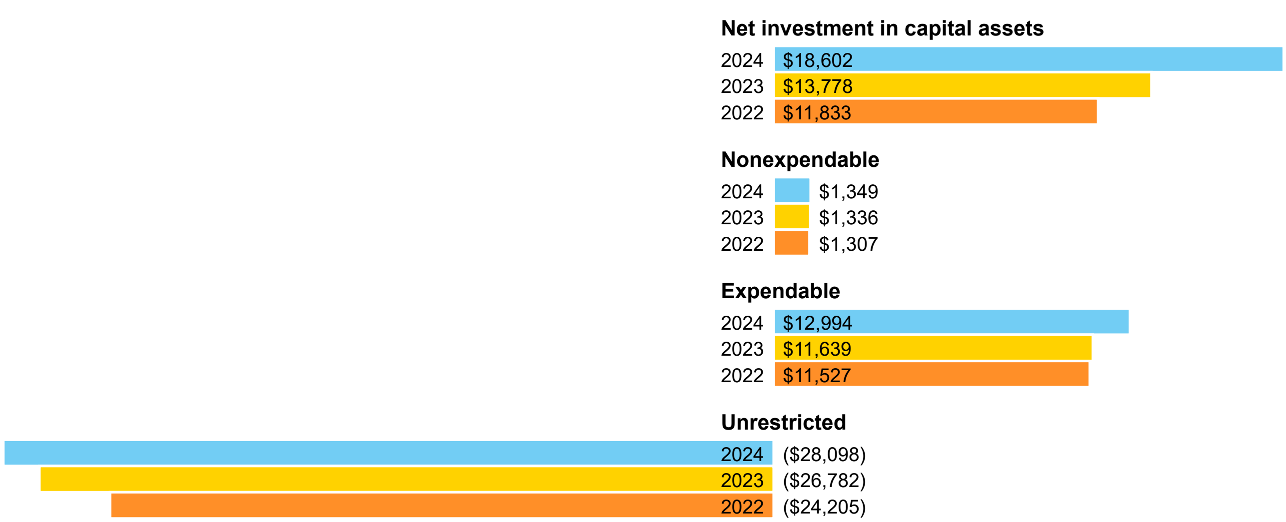
Deferred inflows of resources

Deferred inflows of resources are related to the University's service concession arrangements, gains on debt refunding, sales of certain future patent royalty revenues, changes in the estimated future value of irrevocable split-interest agreements and certain changes in the net pension and net retiree health benefits liabilities. Changes in deferred inflows of resources were primarily due to fluctuations in the net pension liability related to investment market performance and the retiree health liability as a result of changes in the discount rate.

The University's Net Position

Net position represents the residual interest in the University's assets and deferred outflows after all liabilities and deferred inflows are deducted. The University's net position was $4.8 billion in 2024 compared to $0.0 billion in 2023 and $0.5 billion in 2022. Net position is reported in the following categories: net investment in capital assets, restricted nonexpendable, restricted expendable and unrestricted, which are presented in **Display 4.**

Display 4: The University's Net Position *(in millions of dollars)*



Net investment in capital assets

The portion of net position invested in capital assets, net of accumulated depreciation and the related outstanding debt used to finance the acquisition, construction or improvement of these capital assets, was $18.6 billion in 2024 compared to $13.8 billion in 2023 and $11.8 billion in 2022. To support its growth, the University continues to invest in its physical facilities, and financing with debt is used for a significant portion of the investments. Net investment in capital assets increased by $4.8 billion and $1.9 billion in 2024 and 2023, respectively, as the University continues to invest in its physical facilities.

Restricted nonexpendable

Restricted nonexpendable net position includes the corpus of the University's permanent endowments as well as minority interests. In 2024 and 2023, the increase in restricted nonexpendable net position was principally due to the receipt of new gifts.

Restricted expendable

Restricted expendable net position is subject to externally imposed restrictions governing its use. Restricted expendable net position may be spent only in accordance with the restrictions placed upon it and may include endowment income and gains, subject to the University's spending policy; support received from gifts, state or federal appropriations; and trustee-held investments. The increases or decreases in restricted expendable funds are principally due to the timing of spending restricted gifts and endowment income and gains.

Unrestricted

Net position that is not subject to externally imposed restrictions governing its use is classified as unrestricted for financial reporting purposes. Unrestricted net position is negative due primarily to obligations for pension and retiree health benefits exceeding University assets available to pay such obligations. Although unrestricted net position is not subject to externally imposed restrictions, substantially all of the University's unrestricted net position is allocated for academic and research initiatives or programs, for capital projects or for other purposes.

The University's Results of Operations

The statements of revenues, expenses and changes in net position present the University's operating results and indicate whether the financial condition has improved or deteriorated. In accordance with GASB requirements, certain significant revenues relied upon and budgeted for fundamental operational support of the core instructional mission of the University are required to be recorded as nonoperating revenues, including state educational appropriations, private gifts and investment income. A summarized comparison of the operating results for 2024, 2023 and 2022, arranged in a format that matches the revenue supporting the primary activities of the University with the expenses associated with these primary activities, is shown on page 20 in **Table MDA.3**.

Table MDA. 3: The University's Results of Operations *(in millions of dollars)*

Primary activities	2024 Operating	2024 Non-operating	2024 Total	2023 Operating	2023 Non-operating	Total	2022 Operating	2022 Non-operating	2022 Total
Revenues									
Student tuition and fees, net	$5,663		$5,663	$5,515		$5,515	$5,441		$5,441
State educational appropriations		$4,714	4,714		$4,387	4,387		$4,297	4,297
Direct government grants		5	5		128	128		843	843
Federal Pell Grants		442	442		448	448		444	444
Grants and contracts, net	8,403		8,403	7,615		7,615	7,055		7,055
Medical centers, net	22,051	72	22,123	19,160	42	19,202	17,467	40	17,507
Educational activities, net	6,188		6,188	5,890		5,890	5,351		5,351
Auxiliary enterprises, net	2,018		2,018	1,851		1,851	1,646		1,646
Department of Energy laboratories	1,190		1,190	1,147		1,147	1,031		1,031
Private gifts, net		2,024	2,024		1,826	1,826		1,737	1,737
Other revenues	1,045	1,718	2,763	1,024	1,168	2,192	904	632	1,536
Revenues supporting primary activities	**46,558**	**8,975**	**55,533**	**42,202**	**7,999**	**50,201**	**38,895**	**7,993**	**46,888**
Expenses									
Salaries and wages	24,444		24,444	21,880		21,880	19,887		19,887
Pension benefits	3,375		3,375	4,892		4,892	4,338		4,338
Retiree health benefits	994		994	1,108		1,108	1,238		1,238
Other employee benefits	5,810		5,810	5,213		5,213	4,615		4,615
Scholarships and fellowships	964		964	893		893	1,182		1,182
Supplies and materials	6,410		6,410	5,922		5,922	5,361		5,361
Depreciation and amortization	3,202		3,202	2,830		2,830	2,695		2,695
Department of Energy laboratories	1,147		1,147	1,104		1,104	991		991
Interest expense		1,226	1,226		1,158	1,158		1,130	1,130
Other expenses	8,356	(217)	8,139	7,327	58	7,385	7,033		7,033
Expenses associated with primary activities	**54,702**	**1,009**	**55,711**	**51,169**	**1,216**	**52,385**	**47,340**	**1,130**	**48,470**
Income (loss) from primary activities	**($8,144)**	**$7,966**	**($178)**	**($8,967)**	**$6,783**	**($2,184)**	**($8,445)**	**$6,863**	**($1,582)**
Other nonoperating activities									
Net appreciation (depreciation) in fair value of investments			4,294			1,218			(3,149)
(Loss) before other changes in net position			**4,116**			**(966)**			**(4,731)**
Other changes in net position									
State capital appropriations			106			105			1
Capital gifts and grants, net			648			340			311
Additions to permanent endowments			20			30			31
Change in net position			**4,890**			**(491)**			**(4,388)**
Net position									
Beginning of year, as previously reported			(29)			462			4,850
Change in reporting entity			(11)						
Beginning of year, as restated			(40)			462			4,850
End of year			**$4,850**			**($29)**			**$462**

Revenues Supporting Core Activities

Revenues to support the University's primary activities, including those classified as nonoperating revenues, were $55.5 billion, $50.2 billion and $46.9 billion in 2024, 2023 and 2022, respectively. These diversified sources of revenue increased by $5.3 billion in 2024 and $3.3 billion in 2023.

The state of California's educational appropriations, in conjunction with student tuition and fees, are the main components that support the instructional mission of the University. Grants and contracts provide opportunities for undergraduate and graduate students to participate in basic research alongside some of the most prominent researchers in the country.

Gifts to the University allow crucial flexibility to faculty for support of their fundamental activities or new academic initiatives. Other significant revenues are from medical centers, educational activities and auxiliary enterprises such as student housing, food service operations and parking.

Revenues by category for 2024, 2023 and 2022 are presented in **Display 5**.

A major financial strength of the University is its diverse source of revenues, including those from student fees, federally sponsored grants and contracts, medical centers, the state of California, private support and auxiliary enterprises. The variety of fund sources has become increasingly important over the past several years.

Display 5: The University's Revenues by Category *(in millions of dollars)*

Categories of both operating and nonoperating revenue that supported the University's primary activities in 2024 are presented in **Display 6**.

Student tuition and fees, net

Net student tuition and fees were $5.7 billion, $5.5 billion and $5.4 billion in 2024, 2023 and 2022, respectively. Scholarship allowances, or financial aid, are the difference between the stated charge for tuition and fees and the amount that is paid by the student and third parties on behalf of the student. Scholarship allowances, netted against student tuition and fees, were $1.5 billion in each of 2024, 2023 and 2022, respectively. Student tuition and fees, net of scholarship allowances, increased by $148.6 million in 2024 and by $74.4 million in 2023, respectively.

In 2023–24, the University enrolled its largest-ever cohort of California resident first-year students, contributing to an increase of 6,538 full-time equivalent (FTE) resident undergraduates compared to the previous year, and an increase of 7,788 FTE over 2021–22, on par with the growth goal of 7,800 FTE included in the Budget Act of 2023. Consistent with the Tuition Stability Plan approved by the Regents in July 2021, which authorizes increases to mandatory systemwide fees applicable to the incoming cohort of undergraduate students, undergraduates who first enrolled in 2024–25 are assessed a mandatory tuition level that is 4.97% higher than the prior cohort. For graduate students in state-supported programs, adjustments to mandatory tuition and fees are pegged to the rate of inflation beginning with the 2022–23 academic year. Professional Degree Supplemental Tuition varies by discipline, with fee levels approved on a regular interval as existing plans expire; the latest increases for certain programs were approved by the Regents for 2024.

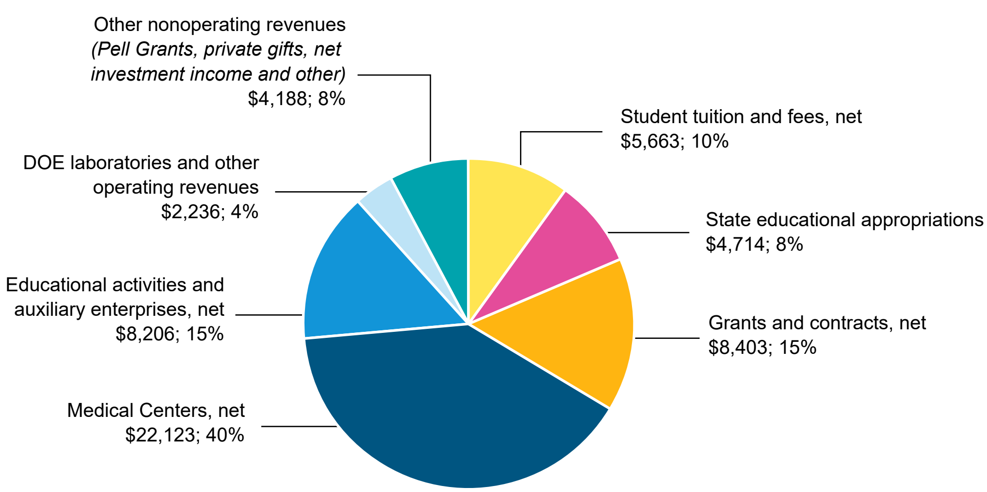
State educational appropriations

Educational appropriations from the state of California were $4.7 billion, $4.4 billion and $4.3 billion in 2024, 2023 and 2022, respectively. State educational appropriations increased by $0.3 billion and $0.1 billion in 2024 and 2023 due to a restoration of state support cut during prior years, a further base budget increase and new one-time funds for deferred maintenance and other purposes.

Direct government grants

The University received funds under certain provisions of the American Rescue Plan Act (ARPA) and CARES Act to minimize the impacts of lost revenues and increased expenses related to COVID-19. The campuses received $70.6 million and $642.7 million in 2023 and 2022, respectively, in grants to provide emergency financial aid to students and to mitigate the impacts of lost revenue and additional technology expenses associated with moving to online education. The medical centers received $57.3 million and $52.8 million and in 2023 and 2022, respectively, in CARES Act provider relief funding for lost health care revenues and additional expenses for treating patients with COVID-19. In 2022, the medical centers received designated public hospital grants of $147.9 million in support of their health care expenditures.

Display 6: The University's Operating and Nonoperating Revenues in 2024 *(in millions of dollars)*



Grants and contracts, net

Revenue from federal, state, private and local government grants and contracts, including facilities and administration cost recovery of $1.7 billion, $1.6 billion and $1.4 billion in 2024, 2023 and 2022, respectively, was $8.4 billion, $7.6 billion and $7.1 billion in 2024, 2023 and 2022, respectively.

In 2024, federal grants and contracts revenue increased $374.0 million, or 8.5 percent, compared to 2023. In 2023, federal grants and contracts revenue increased $338.0 million, or 8.3 percent, compared to 2022. Federal grants and contracts include federal facilities and administrative cost recovery of $1.1 billion, $1.1 billion and $981.0 million in 2024, 2023 and 2022, respectively. Changes in the federal budget impact the University's revenue from federal grants and contracts. Grants and contracts revenue, including grants for research related to COVID-19 in 2024, 2023 and 2022, is from a variety of federal agencies as indicated in **Table MDA.4**.

Medical centers, net

Medical center revenue, net of allowances, increased $2.9 billion, or 15.2 percent, in 2024 and $1.7 billion, or 9.7 percent, in 2023. Revenue growth in 2024 and 2023 was the result of increases in both inpatient and outpatient volumes.

Educational activities and auxiliary enterprises, net

Revenue from educational activities, primarily medical professional fees, net of allowances, increased by $297.8 million, or 5.1 percent, in 2024 and $538.9 million, or 10.1 percent, in 2023, due to higher patient volumes.

Auxiliary enterprises include housing, food service, parking, bookstores, student centers, unions and child-care centers. Revenue from auxiliary enterprises, net of allowances, increased by $167.2 million, or 9.0 percent, in 2024 and by $204.3 million, or 12.4 percent, in 2023 in line with the University's initiative to expand campus housing while minimizing increases in housing costs for students.

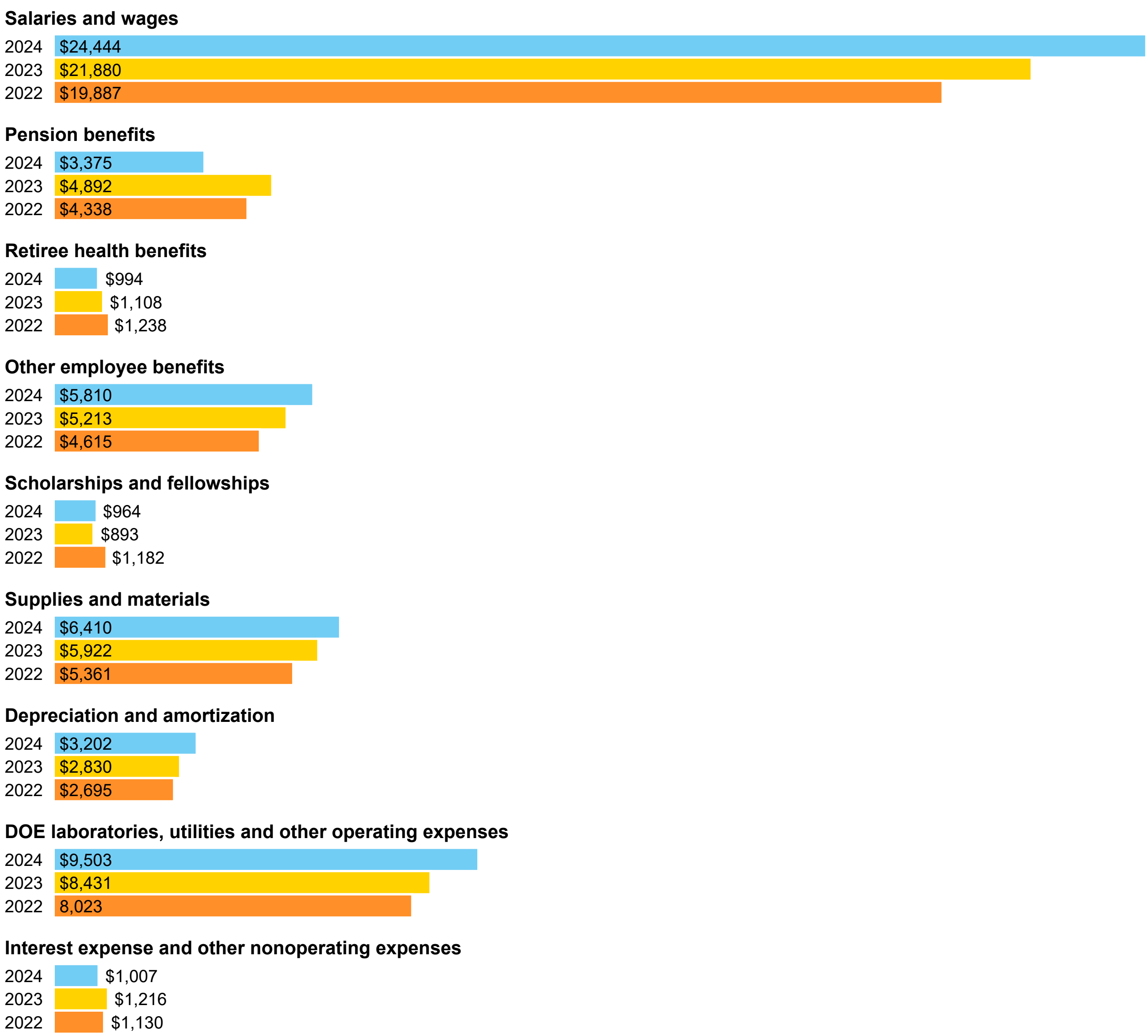
Table MDA.4: Grants and Contracts Revenue Sources *(in millions of dollars)*

Sources	2024	2023	2022
Department of Health and Human Services	$2,962	$2,808	$2,595
National Science Foundation	568	566	532
Department of Education	142	92	94
Department of Defense	320	306	312
National Aeronautics and Space Administration	141	142	114
Department of Energy (excluding national laboratories)	187	175	155
Other federal agencies	441	298	247
Federal grants and contracts net revenue	**$4,761**	**$4,387**	**$4,049**

Expenses associated with primary activities

Expenses associated with the University's primary activities, including those classified as nonoperating expenses, were $55.7 billion, $52.4 billion and $48.5 billion in 2024, 2023 and 2022, respectively. These expenses increased in 2024 by $3.3 billion and in 2023 by $3.9 billion. The University's operations continued to grow, principally at the medical centers, and expenses increased consistent with the overall growth in operations. Pension expenses have caused significant fluctuations in total expenses due to the performance of the financial markets. Retiree health benefits expenses decreased in 2024 and 2023 due to the changes in the discount rate. Expenses in the various categories are presented in **Display 7**. Categories of both operating and nonoperating expenses related to the University's primary activities in 2024 are shown on page 25 in **Display 8.**

Display 7: The University's Expenses by Category *(in millions of dollars)*



Salaries and benefits

Approximately two-thirds of the University's expenses are related to salaries and benefits. There were 197,400 full-time equivalent (FTE) employees in 2024, excluding employees who were associated with LBNL, whose salaries and benefits were included as laboratory expenses, as compared to 189,700 FTEs in 2023. Total salaries and benefits expense increased by 4.6 percent in 2024, primarily driven by the increase in salaries and wages of $2.6 billion and pension expense of $(1.5) billion. Total salaries and benefits expense increased by 10.0 percent in 2023, primarily driven by the increase in salaries and wages of 2.0 billion and pension expense of $.6 billion.

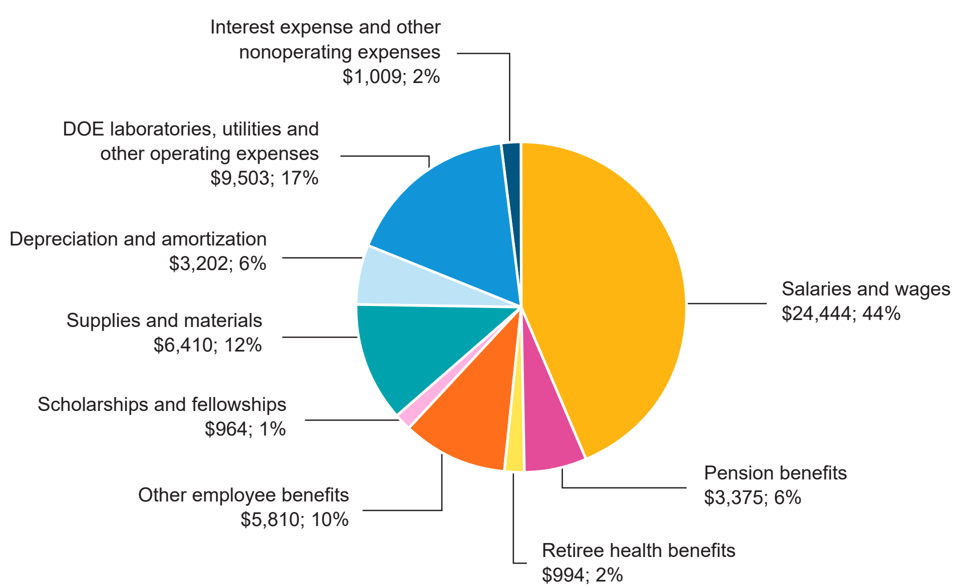
In 2024, salaries increased by 11.7 percent, comprised of an increase of 4.1 percent in the number of FTEs and a 7.4 percent increase in the average salary per FTE. In 2024, employee benefits, excluding pension and retiree health benefits, increased by $597.4 million, or 11.5 percent. Pension expense decreased by $1.5 billion due to changes in actuarial assumptions related to the experience study. Retiree health benefits expense decreased by $$114.0 million or 10.3 percent due to an increase in the discount rate.

In 2023, salaries increased by 10.0 percent, comprised of an increase of 5.3 percent in the number of FTEs and a 4.5 percent increase in the average salary per FTE. In 2023, employee benefits, excluding pension and retiree health benefits, increased by $597.7 million, or 13 percent. Pension expense increased by $0.6 billion due to changes in actuarial assumptions related to the experience study. Retiree health benefits expense decreased by $130.2 million or 10.5 percent due to an increase in the discount rate.

Scholarships and fellowships

The University places a high priority on student financial aid as part of its commitment to affordability. The University's practice is to minimize the impact of cost increases on first-generation and low-income students. Financial aid in all forms awarded by the University was $2.8 billion, $2.7 billion and $2.9 billion in 2024, 2023 and 2022, respectively. Scholarship allowances which are netted against student tuition and fees were $1.8 billion, $1.8 billion and $1.7 billion in 2024, 2023 and 2022, respectively. Scholarships and fellowships expense, representing payments of financial aid made directly to students and reported as an operating expense were $1.0 billion, $0.9 billion and $1.2 billion in 2024, 2023 and 2022, respectively. On a combined basis, as the University continues its commitment to provide financial support for needy students, financial aid in all forms increased by $0.1 million, or 3.1 percent, in 2024 as compared to 2023, and by $0.2 million, or 8.3 percent, in 2023 as compared to 2022. Increases in financial aid, scholarships and fellowships are consistent with increases in enrollment, tuition, fees and housing costs. Financial aid includes direct payments to students of $0 million, $19.5 million and $333.0 million in 2024, 2023 and 2022, respectively, related to funds received under the CARES Act.

Display 8: Expenses Related to Primary Activities in 2024 *(in millions of dollars)*



Supplies and materials

In recent years, there has been inflationary pressure on the costs for medical supplies and laboratory instruments and higher costs for general supplies necessary to support expanded medical patient volumes. The University continues to find opportunities to manage the costs of supplies and materials. During 2024 and 2023, supplies and materials costs increased by $487.9 million, or 8.2 percent and $560.9 million, or 10.5 percent, respectively. The largest increases occurred at the medical centers due to increased patient volumes. In 2024 and 2023, supplies costs increased for research activities related to increased federal contract and grant activities.

Other expenses

Other expenses consist of a variety of expense categories, including travel, rent, insurance, legal settlements and repairs and maintenance, plus any gain or loss on disposals of capital assets and other nonoperating expenses.

Operating gains and losses

In accordance with GASB's reporting standards, operating losses were $8.1 billion, $9.0 billion and $8.4 billion in 2024, 2023 and 2022, respectively. The operating losses in 2024, 2023 and 2022 were offset by $8.0 billion, $6.8 billion and $6.9 billion, respectively, of net nonoperating revenue that supports primary operating activities of the University. Expenses exceeded revenues associated with primary activities by $0.2 billion, $2.2 billion and $1.6 billion in 2024, 2023 and 2022, respectively. These fluctuations have been primarily driven by changes in pension and retiree health benefits expenses.

Other nonoperating activities

The University's other nonoperating activities, consisting of net appreciation or depreciation in the fair value of investments, are noncash transactions and, therefore, are not available to support operating expenses. In 2024 and 2023, the University recognized net appreciation in the fair value of investments of $4.3 billion and $1.2 billion, respectively. In 2022, the University recognized net depreciation in the fair value of investments of $(3.1) billion. The University's portfolio returns fluctuate with the overall performance in the investment markets. In 2022, the University recognized net depreciation in the fair value of investments of $(3.1) billion.

Other changes in net position

Similar to other nonoperating activities discussed above, other changes in net position are also not available to support the University's operating expenses in the current year. State capital appropriations and capital gifts and grants may only be used for the purchase or construction of the specified capital assets. Only income earned from gifts of permanent endowments is available in future years to support the specified program.

Looking Forward — Factors Impacting Future Periods

Governor Newsom signed Senate Bill 108 on June 29, 2024. This bill, together with Assembly Bill 107, which the Governor signed on June 26, constitute the Budget Act of 2024. For 2024–25, State funding allocated to the University totals $4.9 billion, including $134.8 million in new, ongoing funding (an increase of 2.9 percent over 2023–24) and $2.4 million of one-time funding for research at the Nutrition Policy Institute in Agriculture and Natural Resources.

The budget provides the University with an increase of $227.8 million, consistent with the multi-year compact, $31.0 million for the replacement of nonresident students with resident undergraduates at the Berkeley, Los Angeles, and San Diego campuses, and $14.5 million to cover debt service costs for a medical educational building at the Merced campus. However, the budget also reflects a reduction of $125 million to the University's base budget and reduces support for Graduate Medical Education programming by $13.5 million.

The Budget Act reflects the third year of the Governor's multi-year compact with the University. Under the compact, the Governor will propose annual base budget increases of five percent for the University in 2022–23 through 2026–27. The University, in turn, has committed to specific and ambitious goals related to increasing access to the University of California, improving student success and advancing equity, increasing the affordability of a UC education, increasing intersegmental collaboration, supporting workforce preparedness and providing access to online course offerings.

The University's medical centers continue to face financial and competitive challenges in their regional markets, along with the added costs and responsibilities related to their function as academic institutions. The demand for health care services and the cost of providing them continue to increase significantly. In addition to the rising costs of salaries, benefits and medical supplies faced by hospitals across the state, along with the costs of maintaining and upgrading facilities, the University's medical centers also face additional costs associated with seismic retrofitting, new technologies, biomedical research, the education and training of health care professionals and the care for a significant share of the medically underserved in California. Other than Medicare and Medi-Cal (California's Medicaid program), health insurance payments do not recognize the added cost of teaching in academic medical centers. The growth in costs of the publicly funded programs and health care reform will likely continue to reduce rates or limit payment growth, placing downward pressure on operating results for the medical centers.

The University must have a wide range of facilities to meet its education, research and public service goals and continues to assess its long-term capital requirements. Support for the University's capital program is expected to be provided from a combination of sources, including the state of California, external financing, gifts and other sources.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the University, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which address activities, events or developments that the University expects or anticipates will or may occur in the future contain forward-looking information.

In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and was derived using various assumptions. The University does not undertake to update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.


CGX
CELESTRON

Report of Independent Auditors

To The Regents of the University of California

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the University of California (the "University"), a component unit of the State of California, as of and for the years ended June 30, 2024 and 2023, including the related notes, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the University as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 financial statements.

PricewaterhouseCoopers LLP, 405 Howard Street, Suite 600, San Francisco, CA 94105
T: (415) 498 5000, www.pwc.com/us

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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- 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.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 27 and the required supplementary information on pages 108 through 123 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises pages 6 through 9, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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

San Francisco, California
November 18, 2024

Financial Statements

Statements of Net Position At June 30, 2024 and 2023

(in thousands of dollars)

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023
Assets				
Cash and cash equivalents	$510,362	$549,988	$255,142	$272,370
Short-term investments	5,105,163	9,946,972	1,562,469	1,788,817
Investment of cash collateral	2,203,923	1,833,062		
Investments held by trustees	179,524	345,834		
Accounts receivable, net	8,226,291	6,929,913	30,332	39,999
Pledges receivable, net	29,061	34,964	311,690	307,168
Current portion of notes and mortgages receivable, net	31,000	66,737		
Inventories	438,656	397,407		
Department of Energy receivable	222,359	178,365		
Other current assets	588,283	598,977	11,972	2,655
Current assets	**17,534,622**	**20,882,219**	**2,171,605**	**2,411,009**
Investments	34,809,290	27,662,435	14,440,926	13,035,528
Investment of cash collateral	95,416	80,824		
Investments held by trustees	164,374	99,091		
Pledges receivable, net	41,250	18,800	1,260,430	1,343,530
Notes and mortgages receivable, net	448,105	329,987	250	250
Department of Energy receivable	1,232,727	1,355,389		
Capital assets, net	48,572,417	43,803,907		
Other noncurrent assets	1,213,812	1,143,371	171,717	107,575
Noncurrent assets	**86,577,391**	**74,493,804**	**15,873,323**	**14,486,883**
Total assets	**104,112,013**	**95,376,023**	**18,044,928**	**16,897,892**
Deferred outflows of resources	**6,570,718**	**7,694,282**		
Liabilities				
Accounts payable	3,218,340	3,579,443	16,669	23,879
Accrued salaries	1,817,454	805,549		
Employee benefits	1,470,455	1,026,661		
Unearned revenue	2,162,184	1,943,846	20,279	39,440
Collateral held for securities lending	2,299,343	1,913,858		
Commercial paper	1,587,500	885,000		
Current portion of long-term debt	3,113,605	2,602,168		
Department of Energy laboratories' liabilities	233,294	189,122		
Other current liabilities	3,041,403	2,623,851	100,363	139,675
Current liabilities	**18,943,578**	**15,569,498**	**137,311**	**202,994**
Federal refundable loans	174,486	161,866		
Self-insurance	1,632,855	1,392,511		
Obligations under life income agreements	32,491	32,891	136,581	135,177
Long-term debt	33,208,243	32,853,607		
Net pension liability	17,494,965	20,385,317		
Net retiree health benefits liability	20,911,103	22,327,431		
Other noncurrent liabilities	822,166	881,779	45,319	44,130
Noncurrent liabilities	**74,276,309**	**78,035,402**	**181,900**	**179,307**
Total liabilities	**93,219,887**	**93,604,900**	**319,211**	**382,301**
Deferred inflows of resources	**12,615,883**	**9,494,694**	**250,743**	**210,622**
Net position				
Net investment in capital assets	18,601,613	13,777,714		
Restricted: Nonexpendable: Endowments and gifts	1,316,568	1,290,807	7,424,469	6,907,145
Restricted: Nonexpendable: Reserved for minority interests	32,591	45,436		
Restricted: Expendable	12,994,201	11,639,236	8,616,153	8,067,172
Unrestricted	(28,098,012)	(26,782,482)	1,434,352	1,330,652
Total net position	**$4,846,961**	**($29,289)**	**$17,474,974**	**$16,304,969**

See accompanying notes to financial statements.

Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2024 and 2023 (in thousands of dollars)

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023
Operating revenues				
Student tuition and fees, net	$5,663,450	$5,514,899		
Grants and contracts, net: Federal	4,760,611	4,387,081		
Grants and contracts, net: State	857,440	793,594		
Grants and contracts, net: Private	2,312,299	1,984,963		
Grants and contracts, net: Local	473,056	449,279		
Medical centers, net	22,050,727	19,160,460		
Educational activities, net	6,187,696	5,889,864		
Auxiliary enterprises, net	2,018,183	1,850,937		
Department of Energy laboratories	1,190,174	1,147,115		
Campus foundation private gifts			$1,298,412	$2,241,726
Other operating revenues, net	1,045,359	1,024,373	745	2,165
Total operating revenues	**46,558,995**	**42,202,565**	**1,299,157**	**2,243,891**
Operating expenses				
Salaries and wages	24,444,384	21,879,739		
Pension benefits	3,375,398	4,891,821		
Retiree health benefits	994,256	1,108,240		
Other employee benefits	5,810,379	5,213,015		
Supplies and materials	6,410,253	5,922,349		
Depreciation and amortization	3,202,066	2,829,698		
Department of Energy laboratories	1,146,576	1,104,266		
Scholarships and fellowships	963,827	892,943		
Utilities	422,983	529,740		
Campus foundation grants			1,903,810	1,846,139
Other operating expenses	7,933,306	6,797,133	46,961	50,307
Total operating expenses	**54,703,428**	**51,168,944**	**1,950,771**	**1,896,446**
Operating income (loss)	**(8,144,433)**	**(8,966,379)**	**(651,614)**	**347,445**
Nonoperating revenues (expenses)				
State educational appropriations	4,713,643	4,387,338		
State hospital fee grants	71,774	41,883		
Direct government grants	5,141	127,874		
Build America Bonds federal interest subsidies	48,085	53,834		
Federal Pell Grants	441,616	447,641		
Private gifts, net	2,023,566	1,825,635		
Investment income: Short term investment pool and other, net	678,208	711,486		
Investment income: Endowment, net	149,340	302,891		
Investment income: Securities lending, net	(14,154)	(8,420)		
Investment income: Campus foundations			183,114	137,383
Investment income: Net appreciation in fair value of investments	4,293,507	1,218,317	1,180,425	772,813
Interest expense	(1,225,704)	(1,158,643)		
Gain (loss) on disposal of capital assets	217,043	(58,211)		
Other nonoperating revenues	856,197	108,240	61	61
Net nonoperating revenues (expenses)	**12,258,262**	**7,999,865**	**1,363,600**	**910,257**
Income (loss) before other changes in net position	**4,113,829**	**(966,514)**	**711,986**	**1,257,702**
Other changes in net position				
Capital gifts and grants	647,560	339,658		
State capital appropriations	105,714	105,328		
Additions to permanent endowments	20,428	30,416	458,019	437,814
Change in net position	**4,887,531**	**(491,112)**	**1,170,005**	**1,695,516**
Net position				
Beginning of year	(29,289)	461,823	16,304,969	14,609,453
Change to or within financial reporting entity	(11,281)			
Beginning of year, restated	(40,570)	461,823	16,304,969	14,609,453
End of year	**$4,846,961**	**($29,289)**	**$17,474,974**	**$16,304,969**

See accompanying notes to financial statements.

Statements of Cash Flows

Years ended June 30, 2024 and 2023 (in thousands of dollars)

Description	University of California 2024	University of California 2023
Cash flows from operating activities		
Student tuition and fees	$5,789,726	$5,512,640
Grants and contracts	7,290,492	7,776,067
Medical centers	21,364,069	18,680,849
Educational activities	6,077,254	5,819,997
Auxiliary enterprises	1,996,689	1,866,352
Collection of loans from students and employees	158,809	8,681
Payments to employees	(23,624,242)	(23,214,793)
Payments to suppliers and utilities	(14,175,643)	(12,948,944)
Payments for pension benefits	(3,047,569)	(2,701,794)
Payments for retiree health benefits	(518,495)	(432,897)
Payments for other employee benefits	(4,914,804)	(4,254,948)
Payments for scholarships and fellowships	(963,827)	(892,943)
Loans issued to students and employees	(241,189)	(8,747)
Other receipts (payments)	809,031	(1,106,820)
Net cash used by operating activities	**(3,999,699)**	**(5,897,300)**
Cash flows from noncapital financing activities		
State educational appropriations	4,712,940	4,411,505
Federal Pell Grants	437,644	450,181
Direct government grants	5,141	127,874
State hospital fee grants	71,774	41,883
Gifts received for other than capital purposes: Private gifts for endowment purposes	90,745	31,391
Gifts received for other than capital purposes: Other private gifts	1,975,417	1,831,605
Receipt of retiree health contributions from UCRP	130,407	127,772
Payment of retiree health contributions to UCRHBT	(133,042)	(169,201)
Receipts from UCRHBT	442,314	416,594
Payments for retiree health benefits made on behalf of UCRHBT	(471,928)	(433,424)
Student direct lending receipts	529,656	531,156
Student direct lending payments	(446,260)	(529,178)
Commercial paper financing: Proceeds from issuance	786	807
Commercial paper financing: Payments of principal	(24,351)	(8,208)
Interest paid on debt	(37,990)	(37,694)
Other receipts	557,560	176,877
Net cash provided by noncapital financing activities	**7,840,813**	**6,969,940**
Cash flows from capital and related financing activities		
Commercial paper financing: Proceeds from issuance	1,567,884	981,662
Commercial paper financing: Payments of principal	(841,819)	(1,034,262)
Commercial paper financing: Interest paid	(34,703)	(24,292)
State capital appropriations	105,651	104,028
Build America Bonds federal interest subsidies	52,835	75,124
Capital gifts and grants	82,846	280,892
Proceeds from debt issuance	3,771,001	3,566,604
Proceeds from the sale of capital assets	28,210	11,698
Purchase of capital assets	(6,030,397)	(4,115,155)
Cash paid for acquisitions, net of cash acquired	(1,477,462)	
Refinancing or prepayment of outstanding debt	(2,081,989)	(2,429,970)
Scheduled principal paid on debt	(1,110,538)	(1,013,537)
Interest paid on debt	(885,727)	(1,147,279)
Other receipts	376,865	79,108
Net cash used by capital and related financing activities	**(6,477,343)**	**(4,665,379)**

See accompanying notes to financial statements.

Statements of Cash Flows

Years ended June 30, 2024 and 2023 (in thousands of dollars) continued

Description	University of California 2024	University of California 2023
Cash flows from investing activities		
Proceeds from sales and maturities of investments	$152,848,128	$249,716,361
Purchase of investments	(151,346,808)	(247,548,563)
Investment income, net of investment expenses	1,095,283	894,164
Net cash provided by investing activities	**2,596,603**	**3,061,962**
Net change in cash and cash equivalents	(39,626)	(530,777)
Cash and cash equivalents, beginning of year	549,988	1,080,765
Cash and cash equivalents, end of year	**$510,362**	**$549,988**
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	($8,144,433)	($8,966,379)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense	3,202,066	2,829,698
Allowance for uncollectible accounts	852,879	424,388
Loss on impairment of capital assets	48,675	45,090
Changes in assets and liabilities:		
Investments held by trustees	(26,604)	(1,754)
Accounts receivable	(2,543,199)	(1,540,592)
Inventories	(41,249)	(14,724)
Other assets	(136,655)	(190,932)
Accounts payable	623,035	129,048
Accrued salaries	1,011,905	(587,205)
Employee benefits	483,865	(328,700)
Unearned revenue	(32,572)	21,570
Department of Energy	122,840	(22,380)
Self-insurance	451,555	(336,579)
Net pension liability	252,614	2,200,393
Net retiree health benefits liability	306,646	596,235
Other liabilities	(431,067)	(154,477)
Net cash used by operating activities	**($3,999,699)**	**($5,897,300)**
Supplemental noncash activities information		
Capital assets acquired through leases	$281,952	$520,974
Capital assets acquired through SBITAs	194,072	85,977
Capital assets acquired with a liability at year end	112,725	208,072
Change in fair value of investments	4,293,507	1,218,317
Change in fair value of interest rate swaps classified as hedging derivatives	8,693	67,016
Gifts of capital assets	496,076	58,699
Other noncash gifts	22,221	19,889
Beneficial interests in irrevocable split-interest agreements administered by third parties	12	4,077

See accompanying notes to financial statements.

