



THE JOHNS HOPKINS UNIVERSITY

Consolidated Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



KPMG LLP
750 East Pratt Street, 18th Floor
Baltimore, MD 21202

Independent Auditors' Report

The Board of Trustees
The Johns Hopkins University:

Opinion

We have audited the consolidated financial statements of The Johns Hopkins University (the University), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

KPMG LLP

Baltimore, Maryland
October 17, 2025

THE JOHNS HOPKINS UNIVERSITY

Consolidated Balance Sheets

June 30, 2025 and 2024

(In thousands)

Assets	2025	2024
Cash and cash equivalents	\$ 782,417	487,300
Operating investments	2,393,637	1,884,801
Cash, cash equivalents and operating investments	3,176,054	2,372,101
Sponsored research accounts receivable, net	700,228	624,240
Accounts receivable, net	328,290	301,367
Contributions receivable, net	231,499	252,527
Prepaid expenses and deferred charges	78,769	63,865
Student loans receivable, net	19,619	20,049
Investments	14,805,694	14,168,563
Property and equipment, net	4,639,281	4,006,339
Operating lease right-of-use assets, net	185,392	199,831
Investment in and loans to affiliates	399,728	399,459
Other assets	420,459	379,986
Pension and postretirement assets	229,936	170,875
Interests in trusts and endowment funds held by others	147,619	141,793
Total assets	\$ 25,362,568	23,100,995
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 1,021,966	1,092,517
Sponsored research deferred revenues	458,886	399,646
Other deferred revenues	167,723	163,169
Debt	1,779,291	1,786,961
Operating lease liabilities	212,302	235,148
Other long-term liabilities	457,846	457,765
Liabilities under split-interest agreements	67,384	66,773
Endowment and similar funds held for others	796,056	729,384
Total liabilities	4,961,454	4,931,363
Net assets:		
Without donor restrictions	6,456,938	5,746,430
With donor restrictions	13,944,176	12,423,202
Total net assets	20,401,114	18,169,632
Total liabilities and net assets	\$ 25,362,568	23,100,995

See accompanying notes to consolidated financial statements.

THE JOHNS HOPKINS UNIVERSITY

Consolidated Statements of Activities

Years ended June 30, 2025 and 2024

(In thousands)

	<u>2025</u>	<u>2024</u>
Changes in net assets without donor restrictions:		
Operating revenues:		
Tuition and fees, net of financial aid of \$603,527 and \$563,431, respectively	\$ 891,478	851,851
Grants, contracts, and similar agreements	1,803,474	1,837,267
Facilities and administrative cost recoveries	464,932	471,109
Applied Physics Laboratory contract revenues	<u>2,790,549</u>	<u>2,493,323</u>
Sponsored research revenues	<u>5,058,955</u>	<u>4,801,699</u>
Contributions	283,983	212,935
Net assets released from restrictions	<u>173,872</u>	<u>132,456</u>
Contributions and donor support	457,855	345,391
Clinical services, net	1,055,045	994,271
Reimbursements from affiliated institutions	875,076	836,949
Other revenues	180,667	197,168
Net endowment payout used to support operations	656,086	544,478
Auxiliary enterprises	120,374	116,451
Maryland State aid	19,736	75,310
Investment return	<u>231,928</u>	<u>105,027</u>
Total operating revenues	<u>9,547,200</u>	<u>8,868,595</u>
Operating expenses:		
Compensation	4,317,659	4,035,966
Benefits	<u>1,395,915</u>	<u>1,253,327</u>
Compensation and benefits	5,713,574	5,289,293
Subcontractors and subrecipients	734,567	634,714
Contractual services	1,337,402	1,290,561
Supplies, materials, and other	767,761	728,798
Depreciation	312,168	291,583
Travel	136,964	156,700
Interest	<u>53,196</u>	<u>54,387</u>
Total operating expenses	<u>9,055,632</u>	<u>8,446,036</u>
Excess of operating revenues over operating expenses	<u>491,568</u>	<u>422,559</u>

See accompanying notes to consolidated financial statements.

THE JOHNS HOPKINS UNIVERSITY

Consolidated Statements of Activities

Years ended June 30, 2025 and 2024

(In thousands)

	<u>2025</u>	<u>2024</u>
Other changes in net assets without donor restrictions:		
Investment return in excess of endowment payout	\$ 133,236	141,750
Change in benefit plans funded status, excluding benefit cost	48,818	66,403
Other net periodic benefit credit	9,037	8,017
Change in fair value of interest rate swap agreements	764	832
Other, net	25,794	(84,973)
Net assets released from restrictions	<u>1,291</u>	<u>629,809</u>
Other changes in net assets without donor restrictions	<u>218,940</u>	<u>761,838</u>
Total changes in net assets without donor restrictions	<u>710,508</u>	<u>1,184,397</u>
Changes in net assets with donor restrictions:		
Contributions	903,124	1,568,494
Investment return in excess of endowment payout	787,178	543,213
Net assets released from restrictions	(175,163)	(762,265)
Other, net	<u>5,835</u>	<u>43,064</u>
Total changes in net assets with donor restrictions	<u>1,520,974</u>	<u>1,392,506</u>
Total change in net assets	2,231,482	2,576,903
Net assets at beginning of year	<u>18,169,632</u>	<u>15,592,729</u>
Net assets at end of year	\$ <u><u>20,401,114</u></u>	<u><u>18,169,632</u></u>

See accompanying notes to consolidated financial statements.

THE JOHNS HOPKINS UNIVERSITY
Consolidated Statements of Cash Flows
Years ended June 30, 2025 and 2024
(In thousands)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Total change in net assets	\$ 2,231,482	2,576,903
Adjustments to reconcile total change in net assets to net cash provided by operating activities:		
Depreciation, amortization, and other adjustments	331,553	295,384
Noncash gift of investments	(308,370)	(653,510)
Contributions restricted for long-term investment	(431,581)	(829,856)
Net realized and unrealized gains from investments	(1,598,766)	(1,116,387)
Net unrealized (gains) losses from swaps	(764)	832
Earnings from joint ventures	(22,814)	(43,514)
Change in benefit plans' funded status	(59,061)	(73,905)
Changes in operating assets and liabilities:		
Sponsored research and accounts receivable, net	(102,911)	(35,401)
Contributions receivable, net	21,028	34,042
Prepaid expenses and deferred charges	(14,904)	(1,593)
Operating lease right-of-use assets, net of operating lease liabilities	(8,407)	2,406
Other assets	(18,045)	(20,396)
Accounts payable and accrued expenses	38,625	61,133
Sponsored research, other deferred revenues and other long-term liabilities	42,212	59,380
Interests and liabilities related to trusts and split-interest agreements	20,400	5,985
Net cash provided by operating activities	<u>119,677</u>	<u>261,503</u>
Cash flows from investing activities:		
Purchases of investments	(14,186,470)	(10,122,466)
Proceeds from sales and maturities of investments	14,924,666	9,911,734
Purchases of property and equipment	(911,697)	(698,327)
Prepaid lease payments	—	(1,693)
Repayments of student loans, net of disbursements	430	284
Loans to affiliates	(4,943)	(103)
Repayments of loans from affiliates	4,952	4,732
Dividends from joint ventures, net of capital contributions	22,536	12,856
Distributions from endowment and similar funds held for others	(28,262)	(18,908)
Net cash used in investing activities	<u>(178,788)</u>	<u>(911,891)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	431,581	829,856
Scheduled debt and finance lease payments	(77,353)	(82,016)
Net cash provided by financing activities	<u>354,228</u>	<u>747,840</u>
Net change in cash and cash equivalents	295,117	97,452
Cash and cash equivalents at beginning of year	<u>487,300</u>	<u>389,848</u>
Cash and cash equivalents at end of year	<u>\$ 782,417</u>	<u>487,300</u>

See accompanying notes to consolidated financial statements.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(1) Basis of Presentation and Summary of Significant Accounting Policies

(a) General

The Johns Hopkins University (the University) is a premier, privately endowed institution that provides education and related services to students and others, research and related services to sponsoring organizations, and professional medical services to patients. The University is based in Baltimore, Maryland, but also maintains facilities and operates education programs elsewhere in Maryland, in Washington, D.C., and in certain foreign locations. The University is internationally recognized as a leader in research, teaching, and medical care.