Fiduciary Financial Statements

Statements of Fiduciary Net Position

At June 30, 2024 and 2023 (in thousands of dollars)

Description	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023	University of California Retiree Health Benefit Trust (UCRHBT) 2024	University of California Retiree Health Benefit Trust (UCRHBT) 2023	Total UCRS and UCRHBT 2024	Total UCRS and UCRHBT 2023	Custodial External Investment Pool Funds 2024	Custodial External Investment Pool Funds 2023
Assets								
Investments	$134,618,075	$118,799,215	$196,916	$176,766	$134,814,991	$118,975,981	$630,465	$595,102
Participants' interests in mutual funds	2,921,181	2,372,880			2,921,181	2,372,880		
Investment of cash collateral	13,310,868	8,621,760			13,310,868	8,621,760		
Participant 403(b) loans	225,426	202,344			225,426	202,344		
Accounts receivable:								
Contributions from University and affiliates	224,866	69,525	37,249	31,674	262,115	101,199		
Investment income	116,650	223,237			116,650	223,237		
Security sales and other	614,202	904,019	888	825	615,090	904,844		
Prepaid insurance premiums			1,847	2,799	1,847	2,799		
Total assets	**152,031,268**	**131,192,980**	**236,900**	**212,064**	**152,268,168**	**131,405,044**	**630,465**	**595,102**
Liabilities								
Payable to University			11,014	19,240	11,014	19,240		
Payable for securities purchased	323,960	562,797			323,960	562,797		
Member withdrawals, refunds and other payables	534,850	164,675			534,850	164,675		
Collateral held for securities lending	13,310,851	8,621,741			13,310,851	8,621,741		
Total liabilities	**14,169,661**	**9,349,213**	**11,014**	**19,240**	**14,180,675**	**9,368,453**	**—**	**—**
Net position held in trust								
Members' defined benefit plan benefits	98,764,294	88,262,774			98,764,294	88,262,774		
Participants' defined contribution plan benefits	39,097,313	33,580,993			39,097,313	33,580,993		
Retiree health benefits			225,886	192,824	225,886	192,824		
Custodial external investment pool funds							630,465	595,102
Total net position held in trust	**$137,861,607**	**$121,843,767**	**$225,886**	**$192,824**	**$138,087,493**	**$122,036,591**	**$630,465**	**$595,102**

See accompanying Notes to Financial Statements.

Statement of Changes in Fiduciary Net Position

Years ended June 30, 2024 and 2023 (in thousands of dollars)

Description	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023	University of California Retiree Health Benefit Trust (UCRHBT) 2024	University of California Retiree Health Benefit Trust (UCRHBT) 2023	Total UCRS and UCRHBT 2024	Total UCRS and UCRHBT 2023	Custodial External Investment Pool Funds 2024	Custodial External Investment Pool Funds 2023
Additions								
Contributions: Members and employees	$3,516,891	$3,196,194			$3,516,891	$3,196,194		
Contributions: University	3,168,762	2,927,174	$414,775	$371,631	3,583,537	3,298,805		
Other							$353,895	$254,217
Total contributions	**6,685,653**	**6,123,368**	**414,775**	**371,631**	**7,100,428**	**6,494,999**	**353,895**	**254,217**
Investment income (loss), net:								
Net appreciation in fair value of investments	13,883,079	5,808,449			13,883,079	5,808,449	267,343	227,363
Interest, dividends and other investment income	2,958,517	5,562,601	9,987	7,345	2,968,504	5,569,946	11,966	11,750
Securities lending income	197,750	336,928			197,750	336,928		
Securities lending fees and rebates	(193,949)	(326,940)			(193,949)	(326,940)		
Net investment income (loss)	**16,845,397**	**11,381,038**	**9,987**	**7,345**	**16,855,384**	**11,388,383**	**279,309**	**239,113**
Total additions, net	**23,531,050**	**17,504,406**	**424,762**	**378,976**	**23,955,812**	**17,883,382**	**633,204**	**493,330**
Deductions								
Benefit payments:								
Retirement payments	3,538,126	3,363,060			3,538,126	3,363,060		
Member withdrawals	145,122	141,026			145,122	141,026		
Cost-of-living adjustments	875,875	797,574			875,875	797,574		
Lump sum cash-outs	469,517	369,817			469,517	369,817		
Preretirement survivor payments	61,540	59,756			61,540	59,756		
Disability payments	25,070	24,853			25,070	24,853		
Death payments	11,734	11,360			11,734	11,360		
Participant withdrawals	2,280,368	2,174,893			2,280,368	2,174,893		
Total benefit payments	**7,407,352**	**6,942,339**	**—**	**—**	**7,407,352**	**6,942,339**	**—**	**—**
Insurance premiums:								
Insured plans			158,992	148,974	158,992	148,974		
Self-insured plans			187,295	179,276	187,295	179,276		
Medicare Part B reimbursements			39,893	32,521	39,893	32,521		
Total insurance premiums, net			**386,180**	**360,771**	**386,180**	**360,771**	**—**	**—**
Other deductions:								
Plan administration and other expenses	105,858	80,058	5,520	4,855	111,378	84,913		
External investment withdrawals							597,841	355,678
Total other deductions	**105,858**	**80,058**	**5,520**	**4,855**	**111,378**	**84,913**	**597,841**	**355,678**
Total deductions	**7,513,210**	**7,022,397**	**391,700**	**365,626**	**7,904,910**	**7,388,023**	**597,841**	**355,678**
Change in net position held in trust	**16,017,840**	**10,482,009**	**33,062**	**13,350**	**16,050,902**	**10,495,359**	**35,363**	**137,652**
Net position held in trust								
Beginning of year	121,843,767	111,361,758	192,824	179,474	122,036,591	111,541,232	595,102	457,450
End of year	$137,861,607	$121,843,767	$225,886	$192,824	$138,087,493	$122,036,591	$630,465	$595,102

See accompanying Notes to Financial Statements.

Notes to Financial Statements

Years ended June 30, 2024 and 2023

1. Organization and Summary of Significant Accounting Policies

Organization

The University of California (the University) was founded in 1868 as a public, state-supported institution. The California State Constitution provides that the University shall be a public trust administered by the corporation, "The Regents of the University of California," which is vested with full powers of organization and government, subject only to such legislative control necessary to ensure the security of its funds and compliance with certain statutory and administrative requirements. The majority of the 26-member independent governing board (The Regents) are appointed by the governor and approved by the state Senate. Various University programs and capital outlay projects are funded through appropriations from the state's annual Budget Act. The University's financial statements are discretely presented in the state's basic financial statements as a component unit.

Financial Reporting Entity

The University's financial statements include the 10 campuses, five medical centers, a statewide agricultural extension program and the operations of most student government or associated student organizations as part of the primary financial reporting entity because The Regents has certain oversight responsibilities for these organizations. Organizations that are not significant or for which the University is not financially accountable, such as booster and alumni organizations, are not included in the reporting entity.

Fiat Lux Risk and Insurance Company (Fiat Lux), the University's wholly owned captive insurance company, is a blended component unit of the University. The Regents is the sole corporate and voting member of Children's Hospital & Research Center at Oakland (CHRCO), a private, not-for-profit Internal Revenue Code section 501(c)(3) corporation. Children's Hospital & Research Center Foundation, a not-for-profit public benefit corporation, is organized and operated for the purpose of supporting CHRCO. CHRCO, combined with its foundation, is a blended component unit of the University. In addition, the financial position and operating results of certain other legally separate organizations are included in the University's financial reporting entity on a blended basis if The Regents is determined to be financially accountable for the organization. These include legally separate organizations that provide research and housing services entirely, or almost entirely, to the University or otherwise exclusively, or almost exclusively, to benefit the University.

The University has 11 legally separate, tax-exempt, affiliated foundations, one for each campus and the Lawrence Berkeley National Laboratory (LBNL). The economic resources received or held by the foundations are entirely for the benefit of the campuses. Because of the nature and significance of their relationship with the University, including their ongoing financial support, the campus foundations are reported under GASB requirements as discretely presented component units of the University.

Specific assets and liabilities and all revenues and expenses associated with LBNL, a major United States Department of Energy (DOE) national laboratory operated and managed by the University under contract directly with the DOE, are included in the accompanying financial statements.

The Regents has fiduciary responsibility for the UCRS, which includes two defined benefit plans, the University of California Retirement Plan (UCRP) and the University of California Voluntary Early Retirement Incentive Plan (UC–VERIP), and four defined contribution plans in the University of California Retirement Savings Program (UCRSP): the Defined Contribution Plan (DC Plan), the Supplemental Defined Contribution Plan (SDC Plan), the Tax-Deferred 403(b) Plan (403(b) Plan) and the 457(b) Deferred Compensation Plan (457(b) Plan). As a result, the UCRS statements of fiduciary net position and changes in fiduciary net position are shown as a fiduciary activity in the University's financial statements.

The Regents also has fiduciary responsibility for the UCRHBT. As a result, UCRHBT's statements of fiduciary net position and changes in fiduciary net position are shown as a fiduciary activity in the University's financial statements. UCRHBT allows certain University locations and affiliates, primarily campuses and medical centers that share the risks, rewards and costs of providing for retiree health benefits, the opportunity to fund such benefits on a cost-sharing basis and to accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. The Regents serves as Trustee of UCRHBT and has the authority to amend or terminate the trust.

Acquisitions

In 2024, the University completed the purchase of six hospitals, physician practice groups, outpatient facilities for its Irvine, Los Angeles and San Diego medical centers, in exchange for $1.5 billion. The acquisition of these facilities added 1,400 beds and 6,000 employees to expand the University's growing network of clinics and hospitals to better serve patients with safe, timely and equitable access to high-quality health care. The acquired assets became part of the Regents of the University of California.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, using the economic resources measurement focus and the accrual basis of accounting. The University follows accounting principles issued by the GASB.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. As a public institution, the University is considered a special-purpose government engaged primarily in a business-type activity under the provisions of GASB Statements Nos. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* and 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—an amendment of GASB Statement No. 34*. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Significant Accounting Policies

The significant accounting policies of the University are as follows:

Cash and cash equivalents. The University and campus foundations consider all balances in demand deposit accounts to be cash. The University classifies all other highly liquid cash equivalents with original maturities less than one year as short-term investments. Certain campus foundations classify their deposits in the University's Short Term Investment Pool (STIP) as cash equivalents.

Investments. Investments are measured and reported at fair value. Securities are generally valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or by utilizing an industry-standard pricing service, when available. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued at the quoted bid price of a dealer who regularly trades in the security being valued. Investment in non-exchange traded debt and equity investments are valued using inputs provided by independent pricing services or by brokers/dealers who actively trade in these markets. Certain securities may be valued on a basis of the price provided by a single source.

Investments also include private equities, private credit, absolute return funds, real estate, real asset and certain corporate asset-backed securities. Private equities include venture capital partnerships, buyouts, real assets and international funds. Fair values for interests in private equity, absolute return partnerships and real estate partnerships are based on valuations provided by the general partners of the respective partnerships. The valuations are primarily based on the most recent net asset value (NAV) of the underlying investments. The NAV is reported by the external investment managers, including general partners, in accordance with their policies as described in their respective financial statements and offering memoranda. The most recent NAV is adjusted for capital calls, distributions and significant known valuation changes, if any, of its related portfolio through June 30, 2024 and 2023.

Interests in certain direct investments in real estate and private credit are estimated based upon independent appraisals. Because the private equity, real estate, real assets and absolute return partnerships, along with direct investments in real estate, are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would be used had a ready market for such investments existed. These investments are generally less liquid than other investments.

For other investments, the University considers various factors to estimate fair value, such as the timing of the transaction, the market in which the company operates, comparable transactions, company performance and projections as well as discounted cash flow analysis. The selection of an appropriate technique may be affected by the availability and general reliability of relevant inputs. In some cases, one valuation technique may provide the best indication of fair value, while in other circumstances, multiple valuation techniques may be appropriate. Furthermore, the University may review the investment's underlying portfolio as well as engage external appraisers, depending on the nature of the investment.

The University exercises due diligence in assessing the external managers' use of and adherence to fair value principles. In conjunction with these procedures, estimated fair value is determined by consideration of a wide range of factors, including market conditions, redemption terms and restrictions and risks inherent to the inputs of the external investment managers' valuation. In situations where the information provided by the external manager is deemed to not be representative of the fair value as of the measurement date, management evaluates specific features of the investment and utilizes supplemental fair value information provided by the external manager along with any relevant market data to measure the investment's fair value.

Investments in registered investment companies are valued based upon the reported NAV of those companies. Mortgage loans held as investments are valued on the basis of their future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Insurance contracts are valued at contract value, plus reinvested interest, which approximates fair value.

Investments denominated in foreign currencies are translated into U.S. dollar equivalents using year-end spot foreign currency exchange rates. Purchases and sales of investments and their related income are translated at the rate of exchange on the respective transaction dates. Realized and unrealized gains and losses resulting from foreign currency changes are included in the University's statements of revenues, expenses and changes in net position.

Investment transactions are recorded on the date the securities are purchased or sold (trade date). Realized gains or losses are recorded as the difference between the proceeds from the sale and the average cost of the investment sold. Dividend income is recorded on the ex-dividend date and interest income is accrued as earned. Gifts of securities are recorded based on fair value at the date of donation.

Campus foundations may invest all or a portion of their investments in University-managed investment pools. Certain securities in these investment pools are included in the University's security lending program. Accordingly, the campus foundations' investments in University-managed investment pools and their allocated share of the securities lending activities have been excluded from the University's financial statements and included in the Campus Foundations' columns.

Derivative financial instruments. Derivative instruments are recorded at fair value. Futures contracts, foreign currency exchange contracts, stock rights and warrants, options and swaptions are valued at the settlement price on the last day of the fiscal year, as quoted on a recognized exchange or by utilizing an industry-standard pricing service, when available. Financial institutions or independent advisors have estimated the fair value of the interest rate swaps and total return swaps using quoted market prices when available or discounted expected future net cash flows.

The University has entered into interest rate swap agreements to limit the exposure of its variable-rate debt to changes in market interest rates. Interest rate swap agreements involve the exchange with a counterparty of fixed- and variable-rate interest payments periodically over the life of the agreement without exchange of the underlying notional principal amounts. The net differential to be paid or received is recognized over the life of the agreements as an adjustment to interest expense. The University's counterparties are major financial institutions.

Derivatives are recorded at estimated fair value as either assets or liabilities in the statements of net position. Certain derivatives are determined to be hedging derivatives and designated as either a fair value or cash flow hedge. Under hedge accounting, changes in the fair value of hedging derivatives are considered to be deferred inflows (for hedging derivatives with positive fair values) or deferred outflows (for hedging derivatives with negative fair values).

Changes in the fair value of derivatives that are not hedging derivatives are recorded as net appreciation or depreciation of investments in the statements of revenues, expenses and changes in net position.

Accounts receivable, net. Accounts receivable, net of allowance for uncollectible amounts, include reimbursements due from state and federal sponsors of externally funded research, patient billings, accrued income on investments and other receivables. Other receivables include local government and private grants and contracts, educational activities and amounts due from lessees, students, employees and faculty.

Pledges receivable, net. Unconditional pledges of private gifts to the University or campus foundations, net of allowance for uncollectible amounts, are recorded as pledges receivable and revenue in the year promised at the net present value of expected cash flows. Conditional pledges, including all pledges of endowments and intentions to pledge, are recognized as receivables and revenues when the specified conditions are met.

Beneficial interests in irrevocable split-interest agreements. The beneficial interests in irrevocable split-interest agreements represent the University's and the campus foundations' right to the portion of the benefits from the irrevocable split-interest agreements that are administered by third parties and are recognized as assets and deferred inflows of resources. These beneficial interests are measured at fair value and are reported as other noncurrent assets in the statements of net position. Changes in the fair value of the beneficial interest assets are recognized as an increase or decrease in the related deferred inflows of resources. At the termination of the agreement, net assets received from the beneficial interests are recognized as revenues.

Notes and mortgages receivable, net. Loans to students, net of allowance for uncollectible amounts, are provided from federal student loan programs and from other University sources. Home mortgage loans, primarily to faculty, are funded from the University's STIP and from other University sources. Mortgage loans funded by STIP are classified as investments, and loans provided by other sources are classified as mortgages receivable in the statements of net position.

Inventories. Inventories for the campuses, consisting primarily of supplies and merchandise for resale, are valued at cost, typically determined under the weighted average method, which is not in excess of estimated net realizable value. Inventories for the medical centers consist primarily of pharmaceuticals and medical supplies which are stated on a first-in, first-out basis at the lower of cost or market.

DOE national laboratories. The University operates and manages LBNL under a contract directly with the DOE. Specific assets and liabilities and all revenues and expenses associated with LBNL are included in the financial statements. Other assets, such as cash, property and equipment and other liabilities of LBNL are owned by the United States government rather than the University and, therefore, are not included in the statements of net position. The statements of cash flows exclude the cash flows associated with LBNL other than reimbursements, primarily related to pension and retiree health benefits, since all other cash transactions are recorded in bank accounts owned by the DOE.

The University is a member in two separate joint ventures that operate and manage two other DOE laboratories under contracts directly with the DOE. Lawrence Livermore National Security, LLC (LLNS) operates and manages Lawrence Livermore National Laboratory (LLNL). Triad National Security, LLC (Triad) operates and manages Los Alamos National Laboratory (LANL). The University's investments in Triad and LLNS are accounted for using the equity method. Accordingly, the University's statements of net position include its equity interest in Triad and LLNS, adjusted for the equity in undistributed earnings or losses and the statements of revenues, expenses and changes in net position include its equity in the current earnings or losses of Triad and LLNS.

The DOE is financially responsible for substantially all of the current and future costs incurred at any of the national laboratories, including pension and retiree health benefit costs. Accordingly, to the extent there are liabilities on the University's statements of net position for pension or retiree health obligations related to these laboratories, the University also records a receivable from the DOE.

Capital assets, net. Land, infrastructure, buildings and improvements, intangible assets, equipment, libraries, collections and special collections are recorded at cost at the date of acquisition, or estimated acquisition value at the date of donation in the case of gifts. Estimates of acquisition value involve assumptions and estimation methods that are uncertain and, therefore, the estimates could differ from actual value. Intangible assets include easements, land rights, trademarks, patents, right-to-use lease assets, right-to-use subscription-based information technology arrangement (SBITA) assets and other similar arrangements. Leases and SBITAs are recorded at the estimated present value of future payments, net of amounts paid in advance and capitalizable implementation costs. Significant additions, replacements, major repairs and renovations to infrastructure and buildings are generally capitalized if the cost equals or exceeds $35,000 and if they have a useful life of more than one year. Minor renovations are considered operating expenses. Equipment with a cost equal to or in excess of $5,000 and a useful life of more than one year is capitalized. Incremental costs, including salaries and employee benefits, directly related to the acquisition, development and installation of major software projects are included in the cost of the capital assets. All costs of land, library collections and special collections are capitalized.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Assets under leases and SBITAs are amortized over the shorter of the lease or subscription term or the estimated useful life of the asset. Leasehold improvements are amortized using the straight-line method over the shorter of the life of the applicable lease or the useful life of the asset.

Estimated useful lives are shown in **Table 1.1**:

Table 1.1: Estimated Useful Lives

Description	Years
Infrastructure	25
Buildings and improvements	15–33
Equipment	2–20
Computer software	3–7
Intangible assets	2–indefinite
Library books and collections	15

Capital assets acquired through federal grants and contracts where the federal government retains a reversionary interest are also capitalized and depreciated.

Inexhaustible capital assets, such as land or special collections that are protected, preserved and held for public exhibition, education or research, including art, museum, scientific and rare book collections are not depreciated.

Service concession arrangements. The University has entered into service concession arrangements with third parties for parking, student housing and certain other faculty and student services. Under these arrangements, the University enters into ground leases with third parties at minimal or no cost, and gives the third party the right to construct, operate and maintain a facility, primarily for the benefit of students and faculty at competitive rates. Rate increases for use of the facilities are subject to certain constraints, and ownership of the facilities reverts to the University upon expiration of the ground lease. The facilities are reported as capital assets by the University when placed in service, and a corresponding deferred inflow of resources is reported. The University has not provided guarantees on financing obtained by the third parties under these arrangements.

Unearned revenue. Unearned revenue primarily includes amounts received from grant and contract sponsors that have not been earned under the terms of the agreement and other revenue billed in advance of the event, such as student tuition and fees for housing and dining services.

Federal refundable loans. Certain loans to students are administered by the University with funding primarily supported by the federal government. The University's statements of net position include both the notes receivable and the related federal refundable loan liability representing federal capital contributions owed.

Bond premium. The bond premium received in the issuance of long-term debt is amortized as a reduction to interest expense over the term of the related long-term debt.

Self-insurance programs. The University is self-insured or insured through Fiat Lux for medical malpractice, workers' compensation, employee health care and general liability claims. These risks are subject to various claim and aggregate limits, with excess liability coverage provided by independent insurers. Liabilities are recorded when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred, but not reported. The estimated liabilities are based upon an independent actuarial determination of the present value of the anticipated future payments. Settlements did not exceed self-insured or supplemental insured coverage for any program in the past three fiscal years.

Obligations under life income agreements. Obligations under life income agreements represent trusts with living income beneficiaries where the University has a residual interest. The investments associated with these agreements are recorded at fair value. The discounted present value of the income beneficiary interest is reported as a liability in the statements of net position. Gifts subject to such agreements administered by the University are recorded as deferred inflows of resources, net of the income beneficiary share, at the date of the gift. At the termination of the agreement, the University's residual interest is recorded as gift revenue in the statements of revenues, expenses and changes in net position.

Pollution remediation obligations. Upon an obligating event, the University estimates the components of any expected pollution remediation costs and recoveries from third parties. The costs, estimated using the expected cash flow technique, are accrued as a liability. Pollution remediation liabilities generally involve groundwater, soil and sediment contamination at certain sites where state and other regulatory agencies have indicated that the University is among the responsible parties. The liabilities are reviewed annually and may increase or decrease the cost of recovery from third parties, if any, as a result of additional information that refines the estimates, or from payments made from revenue sources that support the activity. There were no expected recoveries at June 30, 2024 and 2023 reducing the pollution remediation liability.

Asset retirement obligations. Upon an obligating event, the University records the costs of any expected tangible capital asset retirement obligations using the best estimate of the current value of outlays expected to be incurred. The liabilities are reviewed annually and may change as a result of additional information that refines the estimates. Actual asset retirement obligation costs may vary from these estimates as a result of changes in assumptions such as asset retirement dates, regulatory requirements, technology and costs of labor, materials and equipment. The estimated remaining useful lives of these assets range from 1 to 26 years.

Deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources and deferred inflows of resources represent a consumption and acquisition of net position that apply to a future period, respectively. The University classifies gains on refunding of debt, increases in the fair value of hedging derivatives, payments received or to be received from service concession arrangements, changes in irrevocable split-interest agreements and certain lease payments to be received as deferred inflows of resources. The University classifies losses on refunding of debt, decreases in the fair value of hedging derivatives and certain asset retirement obligations as deferred outflows of resources. The difference between the net position acquired and consideration provided for acquisitions are reported as deferred outflow of resources and are recognized over the expected remaining service life of capital assets acquired, when acquisitions are largely based on the expected use of those capital assets. Gains or losses on refunding of debt are amortized as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter. Asset retirement obligations are recognized over the remaining useful life of the related asset. Revenues from split interest agreements are recognized when the resources become available to spend. Lease revenues are recognized over the lease term.

Changes in the net pension and net retiree health liabilities not included in expenses are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension and retiree health liabilities are reported as deferred outflows of resources.

Net position. Net position is required to be classified for accounting and reporting purposes into the following categories:

Net investment in capital assets. This category includes all of the University's capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction or improvement of those assets.

Restricted. The University and campus foundations classify the net position resulting from transactions with purpose or time restrictions as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact.

Nonexpendable. The net position subject to externally imposed restrictions, which must be retained in perpetuity by the University or campus foundations, is classified as restricted nonexpendable. This includes the University and campus foundation permanent endowment funds.

Also included in restricted nonexpendable net position are minority interests, which include the net position of legally separate organizations attributable to other participants.

Expendable. The net position whose use by the University or campus foundations is subject to externally imposed restrictions that can be fulfilled by actions of the University or campus foundations pursuant to those restrictions or that expire by the passage of time is classified as restricted expendable.

Unrestricted. The net position that is not subject to externally imposed restrictions governing its use is classified as unrestricted. The University's unrestricted net position may be designated for specific purposes by management or The Regents. The campus foundations' unrestricted net position may be designated for specific purposes by their Boards of Trustees. Substantially all of the University's unrestricted net position is allocated for academic and research initiatives or programs, for capital programs or for other purposes.

Restricted or unrestricted resources are spent based upon a variety of factors, including funding restrictions, consideration of prior and future revenue sources, the type of expense incurred, the University's budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost. Unrestricted net position is negative due primarily to liabilities for pension and retiree health benefits exceeding University assets available to pay such obligations.

Revenues and expenses. Operating revenues of the University include receipts from student tuition and fees, grants and contracts for specific operating activities and sales and services from medical centers, educational activities and auxiliary enterprises. Expenses incurred in conducting the programs and services of the University are presented in the statements of revenues, expenses and changes in net position as operating activities. The University's equity in current earnings or losses of Triad and LLNS is also considered operating.

Certain significant revenues relied upon and budgeted for fundamental operational support of the primary mission of the University are mandated by GASB to be recorded as nonoperating revenues, including state educational appropriations, certain federal grants for student financial aid, private gifts and investment income, since GASB does not consider them to be related to the principal operating activities of the University.

Nonoperating revenues and expenses also include state financing appropriations, state hospital fee grants, direct government grants from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Build America Bond federal interest subsidies, net appreciation (depreciation) in the fair value of investments, interest expense and the gain (loss) on the disposal of capital assets.

Campus foundations are established to financially support the University. Private gifts to campus foundations are recognized as operating revenues since, in contrast to the University, such contributions are fundamental to the primary mission of the campus foundations. Foundation grants to the University are recognized as operating expenses by the foundations. Private gift or capital gift revenues associated with campus foundation grants to the University are recorded by the University as gifts when the foundations transfer the gifts to the University.

State capital appropriations, capital gifts and grants and gifts for permanent endowment purposes are classified as other changes in net position.

Student tuition and fees. Substantially all student tuition and fees provide for the current operations of the University. A small portion of the student fees, reported as capital gifts and grants, is required for debt service associated with student unions and recreational centers.

The University recognizes scholarship allowances as the difference between the stated charge for tuition and fees, housing and dining charges, recreational center and other fees, and the amount that is paid by the student and third parties on behalf of the student. Payments of financial aid made directly to students are classified as scholarship and fellowship expenses.

Scholarship allowances are netted against student tuition and fees in the statements of revenues, expenses and changes in net position for the years ended June 30 as shown in **Table 1.2**:

Table 1.2: Scholarship Allowances *(in thousands of dollars)*

Description	2024	2023
Student tuition and fees	$1,531,090	$1,448,823
Auxiliary enterprises	245,909	317,042
Other operating revenues	18,517	17,794
Scholarship allowances	$1,795,516	$1,783,659

State appropriations. The state of California provides appropriations to the University on an annual basis. State educational appropriations are recognized as nonoperating revenue; however, the related expenses for educational, retirement or other specific operating purposes are reported as operating expenses. State appropriations for capital projects are recorded as revenue under other changes in net position when the related expenditures are incurred. Special state appropriations for research related to AIDS, tobacco and breast cancer are reported as state grants and contracts operating revenue.

Grant and contract revenue. The University receives grant and contract revenue from governmental and private sources. The University recognizes revenue associated with the direct costs of sponsored programs as the related expenditures are incurred. Recovery of facilities and administrative costs of federally sponsored programs is at cost reimbursement rates negotiated with the University's federal cognizant agency, the U.S. Department of Health and Human Services. For the year ended June 30, 2024, the facilities and administrative cost recovery totaled $1.7 billion, which consisted of $1.1 billion from federally sponsored programs and $561.6 million from other sponsors. For the year ended June 30, 2023, the facilities and administrative cost recovery totaled $1.6 billion, which consisted of $1.1 billion from federally sponsored programs and $509.9 million from other sponsors.

Medical center revenue. Medical center revenue is reported at the estimated net realizable amounts from patients and third-party payors, including Medicare, Medi-Cal and others, for services rendered, as well as estimated retroactive adjustments under reimbursement agreements with third-party payors. Laws and regulations governing Medicare and Medi-Cal are complex and subject to interpretation. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. It is reasonably possible that estimated amounts accrued could change significantly based upon settlements, or as additional information becomes available.

Net pension liability. The University records a net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plans' fiduciary net positions. The fiduciary net position and changes in net position of the defined benefit plans have been measured consistent with the accounting policies used by the plans. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

Both current employees and retirees at LBNL participate in UCRP. The University makes contributions to UCRP for LBNL employees based upon rates authorized by The Regents and is reimbursed by the DOE. The University also makes contributions to UCRP for LANL and LLNL retirees and terminated vested members, whose benefits were retained in UCRP at the time the joint ventures were formed. The University records a receivable for the net pension liability that is expected to be collected from the DOE. The University deposits funds in UCRP when the DOE makes payments for these contributions. The contributions from the DOE and deposits into UCRP on behalf of the DOE are included as DOE laboratory revenue in the statements of revenues, expenses and changes in net position.

Retiree health benefits and liability. The University's net retiree health benefits liability is measured as the total retiree health benefits liability, less the amount of the UCRHBT's fiduciary net position. The fiduciary net position and changes in net position of UCRHBT have been measured consistent with the accounting policies used by the trust. The total retiree health benefits liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the health benefit trust's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available.

Expense for retiree health benefits is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for retiree health benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

LBNL participates in the University's retiree health plans. The net retiree health benefits liability for LBNL is determined independently from the University's campuses and medical centers. Retiree health benefits expense for LBNL is included within the DOE laboratory expense, and the contributions from the DOE are included as DOE laboratory revenue in the statements of revenues, expenses and changes in net position.

The University records a receivable from the DOE for the DOE's portion of the University's net retiree health benefits liability attributable to LBNL. The University does not have any retiree health benefits liability for LANL or LLNL retiree health benefit costs since their current or former employees do not participate in the University's retiree health plans.

Campus and medical center contributions toward retiree health costs made to UCRHBT, the University's LBNL-related payments made directly to health care insurers and administrators and the corresponding reimbursements from the DOE are shown as operating activities in the statements of cash flows. Cash flows resulting from retiree health contributions from retirees are shown as noncapital financing activities in the statements of cash flows.

University of California Retiree Health Benefit Trust. UCRHBT receives the University's contributions toward retiree health benefits from campuses, medical centers and University affiliates. The University receives retiree health contributions from University affiliates and campus and medical center retirees that are deducted from their UCRP benefit payments or are received from the retiree through direct pay and then remitted to UCRHBT.

The University acts as a third-party administrator on behalf of UCRHBT and pays health care insurers and administrators amounts currently due under the University's retiree health benefit plans for retirees. UCRHBT reimburses the University for these amounts.

Since LBNL does not participate in UCRHBT, the DOE has no interest in its assets.

Compensated absences. The University accrues annual leave, including employer-related costs, for employees at rates based upon length of service and job classification and compensatory time based upon job classification and hours worked.

Endowment spending. Under provisions of California law, the Uniform Prudent Management of Institutional Funds Act allows for investment income, as well as a portion of realized and unrealized gains, to be expended for the operational requirements of University programs.

Custodial external investment pool funds. Custodial funds represent assets held in the University's investment pools on behalf of associated organizations that are not part of the University's financial reporting entity. As a result, these funds are reported as fiduciary activities in the University's financial statements.

Tax exemption. The University is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), except for tax on unrelated business income under IRC Section 511. The University is also exempt from federal income tax under IRC Section 115(a) as a state institution. In addition, the University is exempt from state income taxes imposed under the California Revenue and Taxation Code. UCRS plans are qualified under IRC Section 401(a) and the related trusts are tax-exempt under Section 501(c)(3). The campus foundations are also qualified for tax exemption under IRC Section 501(c)(3). CHRCO and its component unit, the Children's Hospital and Research Center Foundation, are qualified for exemption under IRC Section 501(c)(3). Income received by UCRHBT is tax-exempt under IRC Section 115(a).

Use of estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Although management believes the estimates and assumptions are reasonable, they are based upon information available at the time the estimate or judgment is made and actual amounts could differ from those estimates.

New Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). The Statement addresses issues that have been identified during implementation and application of certain GASB Statements. Upon the issuance of GASB 99, the University adopted the requirements related to extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB 34, as amended, and terminology updates related to GASB 53 and GASB 63. The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) were adopted by the University in 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB 53 were adopted by the University in 2024.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* (GASB 100), effective for the University's fiscal year beginning July 1, 2023. The Statement requires disclosures of descriptive information about accounting changes and error corrections and addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. During 2024, the University's ownership of a blended component unit decreased such that the component unit no longer qualified to be blended, but was now to be accounted for under the equity method of accounting. Accordingly, under GASB 100, this constituted a change in the financial reporting entity and the University reported a change in the beginning balance of net position for 2024.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101), effective for the University's fiscal year beginning July 1, 2024. The Statement replaces Statement No. 16, *Accounting for Compensated Absences*, to align recognition and measurement guidance for all types of compensated absences under a unified model. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The Statement also establishes guidance for measuring a liability for leave that has not been used. As of June 30, 2024, the University reported compensated absences liability of $1.4 billion. Under GASB 101, the University's compensated absences liability is expected to increase. The University is evaluating the full effect that GASB 101 will have on its financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102), effective for the University's fiscal year beginning July 1, 2024. GASB 102 requires the University to assess whether a concentration or constraint makes the University vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The University is evaluating the effect these requirements will have on its financial statements.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), effective for the University's fiscal year beginning July 1, 2025. GASB 103 changes some of the reporting requirements issued in Statements No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* and Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. GASB 103 adds a section for noncapital subsidies in the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP). This means state appropriations will move from nonoperating revenue to the new noncapital subsidies section, with a required subtotal described as "Operating income (loss) and noncapital subsidies." Other provisions of GASB 103 (1) clarify guidance for management's discussion and analysis, (2) define operating and nonoperating revenues and expenses, (3) move items in the other changes in net position into the other nonoperating revenues and expenses section, (4) replace extraordinary items and special items into a new "unusual or infrequent items" category. The University is evaluating the full effect that GASB 103 will have on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), effective for the University's' fiscal year beginning July 1, 2025. GASB 104 requires certain types of capital assets to be disclosed separately. The Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if the University has decided to pursue the sale of the capital asset and it is probable that the sale will be finalized within one year of the financial statement date. The University is evaluating the full effect that GASB 104 will have on its financial statements.

2. Cash and Cash Equivalents

The University maintains centralized management for substantially all of its cash and cash equivalents. Cash in demand deposit accounts is minimized by sweeping available cash balances into investment accounts on a daily basis.

Under University policy, deposits are only held at financial institutions that maintain an issuer rating on long-term debt of A3 or higher by Moody's Investors Service (Moody's), A- or higher by Standard & Poor's (S&P) or an Asset Peer Group rating of 65 or higher as defined by Sheshunoff Bank Rating Reports. At June 30, 2024 and 2023, the carrying amount of the University's cash and cash equivalents, generally held in five nationally recognized banking institutions, was $0.5 billion and $0.6 billion, respectively, compared to bank balances of $277.9 million and $257.7 million, respectively. Deposits in transit and cash awaiting investment are the primary differences. The University's deposits are uninsured and uncollateralized except for bank balances insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable statutory limits.

The University does not have significant exposure to foreign currency risk in demand deposit accounts. Accounts held in foreign countries maintain minimum operating balances with the intent to reduce potential foreign exchange risk while providing an adequate level of liquidity to meet the obligations of the academic programs established abroad. The equivalent U.S. dollar balances required to support research groups and education abroad programs in foreign countries was $2.9 million at June 30, 2024 and $20.2 million at June 30, 2023.

The carrying amount of the campus foundations' cash and cash equivalents at June 30, 2024 and 2023 was $255.1 million and $272.4 million, respectively, compared to bank balances of $103.1 million and $94.6 million, respectively. Deposits in transit and cash awaiting investment are the primary differences. Included in cash and cash equivalents are deposits in the University's Short Term Investment Pool (STIP) of $150.4 million at June 30, 2024 and $176.7 million at June 30, 2023, with the remaining uncollateralized bank balances insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable statutory limits. Uncollateralized bank balances include $7.8 million and $44.9 million in excess of the FDIC limits at June 30, 2024 and 2023, respectively. The campus foundations do not have exposure to foreign currency risk in their cash and cash equivalents

3. Investments

The Regents, as the governing board of the University, is responsible for the oversight of the University's, UCRS' and UCRHBT's investments and establishes an investment policy, which is carried out by the Office of the Chief Investment Officer (OCIO or UC Investments). These investments are associated with STIP, Total Return Investment Pool (TRIP), Blue and Gold Pool (BGP), General Endowment Pool (GEP), UCRS, UCRHBT and other investment pools managed by the OCIO, or are separately invested. Pursuant to The Regents' policies on campus foundations, the Board of Trustees for each campus foundation may determine that all or a portion of their investments will be managed by UC Investments. Asset and Risk Allocation Policy guidelines are provided to the campus foundations by the Investments Committee of The Regents.

STIP allows participants to maximize the returns on their short-term cash balances by taking advantage of the economies of scale of investing in a large pool with a broad range of maturities and is managed to maximize current earned income. Cash to provide for payroll, construction expenditures and other operating expenses for campuses and medical centers is invested in STIP. The available cash in UCRS or endowment investment pools awaiting investment, or cash for administrative expenses, is also invested in STIP.

Investments authorized by The Regents for STIP include fixed-income securities with a maximum maturity of three years. In addition, for STIP, The Regents has also authorized loans, primarily to faculty members residing in California, under the University's Mortgage Origination Program with terms of up to 40 years.

TRIP allows participants the opportunity to maximize the return on their intermediate-term working capital by taking advantage of the economies of scale of investing in a large pool across a broad range of asset classes. TRIP is managed to a total return objective and is intended to supplement STIP. Investments authorized by The Regents for TRIP include a diversified portfolio of equity, fixed-income and alternative investments.

BGP is an investment pool whose objective is to provide a low-cost, liquid, diversified investment vehicle to invest long-term excess reserves to earn a higher return than would otherwise be expected from STIP and TRIP. To achieve liquidity, transparency and minimal expense, a passive investment strategy in equities and bonds is used.

GEP is an investment pool in which a large number of individual endowments participate in order to benefit from diversification and economies of scale. GEP is a balanced portfolio and the primary investment vehicle for endowed gift funds. Where donor agreements place constraints on allowable investments, assets associated with endowments are invested in accordance with the terms of the agreements.

Other investment pools primarily facilitate annuity and life income arrangements. Separate investments are those that cannot be pooled due to investment restrictions or income requirements.

Investments authorized by The Regents for BGP, GEP, UCRS, other investment pools and separate investments include equity securities, fixed-income securities and certain other asset classes. The equity portion of the investment portfolios include both domestic and foreign common and preferred stocks which may be included in actively or passively managed strategies, along with exposure to private equities. The University's investment portfolios may include foreign currency-denominated equity securities. The fixed-income portion of the investment portfolios may include both domestic and foreign securities, along with certain securitized investments, including mortgage-backed and asset-backed securities. Fixed-income investment guidelines permit the use of futures and options on fixed-income instruments in the ongoing management of the portfolios. Real estate investments are authorized for all pools except STIP. Absolute return strategies, which may incorporate short sales, plus derivative positions to implement or hedge an investment position, are also authorized for all pools except STIP.

Derivative instruments, including futures, forward contracts, options and swap contracts are authorized for portfolio rebalancing in accordance with The Regents' asset allocation policy and as substitutes for physical securities. Derivatives are not used for speculative purposes.

The Regents has also authorized certain employee account balances in defined contribution plans included as part of UCRS' investments to be invested in mutual funds. The participants' interests in mutual funds are not managed by the OCIO and totaled $2.9 billion and $2.4 billion at June 30, 2024 and 2023, respectively.

Investments authorized by The Regents for the UCRHBT are restricted to a portfolio of high-quality money market instruments in a commingled fund that is managed externally. The average credit quality of the portfolio is A-1/P-1 with an average maturity of 14 days and 15 days at June 30, 2024 and 2023, respectively. The fair values of UCRHBT's investment in this portfolio were $196.9 million and $176.8 million at June 30, 2024 and 2023, respectively. These are measured at net asset value as of June 30, 2024 and 2023, respectively.

The composition of investments, by investment type at June 30 is shown in **Table 3.1**:

Table 3.1: Composition of Investments by Investment Type *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Equity securities	**$20,272,963**	**$15,479,559**	**$207,303**	**$85,519**	**$72,487,939**	**$58,291,786**
U.S. government-guaranteed:						
U.S. Treasury bills, notes and bonds	4,678,906	6,369,175	459,894	546,959	7,425,508	6,043,002
U.S. Treasury strips	414,381	494,506	4,120	220	72,438	273,583
U.S. TIPS			13,029	1,961	1,380,675	1,345,010
U.S. government-backed securities			8,813	9,189		
U.S. government-backed mortgage-backed securities			6,398	6,684	121,898	291,765
U.S. government-guaranteed	**5,093,287**	**6,863,681**	**492,254**	**565,013**	**9,000,519**	**7,953,360**
Other U.S. dollar-denominated						
Corporate bonds	1,516,702	1,842,575	230,668	218,795	5,257,199	5,101,068
Commercial paper	4,240,634	5,736,866			338,980	
U.S. agencies	114,979	2,454,450	7,576	8,115	2,742,743	3,349,663
U.S. agencies — asset-backed securities	887	1,096	75,290	66,824	441,136	1,044,556
Corporate — asset-backed securities			36,378	17,865	32,017	28,918
Supranational/foreign	791,323	959,302			2,065,615	2,436,884
Other	4,843	2,620	61,741	58,773	13,746	18,591
Other U.S. dollar-denominated	**6,669,368**	**10,996,909**	**411,653**	**370,372**	**10,891,436**	**11,979,680**
Foreign currency-denominated Government/sovereign				934		
Foreign currency-denominated				**934**		
Commingled funds						
Absolute return funds	904,680	1,014,215	3,344,044	3,059,939	1,845,464	1,779,371
Non-U.S. equity funds	1,303,338	1,633,719	855,618	848,191	3,296,006	4,101,538
Private equity	4,866,898	4,619,151	3,161,609	2,838,595	9,743,822	9,232,758
Private credit	939,761	1,066,727			2,278,817	3,084,346
Money market funds	1,202,918	400,554	1,811,420	1,967,321	5,323,090	5,347,602
U.S. equity funds	3,447	3,204	2,103,962	1,817,247	5,213,097	2,880,961
Real estate investment trusts	2,705,633	2,485,523	245,774	239,205	6,078,038	6,167,824
Real assets	593,136	747,767	59,314	80,324	3,154,240	4,032,506
U.S. bond funds	157,865	4,822	122,573	175,045	1,555,295	14,475
Non-U.S. bond funds	119	73	31,247	20,180		11
Balanced funds	321,842	315,156	3,197,494	2,805,385		
Commingled funds	**12,999,637**	**12,290,911**	**14,933,055**	**13,851,432**	**38,487,869**	**36,641,392**
Other investments						
Investment derivatives	495	2,451	64	48	4,012	15,235
Publicly traded real estate investment trusts	431,333	376,971			2,295,247	2,126,913
Mortgage loans	1,408,454	934,755				
Real estate	127,343	190,344	324,795	308,288	875,979	1,242,310
Other investments	169,554	151,556	362,527	348,700	575,074	548,539
Campus foundations' investments with the University	(3,673,607)	(4,717,138)				
UCRS investment in STIP	(2,953,909)	(4,365,490)				
Custodial investment funds	(630,465)	(595,102)	(728,256)	(705,961)		
Other investments	**(5,120,802)**	**(8,021,653)**	**(40,870)**	**(48,925)**	**3,750,312**	**3,932,997**
Total investments	**39,914,453**	**37,609,407**	**16,003,395**	**14,824,345**	**134,618,075**	**$118,799,215**
Less: Current portion	(5,105,163)	(9,946,972)	(1,562,469)	(1,788,817)		
Noncurrent portion	**$34,809,290**	**$27,662,435**	**$14,440,926**	**$13,035,528**		

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial credit risk, concentration of credit risk and foreign currency risk, may affect both equity and fixed-income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance and market liquidity, while fixed-income securities are particularly sensitive to credit risks and changes in interest rates. Alternative investment strategies and their underlying assets and rights are subject to an array of economic and market vagaries that can limit or erode value.

Credit risk

Fixed-income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or the possibility that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. These circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond and, ultimately, to pay the principal. Credit quality is evaluated by independent bond rating agencies, like Moody's or S&P. The lower the rating, the greater the chance, in the rating agency's opinion, that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed-income securities, primarily obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are considered to have minimal credit risk. Asset-backed securities are debt obligations that represent claims to the cash flows from pools of commercial, mortgage, credit card or student loans. Mortgage-backed securities issued by Ginnie Mae are backed by the full faith and credit of the U.S. government.

The investment guidelines for STIP recognize that a limited amount of credit risk, properly managed and monitored, is prudent and provides incremental risk-adjusted return over its benchmark. The combined benchmark for STIP is a 50/50 weighted average of the yield on a constant maturity one-year U.S. Treasury Note and U.S. 30-day Treasury Bills.

The University recognizes that credit risk is appropriate in balanced investment pools such as TRIP, BGP, UCRS and GEP by virtue of the benchmarks chosen for the fixed-income portion of those pools.

The core fixed-income benchmark for UCRSP is the Bloomberg MSCI US Aggregate ex-Tobacco ex-Fossil Fuels Index, comprised of 24.5 percent corporate bonds, 3.9 percent non-corporate bonds and 27.6 percent mortgage/asset-backed bonds, all of which carry some degree of credit risk. The remaining 44.0 percent is government-issued bonds. The core fixed-income benchmark for TRIP, BGP, UCRP and GEP is the Bloomberg 1–5 Year US Government/Credit Index, comprised of 25.5 percent corporate bonds and 5.3 percent non-corporate bonds, all of which carry some degree of credit risk. The remaining 69.2 percent is government-issued bonds.

Credit risk is managed primarily by diversifying across issuers. The University monitors and reviews its exposures on an ongoing basis and will maintain a high-quality portfolio within its investment guidelines.

The credit risk profile for fixed- or variable-income securities at June 30 is shown in **Table 3.2**:

Table 3.2: Credit Risk Profile *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Fixed- or variable-income securities						
U.S. government-guaranteed	$5,093,287	$6,863,681	$492,254	$565,013	$9,000,519	$7,953,360
Other U.S. dollar-denominated: AAA	268,379	755,713	97,827	101,419	1,215,657	1,314,520
Other U.S. dollar-denominated: AA	293,487	1,170,961	12,239	1,174	2,506,535	2,993,842
Other U.S. dollar-denominated: A	855,677	1,018,435	13,315	14,708	1,839,179	1,706,959
Other U.S. dollar-denominated: BBB	999,773	1,210,656	36,470	31,861	2,320,142	2,231,120
Other U.S. dollar-denominated: BB	7,862	8,894	99,963	80,548	1,039,782	1,206,753
Other U.S. dollar-denominated: B			62,946	76,568	798,524	1,072,912
Other U.S. dollar-denominated: CCC or below			2,848	8,973	240,890	278,493
Other U.S. dollar-denominated: Not rated	4,244,190	6,832,250	86,045	55,121	930,727	1,175,081
Foreign currency-denominated: BBB				934		
Commingled funds						
U.S. bond funds: not rated	157,865	4,822	122,573	175,045	1,555,295	14,475
Non-U.S. bond funds: not rated	119	73	31,247	20,180		11
Money market funds: not rated	1,202,918	400,554	1,811,420	1,967,321	5,323,090	5,347,602
Other investments						
Mortgage loans: not rated	1,408,454	934,755				

Custodial credit risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned.

Substantially all of the University's, campus foundations' and UCRS' securities are registered in the University's name by the custodial bank as an agent for the University. Other types of investments such as private investments, real estate, commingled funds and derivatives represent ownership interests that do not exist in physical or book-entry form. As a result, custodial credit risk for such investments is remote.

Concentration of credit risk

Concentration of credit risk is the risk associated with a lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments.

The U.S. and non-U.S. equity portions of the University and UCRS portfolios may be managed either passively or actively. For the portions managed passively, the concentration of individual securities is similar to their concentration in the benchmark. While some securities have a larger representation in the benchmark than others, the University considers passive management results in an absence of concentration of credit risk. For the portions managed actively, asset class guidelines do not specifically address concentration risk, but do state that the equity asset class, in the aggregate, will be appropriately diversified to control overall risk and will exhibit portfolio characteristics similar to the asset class benchmark (including concentration of credit risk). Concentration risk for individual portfolios is monitored relative to their individual benchmarks and agreed-upon risk parameters in their guidelines.

Each campus foundation may have its own individual investment policy designed to limit exposure to a concentration of credit risk. Securities issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, other investment pools or investments that are invested by the University for the campus foundations are not subject to concentration of credit risk. Most of the campus foundations that hold other types of investments have policies to limit the exposure to an individual issuer.

At June 30, 2024 and 2023, no single issuer comprised more than 5 percent of investments held by the University, campus foundations or UCRS, excluding US government securities.

Interest rate risk

Interest rate risk is the risk that the value of fixed-income securities will decline because of changing interest rates. The prices of fixed-income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 1-percentage-point change in the level of interest rates. Interest rate risk for STIP is managed by constraining the maturity of all individual securities to be less than or equal to three years. There is no restriction on weighted average maturity of the portfolio as it is managed relative to the liquidity demands of the investors. The nature and maturity of individual securities in STIP allow for the use of weighted average maturity as an effective risk management tool, rather than the more complex measure, effective duration.

The portfolio guidelines constrain the potential price movement due to interest rate changes of the portfolio being similar to that of the benchmark. There are similar restrictions for the high-yield and emerging market debt portfolios relative to their benchmarks.

The effective durations for fixed- or variable-income securities at June 30 are shown in **Table 3.3**:

Table 3.3: Effective Durations for Fixed- or Variable-Income Securities *(in years)*

Securities	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Fixed- or variable-income securities — U.S. government granted						
U.S. Treasury bills, notes and bonds	2.5	2.2	2.2	1.2	4.8	4.4
U.S. Treasury strips	1.6	2.2	12.4	11.6	1.1	1.5
U.S. TIPS			4	3.7	4.8	4.8
U.S. government-backed mortgage-backed securities, Other U.S. dollar-denominated					5.1	5.3
Corporate bonds	2.7	2.6	1.7	1.5	3.2	3.6
U.S. agencies	0.5	0.4	4.1	0.9	1.1	1.8
U.S. agencies — asset-backed securities	3.1	3.0			5.1	5.5
Corporate — asset-backed securities					2.7	3.2
Supranational/foreign	2.7	2.6			2.9	3.8
Other	2.0	2.2	3.5	1.5	5.8	6.6
Commingled funds						
U.S. bond funds	3.8	6.5	5.6	4.1	3.0	12.8
Non-U.S. bond funds			7.5	7.2		7.3
Money market funds*			0.2	0.2		

**Foundation investment in STIP*

The University considers the effective durations for commercial paper, mortgage loans, insurance contracts and money market funds to be zero. The terms of the mortgage loans include variable interest rates. Insurance contracts can be liquidated without loss of principal, and money market funds consist of underlying securities that are of a short-term, liquid nature.

Investments also include various mortgage-backed securities, collateralized mortgage obligations, structured notes, variable-rate securities and callable bonds that may be considered to be highly sensitive to changes in interest rates due to the existence of prepayment or conversion features. The effective durations of these securities, however, may be low.

At June 30, the fair values of such investments are shown in **Table 3.4**:

Table 3.4: Fair Value of Certain Investments *(in thousands of dollars)*

Investments	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Mortgage-backed securities	$887	$1,096	$19,615	$17,561	$551,656	$1,317,804
Collateralized mortgage obligations			61,854	55,947	39,592	38,834
Other asset-backed securities			20,293	17,811	320,917	8,603
Variable-rate securities	1,486,920	477,247			3,274,876	969,924
Callable bonds	1,493,945	3,188,258			8,552,739	8,882,743
Structured notes	189,820	475,549			517,812	2,123,743
Convertible bonds					9,265	5,558
Total	**$3,171,572**	**$4,142,150**	**$101,762**	**$91,319**	**$13,266,857**	**$13,347,209**

Mortgage-backed securities. These securities are issued primarily by Fannie Mae, Ginnie Mae and Freddie Mac, and various commercial entities and include short embedded prepayment options. Unanticipated prepayments by the obligees of the underlying assets reduce the total expected rate of return.

Collateralized mortgage obligations. Collateralized mortgage obligations (CMOs) generate a return based upon either the payment of interest or principal on mortgages in an underlying pool. The relationship between interest rates and prepayments makes the fair value highly sensitive to changes in interest rates. In falling interest rate environments, the underlying mortgages are subject to a higher propensity of prepayments. In rising interest rate environments, the opposite is true.

Other asset-backed securities. Other asset-backed securities also generate a return based upon either the payment of interest or principal on obligations in an underlying pool, generally associated with auto loans or credit cards. As with CMOs, the relationship between interest rates and prepayments makes the fair value highly sensitive to changes in interest rates.

Variable-rate securities. These securities are investments with terms that provide for the adjustment of their interest rates on set dates and are expected to have fair values that will be relatively unaffected by interest rate changes. Variable-rate securities may have limits on how high or low the interest rate may change. These constraints may affect the market value of the security.

Callable bonds. Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The University must then replace the called bond with a bond that may have a lower yield than the original. The call feature causes the fair value to be highly sensitive to changes in interest rates.

At June 30, the effective durations for these securities are shown in **Table 3.5**:

Table 3.5: Effective Durations for Certain Securities *(in years)*

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Mortgage-backed securities	3.1	3.0	3.9	3.9	5.0	5.5
Collateralized mortgage obligations			2.5	2.7	3.7	4.9
Other asset-backed securities			1.2	1.0	0.1	2.3
Structured notes	2.7	2.9			3.0	4.1
Variable-rate securities	0.7	2.9			0.9	3.4
Callable bonds	2.6	1.8			2.6	3.0
Convertible bonds					1.5	2.7

Foreign currency risk

The University's strategic asset allocation policy for TRIP, UCRS and GEP includes allocations to non-U.S. equities and non-dollar-denominated bonds. The benchmarks for these investments are not hedged; therefore, foreign currency risk is part of the investment strategy. Portfolio guidelines for U.S. investment-grade fixed-income securities also allow exposure to non-U.S. dollar-denominated bonds up to 10 percent of the total portfolio market value. Exposure to foreign currency risk from these securities is permitted, and it may be fully or partially hedged using forward foreign currency exchange contracts. Under the University's investment policies, such instruments are not permitted for speculative use or to create leverage. Similar limits on foreign exchange exposure apply to the high-yield debt and emerging market debt portfolios.

At June 30, the foreign currency risk expressed in U.S. dollars, organized by currency denomination and investment type, is shown in **Table 3.6**:

Table 3.6: Foreign Currency Risk *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Equity securities						
Euro	$1,296,877	$1,017,777			$4,819,475	$4,140,709
British Pound	537,197	377,956			1,959,161	1,572,528
Japanese Yen	969,169	634,106			3,594,100	2,777,226
Canadian Dollar	430,449	288,019			1,589,364	1,259,656
Swiss Franc	382,550	289,691			1,386,611	1,190,684
Australian Dollar	258,231	172,971			952,003	750,052
Hong Kong Dollar	393,814	308,053			1,394,759	1,263,430
Swedish Krona	162,393	131,074			605,268	501,419
Singapore Dollar	46,951	30,289			176,521	128,444
Danish Krone	166,110	87,870			618,245	383,130
Norwegian Krone	30,447	19,150			109,119	81,231
South Korean Won	238,104	154,155			831,154	620,747
Brazilian Real	70,473	59,632			236,433	242,620
Indian Rupee	576,251	348,233	$21,584	$19,614	1,809,608	1,159,985
Taiwan New Dollar	399,717	204,663			1,398,843	837,109
South African Rand	56,109	38,475			196,222	149,216
Thai Baht	26,980	21,340			96,127	88,964
Mexican Peso	38,922	31,070			135,152	122,041
Chinese Yuan Renminbi	55,489	40,154			198,567	181,082
Other	265,263	189,070	64	19	902,388	755,048
Subtotal	**6,401,496**	**4,443,748**	**21,648**	**19,633**	**23,009,120**	**18,205,321**
Fixed-income securities						
Mexican Peso				934		
Subtotal				**934**		
Commingled funds (various currency denominations)						
Absolute return funds	2,960	3,493	1,560,254	955,057	260,692	
Non-U.S. equity funds	1,303,338	1,633,719	855,618	834,984	3,296,006	4,101,538
Private equity	34,688	21,991	549,599	546,022	273,072	227,961
Private credit						307,747
Real estate investment trusts			10,215	12,632		
Real assets	9,661	13,809	120,886	136,016	54,744	78,254
Non-U.S. bond funds	119	73	31,247	20,180		11
Balanced funds			239,379	150,497		
Subtotal	**1,350,766**	**1,673,085**	**3,367,198**	**2,655,388**	**3,884,514**	**4,715,511**
Investment derivatives						
Australian Dollar						1
Canadian Dollar	9	10			66	73
Japanese Yen				11		
Hong Kong Dollar	17				38	
Euro	30	30		15	49	89
Other	18	7		22	59	30
Subtotal	**74**	**47**		**48**	**212**	**193**
Publicly traded real estate investment trusts						
Australian Dollar	22,005	13,877			82,744	58,495
Euro	10,674	7,428			38,830	30,323
British Pound	14,174	9,030			49,692	36,886
Japanese Yen	21,104	17,090			65,544	66,701
Singapore Dollar	9,202	7,148			33,691	30,718
Canadian Dollar	4,233	3,821			13,737	15,261
Other	8,506	13,951			28,315	43,506
Subtotal	**89,898**	**72,345**			**312,553**	**281,890**
Total exposure to foreign currency risk	**$7,842,234**	**$6,189,225**	**$3,388,846**	**$2,676,003**	**$27,206,399**	**$23,202,915**

The University's Investment Pools

The composition of the University's investments at June 30, 2024, by investment pool, is shown in **Table 3.7a**:

Table 3.7a: Composition of University's Investments by Investment Pool at June 30, 2024 *(in thousands of dollars)*

Description	STIP	TRIP	BGP	GEP	Other	Total
Equity securities		$5,090,829	$5,750,667	$9,326,642	$104,825	$20,272,963
U.S. government-guaranteed	$652,573	2,921,264	636,037	860,679	22,734	5,093,287
Other U.S. dollar-denominated	4,336,402	1,500,215	315,036	511,768	5,947	6,669,368
Commingled funds	940,531	121,747	62,774	11,254,593	619,992	12,999,637
Investment derivatives		160	134	173	28	495
Publicly traded real estate investment trusts		111,894	126,551	191,143	1,745	431,333
Mortgage loans	1,408,454					1,408,454
Real estate				95,163	32,180	127,343
Other investments				159,359	10,195	169,554
Subtotal	**7,337,960**	**9,746,109**	**6,891,199**	**22,399,520**	**797,646**	**47,172,434**
Campus foundations' investments with the University	(406,261)			(3,024,147)	(243,199)	(3,673,607)
UCRS investment in STIP	(2,953,909)					(2,953,909)
Custodial investment funds	(353,602)	(50,852)		(226,011)		(630,465)
Total investments	**$3,624,188**	**$9,695,257**	**$6,891,199**	**$19,149,362**	**$554,447**	**$39,914,453**

The composition of the University's investments at June 30, 2023, by investment pool, is shown in **Table 3.7b**:

Table 3.7b: Composition of University's Investments by Investment Pool at June 30, 2023 *(in thousands of dollars)*

Description	STIP	TRIP	BGP	GEP	Other	Total
Equity securities		$6,771,581	$2,137,502	$6,462,027	$108,449	$15,479,559
U.S. government-guaranteed	$1,514,632	4,141,788	321,488	863,330	22,443	6,863,681
Other U.S. dollar-denominated	8,171,583	2,214,902	179,687	421,732	9,005	10,996,909
Commingled funds	198,732	121,373	26,435	11,340,980	$603,391	12,290,911
Investment derivatives		1,470	409	540	32	2,451
Publicly traded real estate investment trusts		171,719	52,538	150,917	1,797	376,971
Mortgage loans	934,755					934,755
Real estate				157,738	32,606	190,344
Other investments				141,352	10,204	151,556
Subtotal	**10,819,702**	**13,422,833**	**2,718,059**	**19,538,616**	**787,927**	**47,287,137**
Campus foundations' investments with the University	(1,876,336)			(2,624,525)	(216,277)	(4,717,138)
UCRS investment in STIP	(4,365,490)					(4,365,490)
Custodial investment funds	(337,951)	(46,293)		(210,858)		(595,102)
Total investments	**$4,239,925**	**$13,376,540**	**$2,718,059**	**$16,703,233**	**$571,650**	**$37,609,407**

The total investment returns based upon unit values, representing the combined income plus net appreciation or depreciation in the fair value of investments, for the year ended June 30, 2024 were 12.1 percent for TRIP, 15.7 percent for BGP, 11.7 percent for GEP and 12.2 percent for UCRP. The total investment returns based upon unit values, representing the combined income plus net appreciation or depreciation in the fair value of investments, for the year ended June 30, 2023, were 8.6 percent for TRIP, 13.3 percent for BGP, 8.2 percent for GEP and 10.1 percent for UCRP. The investment return for STIP distributed to participants, representing combined income and realized gains or losses, during the same periods, was 4.2 percent and 2.8 percent, respectively. Other investments consist of numerous small portfolios of investments or individual securities, each with its own individual rate of return.

Related Party Relationships with the University

UCRS and campus foundations may invest available cash in STIP. Shares are purchased or redeemed at a constant value of $1 per share. Actual income earned, including any realized gains or losses on the sale of STIP investments, is allocated to UCRS and campus foundations based upon the number of shares held. Unrealized gains and losses associated with the fluctuation in the fair value of investments included in STIP are recorded by the University as the manager of the pool. The net asset value for STIP is held at a constant value of $1 and is not adjusted for unrealized gains and losses associated with the fluctuation in the fair value of investments included in STIP.

The campus foundations may also purchase or redeem shares in GEP, BGP, TRIP or other investment pools at the unitized value of the portfolio at the time of purchase or redemption. Actual income earned is allocated to the campus foundations based upon the number of shares held.

Campus Foundations

The campus foundations' cash and cash equivalents and investments that are invested with the University are excluded from the University's statements of net position and included in the campus foundations' statements of net position. Under the accounting policies elected by each campus foundation, certain foundations classify all or a portion of their investment in STIP as cash and cash equivalents, rather than investments. Substantially all of the campus foundations' investments managed by the University are categorized as commingled funds or commingled money market funds by the campus foundations in the composition of investments.

The fair value of the campus foundations' cash and cash equivalents and investments that are invested with the University, by investment pool, at June 30 are shown in **Table 3.8**:

Table 3.8: Fair Value of the Foundations' Cash, Cash Equivalents, Investments *(in thousands of dollars)*

Description	Campus Foundations 2024	Campus Foundations 2023
STIP	$406,261	$1,876,336
GEP	3,024,147	2,624,525
Other investment pools	243,199	216,277
Campus foundations' investments with the University	**3,673,607**	**4,717,138**
Classified as cash and cash equivalents by campus foundations	(147,742)	(175,874)
Classified as investments by campus foundations	**$3,525,865**	**$4,541,264**

Investment income in the University's statements of revenues, expenses and changes in net position is net of income earned by, and distributed to, the campus foundations totaling $49.9 million and $69.1 million for the years ended June 30, 2024 and 2023, respectively.

UCRS

UCRS had $3.0 billion and $4.4 billion invested in STIP at June 30, 2024 and 2023, respectively. These investments are excluded from the University's statements of net position and are included in UCRS' statements of fiduciary net position. They are categorized as commingled money market funds in the composition of investments for UCRS. STIP investment income in the University's statements of revenues, expenses and changes in net position is net of income earned by, and distributed to, UCRS totaling $136.8 million and $115.8 million for the years ended June 30, 2024 and 2023, respectively.

External Investment Pools

STIP and GEP are external investment pools. The composition of their net position at June 30 is shown in **Table 3.9**:

Table 3.9: Composition of Net Position for STIP and GEP *(in thousands of dollars)*

Description	STIP 2024	STIP 2023	GEP 2024	GEP 2023
Investments	$7,337,960	$10,819,702	$22,399,520	$19,538,616
Investment of cash collateral			810,073	636,169
Securities lending collateral			(810,073)	(636,169)
Other assets, net	5,843,743	5,530,511	201,180	1,043,224
Net position	**$13,181,703**	**$16,350,213**	**$22,600,700**	**$20,581,840**

Participants purchase or redeem shares in STIP at a constant value of $1 per share and purchase or redeem shares in GEP at the unitized value of the portfolio at the time of purchase or redemption. Actual income earned is allocated to participants based upon the number of shares held.

Other assets include amounts receivable for pension benefits from the campuses and medical centers of $5.9 billion and $5.5 billion at June 30, 2024 and 2023, respectively.

The changes in net position for STIP and GEP for the year ended June 30 shown in **Table 3.10**:

Table 3.10: Changes in Net Position for STIP and GEP *(in thousands of dollars)*

Description	STIP 2024	STIP 2023	GEP 2024	GEP 2023
Net position, beginning of year	$16,350,213	$16,876,193	$20,581,840	$18,227,737
Investment income	576,010	496,962	179,409	222,471
Net appreciation (depreciation) in fair value of investments	12,175	(11,702)	2,130,895	1,354,299
Net transfer to TRIP		(749,101)		
Net transfer to BGP	(2,987,621)	(150,000)		
Participant contributions (withdrawals)	(769,074)	(112,139)	(291,444)	777,333
Net position, end of year	**$13,181,703**	**$16,350,213**	**$22,600,700**	**$20,581,840**

4. Securities Lending

The University and UCRS jointly participate in a securities lending program as a means to augment income. Securities are lent to selected brokerage firms for which collateral received equals or exceeds the fair value of such investments lent during the period of the loan. Securities loans immediately terminate upon notice by either the University or the borrower. Collateral may be cash or securities issued by the U.S. government or its agencies, or the sovereign or provincial debt of foreign countries. Securities collateral cannot be pledged or sold by the University unless the borrower defaults.

Loans of domestic equities and all fixed-income securities are initially collateralized at 102 percent of the fair value of securities lent. Loans of foreign equities are initially collateralized at 105 percent. All borrowers are required to provide additional collateral by the next business day if the value of the collateral falls to less than 100 percent of the fair value of securities lent.

Cash collateral received from the borrower is invested by lending agents, as agents for the University, in investment pools in the name of the University, with guidelines approved by the University. These investments are shown as investment of cash collateral in the statement of net position. At June 30, 2024 and 2023, the securities in these pools had a weighted average maturity of 11 days and 3 days, respectively. The University records a liability for the return of the cash collateral shown as collateral held for securities lending in the statements of net position. Securities collateral received from the borrower is held in investment pools by the University's custodial bank.

At June 30, 2024 and 2023, the University had insignificant exposure to borrowers because the amounts the University owed the borrowers were substantially the same as the amounts the borrowers owed the University. The University is indemnified by its lending agents against any losses incurred as a result of borrower default.

The composition of the securities lending programs at June 30 is shown in **Table 4.1**:

Table 4.1: Composition of the Securities Lending Program *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Securities lent				
For cash collateral:				
Equity securities:				
Domestic	$1,349,360	$1,260,717	$8,002,493	$5,454,648
Foreign	429,580	207,478	1,302,812	772,168
Fixed-income securities:				
U.S. government-guaranteed	9,404	48,251	773,870	811,410
U.S. agency	118,604	43,502	1,590,842	638,693
Other U.S. dollar-denominated	327,079	317,106	1,308,721	775,060
Foreign currency-denominated				2,426
Lent for cash collateral	**2,234,027**	**1,877,054**	**12,978,738**	**8,454,405**
For securities collateral:				
Equity securities:				
Domestic	299	14		34
Foreign	2,168	275	2,161	67
Publicly traded real estate investment trusts:				
Publicly traded real estate investment trust				
Fixed-income securities:				
U.S. government-guaranteed	46,481	5,290	3,583,205	2,773,493
Other U.S. dollar-denominated				
Foreign currency-denominated				
Lent for securities collateral	**48,948**	**5,579**	**3,585,366**	**2,773,594**
Total securities lent	**$2,282,975**	**$1,882,633**	**$16,564,104**	**$11,227,999**
Collateral received				
Cash	$2,299,343	$1,913,858	$13,310,851	$8,621,742
Total cash collateral received	**2,299,343**	**1,913,858**	**13,310,851**	**8,621,742**
Securities	53,841	6,137	3,943,813	3,431,453
Total collateral received	**$2,353,184**	**$1,919,995**	**$17,254,664**	**$12,053,195**
Investment of cash collateral				
Fixed-income securities:				
Other U.S. dollar-denominated:				
Corporate bonds	$25,777	$27,232	$149,223	$122,678
Commercial paper	194,918	54,171	1,128,376	244,037
Repurchase agreements	1,645,503	1,195,531	9,525,781	5,385,771
Certificates of deposit/time deposits	369,251	645,778	2,137,588	2,909,169
Supranational/foreign	64,494	9,443	373,357	42,539
Other liabilities, net*	(604)	(18,269)	(3,457)	(82,434)
Investment of cash collateral	**2,299,339**	**1,913,886**	**$13,310,868**	**$8,621,760**
Less: Current portion	(2,203,923)	(1,833,062)		
Noncurrent portion	**$95,416**	**$80,824**		

Other liabilities, net is comprised of pending settlements of cash collateral investments.

Investment Risk Factors

There are a variety of potential risk factors involved in a securities lending program. Risks associated with the investment of cash collateral may include the credit risk from fixed-income securities, concentration of credit risk, interest rate risk and foreign currency risk. In addition, there may be custodial credit risk associated with both cash and securities received as collateral for securities lent.

The University's and UCRS' investment guidelines and other information related to each of these risks are summarized below. Campus foundations that participate in a securities lending program may have their own individual investment policies designed to limit the same risks.

Credit risk

The University's and UCRS' investment guidelines for the investment of cash collateral maintained in separately managed collateral pools restrict the credit rating of issuers at the time of purchase to no less than A-1, P-1 or F-1 for short-term securities and no less than A2/A for long-term securities. Asset-backed securities must have a rating of AAA at the time of purchase.

The credit risk profile for fixed- or variable-income securities associated with the investment of cash collateral at June 30 is shown in **Table 4.2**:

Table 4.2: Credit Risk Profile *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Fixed- or variable-income securities:				
Other U.S. dollar-denominated:				
AAA	$35,298	$6,150	$204,340	$27,704
AA-	128,959	155,382	746,540	699,983
A+	203,583	302,612	1,178,536	1,363,237
A	98,395	100,831	569,604	454,236
A-1+	27,176	62,709		282,498
A-1 / A-2 / P-1/ F-1	131,384	105,647	920,506	475,929
Not rated	29,196	3,293	169,017	14,835
Other liabilities, net*: not rated	**(604)**	**(18,269)**	**(3,457)**	**(82,434)**

**Other liabilities, net is comprised of pending settlements of cash collateral investments.*

Custodial credit risk

Cash collateral received for securities lent is invested in pools by the University's lending agents. The University's and UCRS' securities related to the investment of cash collateral are registered in the University's name by the lending agents. Securities collateral received for securities lent are held in investment pools by the University's lending agents. As a result, custodial credit risk is remote.

Concentration of credit risk

The University's and UCRS' investment guidelines with respect to the concentration of credit risk associated with the investment of cash collateral in the separately managed collateral pools restricts investments in any single issuer of corporate debt securities, time deposits, certificates of deposit, banker's acceptances and money market funds to no more than 5 percent of the portfolio value at the time of purchase. Campus foundations that directly participate in a securities lending program do not have specific investment policies related to concentration of credit risk, although the lending agreements with the agents establish restrictions for the type of investments, as well as minimum credit ratings.

Investments in issuers other than U.S. government-guaranteed securities that represent 5 percent or more of the total investment of cash collateral at June 30 are shown in **Table 4.3**:

Table 4.3: Investment in Issuers Other Than U.S. Government-Guaranteed Securities that Represent 5 percent or more of the Total Investment of Cash Collateral *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Goldman Sachs & Co.	$181,176	$132,609	$1,048,823	$597,391
Citigroup Global Markets Inc.	337,352	151,735	1,952,931	683,549
Bank of America Corporation	138,460		801,541	
JP Morgan Securities LLC	125,203		724,799	
Barclays Bank PLC	142,437	296,637	824,564	1,336,321

Interest rate risk

The nature of individual securities in the collateral pools allows for the use of weighted average maturity as an effective risk management measure. The University's and UCRS' investment guidelines with respect to the interest rate risk associated with the investment of cash collateral in the separately managed collateral pools require the weighted average maturity of the entire collateral pool to be less than 120 days. The maturity of securities issued by the U.S. government and asset-backed securities must be less than five years, corporate debt obligations must be less than two years and time deposits must be less than 190 days.

The weighted average maturity expressed in days for fixed- or variable-income securities associated with the investment of cash collateral at June 30 is shown in **Table 4.4**:

Table 4.4: Weighted Average Maturity *(in days)*

Description	University of California 2024	University of California 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Fixed- or variable-income securities:				
Other U.S. dollar-denominated:				
Corporate bonds	150	1	150	1
Commercial paper	38	39	38	39
Repurchase agreements	2	2	2	2
Certificates of deposit/time deposits	25	4	26	4
Supranational/foreign	43	17	43	17

Investment of cash collateral may include various asset-backed securities, structured notes and variable-rate securities that may be considered to be highly sensitive to changes in interest rates due to the existence of prepayment or conversion features, although the weighted average maturity may be short.

At June 30, the fair value of investments that are considered to be highly sensitive to changes in interest rates is shown in **Table 4.5**:

Table 4.5: Fair Value of Investments Highly Sensitive to Interest Rate Changes *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	University of California Retirement System (UCRS) 2024	University of California Retirement System (UCRS) 2023
Other asset-backed securities	$60,812	$9,443	$352,039	$42,539
Variable-rate investments	1,519,212	1,597,069	8,794,688	7,194,641
Total	$1,580,024	$1,606,512	$9,146,727	$7,237,180

At June 30, 2024 and 2023, the weighted average maturity expressed in days for asset-backed securities was 2 days and less than a day, respectively. For both June 30, 2024 and June 30, 2023, the weighted average maturity expressed in days for variable-rate investments was 1 day.

Foreign currency risk

The University's and UCRS' investment policy with respect to the foreign currency risk associated with the investment of cash collateral maintained in separate collateral pools restricts investments to U.S. dollar-denominated securities. Therefore, there is no foreign currency risk.

5. Derivative Financial Instruments

The University may use derivatives including futures, forward contracts, options and interest rate swap contracts as a substitute for investing in equity and fixed-income securities to reduce the effect of fluctuating foreign currencies on foreign currency-denominated investments, or to limit its exposure of variable-rate bonds to changes in market interest rates. The Board of Trustees for each campus foundation may also authorize derivatives in its investment policy.

The University enters into futures contracts for the purpose of acting as a substitute for investing in equity and fixed-income securities. A futures contract is an agreement between two parties to buy and sell a security or financial index, interest rate or foreign currency at a set price on a future date. They are standardized contracts that can be easily bought and sold and are exchange-traded. Upon entering into such a contract, the University is required to pledge to the broker an amount of cash or securities equal to the minimum initial margin requirements of the exchange on which the contract is traded. Pursuant to the contract, the University agrees to receive from, or pay to, the counterparty an amount of cash equal to the daily fluctuation in the value of the contract. These contracts are settled on a daily basis, with the resulting realized gain or loss included in the statements of revenues, expenses and changes in net position. The settlement amount at the end of each day for each of the contracts, or variation margin, is included in investments and represents the fair value of the contracts.

Forward contracts are similar to futures contracts, although they are not exchange-traded. Foreign currency exchange contracts are forward contracts used to hedge against foreign currency exchange rate risks on non-U.S. dollar-denominated investment securities and to increase or decrease exposure to various foreign currencies.

An options contract gives the University the right to buy or sell a specified security or index at a fixed price during a specified period for a nonrefundable fee (the "premium"). The maximum loss to the University is limited to the premium originally paid for covered options. The University initially records premiums paid for the purchase of these options in the statements of net position as an investment which is subsequently adjusted to reflect the fair value of the options, with unrealized gains and losses included in the statements of revenues, expenses and changes in net position.

Rights and warrants provide the holder the right to buy a stock at a predetermined price for a finite period of time. Warrants usually have a longer time period to expiration. The holder of a right or warrant is permitted to buy at a price that may be below the actual market price for that stock. Warrants and rights cease to exist and become worthless if not used by their expiration date.

An interest rate swap is a contractual agreement entered into between the University and a counterparty under which each agrees to exchange periodic fixed or variable payments for an agreed period of time based upon a notional amount of principal or value of the underlying contract. The payments correspond to an equity index, an interest rate or currency. A credit default swap is an agreement whereby the seller will compensate the buyer in the event of a loan default. A swaption is an option granting its owner the right to enter into an underlying swap. The University considers its futures, forward contracts, options, credit default swaps, swaptions, rights, warrants and certain interest rate swaps to be investment derivatives.

As a means to lower the University's borrowing costs, when compared against fixed-rate bonds at the time of issuance, the University entered into interest rate swap agreements in connection with certain of its variable-rate Medical Center Pooled Revenue Bonds and General Revenue Bonds. The University determined certain of its interest rate swaps are derivative instruments that meet the criteria for an effective hedge. Certain of the interest rate swaps are considered hybrid instruments since, at the time of execution, the fixed rate on each of the swaps was off-market and the University received an upfront payment. As such, these swaps are each comprised of a derivative instrument, an at-the-market swap that is an effective hedge and a companion borrowing represented by the upfront payment. The unamortized amount of the borrowing under the companion instruments was $63.2 million and $66.7 million at June 30, 2024 and 2023, respectively.

The fair value balances and notional amounts of derivative instruments outstanding at June 30, categorized by type, and the changes in fair value of such derivatives are shown in **Tables 5.1a**, **5.1b** and **5.1c**:

University

Table 5.1a: Fair Value Balances and Notional Amounts of Derivative Instruments Outstanding for the University

(in thousands of dollars)

Category	Notional amount 2024	Notional amount 2023	Fair value classification	Fair value 2024	Fair value 2023	Changes in fair value classification	Changes in fair value 2024	Changes in fair value 2023
Investment derivatives								
Futures contracts:								
Domestic equity futures:								
Domestic equity futures: Long positions	$125,036	$100,670	Investments	$378	$2,374	Net appreciation	$14,575	$12,217
Foreign equity futures: Long positions	1,970	643	Investments	15	10	Net appreciation	10	105
Futures contracts	**127,006**	**101,313**		**393**	**2,384**		**14,585**	**12,322**
Foreign currency exchange contracts: Long positions	22	23	Investments			Net appreciation (depreciation)	(18)	38
Foreign currency exchange contracts: Short positions	3,052	3,512	Investments	20	11	Net appreciation (depreciation)	127	(93)
Foreign currency exchange contracts	**3,074**	**3,535**		**20**	**11**		**109**	**(55)**
Other: Stock rights/warrants			Investments	82	56	Net appreciation (depreciation)	(167)	302
Other				**82**	**56**		**(167)**	**302**
Total investment derivatives	**$130,080**	**$104,848**		**$495**	**$2,451**		**$14,527**	**$12,569**
Cash flow hedges								
Effective interest rate swaps: Pay fixed, receive variable	$1,148,715	$1,760,550	Other (liabilities)	$97,416	$63,152	Deferred inflows	$34,264	$64,330

Campus Foundations

Table 5.1b: **Fair Value Balances and Notional Amounts of Derivative Instruments Outstanding for Campus Foundations**
(in thousands of dollars)

Category	Notional amount 2024	Notional amount 2023	Fair value classification	Fair value 2024	Fair value 2023	Changes in fair value classification	Changes in fair value 2024	Changes in fair value 2023
Investment derivatives								
Futures contracts: Domestic equity futures:								
Futures contracts: Long positions			Investments			Net appreciation		$2,535
Foreign equity futures: Long positions		$10,885	Investments		$48	Net appreciation	$947	997
Domestic fixed income futures: Long positions	$30,129		Investments	$64		Net depreciation	(2,434)	
Other: Swaps	205,848	212,355	Investments			Net appreciation	27,747	24,271
Total investment derivatives	**$235,977**	**$223,240**		**$64**	**$48**		**$26,260**	**$27,803**

UCRS

Table 5.1c: **Fair Value Balances and Notional Amounts of Derivative Instruments Outstanding for UCRS** *(in thousands of dollars)*

Category	Notional amount 2024	Notional amount 2023	Fair value classification	Fair value 2024	Fair value 2023	Changes in fair value classification	Changes in fair value 2024	Changes in fair value 2023
Investment derivatives								
Futures contracts: Domestic equity futures:								
Futures contracts: Long positions	$737,499	$604,474	Investments	$1,951	$13,503	Net appreciation	$76,873	$75,090
Foreign equity futures: Long positions	33,386	49,890	Investments	226	643	Net appreciation	4,828	7,826
Foreign equity futures: Short positions						Net appreciation		202
Futures contracts	**770,885**	**654,364**		**2,177**	**14,146**		**81,701**	**83,118**
Foreign currency exchange contracts: Long positions	10,125	10,939	Investments	(161)	(225)	Net appreciation (depreciation)	(2,481)	3,014
Foreign currency exchange contracts: Short positions	268,869	309,399	Investments	1,740	1,005	Net appreciation (depreciation)	11,140	(8,477)
Foreign currency exchange contracts	**278,994**	**320,338**		**1,579**	**780**		**8,659**	**(5,463)**
Other: Stock rights/warrants			Investments	256	309	Net appreciation (depreciation)	(1,402)	1,692
Other				**256**	**309**		**(1,402)**	**1,692**
Total investment derivatives	**$1,049,879**	**$974,702**		**$4,012**	**$15,235**		**$88,958**	**$79,347**

Objectives and Terms of Hedging Derivative Instruments

The objectives and terms of the hedging derivative instruments outstanding at June 30, along with the credit rating of the associated counterparty, are shown in **Table 5.2**:

Table 5.2: Objectives and Terms of the Hedging Derivative Instruments Outstanding for the University *(in thousands of dollars)*

Type	Objective	Notional amounts 2024	Notional amount 2023	Effective date	Maturity date	Cash paid or received	Terms	Counterparty credit rating	Fair value 2024	Fair value 2023
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate Medical Center Pooled Revenue Bonds	$40,470	$44,760	2020	2032	None	Pay fixed 3.5897%; receive 58% of Federal Funds Rate + 0.564%	Aa1/A+	($1,022)	($1,515)
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate Medical Center Pooled Revenue Bonds	24,730	28,245	2020	2030	None	Pay fixed 4.55%; receive 67% of Federal Funds Rate + 0.76%	Aa2/A+	(818)	(1,174)
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate Medical Center Pooled Revenue Bonds	38,670	38,670	2020	2037	None	Pay fixed 4.625%; receive 67% of Federal Funds Rate + 0.797%	Aa2/A+	(3,928)	(5,176)
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate Medical Center Pooled Revenue Bonds	54,495	54,495	2020	2043	None	Pay fixed 4.6935%; receive 67% of Federal Funds Rate + 0.861%	Aa2/A+	(6,045)	(8,938)
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate Medical Center Pooled Revenue Bonds	50,000	50,000	2020	2043–2047	None	Pay fixed 4.741%; receive 67% of Federal Funds Rate + 0.902%	Aa2/A+	(9,041)	(12,151)
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds	500,000	500,000	2023	2039	None	Pay fixed 1.9817%; receive 70% of Federal Funds Rate	Aa2/AA-	40,816	22,757
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds	100,000	100,000	2023	2039	None	Pay fixed 1.899%; receive 70% of Federal Funds Rate	Aa2/A+	8,981	5,487
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds	340,350	344,380	2023	2048	None	Pay fixed 0.926% - 1.238%; receive 70% of Federal Funds Rate	A2/A, A2/A+	68,473	60,137
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds		400,000	2019	2023	None	Pay fixed 1.8982%; receive 70% of Federal Funds Rate + 0.0925%	Aa2/AA-		2,484
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds		100,000	2019	2023	None	Pay fixed 1.9057%; receive 70% of Federal Funds Rate + 0.0925%	Aa2/AA-		619
Pay fixed, receive variable interest rate swap	Hedge of changes in cash flows on variable-rate General Revenue Bonds		100,000	2019	2023	None	Pay fixed 1.8980%; receive 70% of Federal Funds Rate + 0.0975%	Aa2/A+		622
Interest rate swaps, net		**$1,148,715**	**$1,760,550**						**$97,416**	**$63,152**

Hedging Derivative Instrument Risk Factors

Credit risk

The University could be exposed to credit risk if the interest rate swap counterparties to the contracts are unable to meet the terms of the contracts. Contracts with positive fair values are exposed to credit risk. The University faces a maximum possible loss equivalent to the amount of the derivative's fair value, less any collateral held by the University provided by the counterparty. Contracts with negative fair values are not exposed to credit risk.