Education and related services (e.g., room, board, etc.) are provided to approximately 31,000 students, including 18,000 full-time students and 13,000 part-time students, and on a net basis provided approximately 9% and 10% of the University's operating revenues in fiscal years 2025 and 2024. Approximately 68% of the full-time students are graduate level (including postdoctoral) and 32% are undergraduate level. Students are drawn from a broad geographic area, including most of the states in the United States and numerous foreign countries. The majority of the part-time students are graduate level students from the Baltimore-Washington, D.C. area.

Research and related services (e.g., research training) are provided through approximately 2,300 government and private sponsors. Sponsored research revenues provided approximately 53% and 54% of the University's operating revenues in fiscal years 2025 and 2024. Approximately 89% and 88% of those revenues were from departments and agencies of the United States government in fiscal years 2025 and 2024. Major government sponsors include the Department of Health and Human Services, the Department of Defense, the National Aeronautics and Space Administration, and the Agency for International Development.

Professional clinical services are provided by members of the University's faculty to patients at The Johns Hopkins Hospital (the Hospital) and other hospitals and outpatient care facilities in the Baltimore area and produced approximately 11% of the University's operating revenues in fiscal years 2025 and 2024.

(b) Basis of Presentation and Use of Estimates

The consolidated financial statements include the accounts of the various academic and support divisions, the Applied Physics Laboratory (APL), 63019 Holdings, LLC, Johns Hopkins University Press, and certain other controlled affiliated organizations, including Jhpiego Corporation and Peabody Institute of the City of Baltimore (collectively, the consolidated financial statements). All significant inter-entity activities and balances are eliminated for financial reporting purposes. Investments in operating joint ventures that the University does not control, including Dome Corporation, FSK Land Corporation, Johns Hopkins Health Plans LLC, Johns Hopkins Home Care Group, Inc., Johns Hopkins Medical Institutions Utilities LLC (JHMI Utilities LLC), Johns Hopkins Medicine International LLC, and other affiliated entities, are accounted for using the equity method.

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the dates of the consolidated

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

financial statements and revenues and expenses recognized during the reporting periods. Actual results could differ from those estimates.

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes of net assets. Accordingly, net assets of the University are classified and reported as follows:

- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations.
- *With donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or by the passage of time. Also, includes net assets subject to donor-imposed stipulations that they be maintained permanently by the University.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Under Maryland law, appreciation on donor-restricted endowments is classified as net assets with donor restrictions until appropriated for expenditure. Expirations of restrictions on net assets are reported as net assets released from restrictions and reclassified from net assets with donor restrictions to net assets without donor restrictions. Restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are placed in service.

(c) Cash, Cash Equivalents, and Operating Investments

The University utilizes cash, cash equivalents, and operating investments to fund daily cash needs. For purposes of the consolidated statements of cash flows, investments with original maturities at the date of purchase of 90 days or less are classified as cash equivalents. Investments with longer maturities are classified as operating investments. Operating investments, which include U.S. Treasury securities and other highly liquid fixed income investments, are stated at fair value, based on quoted market prices, and are used for general operating purposes. Cash and cash equivalents held for endowment and long-term investment purposes are classified as investments.

(d) Contributions

Contributions, including unconditional promises to give, are recognized at fair value in the appropriate category of net assets in the period received, except that contributions that impose restrictions met in the same fiscal year are included in net assets without donor restrictions. Unconditional promises to give are recognized initially at fair value considering anticipated future cash receipts and discounting such amounts at a risk-adjusted rate. Amortization of the discount is included in contributions revenue. Conditional promises to give are not recognized until one or more of the barriers have been overcome and the right of return has expired. Contributions of assets are recorded at their estimated fair value at the date of gift, except that contributions of works of art, historical treasures, and similar assets held as part of collections are not recognized. Allowance is made for uncollectible contributions receivable based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(e) Investments and Investment Return

Investments in United States government and agency obligations, debt securities, and directly held United States and certain international equities in common collective trust funds (CCTFs) are stated at fair value, which are determined primarily based on quoted market prices. Fair values of CCTFs, similar to mutual funds that are deemed to have a readily determinable fair value (RDFV) are based on published net asset values (NAV). Investments in private equity and venture capital, certain real estate, natural resources, certain international equities in CCTFs and absolute return funds (collectively, alternative investments) are stated at estimated fair value based on the funds' net asset values, or their equivalents (collectively, NAV) as a practical expedient. If it is probable that alternative investments will be sold for an amount different than NAV, measurement of the alternative investments will be adjusted to fair value. As of June 30, 2025, and 2024, the University had no plans or intentions to sell investments at amounts different from NAV, except that certain private equity previously reported at NAV were probable of sale at June 30, 2024 and were reported in Level 3 of the fair value hierarchy at their estimated fair value of \$28,464 at that date (see note 5).

The NAVs, which are estimated and reported by the general partners or investment managers, are reviewed and evaluated by the University's investment office. These estimated fair values may differ from the values that would have been used had a ready market existed for these investments, and the differences could be significant. Investments in certain real estate assets are recorded at fair value based upon independent third-party appraisals.

Investments are exposed to several risks, including interest rate, credit, liquidity, and overall market volatility. Due to the level of risk associated with certain investment securities, changes in the value of investment securities could occur in the near term, and these changes could materially affect the amounts reported in the accompanying consolidated financial statements. Liquidity risk represents the possibility that the University may not be able to rapidly adjust the size of its portfolio holdings in times of high volatility and financial stress at a reasonable price. If the University was forced to dispose of an illiquid investment at an inopportune time, it might be forced to do so at a substantial discount to fair value.

Investment return included in operating revenues consists of income and realized gains and losses on operating investments, including cash equivalents, certain board designated endowments and nonpooled endowment funds (except where restricted by donors). Endowment payout for pooled endowment and similar funds approved by the Board of Trustees is also recognized in operating revenues.

Unrealized gains and losses of operating investments and nonpooled endowment funds, any difference between the total return recognized and the payout for pooled endowment and similar funds, and income and realized gains restricted by donors are reported as nonoperating return within the statement of activities.

(f) Fair Value Measurements

Assets and liabilities that are reported at fair value on a recurring basis are categorized into a fair value hierarchy. Fair value is defined as the price that would be received to sell an asset or paid to transfer a

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets or published NAV for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

When observable prices are not available, certain investments are valued using one or more of the following valuation techniques: market approach – this approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities; income approach – this approach determines a valuation by discounting future cash flows; or cost approach – this approach is based on the principle of substitution and the concept that a market participant would not pay more than the amount that would currently be required to replace the asset. These valuation techniques may include inputs such as price information, operating statistics, specific and broad credit data, recent transactions, earnings forecasts, discount rates, reserve reports, and other factors.

(g) *Split-Interest Agreements and Interests in Trusts*

The University's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts and charitable gift annuity agreements for which the University serves as trustee. Assets held under these arrangements are included in investments and are recorded at fair value. Contribution revenues are recognized at the date the trusts or agreements are established after recording liabilities for the present value of the estimated future payments to be made to the donors and/or other beneficiaries. The liabilities are adjusted during the terms of the trusts for changes in the values of the assets, accretion of the discounts, and other changes in estimates of future benefits. As of June 30, 2025 and 2024, assets under the University's charitable gift annuity agreements, held in a segregated account, were \$61,096 and \$58,415 and are classified in investments, and liabilities were \$29,183 and \$27,952 and are classified in liabilities under split-interest agreements.

(h) *Property and Equipment*

Property and equipment are stated at cost if purchased, or estimated fair value at the date of gift if donated, less accumulated depreciation and amortization. Depreciation of buildings, equipment, and library collections and amortization of leasehold improvements are computed using the straight-line method over the estimated useful lives of the assets or lease term, if shorter. Land and certain historic buildings are not subject to depreciation. Title to certain equipment purchased using funds provided by government sponsors is vested in the University and is included in property and equipment on the consolidated balance sheets. Certain equipment used by the APL in connection with its performance under agreements with the United States government is owned by the government. These facilities and equipment are not included in the consolidated balance sheets; however, the University is accountable to the government for them. Repairs and maintenance costs are expensed as incurred.