Although the University has entered into interest rate swaps with creditworthy financial institutions to hedge its variable-rate debt, there is credit risk for losses in the event of nonperformance by counterparties or unfavorable interest rate movements.

There are no collateral requirements related to the interest rate swap with the $40.5 million notional amount. Depending on the fair value and the counterparty credit rating for the swaps related to the Medical Center Pooled Revenue Bonds with the counterparty that is currently rated Aa2/A+ with a combined notional amount of $167.9 million, the University may be entitled to receive collateral to the extent the positive fair value exceeds $20.0 million. At June 30, 2024 and 2023, there was no collateral required.

Depending on the fair value and the counterparty credit rating for the swaps related to the General Revenue Bonds with a combined notional amount of $340.4 million, the University may be entitled to receive collateral. At June 30, 2024 and 2023, there was no collateral required.

Depending on the fair value and the counterparty credit rating for the swap related to the General Revenue Bonds with the counterparty that is currently rated Aa2/A+ with a notional amount of $100.0 million, the University may be entitled to receive collateral to the extent the positive fair value with the counterparty exceeds $20.0 million. At June 30, 2024 and 2023, there was no collateral required.

Interest rate risk

There is a risk that the value of the interest rate swaps will decline because of changing interest rates. The values of the interest rate swaps with longer maturities tend to be more sensitive to changing interest rates and, therefore, more volatile than those with shorter maturities.

Basis risk

There is a risk that the basis for the variable payment received on interest rate swaps will not match the variable payment on the bonds. This exposes the University to basis risk whenever the interest rates on the bonds are reset. The interest rate on the bonds is a tax-exempt interest rate, while the basis of the variable receipt on the interest rate swaps is taxable. Tax-exempt interest rates can change without a corresponding change in the Federal Funds Rate due to factors affecting the tax-exempt market which do not have a similar effect on the taxable market.

Termination risk

There is termination risk for interest rate swaps associated with variable-rate bonds in the event of nonperformance by counterparties in an adverse market, resulting in cancellation of the synthetic interest rate and returning the interest rate payments to the variable interest rates on the bonds. In addition, depending on the agreement, certain interest rate swaps may be terminated if a counterparty's credit quality rating, as issued by Moody's or S&P, falls below certain thresholds. For the interest rate swap with the $40.5 million notional amount, the termination threshold is reached when the credit quality rating for either the underlying Medical Center Pooled Revenue Bonds or swap counterparty falls below Baa2 or BBB. For the swaps with the combined $167.9 million notional amount, the termination threshold is reached when the credit quality rating for the underlying Medical Center Pooled Revenue Bonds falls below Baa3/BBB-, or the interest rate swap counterparty's rating falls below Baa2 or BBB. For the swaps with a combined notional amount of $340.4 million with counterparties that are currently rated A2/A+ and A2/A, the termination threshold is reached when either the credit quality rating for the Medical Center Pooled Revenue Bonds or the swap counterparty's rating falls below Baa2 or BBB. Upon termination, the University may also owe a termination payment if there is a realized loss based on the fair value of each interest rate swap.

For the swap with notional amounts of $500.0 million with a counterparty that is currently rated Aa2/AA-, the termination threshold is reached when the credit quality rating for the underlying General Revenue Bonds falls below Baa2 or BBB, or the swap counterparty's rating falls below A3 or A-. For the swap with a notional amount of $100.0 million with a counterparty that is currently rated Aa2/A+, the termination threshold is reached when the credit quality rating for the underlying General Revenue Bonds falls below Baa2 or BBB, or the swap counterparty's rating falls below A3 or A-. Upon termination, the University may also owe a termination payment if there is a realized loss based on the fair value of each interest rate swap.

Rollover risk

The University is exposed to rollover risk on hedging derivative instruments that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these hedging derivative instruments terminate, the University will be re-exposed to the risks being hedged by the hedging derivative instruments. The University is exposed to rollover risk on the interest rate swaps that mature in March 2039 and June 2039 because the hedged debt is scheduled to mature in May 2048.

6. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are organized into a hierarchy based on the levels of inputs observable in the marketplace that are used to measure fair value. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 — Prices based on unadjusted quoted prices in active markets that are accessible for identical assets or liabilities are classified as Level 1. Level 1 investments include equity securities, commingled funds (exchange traded funds and mutual funds) and other publicly traded securities.

Level 2 — Quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly, are classified as Level 2. Level 2 investments include fixed- or variable-income securities, commingled funds, certain derivatives and other assets that are valued using market information. Swaps are classified as level 2 on the fair value hierarchy.

Level 3 — Investments, variable rate investment contracts, and other assets classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these financial instruments are based upon the best information in the circumstance and may require significant management judgment. Level 3 financial instruments include private equity investments, real estate and beneficial interests in irrevocable split-interest agreements. The inputs into the determination of fair value of these investments are based upon the best information in the circumstance and may require significant management judgment. Level 3 investments include private equity investments, real assets and real estate.

Net Asset Value (NAV) — Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in nongovernmental entities that do not have a readily determinable fair value may be valued at NAV. Investments measured at NAV include hedge funds, private equity investments and commingled funds.

Not Leveled — Cash and cash equivalents including pending trades and settlements within various pools are not measured at fair value and, thus, are not subject to the fair value disclosure requirements.

Tables 6.1a, **6.1b** and **6.1c** summarize the investments and other assets reported at fair value within the fair value hierarchy as of June 30, 2024:

Table 6.1a: Investments and Other Assets Reported at Fair Value for the University as of June 30, 2024 *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$20,272,963	$20,272,737	$26	$200		
Fixed- or variable-income securities: U.S. government-guaranteed	5,093,287		5,093,287			
Fixed- or variable-income securities: Other U.S. dollar-denominated	6,669,368		6,669,368			
Commingled funds	12,999,637	1,148,539	152,905	2,452,000	$9,167,205	$78,988
Investment derivatives	495	82	413			
Publicly traded real estate investment trusts	431,333	431,333				
Mortgage loans	1,408,454			1,408,454		
Real estate	127,343			127,343		
Other investments	169,554			169,554		
Campus foundations' investments with the University	(3,673,607)					(3,673,607)
UCRS investment in STIP	(2,953,909)					(2,953,909)
Custodial investment funds	(630,465)					(630,465)
Total investments	**$39,914,453**	**$21,852,691**	**$11,915,999**	**$4,157,551**	**$9,167,205**	**($7,178,993)**
Securities lending investments of cash collateral	**$2,299,339**		**$2,299,943**			**($604)**
Investments held by trustees	**$343,898**	**$114,473**	**$101,386**		**$2,197**	**$125,842**
Beneficial interests included in other noncurrent assets	**$54,768**			**$54,768**		

Table 6.1b: Investments and Other Assets Reported at Fair Value for the Foundations as of June 30, 2024 *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$207,303	$175,044	$1,425	$30,834		
Fixed- or variable-income securities: U.S. government-guaranteed	492,254		492,254			
Fixed- or variable-income securities: Other U.S. dollar-denominated	411,653		411,599	54		
Commingled funds	14,933,055	1,228,769	410	163,813	$13,467,951	$72,112
Investment derivatives	64	64				
Real estate	324,795			42,403	282,392	
Other investments	352,312	4,266		1,780	343,673	2,593
Futures and options contracts	10,215		10,215			
Custodial investment funds	(728,256)	(24,863)	(13,265)	(1,655)	(346,362)	(342,111)
Total investments	**$16,003,395**	**$1,383,280**	**$902,638**	**$237,229**	**$13,747,654**	**($267,406)**
Beneficial interests included in other noncurrent assets	**$99,698**			**$99,698**		

Table 6.1c: **Investments and Other Assets Reported at Fair Value for UCRS as of June 30, 2024** *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$72,487,939	$72,483,258		$4,681		
Fixed- or variable-income securities: U.S. government-guaranteed	9,000,519		$9,000,519			
Fixed- or variable-income securities: Other U.S. dollar-denominated	10,891,436	3,679	10,887,757			
Commingled funds	38,487,869	3,283,462		4,883,383	$29,921,317	$399,707
Investment derivatives	4,012	256	3,756			
Publicly traded real estate investment trusts	2,295,247	2,295,247				
Other investments	575,074			399,912	175,162	
Real estate	875,979			477,150	398,829	
Total investments	**$134,618,075**	**$78,065,902**	**$19,892,032**	**$5,765,126**	**$30,495,308**	**$399,707**
Securities lending investments of cash collateral	**$13,310,868**		**$13,314,325**			**$(3,457)**

Tables 6.2a, **6.2b** and **6.2c** summarize the investments and other assets reported at fair value within the fair value hierarchy as of June 30, 2023:

Table 6.2a: **Investments and Other Assets Reported at Fair Value for the University as of June 30, 2023** *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$15,479,559	$15,478,254	$25	$1,280		
Fixed- or variable-income securities: U.S. government-guaranteed	6,863,681		6,863,681			
Fixed- or variable-income securities: Other U.S. dollar-denominated	10,996,909		10,996,909			
Commingled funds	12,290,911	414,089	(21)	2,049,545	$9,795,861	$31,437
Investment derivatives	2,451	77	2,374			
Publicly traded real estate investment trusts	376,971	376,971				
Mortgage loans	934,755			934,755		
Real estate	190,344			33,127	157,217	
Other investments	151,556			151,556		
Campus foundations' investments with the University	(4,717,138)					(4,717,138)
UCRS investment in STIP	(4,365,490)					(4,365,490)
Custodial investment funds	(595,102)					(595,102)
Total investments	**$37,609,407**	**$16,269,391**	**$17,862,968**	**$3,170,263**	**$9,953,078**	**($9,646,293)**
Securities lending investments of cash collateral	**$1,913,886**		**$1,932,156**			**($18,270)**
Investments held by trustees	**$444,925**	**$183,267**	**$100,730**		**$2,157**	**$158,771**
Beneficial interests included in other noncurrent assets	**$54,756**			**$54,756**		

Table 6.2b: **Investments and Other Assets Reported at Fair Value for the Foundations as of June 30, 2023** *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$85,519	$56,471	$297	$28,751		
Fixed- or variable-income securities: U.S. government-guaranteed	565,013		565,013			
Fixed- or variable-income securities: Other U.S. dollar-denominated	370,372		370,318	54		
Foreign currency-denominated	934		934			
Commingled funds	13,851,432	937,256	403	116,166	$12,693,459	$104,148
Investment derivatives	48	48				
Real estate	308,288			38,193	270,095	
Other investments	338,641	4,303		1,964	330,524	1,850
Futures and options contracts	10,059		10,059			
Custodial investment funds	(705,961)	(9,024)	(12,896)	(1,613)	(347,455)	(334,973)
Total investments	**$14,824,345**	**$989,054**	**$934,128**	**$183,515**	**$12,946,623**	**($228,975)**
Beneficial interests included in other noncurrent assets	**$74,071**			**$74,071**		

Table 6.2c: **Investments and Other Assets Reported at Fair Value for UCRS as of June 30, 2023** *(in thousands of dollars)*

Description	Total	Quoted prices in active markets (Level 1)	Other observable inputs (Level 2)	Unobservable inputs (Level 3)	Net Asset Value (NAV)	Not leveled
Equity securities	$58,292,012	$58,287,558		$4,454		
Fixed- or variable-income securities: U.S. government-guaranteed	7,953,360		$7,953,360			
Fixed- or variable-income securities: Other U.S. dollar-denominated	11,979,680	3,966	11,975,714			
Commingled funds	36,641,392	2,608,925	(14,927)	4,275,136	$30,988,707	($1,216,449)
Investment derivatives	15,235	4,817	10,418			
Publicly traded real estate investment trusts	2,126,913	2,126,913				
Other investments	548,539			367,396	181,143	
Real estate	1,242,310			845	1,241,465	
Total investments	**$118,799,441**	**$63,032,179**	**$19,924,565**	**$4,647,831**	**$32,411,315**	**($1,216,449)**
Securities lending investments of cash collateral	**$8,621,760**		**$8,704,194**			**($82,434)**

Tables 6.3a, **6.3b** and **6.3c** present significant terms of certain investments at June 30, 2024:

Table 6.3a: Significant Terms of Investments for the University *(in thousands of dollars)*

Investment type	Fair value	Unfunded commitments	Remaining life (years)	Redemption terms and restrictions
Absolute return	$904,680			Not eligible for redemption and lock-up provisions ranging from 0 to 3 years. For securities not eligible for redemption, the underlying assets are estimated to be liquidated within 3 to 5 years. For securities eligible for redemption, after initial lock-up expires, the redemption is available on a rolling basis and requires 30 to 365 days' prior notification.
Private equity	4,866,898	$1,186,197	0 to 15	Not eligible for redemption.
Private credit	939,761	127,852	0 to 10	Not eligible for redemption and lock-up provisions ranging from 0 to 10 years. For securities not eligible for redemption, the underlying assets are estimated to be liquidated within 3 to 7 years. For securities eligible for redemption, after initial lock-up expires, the redemption is available on a rolling basis and requires 30 to 365 days' prior notification before winding down.
Real assets	593,136	113,513	0 to 15	Not eligible for redemption.
Real estate and real estate investment trusts	2,832,976	189,225	0 to 10	Closed-end funds are not eligible for redemption. For open-end funds, redemption is generally on a quarterly basis where the redemption date is the last day of each quarter. Payments of withdrawal requests are generally made within four quarters.
U.S. equity funds	3,447			Redemption generally requires at least 0 to 90 days' written notice of intention to terminate as of a date specified in the notice. Payments of withdrawal requests are generally made within 0 to 120 days.
Non-U.S. equity funds	1,303,338			Redemption requires at least 0 to 180 days' written notice of intention to terminate as of a date determined by the legal agreement between the investment manager and The Regents. Withdrawals may occur on the last business day of the month and are subject to certain withdrawal guidelines.
Balanced funds	321,842			Redemption requires at least 12 months' prior written notice of intention to terminate as of a date specified in the notice. Withdrawals will occur on the last business day of the month and are subject to certain withdrawal guidelines.

Table 6.3b: Significant Terms of Investments for the Foundations *(in thousands of dollars)*

Investment type	Fair value	Unfunded commitments	Remaining life (years)	Redemption terms and restrictions
Absolute return	$3,344,044	$260,437	0 to 1	Generally, lock-up provisions ranging from 0 to 3 years. After initial lock-up expires, redemptions are available and require 30 to 180 days' prior notification.
Private equity	3,161,609	1,414,187	0 to 15	Generally, lock-up provisions ranging from 0 to 16 years. After initial lock-up expires, redemptions are available and require 30 to 180 days' prior notification.
Real assets	59,314	40,795	0 to 12	Not eligible for redemption.
Real estate and real estate investment trusts	570,569	295,022	0 to 12	Not eligible for redemption.
U.S. equity and non-U.S. equity funds	2,959,580	32,667	0 to 15	Generally, lock-up provisions ranging from 0 to 4 years. After initial lock-up expires, redemptions are available and require 0 to 365 days' prior notification.

Table 6.3c: Significant Terms of Investments for UCRS *(in thousands of dollars)*

Investment Type	Fair value	Unfunded commitments	Remaining life (years)	Redemption terms and restrictions
Absolute return	$1,845,464			Not eligible for redemption and lock-up provisions ranging from zero to three years. For securities not eligible for redemptions the underlying assets are estimated to be liquidated within three to five years. For securities eligible for redemptions, after initial lock-up expires, redemptions are available on a rolling basis and require 30 to 365 days' prior notification.
Private equity	9,743,822	$3,032,429	0 to 15	Not eligible for redemption.
Private credit	2,278,817	520,303	0 to 10	Not eligible for redemption and lock-up provisions ranging from zero to ten years. For securities not eligible for redemptions the underlying assets are estimated to be liquidated within three to seven years. For securities eligible for redemptions, after initial lock-up expires, redemptions are available on a rolling basis and require 30 to 365 days' prior notification before winding down.
Real assets	3,154,240	643,239	0 to 15	Not eligible for redemption.
U.S. equity funds	5,213,097			Redemption generally requires at least zero to 90 days' written notice of intention to terminate as of a date specified in the notice. Payments of withdrawal requests are generally made within 0 to 120 days.
Non-U.S. equity funds	3,296,006			Redemption requires at least zero to 180 days' written notice of intention to terminate as of a date determined by the legal agreement between the investment manager and The Regents. Withdrawals may occur on the last business day of the month and are subject to certain withdrawal guidelines.
Real estate and real estate investment trusts	6,954,017	375,305	0 to 10	Closed-end funds are not eligible for redemption. For open-end funds, redemptions are generally on a quarterly basis where the redemption date is the last day of each quarter. Payments of withdrawal requests are generally made within four quarters.

7. Investments Held by Trustees

The University has entered into agreements with trustees to maintain trusts for compliance with the University's long-term debt requirements, capital projects and certain other requirements.

Capital Projects

Proceeds from the sale of bonds for the design and construction of third-party blended component unit housing facilities are held by trustees. The fair value of these investments was $78.4 million and $271.5 million at June 30, 2024 and 2023, respectively. Substantially all of these investments are of a highly liquid, short-term nature.

8. Accounts Receivable

Accounts receivable and the allowance for uncollectible accounts at June 30, 2024 and 2023 are shown in **Table 8.1a** and **8.1b**, respectively:

Table 8.1a: Accounts Receivable and the Allowance for Uncollectible Accounts at June 30, 2024 *(in thousands of dollars)*

Description	University of California state and federal government	University of California Medical Centers	University of California investment sales	University of California private grants and contracts	University of California Medical professional fees	University of California other	University of California total	Campus Foundations
Accounts receivable	$1,442,568	$4,622,410	$171,911	$806,873	$750,897	$1,636,707	$9,431,366	$30,332
Allowance for uncollectible accounts	(17,319)	(875,745)		(46,180)	(182,686)	(83,145)	(1,205,075)	
Accounts receivable, net	**$1,425,249**	**$3,746,665**	**$171,911**	**$760,693**	**$568,211**	**$1,553,562**	**$8,226,291**	**$30,332**

Table 8.1b: Accounts Receivable and the Allowance for Uncollectible Accounts at June 30, 2023 *(in thousands of dollars)*

Description	University of California state and federal government	University of California Medical Centers	University of California investment sales	University of California private grants and contracts	University of California Medical professional fees	University of California other	University of California total	Campus Foundations
Accounts receivable	$1,001,618	$3,716,381	$594,299	$711,559	$695,098	$1,139,966	$7,858,921	$39,999
Allowance for uncollectible accounts	(18,359)	(607,888)		(49,341)	(186,888)	(66,532)	($929,008)	
Accounts receivable, net	**$983,259**	**$3,108,493**	**$594,299**	**$662,218**	**$508,210**	**$1,073,434**	**$6,929,913**	**$39,999**

The University's other accounts receivable are primarily related to investment income, tuition and fees, auxiliary enterprises, insurance rebates and legal settlements.

The campus foundations' accounts receivable are primarily related to investment income.

The allowance for uncollectible accounts has changed the following revenues for the University for the years ended June 30 as shown in **Table 8.2**:

Table 8.2: Allowance for Uncollectible Accounts *(in thousands of dollars)*

Description	2024	2023
Student tuition and fees	($7,506)	($9,426)
Grants and contracts: Federal	2,434	(1,383)
Grants and contracts: State	(1,391)	(7,751)
Grants and contracts: Private	3,150	(5,782)
Grants and contracts: Local	(726)	29
Medical centers	(817,446)	(339,734)
Educational activities	(24,899)	(50,310)
Auxiliary enterprises	(1,276)	(3,864)
Other operating revenues	(5,219)	(6,167)
Allowance for uncollectible accounts	**($852,879)**	**($424,388)**

9. Pledges Receivable

The composition of pledges receivable at June 30 is summarized in **Table 9.1**:

Table 9.1: Composition of Pledges Receivable *(in thousands of dollars)*

Description	University of California 2024	University of California 2023	Campus Foundations 2024	Campus Foundations 2023
Total pledges receivable outstanding	$82,561	$64,197	$1,809,303	$1,900,812
Unamortized discount to present value	(1,422)	(372)	(156,048)	(170,341)
Allowance for uncollectible pledges	(10,828)	(10,061)	(81,135)	(79,773)
Total pledges receivable, net	**70,311**	**53,764**	**1,572,120**	**1,650,698**
Current portion of pledges receivable	(29,061)	(34,964)	(311,690)	(307,168)
Noncurrent portion of pledges receivable	**$41,250**	**$18,800**	**$1,260,430**	**$1,343,530**

Future receipts under pledge agreements for each of the five fiscal years subsequent to June 30, 2024 and thereafter are shown in **Table 9.2**:

Table 9.2: Future Receipts Under Pledge Agreements *(in thousands of dollars)*

Year Ending June 30	University of California	Campus Foundations
2025	$38,552	$421,929
2026	13,205	293,849
2027	4,960	271,158
2028	11,794	225,828
2029	3,350	195,327
2030–2034	10,451	178,674
Beyond 2034	249	222,538
Total payments on pledges receivable	$82,561	$1,809,303

10. Notes and Mortgages Receivable

The University's notes and mortgages receivable at June 30, 2024 and 2023 are shown in **Table 10.1a** and **10.1b**, respectively:

Table 10.1a: Notes and Mortgage Receivable at June 30, 2024 *(in thousands of dollars)*

Description	Current	Noncurrent notes	Noncurrent mortgages	Noncurrent total
Notes and mortgages receivable	$34,923	$417,624	$37,409	$455,033
Allowance for uncollectible amounts	(3,923)	(6,742)	(186)	(6,928)
Notes and mortgages receivable, net	**$31,000**	**$410,882**	**$37,223**	**$448,105**

Table 10.1b: Notes and Mortgage Receivable at June 30, 2023 *(in thousands of dollars)*

Description	Current	Noncurrent notes	Noncurrent mortgages	Noncurrent total
Notes and mortgages receivable	$68,757	$324,984	$24,518	$349,502
Allowance for uncollectible amounts	(2,020)	(19,364)	(151)	(19,515)
Notes and mortgages receivable, net	**$66,737**	**$305,620**	**$24,367**	**$329,987**

11. Capital Assets

The University's capital asset activity for the years ended June 30 is shown in **Table 11.1**:

Table 11a: University's Capital Assets at Original Cost *(in thousands of dollars)*

Original cost	2022	Additions/ transfers	Disposals	2023	Additions/ transfers	Disposals	2024
Land	$1,544,105	$187,975	($12,706)	$1,719,374	$408,323	($12,201)	$2,115,496
Infrastructure	964,002	95,739		1,059,741	27,500		1,087,241
Buildings and improvements	49,887,356	1,456,693	($29,340)	51,314,709	3,894,835	(120,176)	55,089,368
Equipment, software and intangibles	9,775,592	789,688	(369,929)	10,195,351	964,614	(442,173)	10,717,792
Leases	3,068,485	520,974	(293,660)	3,295,799	281,952	(134,417)	3,443,334
Subscription-based IT arrangements	319,298	85,977	(9,155)	396,120	194,072	(60,879)	529,313
Libraries and collections	4,772,471	162,519	(20,648)	4,914,342	185,196	(63,568)	5,035,970
Special collections	618,141	30,690	(1,638)	647,193	10,803	(14)	657,982
Construction in progress	4,626,978	1,671,615	(33,630)	6,264,963	1,906,627	(7,784)	8,163,806
Capital assets, at original cost	**$75,576,428**	**$5,001,870**	**($770,706)**	**$79,807,592**	**$7,873,922**	**($841,212)**	**$86,840,302**

Table 11b: University's Net Capital Assets and Accumulated Depreciation and Amortization *(in thousands of dollars)*

Accumulated depreciation and amortization	2022	Depreciation and amortization	Disposals	2023	Depreciation and amortization	Disposals	2024
Infrastructure	$509,229	$32,471		$541,700	$35,497		$577,197
Buildings and improvements	21,842,900	1,551,388	($67,813)	23,326,475	1,819,533	($308,750)	24,837,258
Equipment, software and intangibles	6,920,208	717,228	(332,626)	7,304,810	787,450	(455,835)	7,636,425
Leases	762,521	289,968	(94,328)	958,161	293,915	(61,664)	1,190,412
Subscription-based IT arrangements	68,263	97,060	(9,155)	156,168	123,653	(60,981)	218,840
Libraries and collections	3,579,883	141,583	(5,095)	3,716,371	142,018	(50,636)	3,807,753
Accumulated depreciation and amortization	**$33,683,004**	**$2,829,698**	**($509,017)**	**$36,003,685**	**$3,202,066**	**($937,866)**	**38,267,885**
Capital assets, net	**$41,893,424**			**$43,803,907**			**$48,572,417**

Service concession arrangements, reported as buildings and improvements, are $278.7 million of original cost and $55.2 million of accumulated depreciation at June 30, 2024, and are $278.7 million of original cost and $51.4 million of accumulated depreciation at June 30, 2023.

12. Self-Insurance and Other Liabilities

The University's self-insurance, obligations under life income agreements and other liabilities at June 30, 2024 and 2023 are shown in **Table 12.1**:

Table 12.1: Self Insurance, Obligations Under Life Income Agreements and Other Liabilities *(in thousands of dollars)*

Description	University of California current 2024	University of California noncurrent 2024	University of California current 2023	University of California noncurrent 2023	Campus Foundations current 2024	Campus Foundations noncurrent 2024	Campus Foundations current 2023	Campus Foundations noncurrent 2023
Self-insurance programs	$807,666	$1,632,855	$596,454	$1,392,511				
Obligations under life income agreements	1,276	$32,491	1,331	$32,891	$16,825	$136,581	$16,449	$135,177
Other liabilities:								
Compensated absences	917,924	$496,781	880,488	$466,650				
Accrued interest	222,474		217,607					
Fair value of interest rate swaps		36,644		63,151				
Short-term advances			3,955					
Other	797,012	287,840	924,016	351,978	83,538	45,319	123,226	44,130
Total	**$2,746,352**	**$821,265**	**$2,623,851**	**$881,779**	**$100,363**	**$45,319**	**$139,675**	**$44,130**

Self-insurance Programs

Self-insured liabilities changed as shown in **Table 12.2a** and **12.2b** for the years ended June 30, 2024 and 2023, respectively:

Table 12.2a: Self-Insured Liabilities at June 30, 2024 *(in thousands of dollars)*

Liabilities	Medical malpractice	Workers' compensation	Employee & student health care	General liability and other	Total
Liabilities at June 30, 2023	$276,714	$1,058,806	$312,756	$340,689	$1,988,965
Claims incurred and changes in estimates	202,197	369,416	2,377,879	164,587	3,114,079
Claim payments	(69,505)	(92,947)	(2,378,008)	(122,063)	(2,662,523)
Liabilities at June 30, 2024	**$409,406**	**$1,335,275**	**$312,627**	**$383,213**	**$2,440,521**
Discount rate	**3.0%**	**3.0%**	**Undiscounted**	**3.0%**	

Table 12.2b: Self-Insured Liabilities at June 30, 2023 *(in thousands of dollars)*

Liabilities	Medical malpractice	Workers' compensation	Employee & student health care	General liability and other	Total
Liabilities at June 30, 2022	$245,162	$854,774	$264,042	$961,566	$2,325,544
Claims incurred and changes in estimates	97,557	290,242	2,169,974	(68,801)	2,488,972
Claim payments	(66,005)	(86,210)	(2,121,260)	(552,076)	(2,825,551)
Liabilities at June 30, 2023	**$276,714**	**$1,058,806**	**$312,756**	**$340,689**	**$1,988,965**
Discount rate	**3.0%**	**3.0%**	**Undiscounted**	**3.0%**	

13. Debt

The University directly finances the construction, renovation and acquisition of facilities and equipment, or such other purposes as authorized by The Regents through the issuance of debt obligations or indirectly through structures that involve legally separate entities reported as blended component units. Commercial paper and bank loans provide interim financing. Long-term financing includes revenue bonds, financing obligations and other borrowings.

The University's outstanding debt at June 30 is shown on **Table 13.1**:

Table 13.1: Outstanding Debt *(in thousands of dollars)*

Description	Weighted average interest rate	Interest rate range	Maturity years	2024	2023
Interim financing: Commercial paper		3.5–5.5%	2025	$1,587,500	$885,000
Long-term financing:					
University of California General Revenue Bonds: Fixed rate	4.6%	0.7–7.6%	2025–2115	15,806,875	14,549,785
University of California General Revenue Bonds: Variable rate	4.7%	4.6–5.4%	2025–2048	1,086,265	1,094,380
University of California Limited Project Revenue Bonds	4.4%	1–5.5%	2025–2058	4,767,780	5,395,150
University of California Medical Center Pooled Revenue Bonds: Fixed rate	4.2%	2.4–6.6%	2025–2120	6,647,560	6,693,845
University of California Medical Center Pooled Revenue Bonds: Variable rate	4.6%	4.6–4.7%	2025 – 2047	205,965	221,905
Unamortized bond premium				1,967,017	1,669,815
University of California revenue bonds	**4.4%**			**30,481,462**	**29,624,880**
Financing obligations		Various	2025–2042	64,893	62,244
Other University borrowings		Various	2025–2091	807,504	750,220
Leases		Various	2025–2120	2,519,174	2,568,717
Subscription-based information technology arrangements		Various	2025–2034	236,471	181,066
Blended component unit revenue bonds, net	4.7%	3–6.5%	2025–2054	2,212,345	2,268,648
Total outstanding debt				**37,909,349**	**36,340,775**
Less: Commercial paper				(1,587,500)	(885,000)
Current portion of outstanding debt				(3,113,605)	(2,602,168)
Noncurrent portion of outstanding debt				**$33,208,244**	**$32,853,607**

The activity with respect to the University's current and noncurrent debt, including the revenue bonds associated with blended component units, for the years ended June 30 is shown in **Table 13.2:**

Table 13.2a: Current and Noncurrent Debt Activity for the year ended June 30, 2024 *(in thousands of dollars)*

Description	University revenue bonds	Financing obligations, leases, and subscription-based IT arrangements	Other university borrowings	Blended component unit revenue bonds	Total
Long-term debt at June 30, 2023	$29,624,896	$2,812,011	$750,220	$2,268,648	$35,455,775
New obligations	3,194,785	449,802	132,075		3,776,662
Bond premium, net	443,120				443,120
Refinancing or prepayment of outstanding debt	(2,030,205)	(51,784)			(2,081,989)
Scheduled principal payments	(605,200)	(389,507)	(74,791)	(41,040)	(1,110,538)
Amortization of bond premium	(145,918)			(15,263)	(161,181)
Long-term debt at June 30, 2024	**30,481,478**	**2,820,522**	**807,504**	**2,212,345**	**36,321,849**
Less: Current portion	(2,485,980)	(364,244)	(212,224)	(51,157)	(3,113,605)
Noncurrent portion at June 30, 2024	**$27,995,498**	**$2,456,278**	**$595,280**	**$2,161,188**	**$33,208,244**

Table 13.2b: Current and Noncurrent Debt Activity for the year ended June 30, 2023 *(in thousands of dollars)*

Description	University revenue bonds	Financing obligations, leases, and subscription-based IT arrangements	Other university borrowings	Blended component unit revenue bonds	Total
Long-term debt at June 30, 2022	$29,066,617	$2,757,136	$844,735	$2,316,393	$34,984,881
New obligations	3,253,920	515,933			3,769,853
Bond premium, net	308,599				308,599
Refinancing or prepayment of outstanding debt	(2,324,165)	(105,805)			(2,429,970)
Scheduled principal payments	(538,795)	(355,253)	(94,515)	(32,155)	(1,020,718)
Amortization of bond premium	(141,280)			(15,590)	(156,870)
Long-term debt at June 30, 2023	**29,624,896**	**2,812,011**	**750,220**	**2,268,648**	**35,455,775**
Less: Current portion	(2,081,078)	(326,183)	(143,940)	(50,967)	(2,602,168)
Noncurrent portion at June 30, 2023	**$27,543,818**	**$2,485,828**	**$606,280**	**$2,217,681**	**$32,853,607**

Commercial Paper

The University has available a $2.0 billion commercial paper program, issued in two series, with tax-exempt and taxable components. Commercial paper may be issued for interim financing for capital projects or equipment, financing for working capital for the medical centers, standby or interim financing for gift-financed projects and working capital for the University.

The program's liquidity is primarily supported by available investments in STIP, BGP and TRIP. Commercial paper is collateralized by a pledge of the revenues derived from the ownership or operation of the projects financed and constitutes limited obligations of the University. There is no encumbrance, mortgage or other pledge of property securing commercial paper and the paper does not constitute general obligations of the University.

Commercial paper outstanding, including interest rates, at June 30 is shown in **Table 13.3**:

Table 13.3: Commercial Paper *(in thousands of dollars)*

Description	Interest rates 2024	Outstanding 2024	Interest rates 2023	Outstanding 2023
Tax-exempt	3.5–3.9%	$1,401,000	2.6–3.6%	$550,000
Taxable	5.3–5.5%	186,500	5.1–5.3%	335,000
Total outstanding		**$1,587,500**		**$885,000**

The expectation is that the University will continue to utilize available investments for liquidity support of the commercial paper program. Alternatively, the University may utilize lines of credit from external banks for the purpose of providing additional liquidity support for the commercial paper program. As of June 30, 2024, the University has two revolving credit agreements totaling $700.0 million. There were no borrowings against the revolving credit lines as of June 30, 2024.

University of California Revenue Bonds

Revenue bonds have financed various auxiliary, administrative, academic, medical center and research facilities of the University. The bonds generally have annual principal and semiannual or monthly interest payments, serial and term maturities, contain sinking fund requirements and may have optional redemption provisions. Revenue bonds are not collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues, and do not constitute general obligations of The Regents. Revenue bond indentures require the University to use the facilities in a way which will not cause the interest on the tax-exempt bonds to be included in the gross income of the bondholders for federal tax purposes. The indentures permit the University to issue additional bonds as long as certain conditions are met.

General revenue bonds are collateralized solely by general revenues as defined in the general revenue bond indenture. General revenues are certain operating and nonoperating revenues of the University consisting of gross student tuition and fees; a portion of state appropriations; facilities and administrative cost recovery from contracts and grants; revenues from educational, auxiliary and other activities; and other revenues, including unrestricted investment income. The General revenue bond indenture requires the University to set rates, charges and fees each year sufficient for general revenues to pay for the annual principal and interest on the bonds and certain other covenants. The pledge of general revenues for interest rate swap agreements is on a parity basis with the University's general revenue bonds. General revenues for the years ended June 30, 2024 and 2023 were $21.7 billion and $21.2 billion, respectively.

Limited project revenue bonds have been issued to finance auxiliary enterprises and are collateralized by a pledge consisting of the sum of the gross revenues of specific projects. The limited project revenue bond indenture requires the University to achieve the sum of revenues equal to 1.1 times debt service and to maintain certain other covenants. The pledge of revenues for limited project revenue bonds is subordinate to the pledge of revenues for general revenue bonds, but senior to pledges for commercial paper notes. Pledged revenues for the years ended June 30, 2024 and 2023 were $1.9 billion and $1.8 billion, respectively.

Medical center pooled revenue bonds have been issued to finance the University's medical center facilities and are collateralized by joint and several pledges of the gross revenues of all five of the University's medical centers. Medical center gross revenues are excluded from general revenues. The medical center pooled revenue bond indenture requires the medical centers to set rates, charges and fees each year sufficient for the medical centers' total operating and nonoperating revenues to pay for the annual principal and interest on the bonds and certain other covenants. The pledge of medical center revenues for interest rate swap agreements may be at parity with, or subordinate to, medical center pooled revenue bonds. Pledged revenues of the medical centers for the years ended June 30, 2024 and 2023 were $22.2 billion and $19.5 billion, respectively.

2024 Activity

In March 2024, general revenue bonds totaling $1.1 billion were issued to refund certain outstanding general revenue bonds and limited project revenue bonds of the University. The bonds mature at various dates through 2045. The fixed-rate tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The deferred premium of $199.6 million will be amortized as a reduction to interest expense over the term of the bonds. The refinancing and refunding of previously outstanding bonds resulted in cash flow savings of $103.1 million and an economic gain of $46.8 million.

In February 2024, general revenue bonds totaling $1.4 billion, including $144.0 million in taxable bonds, were issued to finance or refinance the acquisition, construction, improvement and renovation of certain facilities of the University. The bonds mature at various dates through 2044. The fixed-rate tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The taxable bonds have a stated weighted average interest rate of 4.9 percent. The deferred premium of $174.4 million will be amortized as a reduction to interest expense over the term of the bonds. The refinancing and refunding of previously outstanding bonds resulted in cash flow savings of $149.1 million and an economic gain of $100.4 million.

In September 2023, general revenue bonds totaling $706.6 million, including $586.5 million in tax-exempt bonds, were issued to finance the acquisition, construction, improvement and renovation of certain facilities of the University. The bonds mature at various dates through 2035. Proceeds of the bonds, including a bond premium of $93.0 million, were used to pay for project construction and issuance costs. The fixed-rate tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The taxable bonds have a stated weighted average interest rate of 5.1 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

2023 Activity

In February 2023, general revenue bonds totaling $2.2 billion, including $2.1 billion in tax-exempt bonds, were issued to finance or refinance the acquisition, construction, improvement and renovation of certain facilities of the University. The bonds mature at various dates through 2048. Proceeds of the bonds, including a bond premium of $245.6 million, were used to pay for project construction, refinancing and issuance costs. The fixed-rate tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The taxable bonds have a stated weighted average interest rate of 4.7 percent. The University also issued tax-exempt variable rate bonds for which the interest rate will reset each business day. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. The refinancing and refunding of previously outstanding bonds resulted in cash flow savings of $411.4 million and an economic gain of $324.8 million.

In September 2022, general revenue bonds totaling $767.5 million, including $702.3 million in tax-exempt bonds and $65.2 million in taxable bonds, were issued to finance the acquisition, construction, improvement and renovation of certain facilities of the University. The bonds mature at various dates through 2052. Proceeds of the bonds, including a bond premium of $121.6 million, were used to pay for project construction and issuance costs. The tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The taxable bonds have a stated weighted average interest rate of 4.5 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

In August 2022, the University priced $318.0 million of tax-exempt general revenue bonds that were delivered in February 2023. Proceeds of the bonds, including a bond premium of $39.9 million, were used to pay for issuance costs and to repay $348.8 million of outstanding general revenue bonds at the call date. The bonds have a stated weighted average interest rate of 5.0 percent. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds. The refinancing and refunding of previously outstanding bonds resulted in cash flow savings of $38.6 million and an economic gain of $34.4 million.

Leases

The University has leases for land, buildings and equipment under agreements that extend through 2120. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to 39 years. Leases may also include options to terminate the leases.

Certain of the University's lease agreements include rental payments adjusted periodically primarily for inflation. The lease agreements do not contain any material lease incentive received, residual value guarantees, material restrictive covenants or material termination penalties. The University also subleases certain real estate to third parties.

The University measures the lease liability at the present value of payments expected to be made during the lease term. Leases with a term of 12 months or less, real estate leases with cumulative undiscounted payments of less than $300,000 (including option periods) or equipment leases with cumulative undiscounted payments of less than $100,000 (including option periods) are recognized as operating expense on a straight-line basis over the lease term. If the interest rate implicit in the lease cannot be readily determined, the University uses an incremental borrowing rate to discount the lease payments, which is an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term.

Future minimum payments on the University's leases with an initial or remaining non-cancelable term in excess of one year are shown in **Table 13.4**:

Table 13.4: Future Minimum Payments on Leases *(in thousands of dollars)*

Year ending June 30	Principal	Interest	Total payments
2025	$252,558	$91,610	$344,168
2026	232,887	83,400	316,287
2027	212,676	74,446	287,122
2028	202,670	66,335	269,005
2029	188,709	58,578	247,287
2030–2034	723,878	198,280	922,158
2035–2039	414,913	86,734	501,647
2040–2044	147,995	32,110	180,105
2045–2049	56,854	16,806	73,660
2050–2054	36,569	9,406	45,975
2055–2059	23,415	5,628	29,043
2060–2064	16,515	2,526	19,041
2065–2069		3,563	3,563
2070–2074		4,050	4,050
2075–2079		4,050	4,050
2080–2084		6,429	6,429
2085–2089		7,088	7,088
2090–2094		7,088	7,088
2095–2099		7,088	7,088
2100–2104		7,088	7,088
2105–2109		7,088	7,088
2110–2114	2,319	4,768	7,087
2115–2119	6,360	727	7,087
2120	118		118
Total	**$2,518,436**	**$784,886**	**$3,303,322**

Subscription-based Information Technology Arrangements

The University has subscription-based information technology arrangements (SBITAs) under agreements that extend through 2037. Some SBITAs include one or more options to renew, with renewal terms that can extend the subscription term from one to ten years. SBITAs may also include options to terminate the subscription. SBITAs do not contain any material incentive received, material restrictive covenants or material termination penalties.

The University measures the SBITA liability at the present value of payments expected to be made during the subscription term. SBITAs with a term of 12 months or less or those with cumulative undiscounted payments of less than $500,000 (including option periods) are recognized as operating expense on a straight-line basis over the subscription term. If the interest rate implicit in the SBITA cannot be readily determined, the University uses an incremental borrowing rate to discount the SBITA payments, which is an estimate of the interest rate that would be charged for borrowing the SBITA payment amounts during the subscription term.

Future minimum payments on the University's SBITAs with an initial or remaining non-cancelable term in excess of one year are shown in **Table 13.5**:

Table 13.5: Future Minimum Payments on SBITAs *(in thousands of dollars)*

Year ending June 30	Principal	Interest	Total payments
2025	$91,304	$7,569	$98,873
2026	66,233	4,886	71,119
2027	33,027	2,624	35,651
2028	23,347	1,523	24,870
2029	11,339	825	12,164
2030–2034	10,067	948	11,015
2035	1,154	79	1,233
Total	**$236,471**	**$18,454**	**$254,925**

Other University Borrowings

Other University borrowings consist of contractual obligations resulting from the acquisition of land or buildings and the construction and renovation of certain facilities, along with the borrowing component associated with hybrid derivative instruments.

The University may use uncollateralized revolving lines of credit with commercial banks for capital purposes and to provide interim financing for buildings and equipment. Lines of credit commitments for general corporate purposes totaled $200.0 million at June 30, 2024 and 2023. Outstanding borrowings under these bank lines totaled $167.0 million and $100.0 million at June 30, 2024 and 2023, respectively.

Certain of the interest rate swaps are considered hybrid instruments. As such, the interest rate swaps are comprised of a derivative instrument and a companion instrument recorded as a borrowing. The unamortized amount of the borrowing was $63.2 million and $66.7 million at June 30, 2024 and 2023, respectively.

In August 2016, the University entered into an agreement with a developer to design, construct, finance, operate and maintain certain auxiliary, administrative, academic and research facilities of one of its campuses through 2055. Construction of all of the facilities was completed in the summer of 2020. Payments under this agreement have two components: the first component of the agreement is related to the operations and maintenance of the facilities; the second component is to service the private debt incurred by the developer. The payments for servicing the private debt are recorded as other borrowings by the University. The operations and maintenance component of the payments will be expensed as incurred. In the event that the operations and maintenance agreement with the developer is terminated, the outstanding portion of the private debt incurred by the developer would become an obligation of the University. The outstanding amount of the borrowing was $515.0 million and $551.5 million at June 30, 2024 and 2023, respectively.

Blended Component Unit Revenue Bonds

Student housing

The University has entered into ground leases with legally separate nonprofit corporations that develop and own student housing projects and related amenities and improvements on three University campuses through the use of project limited liability corporations (LLC). Each LLC, through a conduit issuer, has outstanding Student Housing LLC Revenue Bonds to finance the construction of the student housing facilities. Each LLC manages the premises. The University's reversionary interest in the land is not subordinated. All costs associated with the ownership, operation and management of the improvements are the obligation of each LLC. Student rental rates are established in order to provide for operating expenses and to maintain the required debt service coverage ratios. The bonds generally have annual principal and semiannual interest payments, serial and term maturities, certain sinking fund requirements and optional redemption provisions. They are not collateralized by any encumbrance, mortgage or other pledge of property, except pledged revenues of the student housing projects, and do not constitute general obligations of The Regents.

At June 30, 2024 and 2023, the LLCs, through a conduit issuer, have outstanding Student Housing LLC Revenue Bonds totaling $1.6 billion and $1.7 billion respectively. The bonds mature at various dates through 2054 and have a weighted average interest rate of 4.5 percent.

Research facilities

The University has a public/private partnership for the purpose of developing, constructing and managing a neuroscience research and laboratory building and a psychiatry youth and family center, with a legally separate, nonprofit corporation (the Corporation). In connection with these facilities, the University entered into ground leases with the Corporation. The Corporation has entered into a sub-ground lease with a developer to construct, own and manage the facilities. The University agreed to lease all of the space in the building from the developer. The University's base rent payments are equal to the principal and interest payments on the bonds that are issued by a conduit issuer, and loaned to the nonprofit corporation to finance the construction of the building. As security on the bonds, the developer has assigned all payments received from the University for the space lease to the bond trustee.

At June 30, 2024, the Corporation, through a conduit issuer, has outstanding tax-exempt revenue bonds totaling $165.5 million and taxable revenue bonds totaling $188.0 million. At June 30, 2023, the Corporation, through a conduit issuer, had outstanding tax-exempt revenue bonds totaling $172.3 million and taxable revenue bonds totaling $188.0 million. The tax-exempt revenue bonds mature at various dates through 2052 and have a weighted average interest rate of 5.0 percent. The tax-exempt revenue bonds have annual serial maturities, certain sinking fund requirements, semiannual interest payments and optional redemption provisions. The taxable bonds mature through 2049 and have an interest rate of 6.5 percent. The taxable bonds were issued as Build America Bonds, under which the U.S. Treasury was expected at the time of issuance to send the conduit issuer 35.0 percent of the semiannual interest cost on the taxable bonds. As of June 30, 2024, the U.S. Treasury had reduced the subsidy by 5.7 percent for a net subsidy of 33.0 percent and has published its intention to do so through Federal Fiscal Year 2030, making the net interest rate 4.3 percent post-subsidy. The taxable bonds have a term maturity with various certain annual sinking fund requirements, semiannual interest payments and optional redemption provisions.

In addition, the University entered into a ground lease with another legally separate, nonprofit corporation (the Consortium). The Consortium entered into an agreement with a developer to develop and own a research laboratory facility designed to expand collaborative work in stem cell research and facilitate its translation into tools and techniques to diagnose and treat degenerative diseases and other ailments. The developer constructed the research laboratory facility. All costs associated with the ownership, operation and management of the laboratory research facility are the obligation of the Consortium. The University, along with the other collaborative research partners, will lease space in the building.

The Consortium, through a conduit issuer, has outstanding revenue bonds totaling $42.8 million and $44.6 million at June 30, 2024 and 2023, respectively. The bonds mature at various dates through 2040 and have a weighted average interest rate of 4.3 percent. The bonds generally have annual principal and semiannual interest payments, serial and term maturities, certain sinking fund requirements and optional redemption provisions. Lease payments from the occupants of the building are pledged as collateral on the bonds. To the extent the lease payments are not sufficient to pay the debt service, the University is obligated to pay the shortfall.

Future Debt Service and Hedging Derivative Interest Rate Swaps

Future debt service payments for the University's fixed- and variable-rate debt, excluding leases and SBITAs, for each of the five fiscal years subsequent to June 30, 2024, and thereafter are presented in **Table 13.6a**. Although not a prediction by the University of the future interest cost of the variable-rate bonds, these amounts assume that current interest rates on variable-rate bonds will not change. As these rates vary, variable-rate bond interest payments will vary.

Table 13.6a: Future Debt Service Payments *(in thousands of dollars)*

Years ending June 30	Commercial paper	Medical Center revenue bonds	University revenue bonds	Financing obligations	Other university borrowings	Blended component unit revenue bonds	Total payments	Principal	Interest
2025	$1,603,702	$370,454	$1,880,425	$22,418	$188,097	$136,712	$4,201,808	$2,858,607	$1,343,201
2026		368,832	2,113,839	18,209	21,231	138,247	2,660,358	1,371,438	1,288,920
2027		369,844	1,897,476	10,134	21,414	139,977	2,438,845	1,195,187	1,243,658
2028		354,742	1,462,191	8,753	21,627	142,047	1,989,360	781,641	1,207,719
2029		353,997	1,594,684	5,650	21,713	142,798	2,118,842	945,505	1,173,337
2030–2034		2,233,630	8,585,877	6,220	112,399	720,151	11,658,277	6,544,379	5,113,898
2035–2039		1,943,340	6,132,808		124,536	705,329	8,906,013	5,112,177	3,793,836
2040–2044		1,929,279	4,544,049		105,338	576,503	7,155,169	4,510,891	2,644,278
2045–2049		1,824,847	2,965,684		92,920	553,220	5,436,671	3,802,088	1,634,583
2050–2054		1,969,884	1,755,924		90,525	281,993	4,098,326	3,254,040	844,286
2055–2059		193,970	421,086		30,577		645,633	112,629	533,004
2060–2120		1,855,874	4,909,036				6,764,910	2,510,000	4,254,910
Total future debt service	**1,603,702**	**13,768,693**	**38,263,079**	**71,384**	**830,377**	**3,536,977**	**58,074,212**	**$32,998,582**	**$25,075,630**
Less: Interest component of future payments	(16,202)	(6,915,168)	(16,602,159)	(6,491)	(22,873)	(1,512,737)	(25,075,630)		
Principal portion of future payments	**1,587,500**	**6,853,525**	**21,660,920**	**64,893**	**807,504**	**2,024,240**	**32,998,582**		
Adjusted by: unamortized bond premium		145,418	1,821,598			188,106	2,155,122		
Total debt	**$1,587,500**	**$6,998,943**	**$23,482,518**	**$64,893**	**$807,504**	**$2,212,346**	**$35,153,704**		

Long-term debt does not include $3.6 million of defeased liabilities at June 30, 2024. Investments that have maturities and interest rates sufficient to fund retirement of these liabilities are being held in irrevocable trusts for the debt service payments. Neither the assets of the trusts nor the outstanding obligations are included in the University's statement of net position.

General revenue bonds of $1.1 billion are variable-rate demand bonds which primarily reset daily and, in the event of a failed remarketing, can be put back to The Regents for tender. The University has classified these bonds as current liabilities as of June 30, 2024.

Medical center pooled revenue bonds of $206.0 million are variable-rate demand bonds which give the debt holders the ability to put the bonds back to The Regents upon demand. The University has classified these bonds as current liabilities as of June 30, 2024.

For the University's cash flow hedges, future debt service payments for the University's variable-rate debt and net receipts or payments on the associated hedging derivative instruments for each of the five fiscal years subsequent to June 30, 2024, and thereafter are as presented below. Although not a prediction by the University of the future interest cost of the variable-rate bonds or the impact of the interest rate swaps, using rates as of June 30, 2024, combined debt service requirements of the variable-rate debt and net swap payments are shown in **Table 13.6b**:

Table 13.6b: Future Debt Service Payments — Hedging Derivative Instruments *(in thousands of dollars)*

Years ending June 30	Variable-rate bonds: Principal	Variable-rate bonds: Interest	Interest rate swap, net	Total payments
2025	$12,210	$52,370	($19,028)	$45,552
2026	12,595	52,933	(19,002)	46,526
2027	12,990	52,434	(18,964)	46,460
2028	13,420	51,925	(18,932)	46,413
2029	13,830	51,114	(18,670)	46,274
2030–2034	58,890	246,757	(92,332)	213,315
2035–2039	88,810	234,303	(90,523)	232,590
2040–2044	296,415	200,331	(24,332)	472,414
2045–2049	645,280	73,718	(7,253)	711,745
Total	**$1,154,440**	**$1,015,885**	**($309,036)**	**$1,861,289**

14. Deferred Outflows of Resources and Deferred Inflows of Resources

The University's composition of deferred outflows of resources at June 30 are summarized in **Table 14.1**:

Table 14.1: Deferred Outflows of Resources *(in thousands of dollars)*

Description	2024	2023
Net pension liability	$2,419,904	$2,964,134
Net retiree health benefits liability	3,323,514	4,456,785
Debt refunding	216,839	167,241
Interest rate swap agreements	14,054	22,747
Asset retirement obligations	59,087	82,467
Acquisitions	537,320	908
Total	**$6,570,718**	**$7,694,282**

The University's composition of deferred inflows of resources at June 30 are summarized in **Table 14.2**:

Table 14.2: Deferred Inflows of Resources *(in thousands of dollars)*

Description	2024	2023
Service concession arrangements	$223,504	$227,323
Net pension liability	2,697,214	93,756
Net retiree health benefits liability	8,617,107	8,027,404
Debt refunding	71,661	47,132
Interest rate swap agreements	111,470	85,898
Royalty sales	191,285	250,911
Irrevocable split-interest agreements	68,817	76,062
Leases	634,825	686,208
Total	**$12,615,883**	**$9,494,694**

The campus foundations' deferred inflows of resources are primarily related to irrevocable split-interest agreements.

15. Retirement Plans

Most University employees participate in UCRS. UCRS consists of UCRP, a governmental defined benefit plan funded with University and employee contributions; UCRSP, which includes defined contribution plans with options to participate in internally or externally managed investment portfolios generally funded with employee nonelective and elective contributions; and UC-VERIP, a defined benefit plan for University employees who were members of the California Public Employees' Retirement System (CalPERS) who elected early retirement. Other retirement plans include the Children's Hospital and Research Center at Oakland (CHRCO) Pension Plan, a defined benefit plan fully funded with CHRCO contributions and the Orange County Employees' Retirement System (OCERS) retirement plan, a cost-sharing multiemployer defined benefit pension plan for former employees of an Orange County hospital center who chose to remain with OCERS at the time the hospital was acquired by the University. The Regents has the authority to establish and amend UCRS, and administration authority with respect to the UCRS plans is vested with the President of the University as plan administrator. CHRCO administers the CHRCO Pension Plan as the Sponsor and plan assets are held by State Street Bank and Trust Company (Trustee).

Condensed financial information related to each plan in UCRS and CHRCO Pension Plan and the changes in pension liability for UCRP, UC-VERIP and the CHRCO Pension Plan for the year ended June 30, 2024 are shown in **Table 15.1**:

Table 15.1: Condensed Financial Information for Retirement Plans *(in thousands of dollars)*

Description	University of California Retirement Plan	University of California UC-VERIP	Subtotal	University of California Retirement Savings Program	Total	Children's Hospital & Research Center at Oakland Pension Plan
Condensed Statement of Fiduciary Net Position						
Investments at fair value	$98,618,619	$74,829	$98,693,448	$35,924,627	$134,618,075	$690,589
Participants' interests in mutual funds				2,921,181	2,921,181	
Investment of cash collateral	8,707,422	6,562	8,713,984	4,596,884	13,310,868	
Other assets	917,283	449	917,732	263,412	1,181,144	
Total assets	**108,243,324**	**81,840**	**108,325,164**	**43,706,104**	**152,031,268**	**690,589**
Collateral held for securities lending	8,707,410	6,562	8,713,972	4,596,879	13,310,851	
Other liabilities	846,348	550	846,898	11,912	858,810	
Total liabilities	**9,553,758**	**7,112**	**9,560,870**	**4,608,791**	**14,169,661**	
Net position held in trust	**$98,689,566**	**$74,728**	**$98,764,294**	**$39,097,313**	**$137,861,607**	**$690,589**
Condensed Statement of Changes in Fiduciary Net Position						
Contributions	$4,333,837		$4,333,837	$2,351,816	$6,685,653	$46,500
Net appreciation in fair value of investments	9,155,684	$7,834	9,163,518	4,719,561	13,883,079	
Investment and other income, net	2,232,010	1,654	2,233,664	728,654	2,962,318	90,743
Total additions, net	**15,721,531**	**9,488**	**15,731,019**	**7,800,031**	**23,531,050**	**137,243**
Benefit payment and participant withdrawals	5,124,238	2,746	5,126,984	2,280,368	7,407,352	65,531
Other deductions	102,512	3	102,515	3,343	105,858	4,979
Total deductions	**5,226,750**	**2,749**	**5,229,499**	**2,283,711**	**7,513,210**	**70,510**
Change in net position held in trust	**10,494,781**	**6,739**	**10,501,520**	**5,516,320**	**16,017,840**	**66,733**
Net position held in trust:						
Beginning of year	88,194,785	67,989	88,262,774	33,580,993	121,843,767	623,856
End of year	**$98,689,566**	**$74,728**	**$98,764,294**	**$39,097,313**	**$137,861,607**	**$690,589**
Changes in total pension liability						
Service cost	$3,007,048		$3,007,048			$14,012
Interest	7,458,897	$996	7,459,893			45,927
Difference between expected and actual experience	2,324,145	(604)	2,323,541			23,722
Changes of benefit terms						3,805
Changes of assumptions or other inputs						(6,149)
Benefits paid, including refunds of employee contributions	(5,124,238)	(2,746)	(5,126,984)			(65,531)
Net change in total pension liability	**7,665,852**	**(2,354)**	**7,663,498**			**15,786**
Total pension liability						
Beginning of year	108,565,697	16,739	108,582,436			674,850
End of year	**$116,231,549**	**$14,385**	**$116,245,934**			**$690,636**
Net pension liability (asset), end of year	**$17,541,983**	**($60,343)**	**$17,481,640**			**$47**

Additional information on the retirement plans can be obtained from the 2023–2024 annual reports of the UCRS which can be found at http://reportingtransparency.universityofcalifornia.edu/.

University of California Retirement Plan

UCRP provides lifetime retirement income, disability protection, death benefits and postretirement and preretirement survivor benefits to eligible employees of the University, its affiliates and their survivors and beneficiaries.

The University's membership in UCRP consisted of the following as shown in **Table 15.2** at June 30, 2024:

Table 15.2: Membership in UCRP

Membership	Campuses and Medical Centers	DOE National Laboratories	Total University of California
Retirees and beneficiaries receiving benefits	76,658	12,528	89,186
Inactive members entitled to, but not receiving benefits	117,911	7,187	125,098
Active members: Vested	86,446	1,751	88,197
Active members: Nonvested	62,642	721	63,363
Total active members	**149,088**	**2,472**	**151,560**
Total membership	**343,657**	**22,187**	**365,844**

Contributions

Contributions to UCRP are based upon rates determined by The Regents. The Regents' funding policy provides for contributions at rates to maintain UCRP on an actuarially sound basis. While the University's independent actuary annually determines the total funding policy contributions, the University is not required to contribute an amount equal to the total funding contribution. The actual contributions and the contribution rates of the University and employees are based on numerous factors, including the availability of funds to the University, the impact of employee contributions on the competitiveness of the University's total remuneration package, and collective bargaining agreements.

The Regents determines the portion of the total contribution to be made by the employer and by the employees, and employee contribution rates for represented employees are subject to collective bargaining. Additional information on UCRP contributions can be obtained from the 2023–2024 annual report of the UCRS.

As of June 30, 2024 and 2023, the University reported $517.7 million and $645.4 million, respectively, as other noncurrent Department of Energy receivables for pension liabilities. Contributions of $108.3 million and $111.7 million were deposited into UCRP on behalf of the DOE for the years ended June 30, 2024 and 2023, respectively.

Net pension liability

All UCRP assets are available to pay any member's benefit. However, assets and liabilities for the campus and medical center segment of UCRP are internally tracked separately from the DOE national laboratory segments of UCRP. The net pension liability for UCRP at June 30, 2024 and 2023 are shown in **Table 15.3a** and **Table 15.3b**, respectively:

Table 15.3a: Net Pension Liability for UCRP at June 30, 2024 *(in thousands of dollars)*

Description	Campuses and Medical Centers	DOE National Laboratories	Total University of California
UCRP net position	$88,857,638	$9,831,928	$98,689,566
Total pension liability	106,158,524	10,073,025	116,231,549
Net pension liability	**$17,300,886**	**$241,097**	**$17,541,983**

Table 15.3b: Net Pension Liability for UCRP at June 30, 2023 *(in thousands of dollars)*

Description	Campuses and Medical Centers	DOE National Laboratories	Total University of California
UCRP net position	$78,873,984	$9,320,801	$88,194,785
Total pension liability	98,431,151	10,134,546	$108,565,697
Net pension liability	**$19,557,167**	**$813,745**	**$20,370,912**

The University's net pension liability was measured as of June 30 and was calculated using the plan net position valued as of the measurement date and total pension liability determined by rolling forward the total pension liability from the results of the actuarial valuations as of July 1, one year prior to the measurement date. Actuarial assumptions were based upon the results of an experience study conducted for the period July 1, 2018 through June 30, 2022. The University's net pension liability was calculated using the following methods and assumptions as shown in **Table 15.4**:

Table 15.4: Actuarial Assumptions Used to Calculate Net Pension Liability *(shown as a percentage)*

Description	2024	2023
Inflation	2.50%	2.50%
Investment rate of return	6.75	6.75
Projected salary increases	3.65–5.95	3.65–5.95
Cost-of-living adjustments	2.00	FYE 6/30/2023: 2.90% Future years: 2.00%

Mortality rates used to calculate the net pension liability are shown in **Table 15.5**:

Table 15.5: Mortality Rates Valuation Basis For Net Pension Liability

Description	Actuarial valuation basis
Pre-Retirement	Pub-2010 Teacher Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females), decreased by 10% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Post-Retirement	The Pub-2010 mortality tables and adjustments as shown below reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.
Post-Retirement: Healthy Members	• Faculty members – Pub-2010 Teacher Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), decreased by 15% for males and decreased by 5% for females projected generationally with the two-dimensional mortality improvement scale MP-2021. • Staff and Safety members – Pub-2010 Teacher Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), unadjusted for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Post-Retirement: Disabled Members	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) unadjusted for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Post-Retirement: Beneficiaries	• In pay status as of valuation – Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) unadjusted for males and decreased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021. • Not in pay status as of valuation – Pub-2010 Teacher Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), unadjusted for males and increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

The long-term expected investment rate of return assumption for UCRP was determined based on the aforementioned experience study, using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in **Table 15.6:**

Table 15.6: Target Allocation and Projected Real Rates of Return *(shown as percentage)*

Asset Class	Target allocation	Projected real rate of return
U.S. equity	33.0%	6.0%
Developed international equity	13.0	6.8
Emerging market equity	7.0	8.5
Core bonds	13.0	1.8
High-yield bonds	2.5	4.6
Emerging market debt	1.5	4.6
Private equity	12.0	9.6
Private credit	3.5	2.9
Real estate	7.0	3.9
Absolute return	3.5	1.1
Real assets	4.0	4.0
Total	**100.0%**	**5.6%**

Discount rate

The discount rate used to estimate the net pension liability was 6.75 percent as of June 30, 2024 and 2023. To calculate the discount rate, cash flows into and out of UCRP were projected in order to determine whether UCRP has sufficient cash in future periods for projected benefit payments for current members. For this purpose, University, state and member contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected University contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are not included. UCRP was projected to have assets sufficient to make projected benefit payments for current members for all future years as of June 30, 2024 and 2023.

Sensitivity of the net pension liability to the discount rate assumption

Table 15.7 presents the June 30, 2024 net pension liability of the University as well as what the net pension liability would be if it were calculated using a discount rate 1% lower and 1% higher than the current assumption:

Table 15.7: Sensitivity of Net Pension Liability to Changes in the Discount Rate *(in thousands of dollars)*

Description	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
UCRP	$33,302,900	$17,541,983	$4,604,937
UC-VERIP	(59,666)	(60,343)	(60,954)

Deferred outflows of resources and deferred inflows of resources

The University's composition of deferred outflows of resources and deferred inflows of resources for pensions are summarized in **Tables 15.8a** and **15.8b**:

Table 15.8a: Deferred Outflows and Deferred Inflows For Pensions at June 30, 2024 *(in thousands of dollars)*

Description	Campuses and Medical Centers	DOE National Laboratories	Total UCRP	UC-VERIP	Total
Deferred outflows of resources					
Difference between expected and actual experience	$2,071,355		$2,071,355		$2,071,355
Changes of assumptions or other inputs	303,457		303,457		303,457
Total	**$2,374,812**		**$2,374,812**		**$2,374,812**
Deferred inflows of resources					
Difference between expected and actual experience		$1,876	$1,876		$1,876
Net difference between projected and actual earnings on pension plan investments	2,361,358	$274,683	2,636,041	$4,480	2,640,521
Total	**$2,361,358**	**$276,559**	**$2,637,917**	**$4,480**	**$2,642,397**

Table 15.8b: Deferred Outflows and Deferred Inflows For Pensions at June 30, 2023 *(in thousands of dollars)*

Description	Campuses and Medical Centers	DOE National Laboratories	Total UCRP	UC-VERIP	Total
Deferred outflows of resources					
Difference between expected and actual experience	$628,584		$628,584		$628,584
Changes of assumptions or other inputs	416,267		416,267		416,267
Net difference between projected and actual earnings on pension plan investments	1,679,686	$168,366	1,848,052	$1,336	1,849,388
Total	**$2,724,537**	**$168,366**	**$2,892,903**	**$1,336**	**$2,894,239**
Deferred inflows of resources					
Difference between expected and actual experience	$53,559		$53,559		$53,559
Total	**$53,559**		**$53,559**		**$53,559**

Net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense during the years ended June 30 as shown in **Table 15.9**:

Table 15.9: Net Deferred Outflows and Deferred Inflows of Resources *(in thousands of dollars)*

Year Ended June 30	Campuses and Medical Centers	DOE National Laboratories	Total UCRP	UC-VERIP	Total
2025	($641,389)	($207,512)	($848,901)	($2,050)	($850,951)
2026	2,180,451	203,959	2,384,410	797	2,385,207
2027	(799,840)	(161,235)	(961,075)	(1,781)	(962,856)
2028	(725,768)	(111,771)	(837,539)	(1,446)	(838,985)
Total	**$13,454**	**($276,559)**	**($263,105)**	**($4,480)**	**($267,585)**

Defined Contribution Plan (DC Plan) / Supplemental Defined Contribution Plan (SDC Plan)

The DC Plan was established by resolution of The Regents to accept after-tax contributions and pretax contributions. The Regents established the SDC Plan to provide retirement benefits to certain designated employees of the University and their beneficiaries.

Additional information on the DC Plan and SDC Plan can be obtained from the 2023–2024 annual report of the UCRS.

Tax Deferred 403(b) Plan

The University's Tax-Deferred 403(b) Plan (403(b) Plan) accepts pretax employee contributions.

Employer contributions to the 403(b) Plan were $8.9 million and $10.8 million for the years ended June 30, 2024 and 2023.

Additional information on the 403(b) Plan can be obtained from the 2023–2024 annual report of the UCRS.

457(b) Deferred Compensation Plan

The University's 457(b) Deferred Compensation Plan (457(b) Plan) accepts pretax employee contributions.

There were no employer contributions to the 457(b) Plan for the years ended June 30, 2024 and 2023.

Participants in the DC Plan, the SDC Plan, the 403(b) Plan and the 457(b) Plan may direct their elective and nonelective contributions to investment funds managed by the University. They may also invest account balances in certain mutual funds. The participants' interests in mutual funds is shown separately in the plans' statements of fiduciary net position.

Additional information on the 457(b) Plan can be obtained from the 2023–2024 annual report of the UCRS.

University of California Voluntary Early Retirement Incentive Program (UC-VERIP)

UC-VERIP is a defined benefit pension plan providing lifetime supplemental retirement income and survivor benefits to UC–VERIP members who elected early retirement under CalPERS.

As of June 30, 2024, there are 267 retirees or beneficiaries receiving benefits under this voluntary early retirement program.

The University and the DOE laboratories previously made contributions to the UC-VERIP sufficient to maintain the promised benefits. The actuarially determined contributions are zero for the years ended June 30, 2024 and 2023.

Additional information on UC-VERIP can be obtained from the UCRS 2023–2024 annual report.

Children's Hospital and Research Center at Oakland Pension Plan (CHRCO Pension Plan)

The CHRCO Pension Plan is a noncontributory defined benefit plan subject to the single employer defined benefit under ERISA rules that covers active and retired employees. The CHRCO Pension Plan was amended effective January 1, 2012 to exclude unrepresented employees hired or rehired on or after January 1, 2012. The CHRCO Pension Plan provides retirement, disability and death benefits to plan participants. Benefits are based on a participant's length of service, age at retirement and average compensation as defined by the CHRCO Pension Plan.

The net pension liability for the CHRCO Pension Plan was calculated based upon the following assumptions as of June 30, 2024 and 2023: 3.0 percent inflation, 7.0 percent investment rate of return; projected salary increases — represented employees: 4.5 percent for the fiscal year ended June 30, 2024, 4.5 percent for fiscal year ending 2025, 4.2 percent for fiscal year ending 2026, 3.5 percent for fiscal year ending June 30, 2027 annually thereafter; unrepresented employees: 4.2 percent for fiscal year ended June 30, 2024, 4.2 percent for fiscal year ending June 30, 2025, and 3.5 percent for fiscal year ending June 30, 2026 annually thereafter and no cost-of-living adjustments. CHRCO recognized pension expense of $36.1 million at June 30, 2024 and $44.2 million at June 30, 2023.

The actuarial assumptions used in the June 30, 2024 valuations were based on the results of an experience study conducted during 2024. The actuarial assumptions used in the June 30, 2023 valuations were based on the results of an experience study conducted during 2019. In 2024 and 2023, the mortality rates were based on Pri-2012 Mortality Table with fully generational projected mortality improvements using Scale MP-2021.

Additional information on the CHRCO Pension Plan can be found in the annual reports, which can be obtained by writing to Children's Hospital Oakland, Finance Department, 747 52nd Street, Oakland, California 94609.

Membership in the CHRCO Pension Plan consisted of the following as shown in **Table 15.10** at June 30, 2024:

Table 15.10: CHRCO Pension Plan Membership

Description	Total
Retirees and beneficiaries receiving benefits	1,456
Inactive members entitled to, but not yet receiving benefits	618
Active members	1,883
Total membership	**3,957**

Contributions

Employer contributions are determined under IRC Section 430. Employees are not required or permitted to contribute to the CHRCO Pension Plan.

Net pension liability

The net pension liability for the CHRCO Pension Plan was measured as of June 30 and the total pension liability was determined by an actuarial valuation as of January 1, rolled forward to June 30.

Discount rate

The discount rate used to estimate the net pension liability was 7.0 percent for June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumes that CHRCO will make contributions to the CHRCO Pension Plan under IRC Section 430's minimum requirements for a period of three and six years for its unrepresented and represented employees, respectively, and that all future assumptions are met. Based on these assumptions, the CHRCO Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments for current active and inactive employees.

Investment rate of return

The target allocation and projected arithmetic real rates of return, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class for the CHRCO Pension Plan are shown in **Table 15.11**:

Table 15.11: CHRCO Pension Plan Target Allocation and Real Rates of Return *(shown as percentage)*

Asset class	Target allocation	Projected real rate of return
Global Equity	70.0%	5.0%
Core Fixed Income	30.0%	1.8%
Total	**100.0%**	

16. Retiree Health Benefit Costs and Obligations

The University administers single-employer health and welfare plans to provide health and welfare benefits, primarily medical, dental and vision, to eligible retirees (and their eligible family members) of the University and its affiliates through the University of California Retiree Health Benefit Program (the Program). The Regents has the authority to establish and amend the program. While retiree health benefits are not a legal obligation of the University and can be canceled or modified at any time, accounting standards require the University to recognize a net retiree health liability based on the current practices of providing retiree health benefits.

The University established the UCRHBT in order to allow certain University locations and affiliates (primarily campuses and medical centers) that share the risks, rewards and costs of providing for retiree health benefits to fund such benefits on a cost-sharing basis and accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. Campus and medical center contributions toward retiree health benefits are made to UCRHBT at rates determined by the University. The University receives retiree health contributions from retirees that are deducted from their UCRP benefit payments or are received from the retiree through direct pay. The University acts as a third-party administrator on behalf of UCRHBT and pays health care insurers and administrators amounts currently due under the Program for retirees. UCRHBT reimburses the University for these amounts.

LBNL participates in the Program. LBNL does not participate in UCRHBT; therefore, the DOE has no interest in UCRHBT's assets. The University directly pays health care insurers and administrators amounts currently due under the University's retiree health benefit plans for retirees who previously worked at LBNL, and is reimbursed by the DOE. To the extent the University has recorded a net retiree health benefits liability (and related deferred outflows and inflows of resources) that will be reimbursed under DOE contracts, a receivable from the DOE is recorded. The University recorded receivables from the DOE of $715.1 million and $710.0 million for 2024 and 2023, respectively, representing the DOE's share of the net retiree health benefits liability.

Condensed financial information related to UCRHBT and the changes in retiree health benefits liability for the year ended June 30, 2024 is shown in **Table 16.1a** and **Table 16.1b**, respectively:

Table 16.1a: Condensed Financial Information Related to UCRHBT at June 30, 2024 *(in thousands of dollars)*

Description	Campuses and Medical Centers	LBNL	Total University of California
Contributions	$639,389	$22,382	$661,771
Investment income, net	9,987		9,987
Total additions	**649,376**	**22,382**	**671,758**
Insurance premiums, net	(610,794)	(22,382)	(633,176)
Other deductions	(5,520)		(5,520)
Total deductions	**(616,314)**	**($22,382)**	**(638,696)**
Change in net position held in UCRHBT	**33,062**		**33,062**
Net position held in UCRHBT, beginning of year	192,824		192,824
Net position held in UCRHBT, end of year	**$225,886**		**$225,886**

Table 16.1b: Changes in Total Retiree Health Benefits Liability at June 30, 2024 *(in thousands of dollars)*

Description	Campuses and Medical Centers	LBNL	Total University of California
Service cost	$978,585	$22,602	$1,001,187
Interest	824,253	24,547	848,800
Difference between expected and actual experience	147,103	10,705	157,808
Changes in assumptions and other inputs	(2,776,854)	(76,063)	(2,852,917)
Benefits paid	(610,794)	(22,382)	(633,176)
Retiree contributions	92,194	2,838	95,032
Net change in total retiree health benefits liability	**(1,345,513)**	**(37,753)**	**(1,383,266)**
Total retiree health benefits liability			
Beginning of year	21,860,662	659,593	22,520,255
End of year	**$20,515,149**	**$621,840**	**$21,136,989**
Net retiree health benefits liability, end of year	**$20,289,263**	**$621,840**	**$20,911,103**

Benefits

Retirees are eligible for medical and dental benefits. The costs of the medical and dental benefits are shared between the University and the retiree. The University does not contribute toward the cost of other benefits available to retirees. Retirees employed by the University prior to 1990 and not rehired after that date are eligible for the University's maximum contribution if they retire before age 55 and have at least 10 years of service, or if they retire at age 55 or later and have at least five years of service. Retirees employed by the University after 1989 and prior to July 1, 2013 become eligible for a percentage of the University's contribution starting at 50 percent of the maximum University contribution with 10 years of service or if age plus years of service equal at least 75, and increasing to 100 percent after 20 years of service. Retirees who are employed by the University after July 1, 2013, and retire at the age of 56 or older, become eligible for a percentage of the University's contribution based on age and years of service. These retirees are eligible for the maximum University contribution at age 65 with 20 or more years of service. Retirees pay the excess, if any, of the premium over the applicable portion of the University's contribution.

Membership in a defined benefit plan to which the University contributes or participation in the DC Plan is required to become eligible for retiree health benefits. Participation in the Retiree Health Benefit Program plans consisted of the following at June 30, 2024 as shown in **Table 16.2**:

Table 16.2: Participation in the Retiree Health Benefit Program Plans

Description	Campuses and Medical Centers	LBNL	Total University of California
Retirees and beneficiaries receiving benefits	50,291	1,870	52,161
Active members	155,361	3,077	158,438
Total membership	**205,652**	**4,947**	**210,599**

Contributions

The University does not pre-fund retiree health benefits and instead provides for benefits based upon projected pay-as-you-go financing. University and retiree contributions toward premiums made under purchased plan arrangements are determined by applying the health plan contract rates across the number of participants in the respective plans. Premium rates for the self-insured plan contributions are set by the University based upon a trend analysis of the historic cost, utilization, demographics and administrative expenses to provide for the claims incurred and the actuarially determined level of incurred but not reported liability. The retiree health benefits assessment rate was $2.23 per $100 of UCRP covered payroll effective July 1, 2023 and 2022.

In addition to the explicit University contribution provided to retirees, there is an "implicit subsidy." The gross premiums for members that are not currently eligible for Medicare benefits are the same for active employees and retirees, based on a blend of their health costs. Retirees, on average, are expected to have higher health care costs than active employees. This is primarily due to the older average age of retirees. Since the same gross premiums apply to both groups, the premiums paid for active employees by the University are subsidizing the premiums for retirees. This effect is called the implicit subsidy. The implicit subsidy associated with retiree health costs paid during the past year is also considered to be a contribution from the University.

Net Retiree Health Benefits Liability

The University's net retiree health benefits liability was measured as of June 30 based on rolling forward the results of the actuarial valuations as of March 1, one year prior to the measurement date. Actuarial valuations represent a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future. Significant actuarial methods and assumptions used to calculate the University's net retiree health benefits liability are shown in **Table 16.3**:

Table 16.3: Net Retiree Health Benefits Actuarial Assumptions

Description	2024	2023
Discount rate[1]	3.93%	3.65%
Investment rate of return	2.50%	2.50%
Inflation	2.50%	2.50%
Initial medical trend rate	0.20%–20.46%	(3.06%)–29.06%
Ultimate medical trend rate	3.94%	3.94%
Year ultimate trend rate reached	2076	2075

[1] *The discount rate was based on the Bond Buyer 20-Bond General Obligation index since UCRHBT plan assets are not sufficient to make benefit payments.*

Mortality Rates

Mortality rates valuation basis used to calculate the University's net retiree health benefits liability are shown in **Table 16.4**:

Table 16.4: Mortality Rates Valuation Basis

Description	Mortality rate valuation basis
Pre-Retirement	Pub-2010 Teacher Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Post-Retirement: Healthy Participants	Pub-2010 Healthy Teacher Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. Base Mortality Tables are adjusted as follows: • Faculty: 90% for Males and Females • Staff and Safety: 110% for Males and 105% for Females
Post-Retirement: Spouses/Domestic Partners	Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021 with no adjustment for Males and 95% for Females, applied after the expected (and actual) death of the retiree. While retiree is still alive, rates for Healthy Participants are applied.
Post-Retirement: Disabled Participants	Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021, adjusted 85% for Males and Females.

Actuarial assumptions are subject to periodic revisions as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used at June 30, 2024 were based upon the results of the most recent experience study covering the period of July 1, 2018 through June 30, 2022.

Sensitivity of Net Retiree Health Benefits Liability to the Health Care Cost Trend Rate

Table 16.5 presents the June 30, 2024 net retiree health benefits liability of the University as well as what the net retiree health benefits liability would be if it were calculated using a health care cost trend rate 1% higher and 1% lower than the current assumption:

Table 16.5: Sensitivity of Net Retiree Health Benefits Liability to Health Care Cost Trend Rate *(in thousands of dollars)*

Description	1% Decrease (-0.80% to 19.46%) decreasing to (2.94%)	Current trend (0.20% to 20.46%) decreasing to (3.94%)	1% Increase (1.20% to 21.46%) decreasing to (4.94%)
Net retiree health benefits liability	$17,669,059	$20,911,103	$25,096,329

Discount Rate

The discount rates used to estimate the net retiree health benefits liability as of June 30, 2024 and 2023 were 3.93 percent and 3.65 percent, respectively.

Sensitivity of Net Retiree Health Benefits Liability to the Discount Rate Assumption

Table 16.6 presents the June 30, 2024 net retiree health benefits liability of the University as well as what the net retiree health benefits liability would be if it were calculated using a discount rate 1% higher and 1% lower than the current assumption:

Table 16.6: Sensitivity of Net Retiree Health Benefits Liability to Discount Rate Assumption *(in thousands of dollars)*

Description	1% Decrease (2.93%)	Current discount (3.93%)	1% Increase (4.93%)
Net retiree health benefits liability	$24,497,078	$20,911,103	$18,024,588

Deferred Outflows of Resources and Deferred Inflows of Resources

Tables 16.7a and **16.7b** present the composition of deferred outflows of resources and deferred inflows of resources for retiree health benefits at June 30, 2024 and 2023.