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Costs of purchased software are capitalized along with internal and external costs incurred during the application development stage (i.e., from the time the software is selected until it is ready for use). Capitalized costs are amortized on a straight-line basis over the expected life of the software. Computer and software maintenance costs are expensed as incurred.

Costs relating to retirement, disposal, or abandonment of assets for which the University has a legal obligation to perform certain activities are accrued using either site-specific surveys or square foot estimates, as appropriate.

(i) **Tuition and Fees, Net of Financial Aid**

Student tuition and fees are recorded as revenue in the year the related academic services are rendered, which generally aligns with the University's fiscal year. Tuition and fees received in advance of services provided are reported in other deferred revenues and amounted to \$117,507 and \$119,092 at June 30, 2025 and 2024. The University provides institutional financial aid to eligible students, generally in an "aid package" that may also include loans, compensation under work-study programs, and/or grant and scholarship awards. The loans are provided primarily through programs of the United States government (including direct and guaranteed loan programs) under which the University is responsible only for certain administrative duties. The institutional grants and scholarships include awards provided from gifts and grants from private donors, income earned on endowment funds restricted for student aid, and University funds.

The composition of tuition and fees, net revenue was as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Undergraduate programs	\$ 179,347	169,259
Graduate programs	626,811	594,561
Other programs	85,320	88,031
	<u>\$ 891,478</u>	<u>851,851</u>

Other programs include the University's Center for Talented Youth (a gifted education program for school-age children), continuing medical education, health services, and various nondegree programs.

(j) **Grants, Contracts, and Similar Agreements**

Grants, contracts, and similar agreements are funded by various federal and private sponsors. The vast majority of such agreements are considered nonexchange transactions and restricted by sponsors for specific research or other program purposes. Revenues are recognized within net assets without donor restrictions as conditions are met, (i.e., generally as qualifying expenditures are incurred). These revenues include recoveries of facilities and administrative costs, which are generally determined as a negotiated or agreed-upon percentage of direct costs, with certain exclusions. Payments received from sponsors in advance of conditions being met are reported as sponsored research deferred revenues. Of the \$458,886 in sponsored research deferred revenues as of June 30, 2025, \$398,822 relates to

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

nonexchange transactions and \$60,064 relates to exchange transactions. Of the \$399,646 in sponsored research deferred revenues as of June 30, 2024, \$334,433 relates to nonexchange transactions and \$65,213 relates to exchange transactions.

Approximately 73% and 80% of sponsored research accounts receivable related to reimbursement of costs incurred under grants and contracts as of June 30, 2025 and 2024 were from agencies or departments of the United States government. The University estimates that conditional awards outstanding as of June 30, 2025 and 2024 approximates its recent annual sponsored program activity. There is no assurance that sponsored research activities can and will continue to be made at current levels as awards are subject to the availability of and annual appropriation of funds.

(k) Clinical Services, Net

Clinical services revenues are recognized in the period in which services are rendered based on gross charges less negotiated fixed discounts (explicit price concessions) which include contractual adjustments specific to the third-party payor contracts, less amounts for implicit price concessions. Fixed discounts are generally determined based on regulatory authorities, determined by legislative statute (Medicare and Medicaid), or negotiated in the case of commercial payors. Implicit price concessions are estimated based on the historical collection experience using a portfolio approach as a practical expedient.

The composition of clinical services revenue by primary payor for the years ended June 30, 2025 and 2024 was as follows:

	2025		2024	
Commercial third parties	\$ 602,513	57.1 %	545,474	54.9 %
Medicare	200,098	19.0	189,040	19.0
Medicaid	88,905	8.4	92,470	9.3
Patients	90,217	8.6	87,359	8.8
All other clinical	73,312	6.9	79,928	8.0
	<u>\$ 1,055,045</u>	<u>100.0 %</u>	<u>994,271</u>	<u>100.0 %</u>

(l) Affiliated Institutions

The University has separate agreements for the exchange of services with the Hospital and other medical and educational institutions. Costs incurred by the University in providing services to these institutions and the related reimbursements are generally recognized as services are provided and are reported as operating expenses and revenues in the appropriate classifications.

The University holds several endowment and similar funds, which are designated for purposes or activities that are carried out by the Hospital and The Johns Hopkins Hospital Endowment Fund Incorporated (JHHEFI). The assets of these funds are included in investments. The carrying values of the funds are adjusted for earnings from and changes in the fair values of the investments and reduced

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

for any distributions paid and are classified as liabilities on the consolidated balance sheets as endowment and similar funds held for others.

(m) Auxiliary Enterprises

Auxiliary enterprises, including residence halls, food service, parking, the press, and telecommunications, provide services to students, faculty, and staff. Fees for such services are recognized as revenue as the services are provided. Student related activities included in auxiliary enterprises amounted to \$69,049 and \$64,979 in fiscal years 2025 and 2024.

(n) Other Revenues

Other revenues include revenues from royalties and patents, medical and professional reimbursements, joint ventures, and other miscellaneous activities. Such revenues are recognized when earned.

(o) Insurance and Self Insurance

The University, together with other institutions, has formed captive insurance companies that arrange and provide professional liability, general liability, and property damage insurance. Defined portions of claims paid by these companies are self-insured. The University's claims liabilities are recognized as claims are incurred using actuarial studies based upon historical claims data, cost trends, and other actuarial estimates. Insurance expenses are recognized as operating expenses as incurred. In addition, the University is self-insured for certain other risks, primarily health, and workers' compensation. Professional insurance liabilities, associated with providing clinical services are reported as gross claims on the consolidated balance sheets as other long-term liabilities, aggregated \$105,240 and \$102,614 as of June 30, 2025 and 2024. In addition, medical malpractice insurance recoveries of \$83,513 and \$90,446 as of June 30, 2025 and 2024 are reported on the consolidated balance sheets as other assets and the corresponding liabilities are reported as other long-term liabilities.

(p) Refundable Advances from the United States Government

Funds provided by the United States government under the Federal Perkins, Nursing, and Health Professions Student Loan programs are loaned to qualified students, administered by the University, and may be re-loaned after collections. These funds are ultimately refundable to the government and are included in other long-term liabilities. These advances totaled \$13,900 and \$13,424 as of June 30, 2025 and 2024.

(q) Income Taxes

The University is qualified as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, as amended. Accordingly, it is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purpose. The University annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(r) Leases

The University conducts certain operations in third-party and related party facilities and determines if an arrangement contains a lease at the inception of a contract. Right-of-use assets, net represents the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the estimated interest rate for borrowing over a term similar to that of the lease payments available at commencement of the lease. The value of an option to extend a lease is reflected to the extent it is reasonably certain management will exercise that option.

Certain leases require payment for taxes, insurance, and maintenance. These variable lease payments are recognized in contractual services in the consolidated statements of activities, but are not included in the right-of-use asset or liability balances in the consolidated balance sheets.

Operating leases are included in operating right-of-use assets, net and operating lease liabilities in the consolidated balance sheets. Finance leases are included in property and equipment, net and debt in the consolidated balance sheets. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payments for finance leases.

Rental income arising from operating leases as a lessor is included in other revenues in the consolidated statements of activities.

(s) Derivative Financial Instruments

The University and its external investment managers are authorized to use specified derivative financial instruments in managing the assets under their control, subject to restrictions and limitations adopted by the Board of Trustees. The University uses interest rate swap agreements to manage interest rate risk associated with certain variable rate debt or to adjust its debt structure. Derivative financial instruments are measured at fair value and recognized in the consolidated balance sheets as assets or liabilities, with changes in fair value recognized in the consolidated statements of activities.

(t) Deferred Compensation Plans

The University maintains deferred compensation plans for certain employees. As of June 30, 2025 and 2024, other investments, included in other assets on the consolidated balance sheets, represent investments held by the University under these deferred compensation agreements. Such amounts approximate the University's related liability to the employees and are included in other long-term liabilities. The assets of the deferred compensation plans are categorized in Level 1 of the fair value hierarchy. The fair value of deferred compensation plan assets as of June 30, 2025 and 2024 is \$212,270 and \$189,842.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(u) Statement of Cash Flows Supplemental Information

Property and equipment additions included in accounts payable and accrued expenses decreased \$16,885 and increased \$51,015 as of June 30, 2025 and 2024. During the year ended June 30, 2025, the University acquired finance lease right-of-use assets of \$50,508 and reclassified prior year prepaid lease payments of \$5,453 to finance lease right-of-use assets (see note 14). Finance lease right-of-use assets increased by \$937 and \$7,535 due to a lease remeasurement at June 30, 2025 and 2024. During the year ended June 30, 2025, fixed assets were acquired through the assumption of debt amounting to \$17,954. Noncash investing activities for the years ended June 30, 2025 and 2024 included \$69,319 and \$47,196 attributable primarily to increases in the fair value of endowment and similar funds held for others. A noncash gift of investments was received during fiscal year 2024 of \$667,741 attributable to a contribution receivable.