Table 16.7a: Composition of Deferred Outflows and Deferred Inflows of Resources for Retiree Health Benefits in 2024
(in thousands of dollars)

Description	Campuses and Medical Centers	LBNL	Total University of California
Deferred outflows of resources			
Difference between expected and actual experience	$919,741	$47,013	$966,754
Changes in assumptions or other inputs	2,334,387	22,373	2,356,760
Total	**$3,254,128**	**$69,386**	**$3,323,514**
Deferred inflows of resources			
Difference between expected and actual experience	$1,415,134	$16,647	$1,431,781
Changes in assumptions or other inputs	7,036,175	145,970	7,182,145
Net difference between projected and actual earnings on plan investments	3,181		3,181
Total	**$8,454,490**	**$162,617**	**$8,617,107**

Table 16.7b: Composition of Deferred Outflows and Deferred Inflows of Resources for Retiree Health Benefits in 2023
(in thousands of dollars)

Description	Campuses and Medical Centers	LBNL	Total University of California
Deferred outflows of resources			
Difference between expected and actual experience	$917,237	$49,480	$966,717
Changes in assumptions or other inputs	3,436,516	51,475	3,487,991
Net difference between projected and actual earnings on plan investments	2,077		2,077
Total	**$4,355,830**	**$100,955**	**$4,456,785**
Deferred inflows of resources			
Difference between expected and actual experience	$2,131,073	$38,201	$2,169,274
Changes in assumptions or other inputs	5,744,959	113,171	5,858,130
Total	**$7,876,032**	**$151,372**	**$8,027,404**

The net amount of deferred outflows and deferred inflows of resources as of June 30, 2024 related to retiree health benefits that will be recognized in retiree health benefit expense during the next five years and thereafter is shown in **Table 16.8**:

Table 16.8: Net Deferred Outflows and Deferred Inflows of Resources for Retiree Health Benefits *(in thousands of dollars)*

Year	Campuses and Medical Centers	LBNL	Total University of California
2025	($1,129,084)	($24,661)	($1,153,745)
2026	(773,385)	(32,117)	(805,502)
2027	(612,850)	(21,946)	(634,796)
2028	(771,900)	(5,294)	(777,194)
2029	(919,226)	(9,213)	(928,439)
Thereafter	(993,917)		(993,917)
Total	**($5,200,362)**	**($93,231)**	**($5,293,593)**

17. Endowments and Gifts

Endowments and gifts are held and administered either by the University or by the campus foundations.

University

The value of endowments and gifts held and administered by the University, excluding income distributed to be used for operating purposes, at June 30, 2024 and 2023 is shown in **Table 17.1a** and **Table 17.1b**, respectively:

Table 17.1a: Endowments and Gifts Held and Administered by the University at June 30, 2024 *(in thousands of dollars)*

Description	Restricted nonexpendable	Restricted expendable	Unrestricted	Total
Endowments	$1,316,568	$4,983,530	$6,269	$6,306,367
Funds functioning as endowments		3,793,654	10,206,461	14,000,115
Gifts		3,318,517	195,573	3,514,090
University endowments and gifts	**$1,316,568**	**$12,095,701**	**$10,408,303**	**$23,820,572**

Table 17.1b: Endowments and Gifts Held and Administered by the University at June 30, 2023 *(in thousands of dollars)*

Description	Restricted nonexpendable	Restricted expendable	Unrestricted	Total
Endowments	$1,290,807	$4,433,530	$14,820	$5,739,157
Funds functioning as endowments		3,522,985	9,430,282	12,953,267
Gifts		3,338,345	183,964	3,522,309
University endowments and gifts	**$1,290,807**	**$11,294,860**	**$9,629,066**	**$22,214,733**

The University's endowment income distribution policies are designed to preserve the value of the endowment in real terms (after inflation) and to generate a predictable stream of spendable income. Endowment investments are managed to achieve the maximum long-term total return. As a result of this emphasis on total return, the proportion of the annual income distribution provided by dividend and interest income and by capital gains may vary significantly from year to year. The University's policy is to retain the realized and unrealized appreciation with the endowment after the annual income distribution has been made. The net appreciation available to meet future spending needs is subject to the approval of The Regents and amounted to $3.9 billion and $3.6 billion at June 30, 2024 and 2023, respectively.

The portion of investment returns earned on endowments held by the University and distributed at the end of each year to support current operations for the following year is based upon a rate that is approved by The Regents. The annual income distribution transferred to the campuses from endowments held by the University was $600.6 million and $503.0 million for the years ended June 30, 2024 and 2023, respectively. The portion of this annual income distribution from accumulated capital gains, in addition to the dividend and interest income earned during the year, was $297.3 million and $463.6 million for the years ended June 30, 2024 and 2023, respectively. Accumulated endowment income available for spending in the future, including the annual income distribution, was $1.3 billion and $1.0 billion at June 30, 2024 and 2023, respectively.

Campus Foundations

The value of endowments and gifts held by the campus foundations and administered by each of their independent Boards of Trustees at June 30, 2024 and 2023 is shown in **Table 17.2a** and **Table 17.2b**, respectively:

Table 17.2a: Endowments and Gifts Held and Administered by Campus Foundations at June 30, 2024 *(in thousands of dollars)*

Description	Restricted nonexpendable	Restricted expendable	Unrestricted	Total
Endowments	$7,424,469	$2,969,942		$10,394,411
Funds functioning as endowments		3,084,513		3,084,513
Gifts		2,561,698	$1,434,352	3,996,050
Campus foundations' endowments and gifts	**$7,424,469**	**$8,616,153**	**$1,434,352**	**$17,474,974**

Table 17.2b: Endowments and Gifts Held and Administered by Campus Foundations at June 30, 2023 *(in thousands of dollars)*

Description	Restricted nonexpendable	Restricted expendable	Unrestricted	Total
Endowments	$6,907,145	$2,506,499		$9,413,644
Funds functioning as endowments		2,762,831		2,762,831
Gifts		2,797,842	$1,330,652	4,128,494
Campus foundations' endowments and gifts	**$6,907,145**	**$8,067,172**	**$1,330,652**	**$16,304,969**

18. Leases

The University is a lessor of land, buildings and equipment under agreements that extend through 2112. Some leases include one or more lessee options to renew, with renewal terms that can extend the lease term from one to 40 years. These leases may also include lessee options to terminate the leases.

Certain of the University's lease agreements include rental payments that are adjusted periodically, primarily for inflation. The lease agreements do not contain any material lease incentives paid, residual value guarantees, material restrictive covenants or material termination penalties.

The University measures the deferred inflow of resources at the present value of payments expected to be received including any advance lease payments or lease incentives during the lease term.

During the years ended June 30, 2024 and 2023, the University recorded $70.6 million and $78.5 million, respectively, in lease revenues.

19. Segment Information

The University's medical centers and CHRCO's revenues are pledged in support of the outstanding University of California Medical Center Pooled Revenue Bonds. The medical centers' operating revenues and expenses consist primarily of revenues associated with patient care and the related costs of providing that care.

Table 19.1 presents condensed financial statement information related to the University's medical centers for the years ended June 30, 2024 and 2023.

Table 19.1: Condensed Financial Statement Information Related to the Medical Centers *(in thousands of dollars)*

Description	2024	2023
Revenue bonds outstanding	$7,602,026	$7,479,572
Related debt service payments	393,682	396,856
Bonds due serially through	2120	2120
Condensed Statement of Net Position		
Current assets	$11,441,295	$10,157,587
Capital assets, net	13,141,424	10,590,830
Other assets	2,438,463	4,319,888
Total assets	**27,021,182**	**25,068,305**
Deferred outflows of resources	**4,118,152**	**3,446,283**
Current liabilities	5,374,088	4,079,301
Long-term debt, net of current portion	8,951,739	8,742,588
Other noncurrent liabilities	16,157,898	16,629,522
Total liabilities	**30,483,725**	**29,451,411**
Deferred inflows of resources	**4,513,134**	**3,063,768**
Net investment in capital assets	4,678,852	4,658,593
Restricted	155,847	159,505
Unrestricted	(8,692,224)	(8,818,689)
Total net position	**($3,857,525)**	**($4,000,591)**
Condensed Statement of Revenues, Expenses and Changes in Net Position		
Operating revenues	$21,838,223	$19,270,291
Operating expenses before depreciation and amortization	(19,864,310)	(18,358,893)
Depreciation and amortization	(802,605)	(781,569)
Operating income	**1,171,308**	**129,829**
Nonoperating revenues, net	208,596	120,421
Income before other changes in net position	**1,379,904**	**250,250**
Health systems support	(1,200,119)	(948,093)
Transfers from University, net	32,031	21,653
Changes in allocation for pension payable to University	(90,173)	(28,520)
Other, including donated assets	32,704	21,128
Change in net position	**154,347**	**(683,582)**
Net position, beginning of year, as previously reported	(4,000,591)	(3,317,009)
Change to or within the financial reporting entity	(11,281)	
Beginning of year, as restated	(4,011,872)	(3,317,009)
Net position, end of year	**($3,857,525)**	**($4,000,591)**
Condensed Statement of Cash Flows		
Net cash provided (used) by:		
Operating activities	$2,461,337	$1,857,708
Noncapital financing activities	(1,000.526)	(791,988)
Capital and related financing activities	(3,217,231)	(2,090,028)
Investing activities	2,348,608	1,022,996
Net change in cash and cash equivalents	592,188	**(1,312)**
Cash and cash equivalents*, beginning of year	5,933,825	5,935,137
Cash and cash equivalents*, end of year	**$6,526,013**	**$5,933,825**

**Cash and cash equivalents in the medical centers' financial statements are included in the University's Short Term Investment Pool.*

Summarized financial information in these tables is from the medical centers' audited financial statements. Certain revenue, such as financial support from the state for clinical teaching programs, is classified as state educational appropriations rather than medical center revenue in the University's statements of revenues, expenses and changes in net position. However, in the medical centers' audited financial statements and for segment reporting purposes, these revenues are classified as operating revenue. Additional information on the individual University of California medical centers can be obtained from their audited financial statements which are available at https://www.ucop.edu/uc-controller/financial-reports/medical-center-financial-reports.html.

Certain revenue generating projects (including student and faculty housing, parking facilities, student centers, recreation and events facilities, student health facilities and athletics facilities) are also financed by Limited Project Revenue Bonds; however, assets and liabilities are not required to be accounted for separately.

20. Blended Component Unit Information

Condensed financial statement information related to certain of the University's blended component units for the year ended June 30, 2024 is shown in **Table 20.1a**:

Table 20.1a: Condensed Financial Statement Information Related to Blended Component Units for 2024 *(in thousands of dollars)*

Description	Fiat Lux	CHRCO	Research	Housing
Condensed Statements of Net Position				
Current assets	$1,799,697	$392,181	$5,802	$209,498
Capital assets, net		501,454	122,861	1,423,017
Other assets	218,267	375,985	360,117	158,046
Total assets	**2,017,964**	**1,269,620**	**488,780**	**1,790,561**
Total deferred outflows of resources		**42,984**	**4,420**	**166**
Current liabilities	413,675	220,749	18,163	83,616
Noncurrent liabilities	1,041,296	147,030	456,298	1,798,572
Total liabilities	**1,454,971**	**367,779**	**474,461**	**1,882,188**
Total deferred inflows of resources		**76,430**		**27,885**
Net investment in capital assets		382,942	37,253	
Restricted		114,394		
Unrestricted	562,993	371,059	(18,514)	(119,346)
Total net position	**$562,993**	**$868,395**	**$18,739**	**($119,346)**
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating revenues	$570,137	$866,088	$29,571	$214,602
Operating expenses	(642,682)	(777,876)	1,456	(64,837)
Depreciation and amortization expense		(32,990)	(4,817)	(66,346)
Operating income (loss)	**(72,545)**	**55,222**	**26,210**	**83,419**
Nonoperating revenues (expenses), net	169,888	51,101	(16,329)	(73,624)
Income before other changes in net position	**97,343**	**106,323**	**9,881**	**9,795**
Transfers from University			(9,255)	
Other, including donated assets		(5,967)		
Change in net position	**97,343**	**100,356**	**626**	**9,795**
Net position, beginning of year	465,650	768,039	18,113	(129,141)
Net position, end of year	**$562,993**	**$868,395**	**$18,739**	**($119,346)**
Condensed Statement of Cash Flows				
Net cash provided (used) by:				
Operating activities	$143,454	$35,181	$29,169	$29,879
Noncapital financing activities	587	16,797	14	
Capital and related financing activities		(73,462)	(27,431)	(22,234)
Investing activities	(391,055)	21,410	(493)	14,050
Net change in cash and cash equivalents	**(247,014)**	**(74)**	**1,259**	**21,695**
Cash and cash equivalents, beginning of year	404,282	196,616	5,971	36,672
Cash and cash equivalents, end of year	**$157,268**	**$196,542**	**$7,230**	**$58,367**

Condensed financial statement information related to certain of the University's blended component units for the year ended June 30, 2023 is shown in **Table 20.1b**:

Table 20.1b: Condensed Financial Statement Information Related to Blended Component Units for 2023 *(in thousands of dollars)*

Description	Fiat Lux	CHRCO	Research	Housing
Condensed Statements of Net Position				
Current assets	$1,504,586	$331,357	$8,772	$317,979
Capital assets, net		458,692	126,553	1,424,693
Other assets	291,963	373,326	367,786	104,138
Total assets	**1,796,549**	**1,163,375**	**503,111**	**1,846,810**
Total deferred outflows of resources		**67,015**	**4,696**	
Current liabilities	407,716	208,486	19,634	87,920
Noncurrent liabilities	923,183	194,032	470,060	1,860,146
Total liabilities	**1,330,899**	**402,518**	**489,694**	**1,948,066**
Total deferred inflows of resources		**59,833**		**27,885**
Net investment in capital assets		342,152	36,805	
Restricted		106,789		
Unrestricted	465,650	319,098	(18,692)	(129,141)
Total net position	**$465,650**	**$768,039**	**$18,113**	**($129,141)**
Condensed Statement of Revenues, Expenses and Changes in Net Position				
Operating revenues	$488,469	$724,623	$29,365	$132,400
Operating expenses	(386,649)	(706,191)	293	(39,122)
Depreciation expense		(33,637)	(4,724)	(35,016)
Operating income (loss)	**101,820**	**(15,205)**	**24,934**	**58,262**
Nonoperating revenues (expenses), net	87,101	31,760	(16,635)	(67,013)
Income before other changes in net position	**188,921**	**16,555**	**8,299**	**(8,751)**
Transfers from University			(3,925)	
Other, including donated assets	548	2,368		
Change in net position	**189,469**	**18,923**	**4,374**	**(8,751)**
Net position, beginning of year	276,181	749,116	13,739	(120,390)
Net position, end of year	**$465,650**	**$768,039**	**$18,113**	**($129,141)**
Condensed Statement of Cash Flows				
Net cash provided (used) by:				
Operating activities	($445,408)	$26,950	$17,887	$70,992
Noncapital financing activities	2,100	20,840	22	
Capital and related financing activities		(58,167)	(30,522)	(99,428)
Investing activities	5,432	3,472	(146)	8,436
Net change in cash and cash equivalents	**(437,876)**	**(6,905)**	**(12,759)**	**(20,000)**
Cash and cash equivalents, beginning of year	842,158	203,521	18,730	56,672
Cash and cash equivalents, end of year	**$404,282**	**$196,616**	**$5,971**	**$36,672**

CHRCO's other assets include investments in the UCSF Foundation's Endowed Investment Pool of $321.8 million and $315.2 million at June 30, 2024 and 2023.

21. Discretely Presented Component Unit Information — Campus Foundations

Under University policies, each individual campus may establish a separate foundation to provide valuable assistance in fundraising, public outreach and other support for the missions of the campus and the University. Although independent boards govern these foundations, their assets are dedicated for the benefit of the University of California.

Condensed financial statement information related to the University's campus foundations, including their allocated share of the assets and liabilities associated with securities lending transactions in the University's investment pools, for the year ended June 30, 2024 is shown in **Table 21.1a** and **Table 21.2a**:

Table 21.1a: Condensed Statements of Net Position at June 30, 2024 *(in thousands of dollars)*

Description	Berkeley	San Francisco	Los Angeles	San Diego	All Other	Total
Current assets	$254,040	$503,114	$1,174,544	$41,031	$198,876	$2,171,605
Noncurrent assets	3,439,326	3,454,814	4,481,685	1,764,133	2,733,365	15,873,323
Total assets	**3,693,366**	**3,957,928**	**5,656,229**	**1,805,164**	**2,932,241**	**18,044,928**
Current liabilities	10,694	65,260	24,866	21,548	14,943	137,311
Noncurrent liabilities	74,113	47,157	29,659	7,750	23,221	181,900
Total liabilities	**84,807**	**112,417**	**54,525**	**29,298**	**38,164**	**319,211**
Total deferred inflows of resources	**61,539**	**31,722**	**63,927**	**70,673**	**22,882**	**250,743**
Restricted	3,538,949	3,813,417	4,178,513	1,667,555	2,842,188	16,040,622
Unrestricted	8,071	372	1,359,264	37,638	29,007	1,434,352
Total net position	**$3,547,020**	**$3,813,789**	**$5,537,777**	**$1,705,193**	**$2,871,195**	**$17,474,974**

Table 21.2a: Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2024
(in thousands of dollars)

Description	Berkeley	San Francisco	Los Angeles	San Diego	All Other	Total
Operating revenues	$260,809	$386,128	$319,253	$137,356	$195,611	$1,299,157
Operating expenses	(441,553)	(443,490)	(463,410)	(360,117)	(242,201)	(1,950,771)
Operating loss	**(180,744)**	**(57,362)**	**(144,157)**	**(222,761)**	**(46,590)**	**(651,614)**
Nonoperating revenues	224,885	202,364	415,019	236,334	284,998	1,363,600
Income before other changes in net position	**44,141**	**145,002**	**270,862**	**13,573**	**238,408**	**711,986**
Additions to permanent endowments	103,408	58,841	165,916	61,153	68,701	458,019
Change in net position	**147,549**	**203,843**	**436,778**	**74,726**	**307,109**	**1,170,005**
Net position, beginning of year	3,399,471	3,609,946	5,100,999	1,630,467	2,564,086	16,304,969
Net position, end of year	**$3,547,020**	**$3,813,789**	**$5,537,777**	**$1,705,193**	**$2,871,195**	**$17,474,974**

Condensed financial statement information related to the University's campus foundations, including their allocated share of the assets and liabilities associated with securities lending transactions in the University's investment pools, for the year ended June 30, 2023 is shown in **Table 21.1b** and **Table 21.2b**:

Table 21.1b: Condensed Statements of Net Position at June 30, 2023 *(in thousands of dollars)*

Description	Berkeley	San Francisco	Los Angeles	San Diego	All Other	Total
Current assets	$283,338	$491,074	$1,205,627	$236,242	$194,728	$2,411,009
Noncurrent assets	3,257,301	3,301,808	3,997,639	1,501,557	2,428,578	14,486,883
Total assets	**3,540,639**	**3,792,882**	**5,203,266**	**1,737,799**	**2,623,306**	**16,897,892**
Current liabilities	10,948	108,312	27,771	41,517	14,446	202,994
Noncurrent liabilities	73,316	45,535	29,365	7,756	23,335	179,307
Total liabilities	**84,264**	**153,847**	**57,136**	**49,273**	**37,781**	**382,301**
Total deferred inflows of resources	**56,904**	**29,089**	**45,131**	**58,059**	**21,439**	**210,622**
Restricted	3,395,599	3,609,570	3,834,536	1,595,420	2,539,192	14,974,317
Unrestricted	3,872	376	1,266,463	35,047	24,894	1,330,652
Total net position	**$3,399,471**	**$3,609,946**	**$5,100,999**	**$1,630,467**	**$2,564,086**	**$16,304,969**

Table 21.2b: Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2023 *(in thousands of dollars)*

Description	Berkeley	San Francisco	Los Angeles	San Diego	All Other	Total
Operating revenues	$347,703	$1,005,533	$596,379	$117,617	$176,659	$2,243,891
Operating expenses	(569,618)	(482,687)	(436,773)	(168,717)	(238,651)	(1,896,446)
Operating income (loss)	**(221,915)**	**522,846**	**159,606**	**(51,100)**	**(61,992)**	**347,445**
Nonoperating revenues	258,211	108,376	254,873	136,106	152,691	910,257
Income before other changes in net position	**36,296**	**631,222**	**414,479**	**85,006**	**90,699**	**1,257,702**
Additions to permanent endowments	110,034	38,463	155,776	67,000	66,541	437,814
Change in net position	**146,330**	**669,685**	**570,255**	**152,006**	**157,240**	**1,695,516**
Net position, beginning of year	3,253,141	2,940,261	4,530,744	1,478,461	2,406,846	14,609,453
Net position, end of year	**$3,399,471**	**$3,609,946**	**$5,100,999**	**$1,630,467**	**$2,564,086**	**$16,304,969**

Additional information on the foundations can be found in the foundations' separately issued annual reports, which can be obtained by contacting each individual foundation.

22. Commitments and Contingencies

Contractual Commitments

Amounts committed but unexpended for construction projects totaled $9.2 billion at June 30, 2024. The University has a remaining commitment to contribute $60.0 million for investments in joint ventures at June 30, 2024. The University has a remaining commitment for one of its campuses through 2036 to provide $$70.0 million for fire and other city-related services at June 30, 2024.

Contingencies

Substantial amounts are received and expended by the University, including its medical centers, under federal and state programs, and are subject to audit and other inquiries by cognizant governmental agencies and other parties. This funding relates to research, student aid, medical center operations and other programs. University management believes that any liabilities arising from such audits and other inquiries will not have a material effect on the University's financial position.

The University and the campus foundations are contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Although there are inherent uncertainties in any litigation, University management and general counsel are of the opinion that the outcome of such matters will not have a material effect on the University's financial position.

23. Subsequent Events

In July 2024, General Revenue bonds totaling $1.7 billion, including $250.0 million in variable-rate demand bonds, were issued to finance or refinance the acquisition, construction, improvement and renovation of certain facilities of the University. The bonds mature at various dates through 2054. Proceeds of the bonds, including a bond premium of $168.1 million, were used to pay for project construction and issuance costs. The fixed-rate tax-exempt bonds have a stated weighted average interest rate of 5.0 percent. The interest rate will reset weekly for the variable rate demand bonds. The deferred premium will be amortized as a reduction to interest expense over the term of the bonds.

In August 2024, the Regents became the sole corporate member of UCSF Community Hospital, a private, not-for-profit Internal Revenue Code section 501(c)(3) corporation. UCSF Community Hospital will be reported as a blended component unit of the University beginning in the 2024–2025 fiscal year.


NIV

Required Supplementary Information

(Unaudited)

UCRP

The schedule of changes in net pension liability includes multiyear trend information about whether the pension assets are increasing or decreasing over time relative to the pension liabilities. UCRP RSI Tables 1a and 1b show the schedule of changes in the net pension liability for UCRP as of June 30 for the past 10 years.

UCRP RSI Table 1a: Changes in Net Position Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$3,007,048	$2,753,510	$2,588,194	$2,564,134	$2,466,497
Interest on the total pension liability	7,458,897	6,985,737	6,633,210	6,311,412	5,981,599
Changes in benefit terms		33,303			
Difference between expected and actual experience	2,324,145	451,908	284,807	462,839	(282,321)
Changes of assumptions or other inputs		469,788			
Benefits paid, including refunds of employee contributions	(5,124,238)	(4,764,459)	(4,534,161)	(4,299,910)	(3,944,998)
Net change in total pension liability	**7,665,852**	**5,929,787**	**4,972,050**	**5,038,475**	**4,220,777**
Total pension liability, beginning of year	108,565,697	102,635,910	97,663,860	92,625,385	88,404,608
Total pension liability, end of year	**116,231,549**	**108,565,697**	**102,635,910**	**97,663,860**	**92,625,385**
Plan net position					
Contributions — employer	3,001,069	2,770,474	2,892,621	2,705,058	2,444,025
Contributions — member	1,332,768	1,206,097	1,105,405	1,053,939	1,019,302
Contributions — state					
Net investment income	11,387,694	7,696,274	(9,765,875)	21,439,296	1,184,938
Benefits paid, including refunds of employee contributions	(5,124,238)	(4,764,459)	(4,534,161)	(4,299,910)	(3,944,998)
Administrative expense	(102,512)	(76,629)	(84,760)	(64,826)	(65,989)
Net change in plan net position	**10,494,781**	**6,831,757**	**(10,386,770)**	**20,833,557**	**637,278**
Plan net position, beginning of year	88,194,785	81,363,028	91,749,798	70,916,241	70,278,963
Plan net position, end of year	**98,689,566**	**88,194,785**	**81,363,028**	**91,749,798**	**70,916,241**
Net pension liability, end of year	**$17,541,983**	**$20,370,912**	**$21,272,882**	**$5,914,062**	**$21,709,144**

UCRP RSI Table 1b: **Changes in Net Position Liability, 2015–2019** *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$1,946,612	$1,873,004	$1,807,143	$1,710,241	$1,589,267
Interest on the total pension liability	5,576,660	5,295,733	5,035,267	4,784,904	4,538,846
Difference between expected and actual experience	334,605	138,419	74,664	136,167	(112,155)
Changes of assumptions or other inputs	7,816,717				2,136,793
Benefits paid, including refunds of employee contributions	(3,816,434)	(3,587,554)	(3,320,990)	(3,105,641)	(2,976,992)
Net change in total pension liability	**11,858,160**	**3,719,602**	**3,596,084**	**3,525,671**	**5,175,759**
Total pension liability, beginning of year	76,546,448	72,826,846	69,230,762	65,705,091	60,529,332
Total pension liability, end of year	**88,404,608**	**76,546,448**	**72,826,846**	**69,230,762**	**65,705,091**
Plan net position					
Contributions — employer	2,408,650	2,335,874	2,385,576	2,426,683	2,510,046
Contributions — member	956,543	941,144	891,987	845,036	793,012
Contributions — state		169,000	171,000	96,000	
Net investment income	4,018,595	4,837,552	7,866,281	(1,104,655)	1,993,801
Benefits paid, including refunds of employee contributions	(3,816,434)	(3,587,554)	(3,320,990)	(3,105,642)	(2,976,993)
Administrative expense	(61,981)	(36,684)	(44,128)	(48,340)	(48,283)
Net change in plan net position	**3,505,373**	**4,659,332**	**7,949,726**	**(890,918)**	**2,271,583**
Plan net position, beginning of year	66,773,590	62,114,258	54,164,532	55,055,450	52,783,867
Plan net position, end of year	**70,278,963**	**66,773,590**	**62,114,258**	**54,164,532**	**55,055,450**
Net pension liability, end of year	**$18,125,645**	**$9,772,858**	**$10,712,588**	**$15,066,230**	**$10,649,641**

Notes to Required Supplementary Information: UCRP

Changes of benefit terms. UCRP was amended during the fiscal year ended June 30, 2023 to provide a one-time cost-of-living adjustment (ad-hoc COLA) to a cohort of retirees. There were no changes to the size or composition of the covered population in any of the fiscal years in the 10-year period which ended June 30, 2024, that significantly affected the total pension liability.

Changes of assumptions. Actuarial assumptions were changed three times during the 10-year period which ended June 30, 2024, each time coinciding with an experience study. Amounts reported in 2023 include an adjustment to the mortality assumption reflecting longer life expectancy. Amounts reported in 2019 include an adjustment to the mortality assumption reflecting longer life expectancy and a decrease in the investment rate of return from 7.25 percent to 6.75 percent. Amounts reported in 2015 include an adjustment to the mortality assumption reflecting longer life expectancy and a decrease in the investment rate of return from 7.50 percent to 7.25 percent.

UCRP RSI Tables 2a and **2b** present a 10-year history of the ratio of net pension liability to total pension liability and the net pension liability as a percentage of covered payroll.

UCRP RSI Table 2a: Ratio of Net Pension Liability to Total Pension Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability	$116,231,549	$108,565,697	$102,635,910	$97,663,860	$92,625,385
Plan net position	98,689,566	88,194,785	81,363,028	91,749,798	70,916,241
Net pension liability	**$17,541,983**	**$20,370,912**	**$21,272,882**	**$5,914,062**	**$21,709,144**
Ratio of plan net position to total pension liability	84.9%	81.2%	79.3%	93.9%	76.6%
Covered payroll	$16,749,455	$15,191,170	$13,921,086	$13,215,494	$13,056,696
Net pension liability as a percentage of covered payroll	**104.7%**	**134.1%**	**152.8%**	**44.8%**	**166.3%**

UCRP RSI Table 2b: Ratio of Net Pension Liability to Total Pension Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability	$88,404,608	$76,546,448	$72,826,846	$69,230,762	$65,705,091
Plan net position	70,278,963	66,773,590	62,114,258	54,164,532	55,055,450
Net pension liability	**$18,125,645**	**$9,772,858**	**$10,712,588**	**$15,066,230**	**$10,649,641**
Ratio of plan net position to total pension liability	79.5%	87.2%	85.3%	78.2%	83.8%
Covered payroll	$12,168,209	$11,923,489	$11,301,506	$10,689,424	$10,047,570
Net pension liability as a percentage of covered payroll	**149.0%**	**82.0%**	**94.8%**	**140.9%**	**106.0%**

The Regents' funding policy provides for actuarially determined contributions at rates reasonably expected to maintain UCRP on an actuarially sound basis. LBNL is required to make employer and employee contributions in conformity with The Regents' contract with the DOE. The annual contribution deficiency as of June 30 is presented in UCRP **RSI Table 3** below:

UCRP RSI Table 3: Annual Contribution Deficiency *(in thousands of dollars)*

Year ended June 30	Actuarially determined contributions	Contributions in relation to actuarial contributions	Contribution deficiency	Covered payroll	Contributions as a percentage of covered payroll
2024	$4,221,586	$3,001,069	$1,220,517	$16,749,455	18%
2023	3,814,606	2,770,474	1,044,132	15,191,170	18
2022	3,712,774	2,892,621	820,153	13,921,086	21
2021	3,523,568	2,705,058	818,510	13,215,494	20
2020	2,516,234	2,444,025	72,209	13,056,696	19
2019	2,742,671	2,408,650	334,021	12,168,209	20
2018	2,669,169	2,504,874	164,295	11,923,489	21
2017	2,654,710	2,556,576	98,134	11,301,506	23
2016	2,610,953	2,522,683	88,270	10,689,424	24
2015	2,664,384	2,510,046	154,338	10,047,570	25

UCRP RSI Table 4 shows the methods and assumptions used to determine contribution rates for UCRP.

UCRP RSI Table 4: Methods and Assumptions Used to Determine Contribution Rates

Methods and actuarial assumptions	Description
Valuation date	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age actuarial cost method.
Amortization method	Level dollar, closed periods.
Remaining amortization period	15.82 years as of July 1, 2022. The July 1, 2010 amortization bases were combined into a single amortization base and amortized over 30 years. Any changes in Unfunded Actuarial Accrued Liability (UAAL) due to actuarial experience gains or losses after July 1, 2010, are separately amortized over a fixed (closed) 30-year period effective with that valuation. Any changes in UAAL due to a change in actuarial assumptions or plan provisions are separately amortized over a fixed (closed) 15-year period. Any changes in UAAL due to actuarial experience gains or losses or a change in actuarial assumptions after July 1, 2014, are separately amortized over a fixed (closed) 20-year period. Any changes in UAAL due to a change in plan provisions are separately amortized over a fixed (closed) 15 year period. Any changes in UAAL due to plan amendments after July 1, 2014 affecting non-active members are separately amortized over a fixed (closed) 10-year period.
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. An unrecognized return is equal to the difference between the actual and the expected return on a market value basis and is recognized over a five-year period.
Inflation	2.50%.
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation.
Projected salary increases	3.65–5.95%, varying by service, including inflation.
Cost-of-living adjustments	2.00%
Mortality	Actives and inactives: Pub-2010 Teacher Employee Amount-Weighted Above-Median Mortality Table. Healthy retired members: Pub-2010 Healthy Teacher Amount-Weighted Above-Median Mortality Table, multiplied by 90 percent for male faculty members, 95 percent for female faculty members, 100 percent for other male members and 110 percent for other female members. Beneficiaries of retired members: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table multiplied by 100 percent for males and 90 percent for females. Disabled members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table. All mortality tables listed above are projected generationally with the two-dimensional mortality improvement scale MP-2018.

UC-VERIP

The schedule of changes in net pension liability includes multiyear trend information about whether the pension assets are increasing or decreasing over time relative to the pension liabilities. UC-VERIP RSI Tables 1a and 1b show the schedule of changes in the net pension liability for the UC-VERIP as of June 30 for the past 10 years.

UC-VERIP RSI Table 1a: Changes in Net Pension Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability					
Interest on the total pension liability	$996	$1,181	$1,384	$1,513	$1,656
Difference between expected and actual experience	(604)	(1,242)	108	179	(1,342)
Changes of assumptions or other inputs		(440)			
Benefits paid, including refunds of employee contributions	(2,746)	(2,987)	(3,324)	(3,750)	(4,142)
Net change in total pension liability	**(2,354)**	**(3,488)**	**(1,832)**	**(2,058)**	**(3,828)**
Total pension liability, beginning of year	16,739	20,227	22,059	24,117	27,945
Total pension liability, end of year	**14,385**	**16,739**	**20,227**	**22,059**	**24,117**
Plan net position					
Net investment income	9,488	5,955	(7,853)	18,277	1,049
Benefits paid, including refunds of employee contributions	(2,746)	(2,987)	(3,324)	(3,750)	(4,142)
Administrative expense	(3)	(3)	(3)	(4)	(4)
Net change in plan net position	**6,739**	**2,965**	**(11,180)**	**14,523**	**(3,097)**
Plan net position, beginning of year	67,989	65,024	76,204	61,681	64,778
Plan net position, end of year	**74,728**	**67,989**	**65,024**	**76,204**	**61,681**
Net pension surplus, end of year	**($60,343)**	**($51,250)**	**($44,797)**	**($54,145)**	**($37,564)**

UC-VERIP RSI Table 1b: Changes in Net Pension Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability					
Interest on the total pension liability	$1,983	$2,042	$2,463	$2,533	$2,704
Difference between expected and actual experience	(79)	(436)	(189)	(650)	242
Changes of assumptions or other inputs	714				1,837
Benefits paid, including refunds of employee contributions	(4,213)	(4,610)	(4,738)	(4,937)	(5,081)
Net change in total pension liability	**(1,595)**	**(3,004)**	**(2,464)**	**(3,054)**	**(298)**
Total pension liability, beginning of year	29,540	32,544	35,008	38,062	38,360
Total pension liability, end of year	**27,945**	**29,540**	**32,544**	**35,008**	**38,062**
Plan net position					
Net investment income	3,748	4,885	8,666	(1,425)	2,550
Benefits paid, including refunds of employee contributions	(4,213)	(4,610)	(4,738)	(4,937)	(5,081)
Administrative expense	(5)	(5)	(6)	(7)	(6)
Net change in plan net position	**(470)**	**270**	**3,922**	**(6,369)**	**(2,537)**
Plan net position, beginning of year	65,248	64,978	61,056	67,425	69,962
Plan net position, end of year	**64,778**	**65,248**	**64,978**	**61,056**	**67,425**
Net pension surplus, end of year	**($36,833)**	**($35,708)**	**($32,434)**	**($26,048)**	**($29,363)**

Notes to Required Supplementary Information: UC-VERIP

Plan fiduciary net position (plan assets) is valued as of the measurement date, while the total pension liability is determined by rolling forward the total pension liability from the July 1 actuarial valuations.

Changes of benefit terms. There were no changes in benefit terms or the size or composition of the covered population in any of the fiscal years in the 10-year period which ended June 30, 2024, that significantly affected the total pension liability.

Changes of assumptions. Actuarial assumptions were changed three times during the 10-year period which ended June 30, 2024, each time coinciding with an experience study. Amounts reported in 2023 include an adjustment to the mortality assumption reflecting longer life expectancy. Amounts reported in 2019 include an adjustment to the mortality assumption reflecting longer life expectancy and a decrease in the investment rate of return from 7.25 percent to 6.75 percent. Amounts reported in 2015 include an adjustment to the mortality assumption reflecting longer life expectancy and a decrease in the investment rate of return from 7.50 percent to 7.25 percent.

UC-VERIP RSI Tables 2a and **2b** present a 10-year history of the ratio of net pension liability to total pension liability.

UC-VERIP RSI Table 2a: Ratio of Net Pension Liability to Total Pension Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability	$14,385	$16,739	$20,227	$22,059	$24,117
Plan net position	74,728	67,989	65,024	76,204	61,681
Net pension surplus	**($60,343)**	**($51,250)**	**($44,797)**	**($54,145)**	**($37,564)**
Ratio of plan net position to total pension liability	519.5%	406.2%	321.5%	345.5%	255.8%

UC-VERIP RSI Table 2b: Ratio of Net Pension Liability to Total Pension Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability	$27,945	$29,540	$32,544	$35,008	$38,062
Plan net position	64,778	65,248	64,978	61,056	67,425
Net pension surplus	**($36,833)**	**($35,708)**	**($32,434)**	**($26,048)**	**($29,363)**
Ratio of plan net position to total pension liability	231.8%	220.9%	199.7%	174.4%	177.1%

The University is not required to make contributions to the UC-VERIP due to its fully funded status.

CHRCO Pension Plan

The schedule of changes in net pension liability includes multiyear trend information about whether the pension assets are increasing or decreasing over time relative to the pension liabilities. **CHRCO RSI Tables 1a** and **1b** show the schedule of changes in the net pension liability for the CHRCO Pension Plan as of June 30 for the past 10 years.

CHRCO RSI Table 1a: Changes in Net Pension Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$14,012	$14,159	$15,775	$14,873	$12,648
Interest on the total pension liability	45,927	44,522	42,159	38,932	36,005
Changes of benefit terms	3,805				
Difference between expected and actual experience	23,722	6,851	1,058	18,527	23,581
Changes of assumptions or other inputs	(6,149)	(23,590)	(22,525)	(2,413)	28,609
Benefits paid, including refunds of employee contributions	(65,531)	(25,027)	(22,683)	(19,684)	(17,262)
Net change in total pension liability	**15,786**	**16,915**	**13,784**	**50,235**	**83,581**
Total pension liability, beginning of year	674,850	657,935	644,151	593,916	510,335
Total pension liability, end of year	**690,636**	**674,850**	**657,935**	**644,151**	**593,916**
Plan net position					
Contributions — employer	46,500	41,400	37,452	31,752	31,200
Net investment income (loss)	90,743	73,339	(94,275)	111,835	(7,468)
Benefits paid, including refunds of employee contributions	(65,531)	(25,027)	(22,683)	(19,684)	(17,262)
Administrative expense	(4,979)	(4,073)	(4,062)	(3,600)	(3,598)
Net change in plan net position	**66,733**	**85,639**	**(83,568)**	**120,303**	**2,872**
Total plan net position, beginning of year	623,856	538,217	621,785	501,482	498,610
Total plan net position, end of year	**690,589**	**623,856**	**538,217**	**621,785**	**501,482**
Net pension liability, end of year	**$47**	**$50,994**	**$119,718**	**$22,366**	**$92,434**

CHRCO RSI Table 1b: Changes in Net Pension Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$11,430	$11,304	$9,910	$10,410	$9,448
Interest on the total pension liability	34,165	31,854	29,672	27,782	24,683
Changes of benefit terms		92	33	24	40
Difference between expected and actual experience	5,214	3,609	2,442	(3,690)	762
Changes of assumptions or other inputs	(9,540)			3,613	33,105
Benefits paid, including refunds of employee contributions	(15,143)	(12,802)	(11,767)	(9,509)	(8,082)
Net change in total pension liability	**26,126**	**34,057**	**30,290**	**28,630**	**59,956**
Total pension liability, beginning of year	484,209	450,152	419,862	391,232	331,276
Total pension liability, end of year	**510,335**	**484,209**	**450,152**	**419,862**	**391,232**
Plan net position					
Contributions — employer	31,200	33,600	28,800	24,000	18,000
Net investment income	25,203	33,269	41,256	214	11,797
Benefits paid, including refunds of employee contributions	(15,143)	(12,802)	(11,767)	(9,509)	(8,082)
Administrative expense	(2,711)	(3,014)	(2,727)	(1,816)	(1,222)
Net change in plan net position	**38,549**	**51,053**	**55,562**	**12,889**	**20,493**
Total plan net position, beginning of year	460,061	409,008	353,446	340,557	320,064
Total plan net position, end of year	**498,610**	**460,061**	**409,008**	**353,446**	**340,557**
Net pension liability, end of year	**$11,725**	**$24,148**	**$41,144**	**$66,416**	**$50,675**

CHRCO RSI Tables 2a and **2b** present a 10-year history of the ratio of net pension liability to total pension liability.

CHRCO RSI Table 2a: Ratio of Net Pension Liability to Total Pension Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total pension liability	$690,636	$674,850	$657,935	$644,151	$593,916
Plan net position	690,589	623,856	538,217	621,785	501,482
Net pension liability	**$47**	**$50,994**	**$119,718**	**$22,366**	**$92,434**
Ratio of plan net position to total pension liability	100.0%	92.4%	81.8%	96.5%	84.4%
Covered payroll	$245,944	$224,898	$214,184	$220,208	$209,596
Net pension liability as a percentage of covered payroll	0.0%	22.7%	55.9%	10.2%	44.1%

CHRCO RSI Table 2b: Ratio of Net Pension Liability to Total Pension Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total pension liability	$510,335	$484,209	$450,152	$419,862	$391,232
Plan net position	498,610	460,061	409,008	353,446	340,557
Net pension liability	**$11,725**	**$24,148**	**$41,144**	**$66,416**	**$50,675**
Ratio of plan net position to total pension liability	97.7%	95.0%	90.9%	84.2%	87.0%
Covered payroll	$190,599	$187,639	$184,083	$165,672	$177,986
Net pension liability as a percentage of covered payroll	6.2%	12.9%	22.4%	40.1%	28.5%

CHRCO RSI Tables 3a and **3b** show the schedule of employer contributions for the CHRCO Pension Plan as of June 30 for the past 10 years.