(v) Related Parties

Members of the Board of Trustees, officers, and employees are subject to the University's conflict of interest policies, under which business and financial relationships must be disclosed and are subject to review and approval. Disclosures about the University's related party transactions are described in notes 1, 4, 10, 14 and 15 to the consolidated financial statements.

(2) Applied Physics Laboratory

The Applied Physics Laboratory (APL), located in Howard County, Maryland, was established during World War II with funding from the United States government. APL functions as a research facility and conducts research and development primarily in national defense and space sciences. The University owns and operates the facility and conducts research under a multiple task order contract with the United States Navy (the Navy Contract) and separate contracts with other government agencies. APL is organized as a Limited Liability Company (LLC), wholly owned by the University, and operates as a division of the University.

In accordance with an agreement between the United States government and the University, APL has been designated a national resource. Under the agreement, if the University determines that it can no longer sponsor APL or the Secretary of the Navy determines that the Navy can no longer contract with the University with respect to APL on mutually satisfactory terms, the University is required to establish a charitable trust to provide for the continued availability of the APL. The trust would be administered by five trustees and the corpus would consist of the University's interest in the APL facilities, including land to the extent necessary, and the balances in the University's APL stabilization, contingency, and research fund on the date the trust is established, less certain costs. Upon termination of the trust, the corpus, in whole or in part, as determined by the trustees, would be returned to and held and used by the University for such educational or research purposes and in such manner as the trustees and University agree.

The U.S. Navy contract provides for a five-year initial term ending in September 2027, with a five-year renewal option. The initial ceiling amount is \$4,396,000 and the five-year option adds \$6,204,000 of ceiling for an aggregate purchase limit to \$10,600,000 over the ten-year contract-ordering period ending September 2032.

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

Approximately 70% and 71% of APL's revenues in fiscal years 2025 and 2024 were from the Department of Defense and 21% in both years were from the National Aeronautics and Space Administration. Contract work includes evaluation and design of various types of missile systems and command, control, and communication systems, assessment of submarine technologies, design of space systems for precision tracking, location and navigation, and conduct of space experiments. The contracts define costs for which reimbursements may be received and provide a management fee to the University. The Navy Contract requires that a portion of the fees earned under the Navy Contract are to be retained and used for various purposes, including, among other things, working capital, capital projects, and reserves.

APL principally provides research and development under cost plus fixed-fee contracts for which revenue is recognized in the period that costs are incurred. Contract accounts receivable are recorded at invoiced amounts. The allowance for doubtful accounts is estimated based on historical trends of past-due accounts, and specific identification and review of past-due accounts.

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which the University expects to be entitled in exchange for those goods or services (i.e., the transaction price).

Contracts awarded by federal and other sponsors, which are considered exchange transactions, are recognized as revenue as performance obligations are satisfied, which is generally as qualifying expenditures are incurred. Total revenue from contracts was \$2,753,866 and \$2,458,292 for the years ended June 30, 2025 and 2024.

Total revenue from nonexchange transactions, which are primarily grants, was \$36,683 and \$35,031 for the years ended June 30, 2025 and 2024.

(3) Accounts Receivable

Accounts receivable, net are summarized as follows as of June 30, 2025 and 2024:

	2025	2024
Affiliated institutions, primarily the Hospital (note 10)	\$ 34,709	18,717
Students	50,064	47,049
Others	105,450	109,616
Total, net of allowances of \$8,368 in 2025 and \$8,560 in 2024	190,223	175,382
Receivables for clinical professional fees, net of explicit and implicit price concessions of \$277,738 in 2025 and \$270,665 in 2024	138,067	125,985
	\$ 328,290	301,367

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Accounts receivable are recorded at invoice amounts. The allowance for credit losses is estimated based on historical trends of past-due accounts, credit risk and other collection trends. The mix of gross accounts receivable for clinical professional fees from patients and third-party payors consisted of the following as of June 30, 2025 and 2024: commercial third parties 52% and 47% for fiscal years 2025 and 2024; Medicare 22% and 25% for fiscal years 2025 and 2024; Medicaid 10% and 11% for fiscal years 2025 and 2024; and patients 16% and 17% for fiscal years 2025 and 2024.

(4) Contributions Receivable

Contributions receivable, net are summarized as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unconditional promises scheduled to be collected in:		
Less than one year	\$ 95,293	84,417
One year to five years	163,434	168,348
Over five years	<u>6,673</u>	<u>31,374</u>
	265,400	284,139
Less unamortized discount (interest rates ranging from .87% to 4.33%) and allowances for uncollectible contributions	<u>33,901</u>	<u>31,612</u>
	<u>\$ 231,499</u>	<u>252,527</u>

As of June 30, 2025 and 2024, 41% and 46% of the gross contributions receivable were due from ten donors. Approximately 77% and 78% of contribution revenues in fiscal years 2025 and 2024 were from ten donors. The concentration of ten donors includes affiliated entities, trustees, and other donors. As of June 30, 2025, the University had also been informed of conditional promises to give aggregating approximately \$347,000, which have not been recognized as assets or revenues. Such gifts will generally be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, or general operating support of a particular department or division of the University.

(5) Investments and Fair Value Measurements

The overall investment objective of the University is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The University diversifies its investments among various asset classes incorporating multiple strategies and managers. The Committee on Investments of the Board of Trustees oversees the University's investment program in accordance with established guidelines, which cover asset allocation and performance objectives and impose various restrictions and limitations on the managers. These restrictions and limitations are specific to each asset classification and cover concentrations of market risk (at both the individual issuer and industry group levels), credit quality of fixed-income and short-term investments, use of derivatives, investments in foreign securities, and various other matters. The managers may make use of exchange-traded interest rate futures contracts, forward currency contracts, and other derivative instruments.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

The following tables summarize investments within the asset categories and fair value hierarchy at June 30, 2025 and 2024:

	Fair value as of June 30, 2025	Level 1	Level 2	Level 3	Funds at NAV
Operating investments:					
United States government and agency obligations	\$ 1,997,169	1,997,169			
Debt securities	396,468	199,862	196,606	—	—
Total operating investments	2,393,637	2,197,031	196,606	—	—
Investments, at fair value:					
Cash and cash equivalents	436,798	436,798	—	—	—
United States government and agency obligations	316,191	316,191	—	—	—
Debt securities	643,431	643,431	—	—	—
United States equities	3,100,011	551,854	—	—	2,548,157
International equities	628,946	58,810	—	—	570,136
Private equity and venture capital	3,954,811	—	—	220,810	3,734,001
Real estate	556,429	64,170	—	74,981	417,278
Natural resources	719,579	85,279	—	56,097	578,203
Absolute return	4,449,498	—	—	14,225	4,435,273
Total investments, at fair value	14,805,694	2,156,533	—	366,113	12,283,048
Total investments	\$ 17,199,331	4,353,564	196,606	366,113	12,283,048

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

	Fair value as of June 30, 2024	Level 1	Level 2	Level 3	Funds at NAV
Operating investments:					
United States government and agency obligations	\$ 1,506,731	1,506,731	—	—	—
Debt securities	378,070	155,556	222,514	—	—
Total operating investments	<u>1,884,801</u>	<u>1,662,287</u>	<u>222,514</u>	<u>—</u>	<u>—</u>
Investments, at fair value:					
Cash and cash equivalents	311,108	311,108	—	—	—
United States government and agency obligations	297,841	297,841	—	—	—
Debt securities	820,903	811,950	8,953	—	—
United States equities	2,505,200	473,948	1,567	—	2,029,685
International equities	1,805,663	706,733	—	—	1,098,930
Private equity and venture capital	3,199,346	—	—	216,769	2,982,577
Real estate	474,984	19,748	—	63,066	392,170
Natural resources	754,640	10	—	74,426	680,204
Absolute return	3,998,878	(340)	—	14,554	3,984,664
Total investments, at fair value	<u>14,168,563</u>	<u>2,620,998</u>	<u>10,520</u>	<u>368,815</u>	<u>11,168,230</u>
Total investments	<u>\$ 16,053,364</u>	<u>4,283,285</u>	<u>233,034</u>	<u>368,815</u>	<u>11,168,230</u>

The methods and assumptions used to estimate the fair value of investments are defined in note 1(f).

Investments includes \$133,738 and \$225,075 of positions sold or redeemed as of June 30, 2025 and 2024 but settled in cash subsequent to the fiscal year end. These investments are primarily included in U.S. equities, international equities, and absolute return.

The following tables summarize the University's investments as of June 30, 2025 and 2024 for which NAV was used as a practical expedient to estimate fair value:

2025						
	Monthly	Quarterly	Annually	Up to 5 years	Illiquid	Total
United States equities	\$ 346,962	885,821	438,498	876,876	—	2,548,157
International equities	—	500,618	69,278	240	—	570,136
Private equity and venture capital	—	—	—	—	3,734,001	3,734,001
Real estate	—	—	—	—	417,278	417,278
Natural resources	—	—	—	—	578,203	578,203
Absolute return	—	1,326,816	368,031	1,824,250	916,176	4,435,273
	<u>\$ 346,962</u>	<u>2,713,255</u>	<u>875,807</u>	<u>2,701,366</u>	<u>5,645,658</u>	<u>12,283,048</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

		2024					
		Monthly	Quarterly	Annually	Up to 5 years	Illiquid	Total
United States equities	\$	128,530	751,061	358,342	791,752	—	2,029,685
International equities		349,485	528,214	220,989	242	—	1,098,930
Private equity and venture capital		—	—	—	—	2,982,577	2,982,577
Real estate		—	—	—	—	392,170	392,170
Natural resources		—	—	—	—	680,204	680,204
Absolute return		—	1,187,565	338,439	1,652,097	806,563	3,984,664
	\$	478,015	2,466,840	917,770	2,444,091	4,861,514	11,168,230

The University has committed to provide capital as needed, up to a specified limit, for certain alternative investments. Unfunded commitments may be drawn down over the next several years upon request by the general partners and fund managers. The University expects to finance these commitments with available cash and expected proceeds from the sales of securities. The aggregate amount of unfunded commitments associated with United States equities, private equity and venture capital, real estate, natural resources, and absolute return as of June 30, 2025 and 2024 was \$2,742,517 and \$2,578,143.

Information with respect to investee strategies and redemptions for those investments in funds whose fair value is estimated based upon reported NAVs follow:

(a) United States Equities

This includes interests in commingled funds that invest primarily in publicly traded common stock of domestic companies. Funds offer redemptions monthly, quarterly, annually, or over the course of 2 to 5 years, with various notice requirements ranging from 0 to 120 days.

(b) International Equities

This includes interests in commingled funds that invest primarily in publicly traded common stock of developed and emerging market companies. Funds offer redemptions monthly, quarterly, or annually, or over the course of 3 to 5 years, with various notice requirements typically ranging from 40 to 365 days.

(c) Private Equity and Venture Capital

This includes interests in funds making investments in leveraged buyouts of both public and private companies, as well as venture capital and growth-stage investments in private companies. These investments primarily make distributions to investors through the liquidation of the underlying assets. It is expected to take up to 15 years to fully distribute these assets.

(d) Real Estate

This includes interests in funds making investments in real estate. These investments primarily make distributions to investors through the liquidation of underlying assets. It is expected to take up to 15 years to fully distribute these assets.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(e) *Natural Resources*

This includes interests in funds making investments in oil and gas, timber, agriculture, minerals, and other commodities. These investments primarily make distributions to investors through the liquidation of the underlying assets. It is expected to take up to 15 years to fully distribute these assets.

(f) *Absolute Return*

This includes interests in hedge funds and drawdown funds that implement strategies classified as long/short equity, credit and distressed debt, relative value, event-driven, or multi-strategy. Hedge funds structures have various redemption periods as summarized in the table above, with notice requirements ranging from 0 to 120 days. Drawdown funds are primarily organized as limited partnerships where distributions are made to investors through the liquidation of the underlying assets. It is expected to take up to 15 years to fully distribute these assets.

Investment return is classified in the consolidated statements of activities as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Without donor restrictions:		
Operating, including endowment payout	\$ 888,014	649,505
Nonoperating	133,236	141,750
With donor restrictions	<u>787,178</u>	<u>543,213</u>
	<u>\$ 1,808,428</u>	<u>1,334,468</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

The following table presents the University's activity for Level 3 investments measured at fair value on a recurring basis for the years ended June 30, 2025 and 2024:

	Private equity and venture capital	Absolute return	Real estate	Natural resources	Total
Balance as of June 30, 2023	\$ 81,794	6,363	61,600	60,096	209,853
Transfers between levels	52,438	—	—	16,101	68,539
Net realized and unrealized gains	21,602	1,171	504	16,708	39,985
Sales and distributions	(4,976)	(69)	—	(18,693)	(23,738)
Purchases and contributions	65,911	7,089	962	214	74,176
Balance as of June 30, 2024	216,769	14,554	63,066	74,426	368,815
Transfers between levels	(20,778)	—	—	—	(20,778)
Net realized and unrealized gains (losses)	33,384	313	35,508	(12,215)	56,990
Sales and distributions	(33,451)	(3,604)	(26,000)	(8,991)	(72,046)
Purchases and contributions	24,886	2,962	2,407	2,877	33,132
Balance as of June 30, 2025	<u>\$ 220,810</u>	<u>14,225</u>	<u>74,981</u>	<u>56,097</u>	<u>366,113</u>

For the year ended June 30, 2025 investments totaling \$5,734 were transferred from NAV to Level 3 and \$26,512 transferred from Level 3 to NAV. For the year ended June 30, 2024 investments totaling \$71,675 were transferred from NAV to Level 3 and \$3,136 transferred from Level 3 to Level 1.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(6) Property and Equipment

Property and equipment, net, are summarized as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Range of useful lives</u>
Land	\$ 254,482	240,880	N/A
Land improvements	121,715	122,798	15 years
Buildings and leasehold improvements	5,465,932	5,186,309	10–40 years
Equipment	1,477,068	1,381,988	7–15 years
Capitalized software costs	143,275	143,261	3–10 years
Library collections	453,228	434,868	25 years
Construction in progress	1,161,529	694,946	N/A
	9,077,229	8,205,050	
Less accumulated depreciation and amortization	4,437,948	4,198,711	
	<u>\$ 4,639,281</u>	<u>4,006,339</u>	

(7) Debt

Debt is summarized as follows as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Bonds payable, net	\$ 1,404,746	1,404,462
Notes payable – taxable	205,631	231,040
Commercial paper revenue notes – taxable	70,000	70,000
Finance lease obligations (note 14)	98,914	81,459
	<u>\$ 1,779,291</u>	<u>1,786,961</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(a) Bonds Payable

Bonds payable were 1) issued by the Maryland Health and Higher Educational Facilities Authority (MHHEFA) or 2) taxable bonds issued directly, and consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Revenue Bonds Series 2005A, variable effective rate (FY25 2.30%), due July 2036	\$ 69,265	69,265
Taxable Bonds 2013 Series A, 4.08%, due through July 2053	355,000	355,000
Revenue Bonds Series 2013B, 4.25% to 5.00%, due through July 2041	65,250	65,250
Taxable Bonds 2015 Series A, 3.75%, due through July 2045	150,000	150,000
Taxable Bonds 2020 Series A, 1.97% to 2.81%, due through January 2060	470,000	470,000
Taxable Bond 2022 Series A, 4.705% due through July 2032	<u>300,000</u>	<u>300,000</u>
Subtotal	1,409,515	1,409,515
Premium and discount, net	908	964
Debt issuance cost, net	<u>(5,677)</u>	<u>(6,017)</u>
	<u>\$ 1,404,746</u>	<u>1,404,462</u>

The bonds payable outstanding as of June 30, 2025 and 2024 are unsecured general obligations of the University. The loan agreements generally provide for semiannual payments of interest.