CHRCO RSI Table 3a: Schedule of Employer Contributions, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Actuarially calculated employer contributions	$34,660	$17,990	$11,050	$15,270	$22,070
Contributions in relation to the actuarially calculated employer contribution	46,500	41,400	37,452	31,752	31,200
Annual contribution deficiency (excess)	**($11,840)**	**($23,410)**	**($26,402)**	**($16,482)**	**($9,130)**
Covered payroll	$245,944	$224,898	$214,184	$220,208	$209,596
Actual contributions as a percentage of covered payroll	18.9%	18.4%	17.5%	14.4%	14.9%

CHRCO RSI Table 3b: Schedule of Employer Contributions, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Actuarially calculated employer contributions	$17,870	$7,710	$5,642	$7,823	$12,239
Contributions in relation to the actuarially calculated employer contribution	31,200	33,600	28,800	24,000	18,000
Annual contribution deficiency (excess)	**($13,330)**	**($25,890)**	**($23,158)**	**($16,177)**	**($5,761)**
Covered payroll	$190,599	$187,639	$184,083	$165,672	$177,986
Actual contributions as a percentage of covered payroll	16.4%	17.9%	15.6%	14.5%	10.1%

CHRCO RSI Table 4 shows the methods and assumptions used to determine contribution rates for the CHRCO Pension Plan.

CHRCO RSI Table 4: Methods and Assumptions Used to Determine Contribution Rates

Methods and assumptions	Description
Valuation date	Actuarially calculated contributions are calculated as of January 1 of the fiscal year Represented Plan and as of July 1 of the beginning of the fiscal year Unrepresented in which contributions are reported.
Actuarially determined contribution	The Plan is subject to funding requirements under ERISA. The contribution shown is the IRC Section 430 minimum contribution prior to offset by credit balances prorated for the number of months in the fiscal year. The contributions reflect the Highway and Transportation Funding Act of 2014 (HATFA). The contribution for July 1, 2020 and after reflects the American Rescue Plan Act of 2021 (ARPA).
Contributions in relation to the actuarially determined contribution	The amount shown is equal to the contributions contributed to the plan during the fiscal year shown.
Actuarial cost method	Unit Credit Actuarial Cost Method
Amortization method	Level dollar, closed amortization over a 15-year period from the valuation date as specified under PPA
Remaining amortization period	15 years for changes in unfunded liabilities that occur each valuation date
Asset valuation method	The actuarial value of assets is equal to the two-year average of Plan asset values as of the valuation date. The two-year average is the average of the two prior years' adjusted market value of assets and the current year's market value of assets. For this purpose, the prior years' market value of assets is adjusted to reflect benefit payments, administrative expenses, contributions and expected returns for the prior years. The resulting actuarial value of assets is adjusted to be within 10% of the market value of assets at the valuation date, as required by IRC Section 430.
Inflation	3.0%
Investment rate of return	7.00% (limited to the 3rd segment rate applicable for each year) for the Represented Plan 6.75% (limited to the 3rd segment rate applicable for each year) for the Unrepresented Plan
Projected salary increases	Represented employees: 4.50% for FYE 2024 and FYE 2025, 4.2% for FYE 2026 and 3.5% for FYE 2027 annually thereafter Unrepresented employees: 4.00% for FYE 2023, 4.5% for FYE 2024, 4.00% for FYE 2025 and 3.5% for FYE 2026 annually thereafter Salary increase assumption includes inflation
Cost-of-living adjustments	N/A
Mortality	IRS generational mortality table prescribed for the valuation year

University Retiree Health Benefits Program

The schedule of changes in the net retiree health benefits liability includes multiyear trend information about whether the net retiree health benefits liability is increasing or decreasing over time relative to the pension liabilities. The University's net retiree health benefits liability includes liabilities for campuses, medical centers and LBNL.

Retiree Health Benefits RSI Tables 1a and **1b** show the schedule of changes in the net retiree health benefits liability as of June 30 for the past 10 years.

Retiree Health Benefits RSI Table 1a: Changes in Net Retiree Health Benefits Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total retiree health benefits liability					
Service cost	$1,001,187	$912,741	$1,336,924	$1,296,146	$912,067
Interest on the total retiree health benefits liability	848,800	743,948	565,679	554,169	724,584
Difference between expected and actual experience	157,808	917,259	177,238	(521,647)	(1,539,139)
Changes of assumptions or other inputs	(2,852,917)	96,545	(6,341,718)	212,837	4,354,033
Retiree contributions	95,032	89,525	90,710	88,625	86,166
Benefits paid	(633,176)	(591,124)	(565,532)	(551,760)	(546,616)
Net change in total retiree health benefits liability	**(1,383,266)**	**2,168,894**	**(4,736,699)**	**1,078,370**	**3,991,095**
Total retiree health benefits liability, beginning of year	22,520,255	20,351,361	25,088,060	24,009,690	20,018,595
Total retiree health benefits liability, end of year	**21,136,989**	**22,520,255**	**20,351,361**	**25,088,060**	**24,009,690**
Plan net position					
University contributions	566,739	512,458	486,761	482,099	462,609
Retiree contributions	95,032	89,525	90,710	88,625	86,166
Net investment income	9,987	7,345	345	208	2,281
Insurance premiums	(633,176)	(591,124)	(565,532)	(551,760)	(546,616)
Other deductions	(5,520)	(4,854)	(4,431)	(4,369)	(4,531)
Net change in retiree health benefits net position	**33,062**	**13,350**	**7,853**	**14,803**	**(91)**
Retiree health benefits net position, beginning of year	192,824	179,474	171,621	156,818	156,909
Retiree health benefits net position, end of year	**225,886**	**192,824**	**179,474**	**171,621**	**156,818**
Net retiree health benefits liability, end of year	**$20,911,103**	**$22,327,431**	**$20,171,887**	**$24,916,439**	**$23,852,872**

Retiree Health Benefits RSI Table 1b: **Changes in Net Retiree Health Benefits Liability, 2015–2019** *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total retiree health benefits liability					
Service cost	$815,654	$835,154	$1,004,644	$830,041	$702,935
Interest on the total retiree health benefits liability	758,521	716,777	646,279	735,294	719,853
Changes of benefit terms	(29,315)				
Difference between expected and actual experience	(1,219,146)	(1,173,742)	101,280	(1,948,111)	
Changes of assumptions or other inputs	1,124,039	(354,585)	(3,827,924)	3,925,503	1,402,476
Retiree contributions	85,820	79,849	72,716	65,705	56,340
Benefits paid	(512,824)	(504,745)	(467,846)	(451,166)	(435,189)
Net change in total retiree health benefits liability	**1,022,749**	**(401,292)**	**(2,470,851)**	**3,157,266**	**2,446,415**
Total retiree health benefits liability, beginning of year	18,995,846	19,397,138	21,867,989	18,710,723	16,264,308
Total retiree health benefits liability, end of year	**$20,018,595**	**$18,995,846**	**$19,397,138**	**$21,867,989**	**$18,710,723**
Plan net position					
University contributions	451,437	453,988	432,953	410,945	367,416
Retiree contributions	85,820	79,849	72,716	65,705	56,340
Net investment income	3,195	1,634	606	155	41
Insurance premiums	(512,824)	(504,745)	($467,846)	(451,166)	(435,189)
Other deductions	(4,300)	(3,859)	(4,256)	(3,743)	(3,147)
Net change in retiree health benefits net position	**23,328**	**26,867**	**34,173**	**21,896**	**(14,539)**
Retiree health benefits net position, beginning of year	133,581	106,714	72,541	50,645	65,184
Retiree health benefits net position, end of year	**156,909**	**133,581**	**106,714**	**72,541**	**50,645**
Net retiree health benefits liability, end of year	**$19,861,686**	**$18,862,265**	**$19,290,424**	**$21,795,448**	**$18,660,078**

Retiree Health Benefits RSI Tables 2a and **2b** present a 10-year history of the ratio of net retiree health benefits liability to total retiree health benefits liability and the net retiree health benefits liability as a percentage of covered payroll.

Retiree Health Benefits RSI Table 2a: **Schedule of Net Retiree Health Benefits Liability, 2020–2024** *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total retiree health benefits liability	$21,136,989	$22,520,255	$20,351,361	$25,088,060	$24,009,690
Retiree health benefits net position	225,886	192,824	179,474	171,621	156,818
Net retiree health benefits liability	**$20,911,103**	**$22,327,431**	**$20,171,887**	**$24,916,439**	**$23,852,872**
Ratio of retiree health benefits net position to total retiree health benefits liability	1.1%	0.9%	0.9%	0.7%	0.7%
Covered payroll	$19,083,502	$17,108,454	$15,453,288	$13,975,566	$13,461,790
Net retiree health benefits liability as a percentage of covered payroll	109.6%	130.5%	130.5%	178.3%	177.2%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%

Retiree Health Benefits RSI Table 2b: **Schedule of Net Retiree Health Benefits Liability, 2015–2019** *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total retiree health benefits liability	$20,018,595	$18,995,846	$19,397,138	$21,867,989	18,710,723
Retiree health benefits net position	156,909	133,581	106,714	72,541	50,645
Net retiree health benefits liability	**$19,861,686**	**$18,862,265**	**$19,290,424**	**$21,795,448**	**$18,660,078**
Ratio of retiree health benefits net position to total retiree health benefits liability	0.8%	0.7%	0.6%	0.3%	0.3%
Covered payroll	$12,717,122	$12,391,018	$11,495,997	$10,689,424	$10,047,570
Net retiree health benefits liability as a percentage of covered payroll	156.2%	152.2%	167.8%	203.9%	185.7%
Discount rate	3.50%	3.87%	3.58%	2.85%	3.80%

Retiree Health Benefits RSI Table 3 presents additional information related to the University Retiree Health Benefits Program.

Retiree Health Benefits RSI Table 3: **Notes to Schedule**

Notes to schedule	Description
Mortality	**Pre-retirement** Pub-2010 Teacher Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. **Post-retirement** Healthy: Pub-2010 Healthy Teacher Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. Base Mortality Tables are adjusted as follows: • Faculty: 90% for Males and Females • Staff and Safety: 110% for Males and 105% for Females Spouses/Domestic Partners: Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021 with no adjustment for Males and 95% for Females, applied after the expected (and actual) death of the retiree. While retiree is still alive, rates for Healthy Participants are applied. Disabled: Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021, adjusted 85% for Males and Females.
Changes of benefit terms	In 2019, University contributions for retirees age 65 and older not eligible for Medicare were reduced to levels comparable to Medicare-eligible retirees over a three-year period.
Changes of assumptions or other inputs	Changes in assumptions or other inputs primarily reflect the effects of changes in the discount rate and health care cost trend rate in each period. The following are the health care cost trend assumptions used in each period: **As of June 30** — **Health care cost trend rate** 2024 — 0.2% to 20.5% decreasing to 3.9% in 2076 2023 — (3.1%) to 29.1% decreasing to 3.9% in 2075 2022 — 1.4% to 14.6% decreasing to 3.9% in 2075 2021 — 2.7% to 7.5% decreasing to 4.0% in 2075 2020 — 2.7% to 9.0% decreasing to 4.0% in 2076 2019 — 4.4% to 9.4% decreasing to 4.0% in 2077 2018 — 5.0% to 9.3% decreasing to 5.0% in 2033 2017 — 5.0% to 9.5% decreasing to 5.0% in 2032 2016 — 6.3% to 9.0% decreasing to 5.0% in 2031 2015 — 6.6% to 10.0% decreasing to 5.0% in 2030

University of California Retiree Health Benefit Trust

The schedule of changes in the net retiree health benefits liability includes multiyear trend information about whether the trust assets are increasing or decreasing over time relative to the total retiree health benefits liability for the campuses and medical centers.

UCRHBT RSI Tables 1a and **1b** present the schedule of changes in net retiree health benefits liability as of, and for, the year ending June 30 for the past 10 years.

UCRHBT RSI Table 1a: Schedule of Changes In Net Retiree Health Benefits Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total retiree health benefit liability					
Service cost	$978,585	$891,714	$1,305,803	$1,270,153	$893,557
Interest on the total retiree health benefits liability	824,253	722,279	549,921	538,187	702,640
Difference between expected and actual experience	147,103	888,337	138,495	(493,529)	(1,474,623)
Changes of assumptions or other inputs	(2,776,854)	90,193	(6,167,373)	206,722	4,222,620
Retiree contributions	92,194	86,800	87,861	85,607	83,111
Benefits paid	(610,794)	(569,634)	(544,166)	(529,804)	(525,262)
Net change in total retiree health benefits liability	**(1,345,513)**	**2,109,689**	**(4,629,459)**	**1,077,336**	**3,902,043**
Total retiree health benefits liability, beginning of year	21,860,662	19,750,973	24,380,432	23,303,096	19,401,053
Total retiree health benefits liability, end of year	**$20,515,149**	**$21,860,662**	**$19,750,973**	**$24,380,432**	**$23,303,096**
Plan net position					
University contributions	547,195	493,693	468,244	463,161	444,310
Retiree contributions	92,194	86,800	87,861	85,607	83,111
Net investment income	9,987	7,345	345	208	2,281
Insurance premiums	(610,794)	(569,634)	(544,166)	(529,804)	(525,262)
Other deductions	(5,520)	(4,854)	(4,431)	(4,369)	(4,531)
Net change in UCRHBT net position	**33,062**	**13,350**	**7,853**	**14,803**	**(91)**
UCRHBT net position, beginning of year	192,824	179,474	171,621	156,818	156,909
UCRHBT net position, end of year	**225,886**	**192,824**	**179,474**	**171,621**	**156,818**
Net retiree health benefits liability, end of year	**$20,289,263**	**$21,667,838**	**$19,571,499**	**$24,208,811**	**$23,146,278**

UCRHBT RSI Table 1b: Schedule of Changes in Net Retiree Health Benefits Liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total retiree health benefit liability					
Service cost	$798,249	$816,483	$981,745	$806,817	683,320
Interest on the total retiree health benefits liability	734,693	694,562	625,947	711,365	695,999
Changes of benefit terms	(28,401)				
Difference between expected and actual experience	(1,175,284)	(1,149,032)	95,254	(1,875,009)	
Changes of assumptions or other inputs	1,091,609	(353,516)	(3,707,921)	3,798,113	1,358,761
Retiree contributions	82,710	76,873	69,968	65,705	56,340
Benefits paid	(490,615)	(483,479)	(447,604)	(433,849)	(418,244)
Net change in total retiree health benefits liability	**1,012,961**	**(398,109)**	**(2,382,611)**	**3,073,142**	**2,376,176**
Total retiree health benefits liability, beginning of year	18,388,092	18,786,201	21,168,812	18,095,670	15,719,494
Total retiree health benefits liability, end of year	**19,401,053**	**18,388,092**	**18,786,201**	**21,168,812**	**18,095,670**
Plan net position					
University contributions	432,338	435,698	415,459	393,628	350,471
Retiree contributions	82,710	76,873	69,968	65,705	56,340
Net investment income	3,195	1,634	606	155	41
Insurance premiums	(490,615)	(483,479)	(447,604)	(433,849)	(418,244)
Other deductions	(4,300)	(3,859)	(4,256)	(3,743)	(3,147)
Net change in UCRHBT net position	**23,328**	**26,867**	**34,173**	**21,896**	**(14,539)**
UCRHBT net position, beginning of year	133,581	106,714	72,541	50,645	65,184
UCRHBT net position, end of year	**156,909**	**133,581**	**106,714**	**72,541**	**50,645**
Net retiree health benefits liability, end of year	**$19,244,144**	**$18,254,511**	**$18,679,487**	**$21,096,271**	**$18,045,025**

UCRHBT RSI Tables 2a and **2b** show the schedule of net retiree health benefits liability for campuses and medical centers as of June 30 for the past 10 years.

UCRHBT RSI Table 2a: Schedule of Net Retiree Health Benefits Liability, 2020–2024 *(in thousands of dollars)*

Description	2024	2023	2022	2021	2020
Total retiree health benefits liability	$20,515,149	$21,860,662	$19,750,973	$24,380,432	$23,303,096
UCRHBT net position	225,886	192,824	179,474	171,621	156,818
Net retiree health benefits liability	**$20,289,263**	**$21,667,838**	**$19,571,499**	**$24,208,811**	**$23,146,278**
Ratio of UCRHBT net position to total retiree health benefits liability	1.1%	0.9%	0.9%	0.7%	0.7%
Covered payroll	18,599,776	16,665,067	15,048,178	13,595,891	13,104,846
Net retiree health benefits liability as a percentage of covered payroll	109.1%	130.0%	130.1%	178.1%	176.6%
Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%

UCRHBT RSI Table 2b: Schedule of net retiree health benefits liability, 2015–2019 *(in thousands of dollars)*

Description	2019	2018	2017	2016	2015
Total retiree health benefits liability	$19,401,053	$18,388,092	$18,786,201	$21,168,812	$18,095,670
UCRHBT net position	156,909	133,581	106,714	72,541	50,645
Net retiree health benefits liability	**$19,244,144**	**$18,254,511**	**$18,679,487**	**$21,096,271**	**$18,045,025**
Ratio of UCRHBT net position to total retiree health benefits liability	0.8%	0.7%	0.6%	0.3%	0.3%
Covered payroll	12,381,741	12,087,000	11,196,485	10,396,827	9,758,795
Net retiree health benefits liability as a percentage of covered payroll	155.4%	151.0%	166.8%	202.9%	184.9%
Discount rate	3.50%	3.87%	3.58%	2.85%	3.80%

UCRHBT RSI Table 3 presents additional information related to the University of California Retiree Health Benefit Trust.

UCRHBT RSI Table 3: Notes to Schedule

Notes to schedule	Description
Mortality	**Pre-retirement** Pub-2010 Teacher Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. **Post-retirement** Healthy: Pub-2010 Healthy Teacher Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. Base Mortality Tables are adjusted as follows: • Faculty: 90% for Males and Females • Staff and Safety: 110% for Males and 105% for Females Spouses/Domestic Partners: Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021 with no adjustment for Males and 95% for Females, applied after the expected (and actual) death of the retiree. While retiree is still alive, rates for Healthy Participants are applied. Disabled: Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021, adjusted 85% for Males and Females.
Changes of benefit terms	In 2019, University contributions for retirees age 65 and older not eligible for Medicare were reduced to levels comparable to Medicare-eligible retirees over a three-year period.
Changes in assumptions or other inputs	Changes in assumptions or other inputs primarily reflect the effects of changes in the discount rate and health care cost trend rate in each period. The following are the health care cost trend assumptions used in each period:

As of June 30	Health care cost trend rate
2024	0.2% to 20.5% decreasing to 3.9% in 2076
2023	(3.1%) to 29.1% decreasing to 3.9% in 2075
2022	1.4% to 14.6% decreasing to 3.9% in 2075
2021	2.7% to 7.5% decreasing to 4.0% in 2075
2020	2.7% to 9.0% decreasing to 4.0% in 2076
2019	4.4% to 9.4% decreasing to 4.0% in 2077
2018	5.0% to 9.3% decreasing to 5.0% in 2033
2017	5.0% to 9.5% decreasing to 5.0% in 2032
2016	6.3% to 9.0% decreasing to 5.0% in 2031
2015	6.6% to 10.0% decreasing to 5.0% in 2030

Regents and Officers of the University of California

As of November 2024

Appointed Regents

(In alphabetical order of last name)

Maria Anguiano
Elaine E. Batchlor
Josiah Beharry
Carmen Chu
Michael Cohen
Gareth Elliott
Howard "Peter" Guber
Jose M. Hernandez
Nancy Lee
Richard Leib
Hadi Makarechian
Ana Matosantos
Lark Park
John A. Pérez
Janet Reilly
Mark Robinson
Gregory Sarris
Richard Sherman
Jonathan "Jay" Sures

Ex Officio Regents

Gavin Newsom, *Governor of California*
Eleni Kounalakis, *Lieutenant Governor*
Robert Rivas, *Speaker of the Assembly*
Tony Thurmond, *State Superintendent of Public Instruction*
Michael V. Drake, M.D., *President of the University*

Alumni Regents

Alfonso Salazar, *President, Alumni Associations of the University of California*

Geoffrey Pack, *Vice President, Alumni Associations of the University of California*

Regents-Designate

Brian Komoto, *Alumni Regent-designate and Secretary, Alumni Associations of the University of California*

Ann Wang, *Alumni Regent-designate and Treasurer, Alumni Associations of the University of California*

Sonya Brooks, *Student Regent-designate*

Faculty Representatives *(non-voting)*

Steven Cheung, *Chair, Assembly of the Academic Senate*
Ahmet Palazoglu, *Vice Chair, Assembly of the Academic Senate*

Officers of The Regents

Jagdeep Singh Bachher, *Chief Investment Officer and Vice President-Investments*
Alexander Bustamante, *Senior Vice President-Chief Compliance and Audit Officer*
Tricia Lyall, *Secretary and Chief of Staff*
Charles F. Robinson, *General Counsel and Senior Vice President-Legal Affairs*

Office of The President

Dr. Michael V. Drake, *President of the University of California*
Katherine Newman, *Provost and Executive Vice President-Academic Affairs*
Nathan Brostrom, *Executive Vice President-Chief Financial Officer*
Rachael Nava, *Executive Vice President-Chief Operating Officer*
David Rubin, M.D., *Executive Vice President-UC Health*
Meredith Turner, *Interim Senior Vice President-External Relations & Communications*

Chancellors

Richard Lyons, *Berkeley*
Gary S. May, *Davis*
Howard Gillman, *Irvine*
Darnell Hunt, *Los Angeles (Interim)*
Juan Sánchez-Muñoz, *Merced*
Kim A. Wilcox, *Riverside*
Pradeep K. Khosla, *San Diego*
Sam Hawgood, *San Francisco*
Henry T. Yang, *Santa Barbara*
Cynthia K. Larive, *Santa Cruz*

Director of DOE Laboratory

Dr. June Yu, *Vice President of UC National Laboratories*


Budding
PC1 (18%)
PC2 (12%)
stage1
stage3
stage4
stage5
stage6
stage7
stage8
stage10
Budding
Regeneration
Hypostome
B
C1
C2
Bra
Wnt1
Arx
Otx2
KS1
c-Fos
Traf3
Wnt3
C6
C7
C8
Hdac
P300
SHARP

UNIVERSITY
OF
CALIFORNIA

University of California
Office of the President
1111 Franklin Street
Oakland, CA 94607

ucop.edu

APPENDIX·C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT

THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive and is subject to all of the terms and provisions of the Indenture in its entirety to which reference is made for the detailed provisions thereof.

Definitions

Ancillary Obligations means any Credit Facility, Liquidity Facility or Financial Products Agreement designated in a Supplemental Indenture as an Ancillary Obligation for purposes of the Indenture.

Annex means the Amended and Restated Multi-Modal Annex attached to the Sixty-Ninth Supplemental Indenture as Exhibit B.

Beneficial Holder or Beneficial Owner means any Person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond, including, without limitation, any Persons holding bonds through nominees or depositories.

Bond Counsel means any attorney at law or firm of attorneys selected by The Regents, of nationally recognized standing in matters pertaining to the validity of and federal tax exemption of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

Bonds means any or all of The Regents of the University of California General Revenue Bonds authorized under and secured by the Indenture. Serial Bonds shall mean the Bonds, falling due by their terms in specified years, for which no Mandatory Sinking Account Payments are provided. Term Bonds shall mean the Bonds, if any, payable at or before their specified maturity date or dates from Mandatory Sinking Account Payments established for that purpose and calculated to retire such Bonds on or before their specified maturity date or dates.

Business Day means any day other than Saturday, Sunday or a day on which banking institutions in Los Angeles or San Francisco, California, or New York, New York, are authorized or required to be closed or a day on which the New York Stock Exchange is closed.

Certificate, Request, Requisition, Statement and Written Order mean, respectively, a written certificate, request, requisition, statement or order signed, in the case of The Regents, in the name of The Regents by the Chairman, the Treasurer or the Associate Treasurer of the Board of Regents, or the President, the Executive Vice President - Chief Financial Officer, the Vice President-Finance or the Executive Director-External Finance of the University of California or such other person as may be designated and authorized to sign for The Regents. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by the provisions of the Indenture, each Certificate shall include the statements provided for in the Indenture.

Code means the Internal Revenue Code of 1986.

Continuing Disclosure Agreement means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Agreement, dated the date of issuance and delivery of such Series of Bonds, by and between The Regents and the Trustee and Dissemination Agent named therein, as originally executed and as the same may from time to time be amended or supplemented pursuant to its terms.

Costs of Issuance means the costs and expenses incurred by The Regents to effect the authorization, preparation, issuance, sale and delivery of the Bonds, including but not limited to any printing costs, rating agency fees, fees and disbursements of Bond Counsel, fees and expenses of The Regents incurred in connection with issuance of the Bonds, and initial fees and expenses of the Trustee, Liquidity Providers and Credit Providers.

CP Indenture means the Indenture, dated as of November 1, 2008, between The Regents and U.S. Bank, National Association, as it may be from time to time amended or supplemented in accordance with the terms thereof.

Credit Facility means a financial guaranty or municipal bond insurance policy, an irrevocable direct-pay letter of credit, a line of credit, a standby bond purchase agreement, a revolving credit agreement or other credit arrangement obtained by The Regents pursuant to which a Credit Provider provides credit support for all or a portion of a Series of Bonds, as the same may be amended from time to time pursuant to its terms, or any replacement therefor.

Credit Provider means the issuer or provider of a Credit Facility and any successor or successors to such issuer or provider.

Current Subordinate Lien Indebtedness means Indebtedness issued and secured pursuant to the Limited Project Indenture or CP Indenture.

Debt Service Fund means the fund by that name established pursuant to the Indenture.

Defeasance Obligations means (i) non-callable Investment Securities described in clause (1), (2) or (5) of the definition thereof, (ii) for a particular Series of Bonds, any Investment Securities approved as Defeasance Obligations by the Credit Provider for such Series of Bonds, or (iii) any other investment designated in a Supplemental Indenture as a Defeasance Obligation for purposes of defeasing a Series of Bonds authorized by such Supplemental Indenture.

DTC means The Depository Trust Company.

Eighty-First Supplemental Indenture means the Eighty-First Supplemental Indenture, dated as of March 1, 2025, by and between The Regents and The Bank of New York Mellon

Trust Company, N.A. as successor trustee, providing for the issuance of The Regents of the University of California General Revenue Bonds, 2025 Series CB.

Eighty-Second Supplemental Indenture means the Eighty-Second Supplemental Indenture, dated as of March 1, 2025, by and between The Regents and The Bank of New York Mellon Trust Company, N.A. as successor trustee, providing for the issuance of The Regents of the University of California General Revenue Bonds, 2025 Series CC.

Event of Default means any of the events specified under the heading "Events of Default" below.

Financial Newspaper or Journal means The Wall Street Journal or The Bond Buyer or any other newspaper or journal containing financial news, printed in the English language, customarily published on each business day and circulated in Los Angeles or San Francisco, California, and selected by the Trustee, in its sole discretion whose decision shall be final and conclusive.

Financial Products Agreement means an interest rate swap, cap, collar, option, floor, forward or other hedging agreement, arrangement or security, however denominated, identified to the Trustee in a Certificate of The Regents as having been entered into with a Qualified Provider not for investment purposes but with respect to Indebtedness (which Indebtedness shall be specifically identified in the Certificate of The Regents) for the purpose of (1) reducing or otherwise managing the risk of interest rate changes or (2) effectively converting interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

Fiscal Year means the period beginning on July 1 of each year and ending on the succeeding June 30, or any other twelve-month period thereafter selected and designated as the official fiscal year of The Regents.

Floating Rate Notes Annex means the Amended and Restated Floating Rate Notes Annex attached to the Twenty-Fifth Supplemental Indenture as Exhibit B.

General Revenue Fund means the fund by that name established pursuant to the Indenture.

General Revenues means certain operating and non-operating revenues of the University of California as reported in the University's Financial Report, including (i) gross student tuition and fees; (ii) facilities and administrative cost recovery from contracts and grants; (iii) net sales and service revenues from educational and auxiliary enterprise activities; (iv) other net operating revenues (v) certain other non-operating revenues, including unrestricted investment income; and (vi) any other revenues as may be designated as General Revenues from time to time by a Certificate of The Regents delivered to the Trustee, but excluding (a) appropriations from the State of California (except as permitted under Section 28 of the State Budget Act or other legislative action); (b) moneys which are restricted as to expenditure by a granting agency or donor; (c) gross revenues of the University of California Medical Centers; (d) management fees resulting from the contracts for management of the United States Department of Energy

Laboratories; and (e) any revenues which may be excluded from General Revenues from time to time by a Certificate of The Regents delivered to the Trustee.

Holder or Bondholder means the person in whose name a Bond is registered.

Indebtedness means any indebtedness or obligation of The Regents which, in accordance with generally accepted accounting principles for colleges and universities, is classified as a liability on a balance sheet.

Indenture means the Indenture, dated as of September 1, 2003, by and between The Regents and The Bank of New York Mellon Trust Company, N.A., as successor trustee, as originally executed or as it may from time to time thereafter be supplemented, modified or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

Independent Certified Public Accountant means any certified public accountant or firm of such accountants appointed and paid by The Regents, and who, or each of whom –

(1) is in fact independent, and not under control of The Regents;

(2) does not have any substantial interest, direct or indirect, with The Regents; and

(3) is not connected with The Regents as a member of The Regents, or as an official or employee of The Regents or of the University of California, but who may be regularly retained to make annual or similar audits of any of the books of The Regents.

Information Services means Financial Information, Inc., Daily Called Bond Service; Kenny Information Systems, Called Bond Department; Moody's Investors Service, Information Center; Standard & Poor's Rating Services, Called Bond Record; and any other information service providing information with respect to called bonds as The Regents may designate to the Trustee.

Interest Fund means the fund by that name established pursuant to the Indenture.

Interest Payment Date means with respect to any Series of Bonds the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Investment Securities means any of the following which at the time are legal investments under the laws of the State of California and the policies of The Regents as filed with the Trustee from time to time for moneys held under the Indenture and then proposed to be invested therein: (1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America or any Federal Reserve Bank) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America or tax-exempt obligations which are rated in the highest rating category of each Rating Agency; (2) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank System, the Farm Credit System, or any other agency or instrumentality of the United States of America; (3) bonds of the State of California or of any county or city of the State of California for which each Rating Agency is maintaining a rating at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; (4) obligations the interest on which is excluded from gross income for federal income taxation pursuant to the Code and which are rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds, or in the highest short term rating category of each Rating Agency; (5) receipts representing direct interests in Investment Securities described in Clause (1) and (2) of this definition; (6) repurchase agreements with any financial institution which is rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds, or repurchase agreements fully secured by collateral security described in clauses (1) or (2) of this definition continuously having a market value at least equal to the amount so invested so long as such underlying obligations or securities are in the possession of the Trustee or the Securities Investors Protection Corporation; (7) interest bearing bankers acceptances and demand or time deposits (including certificates of deposit) in banks (including the Trustee), provided such deposits are either (a) secured at all times, in the manner and to the extent provided by law, by collateral security described in clauses (1) or (2) of this definition of a market value no less than the amount of moneys so invested; or (b) in banks (including the Trustee) having a combined capital and surplus of at least Fifty Million Dollars ($50,000,000) and whose rating by each Rating Agency, or the rating of its parent holding company, is at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds or (c) fully insured by the Federal Deposit Insurance Corporation; (8) commercial paper rated in the highest rating category of each Rating Agency, and issued by corporations organized and operating within the United States and having total assets in excess of Five Hundred Million Dollars ($500,000,000); (9) collateralized investment agreements or other collateralized contractual arrangements with corporations, financial institutions or national associations within the United States fully secured by collateral security described in Clause (1) or (2) of this definition; or investment agreements or other contractual arrangements with corporations, financial institutions or national associations within the United States, provided that the senior long-term debt of such corporations, institutions or associations is rated in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; (10) any money market fund or mutual fund that is comprised of investments described in clauses (1) through (9) of this definition and which fund or investments are continuously rated by each Rating Agency in a rating category at least equal to the higher of “A” (or equivalent) or such Rating Agency’s then current rating on the Bonds; and (11) the Short Term Investment Pool of The Regents.

Limited Project Indenture means the Indenture dated as of October 1, 2004 as amended and supplemented, by and between The Regents and The Bank of New York Mellon Trust Company, N.A. as successor trustee to J.P. Morgan Trust Company, National Association, providing for the issuance of The Regents of the University of California Limited Project Revenue Bonds.

Liquidity Facility means an irrevocable direct-pay letter of credit, a line of credit, a standby bond purchase agreement, a revolving credit agreement or other liquidity arrangement obtained by The Regents pursuant to which a Liquidity Provider provides liquidity support with respect to all or a portion of a Series of Bonds, as the same may be amended from time to time pursuant to its terms, or any replacement therefor.

Liquidity Provider means the issuer or provider of a Liquidity Facility and any successor or successors to such issuer or provider.

Mandatory Sinking Account Payment shall mean, with respect to Bonds of any Series and maturity, the amount required by the Indenture or any Supplemental Indenture to be paid by The Regents on any single date for the retirement of Term Bonds of such Series and maturity.

Opinion of Counsel means a written opinion of counsel who is selected by The Regents (including counsel to The Regents) and who is acceptable to the Trustee. If and to the extent required by the provisions of the Indenture, each Opinion of Counsel shall include the statements provided for in the Indenture.

Optional Redemption Account means the account by that name established pursuant to the Indenture.

Outstanding when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of The Regents shall have been discharged in accordance with the Indenture; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Parity Lien means any pledge, lien, security interest, encumbrance or charge of any kind on or in any General Revenues which is equal and ratable to the lien of the Indenture on or in such General Revenues.

Person shall mean an individual, a corporation, a partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

Principal Fund means the fund by that name established pursuant to the Indenture.

Qualified Provider means any financial institution or insurance company which is a party to a Financial Products Agreement.

Rating Agency means, on any given date, any nationally recognized rating agency designated by The Regents which then has outstanding a credit rating on the Bonds (or other obligations to which reference is made by the Indenture).

Rebate Fund means the fund by that name established pursuant to the Indenture.

Record Date means with respect to a Series of Bonds the meaning set forth in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Redemption Fund means the fund by that name established pursuant to the Indenture.

Representation Letter means, with respect to any Series of Bonds, the Letter of Representations to The Depository Trust Company, from The Regents and the Trustee.

Responsible Officer of the Trustee means and includes the president, every vice president, every assistant vice president, every trust officer, and every officer and assistant officer of the Trustee other than those specifically above mentioned, to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject.

Securities Depositories means: The Depository Trust Company; Midwest Securities Trust Company, Capital Structures Call Notification; Philadelphia Depository Trust Company, Reorganization Division; or such other securities depositories as The Regents may designate.

Security Documents means all of the instruments, documents and agreements which, as of any date, have been executed and are then binding upon The Regents in connection with any Senior Lien, Parity Lien or Subordinate Lien, including without limitation any indenture, trust agreement, loan agreement, credit agreement or security agreement.

Senior Lien means any pledge, lien, security interest, encumbrance or charge of any kind on or in any General Revenues which is senior in priority and superior to the lien of the Indenture on or in such General Revenues.

Series whenever used in the Indenture with respect to Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction pursuant to the Indenture or a Supplemental Indenture, regardless of variations in maturity, interest rate, redemption and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Bonds as therein provided.

Sinking Accounts means the accounts in the Principal Fund so designated and established pursuant to the Indenture.

Special Redemption Account means the account by that name established pursuant to the Indenture.

State means the State of California.

Subordinate Lien means any pledge, lien, security interest, encumbrance or charge of any kind on or in any General Revenues which is subordinate to the lien of the Indenture on or in such General Revenues.

Supplemental Indenture or Indenture supplemental thereto means any indenture thereafter duly authorized and entered into between The Regents and the Trustee in accordance with the provisions of the Indenture.

Tax Certificate means the certificate signed by The Regents on the date any Series of Bonds are issued relating to the requirements of the Code.

Tender Agent means the Trustee or such other tender agent appointed in accordance with the provisions of the Annex.

The Regents means The Regents of the University of California, a corporation organized and existing under and by virtue of Article IX, Section 9, of the Constitution of the State of California.

Trustee means The Bank of New York Mellon Trust Company, N.A. as successor in interest to BNY Western Trust Company, as trustee, in Los Angeles, California, as trustee or as authenticating agent or its successor as Trustee as provided in the Indenture.

2025 Bonds means, collectively, the 2025 Series CB Bonds and the 2025 Series CC Bonds.

2025 Series CB Bonds means The Regents of the University of California General Revenue Bonds, 2025 Series CB authorized under and secured by the Indenture and the Eighty-First Supplemental Indenture.

2025 Series CC Bonds means The Regents of the University of California General Revenue Bonds, 2025 Series CC authorized under and secured by the Indenture and the Eighty-Second Supplemental Indenture.

Authorization of Bonds

Bonds may be issued under the Indenture from time to time in order to obtain moneys to carry out any lawful purpose of The Regents. The maximum principal amount of Bonds which may be issued under the Indenture is not limited. The Bonds are designated generally as "The Regents of the University of California General Revenue Bonds" with such variations or additions as The Regents may deem appropriate with respect to any Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by The Regents, and the Indenture constitutes a continuing agreement with the owners of all the Bonds issued or to be issued and at any time outstanding to secure the full and final payment of the principal of and premium, if any, and the interest on all Bonds which may from time to time be executed and delivered thereunder; subject to the covenants, agreements, provisions and conditions therein contained.

Payment of the Bonds

Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the Record Date preceding each Interest Payment Date, such interest to be paid by check mailed by first class mail on the applicable Interest Payment Date to the Holder at his address as it appears on such registration books; provided that such interest shall be paid by wire transfer to an account in the United States for any Holder of at least $1,000,000 in aggregate principal amount of Bonds of any Series if the Holder makes a written request to the Trustee on or prior to the close of business on the Record Date preceding any Interest Payment Date specifying the account address; provided further that with respect to the 2025 Bonds, written wire instructions for the payment of interest must be furnished to the Trustee at least five (5) days before the applicable Record Date.

Any such interest not so punctually paid or duly provided for with respect to any Bond shall forthwith cease to be payable to the Bondholder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof to be given to the Holders of such Bonds as set forth in the Supplemental Indenture establishing the terms and provisions of such Bonds or, if not provided therein, notice whereof to be given to the Holders of such Bonds not less than ten (10) days prior to such special record date.

Conditions Precedent to Issuance of Bonds

The Regents may by Supplemental Indenture establish one or more Series of Bonds, payable from General Revenues and secured by the pledge made under the Indenture. The Bonds shall be executed by The Regents for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to The Regents upon its order, but only upon receipt by the Trustee of the following:

(a) An original executed copy of the Supplemental Indenture authorizing such Bonds, which Supplemental Indenture shall specify:

(i) the purpose for which such Series of Bonds is being issued;

(ii) whether such Bonds shall bear interest at a fixed or variable rate, including, but not limited to, an interest rate determined pursuant to an auction procedure;

(iii) whether the interest on such Bonds shall be federally taxable or tax-exempt;

(iv) the Series of such Bonds, the date or dates, the Interest Payment Dates, the principal payment dates and the maturity date or dates of such Bonds;

(v) the manner of dating and numbering such Bonds;

(vi) the place or places of payment of the principal or redemption, tender or purchase price, and the manner of payment of interest on, such Bonds;

(vii) any redemption, tender or purchase provisions for such Bonds;

(viii) the amount and due date of each sinking fund payment, if any, for such Bonds;

(ix) the amounts to be deposited in the funds and accounts created and established by the Indenture and the Supplemental Indenture authorizing such Bonds;

(x) any other provisions deemed advisable by The Regents that are not in conflict with the provisions of the Indenture;

(b) An opinion of Bond Counsel, dated the date of delivery thereof, to the effect that: (i) such Supplemental Indenture is a valid and binding obligation of The Regents and (ii) upon the execution, authentication and delivery thereof, such Bonds will be valid and binding obligations of The Regents;

(c) A Written Order of The Regents as to the delivery of such Bonds; and

(d) A Certificate of The Regents stating that The Regents is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture.

Notice of Redemption

Except as otherwise provided in a Supplemental Indenture, notice of redemption shall be given by mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. Each notice of redemption shall state the redemption date, the place or places of redemption, the maturities, and, if less than all of any such maturity, the distinctive numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said Bonds the principal thereof or of said specified portion of the principal thereof, in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Pledge

Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth therein, The Regents pledges to the Trustee to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Indenture and the payment of all amounts due pursuant to Ancillary Obligations, all of the General Revenues, all of the proceeds of the Bonds and any other amounts held in any fund or account established pursuant to the Indenture, excluding the Rebate Fund. Said pledge shall constitute a lien on and security interest in all of the General Revenues, all of the proceeds of the Bonds and any other amounts held in any fund or account established pursuant to the Indenture, excluding the Rebate Fund, and shall attach and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act, against all parties having claims of any kind in tort, contract or otherwise against The Regents or the Trustee, irrespective of whether the parties have notice thereof; provided, however, that the pledge of General Revenues set forth in this Section shall in all respects be (i) junior to any future Indebtedness or other obligations secured by a Senior Lien, (ii) on a parity with any future Indebtedness or other obligations secured by a Parity Lien, and (iii) senior to any Current Subordinate Lien Indebtedness or any future Indebtedness or other obligations secured by a Subordinate Lien.

Funds and Accounts

The Indenture creates the following funds and accounts of The Regents which will be held by the Trustee, except for the General Revenue Fund, Cost of Issuance Funds and

Construction Accounts and Program Accounts which will be held by The Regents: (a) the Debt Service Fund; (b) the Interest Fund; (c) the Principal Fund; (d) the Redemption Fund (including a separate Optional Redemption Account and a separate Special Redemption Account); (e) the General Revenue Fund; (f) the Rebate Fund; (g) the 2025 Series CB Costs of Issuance Fund; (h) the 2025 Series CC Costs of Issuance Fund; (i) the 2025 Series CB Construction Account; and (j) the 2025 Series CC Construction Account.

Interest Fund. All amounts in the Interest Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to the Indenture), and otherwise as provided in the Indenture.