(b) Notes Payable – Taxable

Notes payable – taxable consist of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Note, 2.89%, due November 2024	\$ —	18,735
Note, 2.90%, due November 2024	—	20,085
Note, 2.94%, due November 2027	21,000	22,500
Note, 3.83%, due October 2028	22,375	23,875
Note, 3.92%, due November 2028	44,640	45,845
Note, 3.43%, due December 2034	17,616	—
Note, 4.16%, due May 2048	50,000	50,000
Note, 4.50%, due November 2049	<u>50,000</u>	<u>50,000</u>
	<u>\$ 205,631</u>	<u>231,040</u>

The notes due November 2027 through November 2049 are unsecured general obligations of the University.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(c) Commercial Paper

Under the commercial paper program, the University may have commercial paper outstanding of up to \$600,000. The notes are unsecured, bear interest at rates that are fixed at the date of issue and may have maturities up to 270 days from the date of issue. The taxable notes outstanding as of June 30, 2025 and 2024 bear interest at a weighted average rate of 4.36% and 5.35%.

(d) Other Credit Agreements

The following summarizes the University's standby liquidity and line of credit agreements with several commercial banks as of June 30, 2025:

	<u>Amount</u>	<u>Maturity</u>	<u>Purpose</u>
\$	100,000	March 18, 2026	Revolving line of credit
	50,000	December 17, 2025	Standby liquidity agreement
	200,000	April 20, 2026	Standby liquidity agreement
	100,000	September 29, 2026	Standby liquidity agreement
	100,000	August 28, 2026	Line of credit
	100,000	October 25, 2025	Line of credit
	100,000	March 28, 2026	Line of credit

The University may borrow up to \$100,000 under a revolving line of credit designated for working capital purposes at APL. Advances under the revolving line of credit are unsecured, due on demand, and bear interest at a rate that varies based on certain market indices. There were no borrowings on the revolving line of credit as of June 30, 2025 and 2024.

To support liquidity under the bond and commercial paper revenue notes programs, the University has three standby liquidity agreements with commercial banks. These agreements are intended to enable the University to fund the purchase of variable rate demand bonds, in the event they are unable to be tendered and not remarketed, and to pay the maturing principal of and interest on commercial paper notes in the event they cannot be remarketed. Advances under these agreements are unsecured, bear interest at a rate that varies based on certain market indices, and are due by the stated expiration date unless extended by a term loan. There were no borrowings under any of the University's standby credit facilities during fiscal years 2025 and 2024. The University also has three lines of credit available for liquidity purposes.

(e) Interest Rate Swap Agreements

Under interest rate swap agreements, the University and the counterparties agree to exchange the difference between fixed rate and variable rate interest amounts calculated by reference to specified notional principal amounts during the agreement period. Notional principal amounts are used to express the volume of these transactions, but the cash requirements and amounts subject to credit risk are substantially less.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

The following table summarizes the general terms of the University's fixed payor swap agreements as of June 30, 2025:

Effective date	Notional amount	Termination date	Interest rate paid	Interest rate received
June 2005	\$ 69,265	July 2036	3.87%	SIFMA, 2.75% as of June 30, 2025
July 2007	2,840	July 2027	3.45%	67% of 1-month SOFR, 4.43% as of June 30, 2025
Total	<u>\$ 72,105</u>			

Parties to interest rate swap agreements are subject to market risk for changes in interest rates and risk of credit loss in the event of nonperformance by the counterparty.

The fair value of each swap is the estimated amount the University would receive or pay to terminate the swap agreement at the reporting date considering current interest rates and creditworthiness of the swap counterparties. The aggregate fair value of the University's interest rate swap agreements as of June 30, 2025 and 2024 was a liability of \$4,206 and \$4,970, and is reported as other long-term liabilities. Changes in the fair value of the interest rate swap agreements are reported as nonoperating activities. The change in fair value was a gain of \$764 and \$832 in fiscal years 2025 and 2024, respectively.

The University is required to post collateral under these agreements when certain thresholds are exceeded. As of June 30, 2025 and 2024, the required collateral was \$0.

(f) Annual Principal Payments

The following table summarizes the aggregate annual maturities of bonds payable, notes payable, as well as taxable commercial paper, for the five fiscal years subsequent to June 30, 2025:

	Bonds payable	Notes payable	Commercial paper notes	Total
2026	\$ —	4,412	—	4,412
2027	—	4,810	—	4,810
2028	—	21,555	—	21,555
2029	—	58,956	—	58,956
2030	100,000	477	—	100,477
Thereafter	1,309,515	115,421	70,000	1,494,936
	<u>\$ 1,409,515</u>	<u>205,631</u>	<u>70,000</u>	<u>1,685,146</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Due to requirements to pay the trustee in advance of the payment due date, scheduled maturities in the table above are reflected in the fiscal year that they will be paid to the trustee. Commercial paper notes are included based upon the expiration of the program.

(g) Interest Costs

Total interest costs incurred and paid were \$67,263 in 2025 and \$67,209 in 2024, of which \$14,195 in 2025 and \$13,828 in 2024 were capitalized.

(8) Net Assets

Net assets without donor restrictions consists of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Net investment in plant	\$ 2,859,990	2,219,378
Board-designated endowments	2,373,184	2,886,604
Undesignated	<u>1,223,764</u>	<u>640,448</u>
	<u>\$ 6,456,938</u>	<u>5,746,430</u>

Net assets with donor restrictions consists of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Donor-restricted endowment funds	\$ 11,361,780	10,176,469
Contributions receivable for endowment	85,742	81,587
Contributions receivable for operating	142,690	165,964
Contributions restricted for facilities	1,478,191	1,147,907
Land subject to time and purpose restrictions	41,500	36,104
Perpetual trusts for scholarship and program support	86,052	82,540
Other contributions, including annuities and other trusts	<u>748,221</u>	<u>732,631</u>
	<u>\$ 13,944,176</u>	<u>12,423,202</u>

Other contributions, including annuities and other trusts are restricted for faculty support, research, and program support.

(9) University Endowment

The University's endowment consists of approximately 4,900 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the University has interpreted the Maryland enacted version of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as allowing the University to appropriate for expenditure

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

or accumulate so much of an endowment fund as the University determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The Board of Trustees of the University manages and invests the individual endowment funds in the exercise of ordinary business care and prudence under facts and circumstances and considering the purposes, factors, and other requirements of UPMIFA. The University classifies as net assets with donor restrictions (a) the original value of gifts donated, which are donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment, which are not expendable on a current basis in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. At times, the fair value of individual donor restricted endowment funds may be in an underwater position (fall below historical book value) and are reported in net assets with donor restrictions. With respect to underwater endowments, the spending occurs only to the extent that the fair value of the endowment fund is 75% of historical book value.

The University has adopted investment policies for its endowment, including board-designated funds, which attempt to provide a predictable stream of funding in support of the operating budget, while seeking to preserve the real value of the endowment assets over time. The University relies on a total return strategy under which investment returns are achieved through both appreciation (realized and unrealized) and yield (interest and dividends). Investments are diversified by asset class, as well as by investment manager and style, with a focus on achieving long-term return objectives within prudent risk constraints.

Subject to the intent of the donor, the Board of Trustees appropriates for expenditure or accumulates funds in the endowments in the exercise of ordinary business care and prudence under the facts and circumstances and considering the purposes, factors, and other requirements of UPMIFA. The annual appropriation is determined in the context of the University's spending rate policy. The current policy, which is based on a long-term investment return assumption as well as an estimated inflation factor, targets the appropriation to be in a range of 4.5% to 5.5% of the prior three years' average value of the endowment.

Endowment net assets consist of the following as of June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Investments by type of fund:			
Donor-restricted endowments:			
Historical gift value	\$ —	8,553,016	8,553,016
Appreciation	—	2,808,764	2,808,764
Board-designated endowments	2,373,184	—	2,373,184
Total endowment net assets	\$ 2,373,184	11,361,780	13,734,964

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Endowment net assets consist of the following as of June 30, 2024:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Investments by type of fund:			
Donor-restricted endowments:			
Historical gift value	\$ —	8,140,254	8,140,254
Appreciation	—	2,036,215	2,036,215
Board-designated endowments	<u>2,886,604</u>	<u>—</u>	<u>2,886,604</u>
Total endowment net assets	<u>\$ 2,886,604</u>	<u>10,176,469</u>	<u>13,063,073</u>

As of June 30, 2025, donor-restricted endowments with an original gift value of \$124,147 were underwater by \$6,338. As of June 30, 2024, donor-restricted endowments with an original gift value of \$274,963 were underwater by \$19,516. These deficits resulted from unfavorable market fluctuations that occurred shortly after the investment of newly established endowments and authorized appropriation that was deemed prudent.