Principal Fund. All amounts in the Principal Fund shall be used and withdrawn by the Trustee solely for the purposes of purchasing or redeeming or paying at maturity the Bonds as provided in this Section, and otherwise as provided in the Indenture.

The Trustee shall establish and maintain within the Principal Fund a separate account for the Term Bonds, if any, of each Series and maturity, (the "Sinking Account"). On or before each date specified in a Supplemental Indenture, the Trustee shall transfer the amount deposited in the Principal Fund pursuant to the Indenture for the purpose of making a Mandatory Sinking Account Payment (if such deposit is required in such month) from the Principal Fund to the applicable Sinking Account. With respect to each Sinking Account, on each Mandatory Sinking Account Payment date established for such Sinking Account, the Trustee shall apply the Mandatory Sinking Account Payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the Series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in the Indenture; provided that, at any time prior to giving such notice of such redemption, the Trustee shall apply moneys in such Sinking Account to the purchase of Term Bonds of such Series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as may be directed by The Regents. All Bonds purchased or deposited pursuant to this subsection shall be cancelled and delivered by the Trustee to or upon the Written Request of The Regents. Any amounts remaining in a Sinking Account when all of the Term Bonds for which such account was established are no longer Outstanding shall be withdrawn by the Trustee and transferred to the Debt Service Fund. Subject to a different allocation provided in a Supplemental Indenture for a Series of Bonds issued pursuant to such Supplemental Indenture, all Term Bonds purchased from a Sinking Account or deposited by The Regents with the Trustee shall be applied, to the extent of the full principal amount thereof, to reduce Mandatory Sinking Account Payments as follows: first to the next succeeding Mandatory Sinking Account Payment for such Series and maturity of Bonds, then pro rata to the remaining Mandatory Sinking Account Payments required for such Series and maturity of Bonds in proportion to the amount of such Mandatory Sinking Account Payments.

Redemption Fund. All amounts deposited in the Optional Redemption Account and in the Special Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds outstanding, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given and at the redemption prices then applicable to redemptions from the Optional Redemption Account and the Special Redemption Account, respectively; provided that, at any time prior to giving such notice of redemption, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as may be directed by The Regents. Each Supplemental Indenture shall provide for the establishment of subaccounts within the Optional Redemption Account or the Special Redemption Account for the redemption or purchase of Bonds of particular Series from moneys allocable to such Series and required by a Supplemental Indenture to be deposited into such subaccount. Subject to a different allocation provided for such subaccounts by Supplemental Indentures, all Term Bonds of any Series purchased or redeemed from the Redemption Fund shall be allocated to applicable Mandatory Sinking Account Payments pro rata to the Mandatory Sinking Account Payments required for such Series and maturity of Bonds in proportion to the amount of such Mandatory Sinking Account Payments.

Rebate Fund. The Trustee shall establish and maintain a fund separate from any other fund established and maintained under the Indenture designated the Rebate Fund. The Regents shall cause to be deposited in the Rebate Fund the rebate requirement as provided in the Tax Certificate for each Series of Bonds the interest on which is excluded from gross income for federal income tax purposes. Subject to the provisions of this section, moneys held in the Rebate Fund are pledged to secure payments to the United States government, and The Regents and the owners shall have no rights in or claim to such moneys. The Trustee shall invest all amounts held in the Rebate Fund in accordance with directions from The Regents.

Upon receipt of the rebate instructions required to be delivered to the Trustee by the Tax Certificate, the Trustee shall remit part or all of the balance held in the Rebate Fund to the United States government as so directed. In addition, if the rebate instructions so direct, the Trustee shall deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as the rebate instructions direct.

The Trustee shall conclusively be deemed to have complied with the provisions of this section if it follows the directions of The Regents set forth in the rebate instructions and shall not be required to take any actions thereunder in the absence of rebate instructions from The Regents.

Notwithstanding any provisions of this section, if The Regents shall provide to the Trustee any Opinion of Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion of interest on the Series of Bonds from gross income for federal income tax purposes, the Trustee and The Regents may conclusively rely on such opinion in complying with the requirements of this section, and the covenants under the Indenture shall be deemed to be modified to that extent.

2025 Series CB Construction Account. Moneys in the 2025 Series CB Construction Account shall be used and withdrawn by The Regents to pay the cost of the acquisition, construction, improvement and/or renovation of all or a portion of the 2025 Series CB Projects, including reimbursements of any sums advanced by The Regents for such purposes and refunding borrowings of The Regents incurred for such purposes, and to pay interest on the 2025

Series CB Bonds in such amounts and on such dates as determined by The Regents. Upon completion of the 2025 Series CB Projects, any amounts remaining in the 2025 Series CB Construction Account shall be applied to pay the interest on the 2025 Series CB Bonds or to pay other capital expenditures of The Regents or for any other lawful purpose of The Regents.

2025 Series CB Costs of Issuance Fund. Moneys in the 2025 Series CB Costs of Issuance Fund shall be used to pay Costs of Issuance with respect to the 2025 Series CB Bonds, and at the end of six months from the date of issuance of the 2025 Series CB Bonds, or upon earlier determination by The Regents that the amounts in said fund are no longer required for payment of Costs of Issuance, said fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Trustee for deposit in the Debt Service Fund or for any other lawful purpose of The Regents.

2025 Series CC Construction Account. Moneys in the 2025 Series CC Construction Account shall be used and withdrawn by The Regents to pay the cost of the acquisition, construction, improvement and/or renovation of all or a portion of the 2025 Series CC Projects, including reimbursements of any sums advanced by The Regents for such purposes and refunding borrowings of The Regents incurred for such purposes, and to pay interest on the 2025 Series CC Bonds in such amounts and on such dates as determined by The Regents. Upon completion of the 2025 Series CC Projects, any amounts remaining in the 2025 Series CC Construction Account shall be applied to pay the interest on the 2025 Series CC Bonds or to pay other capital expenditures of The Regents or for any other lawful purpose of The Regents.

2025 Series CC Costs of Issuance Fund. Moneys in the 2025 Series CC Costs of Issuance Fund shall be used to pay Costs of Issuance with respect to the 2025 Series CC Bonds, and at the end of six months from the date of issuance of the 2025 Series CC Bonds, or upon earlier determination by The Regents that the amounts in said fund are no longer required for payment of Costs of Issuance, said fund shall be terminated and any amounts then remaining in said fund shall be transferred to the Trustee for deposit in the Debt Service Fund or for any other lawful purpose of The Regents.

Flow of Funds

General Revenues. The Regents agrees that, so long as any of the Bonds remain Outstanding (i) all of the General Revenues not encumbered by any Senior Lien or Parity Lien shall be deposited as soon as practicable upon receipt in a fund designated as "The Regents of the University of California General Revenue Fund" (the "General Revenue Fund") which The Regents shall establish and maintain at such banking institution or institutions (which may include the Trustee) as The Regents shall from time to time designate for such purpose (the "Depository Banks") and (ii) funds equal to General Revenues encumbered by any Senior Lien (but not encumbered by any Parity Lien) shall be deposited in the General Revenue Fund at the earliest practicable time and to the extent such funds are available pursuant to the terms of the Security Documents evidencing such Senior Lien. To the extent General Revenues are encumbered by Indebtedness (other than a Series of Bonds) or other obligations secured by a Parity Lien, The Regents agrees to allocate in a fair and equitable manner (i) amounts to be deposited in the General Revenue Fund and (ii) amounts to be transferred to the funds and accounts established pursuant to the Security Documents securing the Indebtedness or other obligations secured by a Parity Lien. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, The Regents grants a security interest to the Trustee in the General Revenue Fund to secure the payment of the principal of and interest on the Bonds Outstanding and the payment of all amounts due pursuant to Ancillary Obligations and the pledge of General Revenues under the Indenture.

Amounts in the General Revenue Fund may be used and withdrawn by The Regents at any time for any lawful purpose (including any use required by a Security Document), except as restricted in the Indenture. In the event of the occurrence of an Event of Default of which the Trustee has actual knowledge or has received written notice, the Trustee shall notify The Regents and the Depository Banks of such delinquency, and The Regents shall cause the Depository Banks to, and the Depository Banks shall, transfer the General Revenue Fund to the name and credit of the Trustee. All General Revenues shall continue to be deposited by The Regents in the General Revenue Fund as provided by the Indenture until all Events of Default known to the Trustee shall have been made good or cured or provision deemed by the Trustee to be adequate shall have been made therefor, whereupon the General Revenue Fund shall be returned to the name and credit of The Regents. During any period that the General Revenue Fund is held in the name and to the credit of the Trustee, the Trustee shall use and withdraw amounts in said fund first to pay fees, expenses and disbursements of the Trustee and its agents in the event such fees, disbursements or expenses have not otherwise been paid by The Regents, and second to make the transfers and deposits required by the Indenture. The Regents agrees to execute and deliver all instruments as may be required to implement this section. The Regents further agrees that a failure to comply with the terms of this section shall cause irreparable harm to the owners from time to time of the Bonds and shall entitle the Trustee, with or without notice, to take immediate action to compel the specific performance of the obligations of The Regents as provided in this section.

On or before any Interest Payment Date, and as long as any of the Bonds remain Outstanding, The Regents shall transfer from the General Revenue Fund to the Trustee for deposit in a special fund designated as "The Regents of the University of California General Revenue Debt Service Fund" (the "Debt Service Fund"), which the Trustee shall establish, maintain and hold in trust, such amount as is required by the Indenture to make the transfers and deposits required on such Interest Payment Date (or to replenish the amounts required to be on deposit in any fund under the Indenture). In addition, The Regents shall, pursuant to the terms and provisions of a Supplemental Indenture providing for Ancillary Obligations, transfer from the General Revenue Fund the amounts due and payable pursuant to such Ancillary Obligations. Each transfer by The Regents to the Trustee under the Indenture shall be in lawful money of the United States of America and paid to the Trustee at its corporate trust office in Los Angeles, California. All such moneys shall be promptly deposited by the Trustee upon receipt thereof in the Debt Service Fund. All moneys deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. If The Regents fails to make timely payment of all amounts required to be made pursuant to this paragraph, The Regents shall promptly make such payments in full as soon as possible.

The Trustee shall transfer from the Debt Service Fund, and deposit into one or more of the following respective funds (each of which the Trustee shall establish and maintain and hold in trust, and each of which shall be disbursed and applied only as authorized by the Indenture), on or before each Interest Payment Date, the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of General Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any fund subsequent in priority:

First: Into the Interest Fund, the amount, if any, needed to increase the amount in the Interest Fund to the aggregate amount of interest becoming due and payable on such Interest Payment Date upon all Bonds then Outstanding.

Second: Into the Principal Fund, the amount, if any, needed to increase the amount in the Principal Fund to the aggregate amount of principal and Mandatory Sinking Account Payments becoming due and payable on the Outstanding Bonds on such Interest Payment Date.

Any moneys remaining in the Debt Service Fund on each Interest Payment Date shall be transferred, free and clear of the lien of the Indenture, to, or upon the order of, The Regents to be applied for any lawful purpose of The Regents, and the Trustee shall have no obligation or duty to inquire or investigate how such moneys are being used.

Investment of Moneys in Funds

All moneys in any of the funds and accounts established pursuant to the Indenture and held by the Trustee shall be invested by the Trustee in Investment Securities as directed by The Regents.

Particular Covenants

Punctual Payments. The Regents shall pay or cause to be paid punctually the principal of, premium, if any, and interest due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of General Revenues and other assets pledged for such payment as provided in the Indenture.

No Extension of Payment of Principal and Interest on the Bonds. Except as otherwise expressly permitted under the Indenture with respect to Bonds issued pursuant to the Annex or the Floating Rate Notes Annex, The Regents shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and claims for interest thereon which shall not have been so extended. Nothing in this section shall be deemed to limit the right of The Regents to issue obligations for the purpose of refunding any outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Permitted Indebtedness, Obligations and Encumbrances. So long as an Event of Default has not occurred and is continuing under the Indenture, The Regents may incur any Indebtedness or other obligations payable from General Revenues, including, but not limited to, Indebtedness or other obligations secured by a Senior Lien, Parity Lien or Subordinate Lien.

Power to Issue Bonds and Make Pledge and Assignment. The Regents is duly authorized pursuant to law to issue the Bonds and to execute and deliver the Indenture and to pledge and assign the General Revenues and other assets purported to be pledged and assigned, respectively, under the Indenture in the manner and to the extent provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding limited obligations of The Regents in accordance with their terms, and The Regents shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of General Revenues and other assets and all the rights of the Bondholders under the Indenture against all claims and demands of all persons whomsoever.

Payment of Taxes and Claims. The Regents or the Trustee shall, from time to time, but solely from General Revenues, duly pay and discharge, or cause to be paid and discharged, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the General Revenues or other assets pledged or assigned under the Indenture, when the same shall become due, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the General Revenues or such other assets or which might impair the security of the Bonds.

Accounting Records and Financial Statements. The Regents shall cause the Trustee to keep proper books of record and account in which complete and accurate entries shall be made in accordance with industry standards of all transactions relating to the proceeds of Bonds, the General Revenues, and all funds and accounts established pursuant to the Indenture. Such books of record and account shall be available for inspection by The Regents and by any Bondholder, or its agent or representative duly authorized in writing, during any Business Day at reasonable hours and under reasonable circumstances, including at least 24 hours notice.

Not later than seven months after the end of each Fiscal Year of The Regents, The Regents shall also furnish to the Trustee a certified report of audit, prepared by an Independent Certified Public Accountant, reflecting the financial condition and results of operation of The Regents.

Compliance with Indenture, Contracts, Laws and Regulations. The Regents shall faithfully observe and perform all the covenants, conditions and requirements of the Indenture, shall not issue any Bonds in any manner other than in accordance with the Indenture, and shall not suffer or permit any default to occur under the Indenture, or do or permit to be done, anything that might in any way weaken, diminish or impair the security intended to be given pursuant to the Indenture. Subject to the limitations and consistent with the covenants, conditions and requirements contained in the Indenture, The Regents and the Trustee shall comply with the terms, covenants and provisions of all contracts concerning or affecting the application of proceeds of Bonds or the General Revenues.

General Revenue Covenant. So long as the Bonds are Outstanding, The Regents shall set rates, charges, and fees in each Fiscal Year so as to cause General Revenues deposited in the General Revenue Fund to be in an amount sufficient to pay principal of and interest on the Bonds and amounts due and payable on Ancillary Obligations for the then-current Fiscal Year.

Waiver of Laws. The Regents shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time thereafter in force that may affect the covenants and agreements contained in the Indenture or in the Bonds, and all benefit or advantage of any such law or laws is expressly waived by The Regents to the extent permitted by law (but only with respect to the application of General Revenues to pay the principal of and interest on the Bonds).

Further Assurances. The Regents will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in the Indenture.

Continuing Disclosure. Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Rule 15c2-12, The Regents and the Trustee covenant and agree that The Regents will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed and delivered in connection with such Series of Bonds and applicable to them. Notwithstanding any other provision of the Indenture, failure of The Regents or the Trustee to comply with the provisions of any Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee at the written request of any Participating Underwriter or the Holders of at least 50% aggregate principal amount of any Series of Bonds then Outstanding, shall, but only to the extent it has been indemnified to its satisfaction from any loss, liability, cost, claim or expense whatsoever, including, without limitation, fees and expenses of its attorneys, or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause The Regents or the Trustee, as the case may be, to comply with its obligations under this section.

Additional Bonds

The Regents may by Supplemental Indenture establish one or more Series of Bonds, payable from General Revenues and secured by the pledge made under the Indenture.

See "Conditions Precedent to Issuance of Bonds."

Events of Default

Pursuant to the Indenture, the following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) if variable rate bonds of any Series have been remarketed without a Liquidity Facility in effect, failure to pay the purchase price of any variable rate bond required to be purchased pursuant to the Annex when due and payable;

(d) default by The Regents in the observance of any of the covenants, agreements or conditions on its part of the Indenture or in the Bonds contained, other than a default described in (a), (b) or (c) above, and continuance of such default for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to The Regents by the Trustee, or to The Regents and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding;

(e) if The Regents files a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself;

(f) if a court of competent jurisdiction shall enter an order, judgment or decree declaring The Regents an insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of The Regents, or approving a petition filed against The Regents seeking reorganization of The Regents under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof; or

(g) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of The Regents, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control.

Acceleration. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and at the request of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding shall, upon notice in writing to The Regents, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding. The Trustee shall immediately give notice of such declaration to Bondholders, in the same manner that notices of redemption are given, specifying the date of such declaration, that as of the Business Day immediately following such declaration the Bonds shall cease to bear interest; and that all principal of and interest on the Bonds to the Business Day immediately following such declaration of acceleration shall be payable upon the surrender thereof at the principal office of the Trustee.

Application of General Revenues and Other Funds After Default. If an Event of Default shall occur, then, and in every such case during the continuance of such Event of Default, all General Revenues and any other moneys then held or thereafter received by the Trustee under any of the provisions of the Indenture, shall be applied by the Trustee as follows and in the following order:

1. To the payment of any compensation and expenses as due to the Trustee under the Indenture;

2. To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, any stamping thereon of the payment if only partially paid or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

   (i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

   First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

   Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

   (ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over the principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Trustee to Represent Bondholders. The Trustee is irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds and the Indenture, as well as under applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee in its discretion may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its sole satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate suit, action, mandamus or other proceedings as it shall deem most effectual to protect or enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power therein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Holders under the Indenture, or any law; and upon instituting such proceeding, the Trustee shall be entitled as a matter of right to the appointment of a receiver of the General Revenues and other assets pledged or assigned under the Indenture. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of the Indenture. Nothing therein contained shall be deemed to require the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Bondholders' Direction of Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction and the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Holders pursuant to the Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture or any applicable law with respect to such Bond, unless: (1) such Holder shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted by the Indenture or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (5) the Trustee shall not have received contrary directions from the Holders of a majority of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy under the Indenture or under any law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture on the rights of any other Holder of Bonds, or to enforce any right under the Indenture or applicable law with respect to the Bonds, except in the manner therein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner therein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

Modification without Consent of Bondholders

The Regents and the Trustee from time to time and at any time, subject to the conditions and restrictions contained in the Indenture, may enter into an indenture or indentures supplemental thereto, which indenture or indentures thereafter shall form a part thereof, for any one or more or all of the following purposes --

(a) to add to the covenants and agreements of The Regents in the Indenture contained, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon The Regents by the Indenture;

(b) to evidence the succession of another corporation, whether public or private, to The Regents, or successive successions, and the assumption by a successor corporation of the covenants and obligations of The Regents in the Bonds and in the Indenture contained;

(c) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to any matters or any questions arising under the Indenture, as The Regents may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the owners of the Bonds;

(d) to conform to the terms and conditions of the Security Documents evidencing a Senior Lien or Parity Lien, provided such modification shall not materially adversely affect the interests of the owners of the Bonds;

(e) to make any changes necessary or convenient to provide for the issuance of a Series of Bonds pursuant to the Indenture including any changes necessary or convenient in connection with the establishment of an interest rate mode, tender and purchase provisions;

(f) to permit, provide for or accommodate the delivery of a Credit Facility, Liquidity Facility or Financial Products Agreement for any Series of Bonds;

(g) to make any changes required by a Rating Agency in order to obtain or maintain a rating for any Series of Bonds;

(h) to modify, alter, amend or supplement the Indenture in any other respect desired by The Regents which is not materially adverse to the Holders.

Any Supplemental Indenture authorized by the provisions of this section may be executed by The Regents and the Trustee without the consent of the owners of any of the Bonds at the time outstanding but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

Modification with Consent of Bondholders

With the consent (evidenced as provided in the Indenture) of the owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, The Regents and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental thereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture or of any Supplemental Indenture; provided, however, that no such Supplemental Indenture shall (1) extend the stated maturity of the Bonds or reduce the rate of interest thereon, or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each Bond so affected, or (2) reduce the aforesaid percentage of owners of Bonds required to approve any such Supplemental Indenture, without the consent of the owners of all Bonds then outstanding.

Defeasance

Bonds may be paid by The Regents in any of the following ways: (1) by paying or causing to be paid the principal, and interest on Outstanding Bonds, as and when the same become due and payable; (2) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Indenture) to pay or redeem Outstanding Bonds; or (3) by delivering to the Trustee, for cancellation by it, Outstanding Bonds. If The Regents shall also pay or cause to be paid all other sums payable under the Indenture by The Regents, then and in that case, at the election of The Regents (evidenced by a Certificate of The Regents, filed with the Trustee, signifying the intention of The Regents to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of General Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of The Regents under the Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Indenture and except for the obligation of The Regents to pay any amounts under and to otherwise satisfy all of its obligations to the Trustee under the Indenture. In such event, upon Request of The Regents, the Trustee shall cause an accounting for such period or periods as may be requested by The Regents to be prepared and filed with The Regents and shall execute and deliver to The Regents all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee and any paying agent shall pay over, transfer, assign or deliver to The Regents all moneys or securities or other property held by them pursuant to the Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as described below) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Indenture then all liability of The Regents in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the owner thereof shall be entitled only to payment of the principal of and interest on such Bond by The Regents.

Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds, premium, if any, and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV of the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal, premium, if any, and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations the principal of and interest on which when due will provide money sufficient to pay the principal, premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal, premium, if any, and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV of the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of The Regents) to apply such money to the payment of such principal and interest with respect to such Bonds.

Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal or interest on any Bonds and remaining unclaimed for two years after such principal or interest on the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys deposited after said date when such principal or interest on the Bonds became due and payable, shall, upon Request of The Regents, be repaid to The Regents free from the trusts created by the Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to The Regents as aforesaid, the Trustee, as the case may be, shall at the request of The Regents (at the cost of The Regents) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the owners of the Bonds so payable and not presented and with respect to the provisions relating to the repayment to The Regents of the moneys held for the payment thereof.

THE CONTINUING DISCLOSURE AGREEMENT

The Continuing Disclosure Agreement sets forth the covenants of The Regents to provide certain financial information and operating data with respect to the related 2025 Bonds. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of each of the Continuing Disclosure Agreements.

The Continuing Disclosure Agreement (collectively, the "Continuing Disclosure Agreement") is being executed and delivered by The Regents of the University of California ("The Regents"), BLX Group LLC, as dissemination agent (the "Dissemination Agent") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in connection with, and at the time of, the issuance of the 2025 Bonds to be issued pursuant to the Indenture. Pursuant to the provisions of the Indenture, The Regents and the Trustee covenant and agree as follows:

Purpose of the Continuing Disclosure Agreement. The Continuing Disclosure Agreement is being executed and delivered at the time of issuance of the applicable 2025 Bonds by The Regents, the Dissemination Agent and the Trustee for the benefit of the Holders and Beneficial Holders (as such terms are defined in the Indenture) of such 2025 Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Definitions. In addition to the definitions set forth in the Indenture (see "Definitions" above), which apply to any capitalized term used in the Continuing Disclosure Agreement unless otherwise defined in this section, the following capitalized terms shall have the following meanings:

Annual Report shall mean any Annual Report provided by The Regents pursuant to, and as described in, Sections 3 and 4 of the Continuing Disclosure Agreement.

Disclosure Representative shall mean the Executive Vice President - Chief Financial Officer of the University of California or his or her designee, or such other officer or employee as The Regents shall designate in writing to the Trustee from time to time.

Dissemination Agent shall mean BLX Group LLC or any successor Dissemination Agent designated in writing by The Regents and which has filed with the Trustee a written acceptance of such designation.

Financial Obligation shall mean, for purposes of the Listed Events set out in Section 5(A)(10) and Section (5)(B)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

Listed Events shall mean any of the events listed in Section 5(A) or (B) of the Continuing Disclosure Agreement.

Official Statement shall mean the final official statement dated January 28, 2025 relating to the 2025 Bonds.

Participating Underwriter shall mean any of the original underwriters of the 2025 Bonds required to comply with the Rule in connection with offering of the 2025 Bonds.

Repository shall mean the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

Rule shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SEC shall mean the Securities and Exchange Commission and any successor agency thereto.

State shall mean the State of California.

Provision of Annual Reports. (A) The Regents shall, or shall cause the Dissemination Agent to, not later than seven (7) months after the end of the Fiscal Year of The Regents (presently June 30), commencing with the Annual Report for the Fiscal Year ending June 30, 2025, provide to the Repository an Annual Report which is consistent with the requirements of the Continuing Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the Repository, and may include by reference other information as provided in the Continuing Disclosure Agreement; provided that the audited financial statements relating to the 2025 Bonds may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if such audited financial statements are not available by that date. If the Fiscal Year of The Regents changes, The Regents shall give notice of such change in the same manner as for a Listed Event under Section 5(E) of the Continuing Disclosure Agreement. If The Regents provides the Annual Report to the Repository, it shall notify the Dissemination Agent that it has done so.

(B) Not later than fifteen (15) Business Days prior to the date specified in subsection (A) for providing the Annual Report to the Repository, The Regents shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). If by such date, the Trustee has not received a copy of the Annual Report, the Trustee shall contact The Regents and the Dissemination Agent to determine if The Regents is in compliance with the first sentence of this subsection (B).

(C) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repository by the date required in subsection (A), the Dissemination Agent shall send a notice, in electronic format unless otherwise designated by the SEC, to the Repository in substantially the form attached as Exhibit A to the Continuing Disclosure Agreement.

(D) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the Repository; and

(ii) file a report with The Regents and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to the Continuing Disclosure Agreement, stating the date it was provided to the Repository.

Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(A) The audited financial statements of The Regents for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles applicable to public colleges and universities. If such audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format that complies with current generally accepted accounting principles, and the audited financial statements shall be filed in the same manner as the Annual Report when such financial statements become available.

(B) The amount of General Revenues as of the end of the prior Fiscal Year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of The Regents, which have been filed with the Repository or the SEC. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Regents shall clearly identify each such other document so included by reference.

Reporting of Significant Events.

(A) Pursuant to the provisions of Section 5 of the Continuing Disclosure Agreement, The Regents shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the applicable 2025 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of The Regents, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(B) The Regents shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2025 Bonds, as applicable, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph (A)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of such 2025 Bonds or other material events affecting the tax status of such 2025 Bonds;

2. Modifications to rights of Holders;

3. Optional, contingent or unscheduled 2025 Bond calls;

4. Release, substitution, or sale of property securing repayment of such 2025 Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional trustee or the change of name of a trustee; or

8. Incurrence of a Financial Obligation of The Regents, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of The Regents, any of which affect security holders.

(C) The Trustee shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative, inform such person of the event, and request that The Regents promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (E).

(D) Whenever The Regents obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee pursuant to subsection (C) or otherwise, The Regents shall as soon as possible determine if such event would be material under applicable federal securities laws.

(E) If The Regents learns of the occurrence of a Listed Event described in Section 5(A) of the Continuing Disclosure Agreement, or determines that knowledge of a Listed Event described in Section 5(B) of the Continuing Disclosure Agreement would be material under applicable federal securities laws, The Regents shall provide or cause to be provided a form of notice of such occurrence to the Dissemination Agent and shall instruct the Dissemination Agent to file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB within ten business days of occurrence. If the Dissemination Agent has been instructed by The Regents to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repository in electronic format, accompanied by such identifying information as is prescribed by the Repository, with a copy to The Regents. Notwithstanding the foregoing, notice of Listed Events described in subsections (A)(7) and (B)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2025 Bonds pursuant to the Indenture.

(F) The Regents intends to comply with the Listed Events described in Section 5(A)(10) and Section 5(B)(8), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885 dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the SEC or its staff with respect the amendments to the Rule effected by the 2018 Release.

Termination of Reporting Obligation. The Regents' obligations under the Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the applicable 2025 Bonds.

Dissemination Agent. The Regents may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure

Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by The Regents pursuant to the Continuing Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent.

Amendment; Waiver. Notwithstanding any other provision of the Continuing Disclosure Agreement, The Regents, the Dissemination Agent and the Trustee may amend the Continuing Disclosure Agreement (and the Dissemination Agent and the Trustee each shall agree to any amendment so requested by The Regents that does not adversely affect its rights or increase its duties under the Continuing Disclosure Agreement), and any provision of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(A) If the amendment or waiver relates to certain portions of the sections relating to the provision of annual reports, or the content of annual reports or the list of significant events, such amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the applicable 2025 Bonds, or the type of business conducted;

(B) The Continuing Disclosure Agreement, as amended or taking into account the waiver proposed, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the applicable 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(C) The amendment or waiver either (i) is approved by the Holders of the applicable 2025 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Holders of the applicable 2025 Bonds.

In the event of any amendment or waiver of a provision of the Continuing Disclosure Agreement, The Regents shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by The Regents. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(E) of the Continuing Disclosure Agreement, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Additional Information. Nothing in the Continuing Disclosure Agreement shall be deemed to prevent The Regents from disseminating any other information, using the means of dissemination set forth in the Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by the Continuing Disclosure Agreement. If The Regents chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by the Continuing Disclosure Agreement, The Regents shall have no obligation under the Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Default. In the event of a failure of The Regents or the Dissemination Agent to comply with any provision of the Continuing Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Holders of at least 50% aggregate principal amount of Outstanding 2025 Bonds, as applicable, and upon receipt of indemnity satisfactory to it, shall), or any Holder or Beneficial Holder of such 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause The Regents or Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreement. A default under the Continuing Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of The Regents or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the Indenture is made applicable to the Continuing Disclosure Agreement as if the Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in the Continuing Disclosure Agreement, and The Regents agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties under the Continuing Disclosure Agreement, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of The Regents under this Section shall survive resignation or removal of the Dissemination Agent and payment of the applicable 2025 Bonds.

Beneficiaries. The Continuing Disclosure Agreement shall inure solely to the benefit of The Regents, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Holders from time to time of the applicable 2025 Bonds, and shall create no rights in any other person or entity.

Notices. All notices or communications to or among any of the parties to the Continuing Disclosure Agreement shall be given as provided in the Continuing Disclosure Agreement. Any person may, by written notice to the other persons listed in the Continuing Disclosure Agreement, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

APPENDIX·D

PROPOSED FORM OF BOND COUNSEL OPINION FOR 2025 BONDS

[Closing Date]

The Regents of the University of California
Oakland, California

The Regents of the University of California
General Revenue Bonds,
2025 Series CB & 2025 Series CC
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to The Regents of the University of California ("The Regents") in connection with the issuance by The Regents of $__________ aggregate principal amount of The Regents of the University of California General Revenue Bonds, 2025 Series CB (the "2025 Series CB Bonds"), and $_____________ aggregate principal amount of The Regents of the University of California General Revenue Bonds, 2025 Series CC (the "2025 Series CC Bonds" and, together with the 2025 Series CB Bonds, the "Bonds"), pursuant to an Indenture, dated as of September 1, 2003, by and between The Regents and The Bank of New York Mellon Trust Company, N.A. as successor in interest to BNY Western Trust Company, as trustee (the "Trustee"), as heretofore supplemented and as supplemented by the Eighty-First Supplemental Indenture and the Eighty-Second Supplemental Indenture, respectively, each dated as of March 1, 2025, by and between The Regents and the Trustee (as so supplemented, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate with respect to the Bonds, dated the date hereof (the "Tax Certificate"), opinions of counsel to The Regents and the Trustee, certificates of The Regents, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than The Regents and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as The Regents in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of The Regents.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, The Regents. To the extent set forth in the Indenture, the Indenture creates a valid pledge to secure the payment of the principal of, and interest on, the Bonds, of the General Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; provided, however, that the pledge of the General Revenues shall in all respects be junior to any future Indebtedness secured by a Senior Lien, as and to the extent provided in the Indenture.

3. The Bonds are not a lien or charge upon the funds or property of The Regents except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for

purposes of the federal individual alternative minimum tax. We observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX·E

BOOK-ENTRY ONLY SYSTEM

Introduction. The information in this Appendix E concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been provided by DTC for use in disclosure documents such as this Official Statement. Neither The Regents of the University of California ("The Regents") nor the Underwriters of the 2025 Bonds make any representation as to its accuracy or completeness. Capitalized terms used herein which are not otherwise defined herein shall have the meaning set forth in the front portion of the Official Statement or in APPENDIX A under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT – THE INDENTURE - Definitions."

DTC will act as the initial securities depository for the 2025 Bonds.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect and The Regents expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning DTC has been obtained from sources that The Regents believes to be reliable, but neither The Regents nor the Underwriters take any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of DTC are advised to confirm the continued applicability of the rules, regulations and procedures of DTC. The Regents will have no responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the 2025 Bonds held through the facilities of DTC or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The Beneficial Owners should confirm the following information with DTC or the DTC Participants.

So long as Cede & Co. is the registered holder of the 2025 Bonds, as nominee of DTC, references in the Official Statement, including the Appendices thereto, to the Holders of the 2025 Bonds (other than as set forth under "Tax Matters") shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2025 Bonds.

THE REGENTS AND THE TRUSTEE SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR ANY BENEFICIAL OWNER, WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL AND INTEREST DUE ON THE 2025 BONDS; (III) THE DELIVERY OF ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE HOLDERS OF THE 2025 BONDS UNDER THE INDENTURE; (IV) THE SELECTION BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2025 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER OF THE 2025 BONDS; OR (VI) ANY OTHER MATTER.

THE TRUSTEE, AS LONG AS THE BOOK-ENTRY ONLY SYSTEM IS USED FOR THE 2025 BONDS, WILL SEND ANY NOTICE OF REDEMPTION AND ANY OTHER NOTICES ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF 2025 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

Book Entry-Only System. The Depository Trust Company ("DTC") will act as initial securities depository for The Regents of the University of California General Revenue Bonds, 2025 Series CB (the "2025 Series CB Bonds") and The Regents of the University of California General Revenue Bonds, 2025 Series CC (the "2025 Series CC Bonds" and, together with the 2025 Series CB Bonds, the "2025 Bonds"). The 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate for each maturity will be issued for each Series of the 2025 Bonds, in the aggregate principal amount of such Series, and will be deposited with DTC. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the front portion of the Official Statement or in APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND THE CONTINUING DISCLOSURE AGREEMENT."

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information contained in such websites is not incorporated by reference herein.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults and proposed amendments to the bond documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. Subject to the provisions described in the forepart under the heading "THE 2025 BONDS – Redemption – Partial Redemption," if less than all of the 2025 Bonds within a maturity are being redeemed, the amount of interest of each Direct Participant in such maturity to be redeemed shall be determined in accordance with DTC's practices.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to The Regents as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from The Regents or the Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or The Regents, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of The Regents or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to The Regents or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered in accordance with the provisions set forth in the Indenture.

The Regents may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered in accordance with the provisions set forth in the Indenture.

Limitations

For so long as the 2025 Bonds are registered in the name of DTC or its nominee, Cede & Co., The Regents and the Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the 2025 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the 2025 Bonds, references in this Official Statement to registered owners of the 2025 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2025 Bonds.

Because DTC is treated as the owner of the 2025 Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to The Regents or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the 2025 Bonds that may be transmitted by or through DTC.

The Regents will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any 2025 Bonds;

- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any notice with respect to any 2025 Bonds including, without limitation, any notice of redemption with respect to any 2025 Bonds;

- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any 2025 Bonds; or

- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, The Regents and the Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the 2025 Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the 2025 Bonds;

- giving notices of redemption and other matters with respect to the 2025 Bonds;

- registering transfers with respect to the 2025 Bonds; and

- the selection of 2025 Bonds for redemption.

General

DTC is under no obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither The Regents, the Underwriters nor any of their agents will have any responsibility for the performance DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX·F

LETTERS FROM UNDERWRITERS

[THIS PAGE INTENTIONALLY LEFT BLANK]

February 19, 2025

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California
901 P Street, Suite 313-A
Sacramento, CA 95814

CC: Ms. Meghan Gutekunst
Associate Vice President
The Regents of the University of California
1111 Franklin Street
Oakland, CA 94607

Re: The Regents of the University of California
General Revenue Bonds
2025 Series CB and 2025 Series CC (the "Bonds")

Dear Mr. Fowler & Ms. Gutekunst,

Academy Securities, Inc., a Co-Managing Underwriter of the Bonds, intends to enter into Third-Party Distribution Agreements with InspereX LLC and Essex Securities LLC for the retail distribution of certain municipal securities offerings, at the original issue prices. Pursuant to these Third-Party Distribution Agreements (if applicable for this transaction), Academy Securities, Inc. may share a portion of its underwriting compensation with these firms.

ACADEMY SECURITIES, INC.

February 12, 2025

Mr. Blake Fowler
Director, Public Finance
Office of the Treasurer of the State of California
901 P Street, Suite 313-A
Sacramento, CA 95814

CC: Meghan Gutekunst
Associate Vice President
The Regents of the University of California
1111 Franklin Street
Oakland, CA 94607

Reference: The Regents of the University of California
General Revenues Bonds
2025 Series CB and 2025 Series CC (the "Bonds")

Blaylock Van, LLC, one of the Underwriters of the Bonds, plans to enter into a municipal securities distribution agreement with Crews & Associates, Inc. ("C&A") for the retail distribution of certain securities offerings at the original issue prices. Under the Distribution Agreement, C&A may purchase Bonds from Blaylock Van at the original issue price, less a negotiated portion of the selling concession applicable to any Bonds such firm sells.

Sincerely,

____

Jervis Hough
Chief Operating Officer
Blaylock Van, LLC
11340 Lakefield Drive, Suite 200
Johns Creek, GA 30097

BofA SECURITIES

February 6, 2025

State of California
State Treasurer's Office

Attn: Blake Fowler

Re: The Regents of the University of California
General Revenue Bonds 2025 Series CB and 2025 Series CC (the "Bonds")

Dear Mr. Fowler:

BofA Securities, Inc. is providing the following language for inclusion in the Official Statement:

BofA Securities, Inc., one of the Underwriters of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Sincerely,

BofA Securities, Inc.

CC: Capital Markets Finance, University of California

"BofA Securities" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed.

GREAT PACIFIC
SECURITIES

February 13, 2025

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California
901 P. Street Suite 313A
Sacramento, CA 95814

RE: The Regents of the University of California General Revenue Bonds 2025 Series CB and 2025 Series CC

Dear Mr. Fowler,

Great Pacific Securities ("GPS"), one of the Underwriters of the Bonds, has entered into a negotiated distribution agreement (the "Distribution Agreement") with Wedbush Securities Inc. ("Wedbush") for the retail distribution of certain securities offerings at their original issue prices. Pursuant to the terms of the Distribution Agreement, Wedbush may purchase Bonds from GPS at the original issue price, minus a negotiated portion of the selling concession applicable to any Bonds sold by Wedbush.

Respectfully,

Great Pacific Securities

CC: Meghan Gutekunst

151 Kalmus Dr. Suite H-8, Costa Mesa, CA 92626 ◆ (714) 619-3015 ◆ Fax: (714) 619-3019
E-mail: info@greatpac.com ◆ Member FINRA/SIPC/MSRB

J.P.Morgan

February 7, 2025

Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California

Re: The Regents of the University of California, General Revenue Bonds 2025 Series CB & CC

Dear Mr. Fowler:

J.P. Morgan Securities LLC (“JPMS”) has entered into a negotiated dealer agreement with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings to the retail customers of CS&Co. at the original issue prices. Subject to your consent, JPMS would like to invite CS&Co. to participate in the above captioned upcoming offering. As compensation to CS&Co., JPMS will share a portion of the selling concession with CS&Co.

If you consent, please note that we would include the below language in the “Underwriting” section of the POS and the OS:

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into a negotiated dealer agreement (the "Dealer Agreement") with Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Dealer Agreement (if applicable to this transaction), CS&Co. will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

J.P. MORGAN SECURITIES LLC

CC: Meghan Gutekunst, *The Regents of the University of California*

Morgan Stanley

February 6, 2025

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California

Re: The Regents of the University of California
General Revenue Bonds 2025 Series CB and 2025 Series CC

Dear Mr. Fowler:

Morgan Stanley & Co. LLC is providing the following language for inclusion in the Official Statement:

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC

cc: Meghan Gutekunst, *Director of Capital Markets Finance*, The Regents of the University of California

TD Securities (USA) LLC
Public Finance Department
One Maritime Plaza, 9th Floor
San Francisco, CA 94111
www.tdsecurities.com

February 10, 2025

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California

Re: The Regents of the University of California General Revenue Bonds, 2025 Series CB and 2025 Series CC (the "Bonds")

Dear Mr. Fowler:

TD Securities (USA) LLC is providing the following language for inclusion in the Official Statement:

TD Securities (USA) LLC, one of the underwriters of the Bonds, has entered into a negotiated Distribution Agreement (the "Distribution Agreement") with InvestorLink Capital Markets, LLC for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, InvestorLink Capital Markets, LLC will purchase the Bonds from TD Securities (USA) LLC at the original issue prices less a negotiated portion of the selling concession applicable to any Bonds that InvestorLink Capital Markets, LLC sells.

Sincerely,

TD Securities (USA) LLC

cc: Meghan Gutekunst, *The Regents of the University of California*

February 21, 2025

Mr. Blake Fowler
Director, Public Finance Division
Office of the Treasurer of the State of California
901 P Street, Suite 313-A
Sacramento, CA 95814

Re: The Regents of the University of California
General Revenue Bonds
2025 Series CB and 2025 Series CC (the "Bonds")

Dear Mr. Fowler (cc Ms. Gutekunst):

Wells Fargo Corporate & Investment Banking is providing the following language for inclusion in the Official Statement.

Wells Fargo Bank, National Association ("WFBNA"), acting through its Municipal Finance Group, an Underwriter of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA • GENERAL REVENUE BONDS, 2025 SERIES CB AND 2025 SERIES CC

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com