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, June 30, 2023	\$ 2,598,872	7,939,993	10,538,865
Investment return	248,477	923,887	1,172,364
Contributions and designations	180,720	1,731,065	1,911,785
Appropriation for expenditure	<u>(141,465)</u>	<u>(418,476)</u>	<u>(559,941)</u>
Endowment net assets, June 30, 2024	2,886,604	10,176,469	13,063,073
Investment return	343,403	1,285,089	1,628,492
Contributions and designations	26,823	428,344	455,167
Appropriation for expenditure and redemption of certain board-designated endowments	<u>(883,646)</u>	<u>(528,122)</u>	<u>(1,411,768)</u>
Endowment net assets, June 30, 2025	<u>\$ 2,373,184</u>	<u>11,361,780</u>	<u>13,734,964</u>

Appropriation for expenditure with donor restrictions for the years ended June 30, 2025 and 2024 includes \$5,682 and \$15,463 not used in current year operations but which is intended for future use.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Endowments are to be utilized for the following purposes as of June 30, 2025:

	Without donor restrictions	With donor restrictions	Total
Faculty support	\$ 357,337	4,797,151	5,154,488
Scholarship support	189,416	4,832,782	5,022,198
Program support	1,694,862	878,140	2,573,002
Research	131,569	853,707	985,276
	<u>\$ 2,373,184</u>	<u>11,361,780</u>	<u>13,734,964</u>

Endowments are to be utilized for the following purposes as of June 30, 2024:

	Without donor restrictions	With donor restrictions	Total
Faculty support	\$ 311,213	4,351,367	4,662,580
Scholarship support	172,176	4,372,907	4,545,083
Program support	2,283,527	763,387	3,046,914
Research	119,688	688,808	808,496
	<u>\$ 2,886,604</u>	<u>10,176,469</u>	<u>13,063,073</u>

(10) Affiliated Institutions

Reimbursements from affiliated institutions consist of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Johns Hopkins Health System	\$ 87,435	72,537
Johns Hopkins Hospital	433,631	420,182
Johns Hopkins Bayview Medical Center	104,342	104,210
Other Johns Hopkins entities	195,151	186,995
Other affiliated medical institutions	54,517	53,025
	<u>\$ 875,076</u>	<u>836,949</u>

(a) The Johns Hopkins Health System (JHHS)

JHHS is incorporated and governed separately from the University and is the parent entity of an academically based health system, which includes the Hospital, Johns Hopkins Bayview Medical Center, Howard County General Hospital, Suburban Hospital, Sibley Memorial Hospital, All Children's Hospital, and other related organizations. The University and JHHS have established a Board of Johns

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Hopkins Medicine (JHM) to direct, integrate, and coordinate the clinical activities of the two organizations. JHM does not have the authority to incur debt or issue guarantees and its annual budgets require the approval of the Boards of Trustees of both the University and JHHS.

Reimbursements from JHHS relate primarily to contractual services for clinical and nonclinical operations.

In fiscal year 2023, the University and JHHS entered into a conditional agreement whereby JHHS may provide annual funding to the School of Medicine, aggregating to a maximum of \$450,000 over a seven-year period, to support the research and educational missions of the School. The funding will be subject to evaluation and approval annually by the JHHS Board of Trustees. In fiscal years 2025 and 2024, \$62,500 was received in each year and reported in the consolidated statement of activities as contributions in changes in net assets without donor restrictions. Future contributions have not been recognized in the consolidated financial statements due to the conditional nature of the agreement.

In fiscal year 2021, JHHS provided an unconditional pledge of \$66,000 to support the recruitment of clinical faculty at the School of Medicine, which was reported in the consolidated statement of activities as contributions in changes in net assets with donor restrictions. Amounts received from JHHS in fiscal years 2025 and 2024 amounted to \$18,406 and \$13,283.

(b) The Hospital

The Hospital is a member of JHHS and serves as the primary teaching facility of the University's School of Medicine. Because of the closely related nature of their operations, the University and the Hospital share facilities and provide services to each other to fulfill their purposes more effectively. Agreements for the sharing of facilities and services are negotiated annually. Charges to the Hospital under the agreements, related primarily to the provision of professional medical services from the University, aggregated \$357,527 in fiscal year 2025 and \$307,352 in fiscal year 2024. Charges to the University related primarily to contractual services, aggregated \$57,983 in fiscal year 2025 and \$58,057 in fiscal year 2024, and are included in operating expenses in the consolidated statements of activities.

(c) Johns Hopkins Bayview Medical Center (JHBMC)

JHBMC is a community-based teaching hospital and long-term care facility. The University and JHBMC also share facilities and provide services to each other and negotiate the costs annually. Charges to JHBMC related primarily to the provision of professional medical services from the University, aggregated \$96,792 in fiscal year 2025 and \$93,551 in fiscal year 2024.

(d) The Johns Hopkins Hospital Endowment Fund Incorporated (JHHEFI)

In July 2007, the University and JHHEFI entered into an agreement whereby JHHEFI transferred approximately \$381,000 to the University to invest in the University's Endowment Investment Pool (EIP) and have the University manage these assets on JHHEFI's behalf. The funds were invested with other University assets in the University's name and title, and in accordance with the University's EIP investment policies and objectives. JHHEFI receives payouts as determined by their Board of Trustees and may terminate the agreement upon 180 days' written notice with liquidations to be made over a three-year period as specified in the agreement. The assets are included in investments in the

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

consolidated balance sheets, and a corresponding liability of \$649,868 and \$593,598 is included in endowment and similar funds held for others as of June 30, 2025 and 2024. The corresponding liability has a fair value measurement of Level 3. JHHEFI's assets represent approximately 7.5% of the combined investment pool of \$8,640,177 as of June 30, 2025

(e) *Jointly Owned Entities*

As of June 30, 2025 and 2024, the University and JHHS and its affiliates jointly own several entities that are accounted for on the equity method. The University's aggregate investments in and advances to these joint ventures was \$385,259 and \$385,035 as of June 30, 2025 and 2024. Equity in operating earnings of affiliates aggregated approximately \$19,915 in fiscal year 2025 and \$41,381 in fiscal year 2024.

In 2005, one of these entities, JHMI Utilities LLC, was formed to provide utility services for the East Baltimore campus. The University and Hospital, each owning 50% of JHMI Utilities LLC, provide all of its funding, including debt service, through payments for services received. Utility and telecommunications services provided to the University in fiscal years 2025 and 2024 were \$35,437 and \$32,003. JHMI Utilities LLC has an agreement with the University to finance a portion of the costs of installation of, and subsequent upgrades to, an enterprise information technology system that provides integrated patient care information and service across JHM. The project has been successfully implemented with the total project cost at approximately \$326,300 as of June 30, 2025. The cost of implementing the enterprise information technology strategy was financed through a combination of loans from, or guarantees by, the University and JHHS. As of June 30, 2025 and 2024, \$2,300 and \$4,300 was outstanding on the loans.

Although the University's ownership interest in each of the jointly owned entities is generally 50%, the University and JHHS have entered into separate agreements whereby certain activities or lines of business within these entities are not shared equally.

The following table summarizes the aggregate condensed financial information of the jointly owned entities and the University's proportionate share of the entities as of and for the years ended June 30, 2025 and 2024:

	2025		2024	
	Total	University interest	Total	University interest
Assets	\$ 1,598,606	684,500	1,740,321	708,000
Liabilities	916,286	377,677	1,015,140	401,408
Operating revenues	3,459,042	1,335,801	3,424,113	1,381,259
Operating expenses	3,463,210	1,315,885	3,343,558	1,339,878

(11) **Pension and Postretirement Benefit Plans**

The University has several benefit plans that are available to substantially all full-time employees. Most of these plans are qualified defined contribution plans for which the University's policy is to fund benefit costs

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

as earned. The University also has a defined benefit pension plan covering bargaining unit employees and those classified as support staff. Benefit plan expenses were \$349,671 in fiscal year 2025 and \$327,109 in fiscal year 2024, including \$340,262 and \$315,550 related to defined contribution plans. Of the total benefit expense, APL's defined contribution plan accounted for \$133,023 in fiscal year 2025 and \$122,444 in fiscal year 2024.

Effective July 1, 2011, the University closed the support staff pension plan to new participants other than bargaining unit employees. The University has retiree benefits plans that provide postretirement medical benefits to employees, including those at APL, who meet specified minimum age and service requirements at the time they retire. The University pays a portion of the cost of participants' medical insurance coverage. The University's portion of the cost for an individual participant depends on various factors, including the age, years of service, and time of retirement or retirement eligibility of the participant. The University has established a trust fund for its retiree benefits plans and intends to make contributions to the fund approximately equal to the annual net postretirement benefit cost.

The University uses a June 30 measurement date for its defined benefit pension plan and retiree benefit plans. Information relating to the benefit obligation, assets, and funded status of the defined benefit pension plan and the postretirement benefit plans as of and for the years ended June 30, 2025 and 2024 is summarized as follows:

	Pension plan		Postretirement plans	
	2025	2024	2025	2024
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 679,871	696,559	159,764	163,414
Service cost	7,339	8,443	2,928	3,184
Interest cost	36,536	34,907	8,268	8,160
Participant contributions	—	—	15,079	14,353
Actuarial gain	(999)	(27,594)	(7,256)	(2,231)
Benefits paid	(29,229)	(32,444)	(20,405)	(27,116)
Benefit obligation at end of year	693,518	679,871	158,378	159,764
Change in plan assets:				
Fair value of plan assets at beginning of year	681,297	640,539	329,213	316,404
Actual return on plan assets	65,290	61,561	29,115	26,101
University contributions	9,775	11,641	—	—
Participant contributions	—	—	16,776	13,824
Benefits paid	(29,229)	(32,444)	(20,405)	(27,116)
Fair value of plan assets at end of year	727,133	681,297	354,699	329,213
Funded status recognized as pension/postretirement asset, net	\$ 33,615	1,426	196,321	169,449

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

The accumulated benefit obligation for the pension plan was \$680,575 and \$665,880 as of June 30, 2025 and 2024.

The table below reflects the net pension and postretirement benefit cost reported in operating as benefits expense and nonoperating as other net periodic benefit cost for the years ended June 30, 2025 and 2024:

	Pension plan		Postretirement plans	
	2025	2024	2025	2024
Operating:				
Service cost, included in benefits expense	\$ 7,339	8,443	2,928	3,184
Nonoperating:				
Interest cost on accumulated benefit obligation	36,536	34,907	8,268	8,160
Amortization of prior service cost	698	698	1,708	1,708
Expected return on plan assets	(35,194)	(32,407)	(15,895)	(15,274)
Amortization of actuarial gain	—	—	(6,739)	(5,809)
Total nonoperating	2,040	3,198	(12,658)	(11,215)
Total net pension and postretirement benefit cost (credit)	\$ 9,379	11,641	(9,730)	(8,031)

The table below reflects the changes in plan assets, pension obligations, and postretirement assets recognized as nonoperating items for the years ended June 30, 2025 and 2024:

	Pension plan		Postretirement plans	
	2025	2024	2025	2024
New prior service cost	\$ —	—	—	—
Net gain for the year	(31,095)	(56,748)	(20,476)	(13,058)
Amortization of prior service cost	(698)	(698)	(1,708)	(1,708)
Amortization of net loss	—	—	6,739	5,809
Net credit recognized in nonoperating activities	\$ (31,793)	(57,446)	(15,445)	(8,957)

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

The weighted average assumptions used to determine benefit obligations and net periodic benefit costs are as follows:

	Pension plan		Postretirement plans	
	2025	2024	2025	2024
Weighted average assumptions used to determine benefit obligations at June 30:				
Discount rate	5.53 %	5.49 %	5.40% - 5.67%	5.44% - 5.52%
Average rate of compensation increase	2.00	2.90	N/A	N/A
Rate of increase in healthcare costs for next year	N/A	N/A	8.10	8.20
Weighted average assumptions used to determine net periodic benefit cost:				
Discount rate	5.49 %	5.12 %	5.44% - 5.52%	5.10% - 5.12%
Expected rate of return on plan assets	5.50	5.50	4.00% - 4.90%	4.90
Rate of compensation increase	2.25	2.90	N/A	N/A
Rate of increase in healthcare costs	N/A	N/A	8.20	6.30

The expected long-term rate of return for the assets of the plans is based on historical and expected long-term future asset class returns. The rate is reviewed annually and adjusted as appropriate to reflect changes in projected market performance or in the targeted asset allocations.

The rate of increase in healthcare costs was assumed to begin with an initial rate of 8.2% in 2025 and decrease to 4.0% by 2049 and to remain at that level thereafter. Assumed healthcare cost trend rates have a significant effect on the reported postretirement benefit cost and obligation.

(a) Plans' Assets

The purpose of the pension and postretirement plans is to meet the retirement benefit obligations of eligible University employees. The plans' assets are invested with the objective of meeting these obligations under the rules stipulated by the Employee Retirement Income Security Act.

An asset allocation has been established, which endeavors to adequately cover the liability stream posed by the beneficiaries of the plans and minimize the frequency and amount of the plans' contributions by the University. The intended benefits of this diversification are reduced risk and improved investment returns.

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(b) Pension Plan

The following table presents the fair value and categorization within the fair value hierarchy of the assets of the defined benefit pension plan as of June 30, 2025 and 2024 are as follows:

	2025			2024		
	Total	Level 1	Funds at NAV	Total	Level 1	Funds at NAV
Cash and cash equivalents	\$ 6,751	6,751	—	2,038	2,038	—
Fixed income securities	377,208	367,581	9,627	289,961	283,377	6,584
United States equities and international equities	152,677	94,965	57,712	200,494	136,718	63,776
Absolute return	190,497	—	190,497	188,804	—	188,804
Total	<u>\$ 727,133</u>	<u>469,297</u>	<u>257,836</u>	<u>681,297</u>	<u>422,133</u>	<u>259,164</u>

(c) Postretirement Plans

The following table presents the fair value and categorization within the fair value hierarchy of the assets of the postretirement plans as of June 30, 2025 and 2024 are as follows:

	2025			2024		
	Total	Level 1	Funds at NAV	Total	Level 1	Funds at NAV
Cash and cash equivalents	\$ 10,367	10,367	—	1,680	1,680	—
Fixed income securities	243,087	243,087	—	230,680	230,680	—
United States equities and international equities	24,563	11,461	13,102	21,589	887	20,702
Absolute return	76,682	—	76,682	75,264	—	75,264
Total	<u>\$ 354,699</u>	<u>264,915</u>	<u>89,784</u>	<u>329,213</u>	<u>233,247</u>	<u>95,966</u>

The Plans have no unfunded commitments to fund managers as of June 30, 2025 and 2024.

The University's target asset allocations for the pension plan and the postretirement plans as of June 30, 2025 and 2024 are as follows:

	Pension plan		Postretirement plans	
	2025	2024	2025	2024
Fixed income securities	60 %	50 %	75 %	75 %
United States equities and international equities	35	45	20	20
Absolute return	5	5	5	5
Total	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

(d) Cash Flows

The University expects to contribute \$7,423 to the pension plan in fiscal year 2026.

Employer benefits expected to be paid, net of expected retiree contributions to be received in the five years subsequent to June 30, 2025 and in aggregate for the five fiscal years thereafter, are as follows:

	Pension plan	Postretirement plans
2026	\$ 39,393	11,919
2027	40,252	12,080
2028	42,223	12,239
2029	43,946	12,240
2030	45,575	12,255
2031–2035	246,485	60,600

(12) Functional Expense Information

Operating expenses by nature and function are summarized as follows for the year ended June 30, 2025:

	2025 Programs							
	Instruction, research and clinical practice	APL Research	Student services	Auxiliaries	Libraries	Total Programs	Institutional support	Total expenses
Compensation	\$ 2,584,306	1,229,468	100,940	37,017	14,614	3,966,345	351,314	4,317,659
Benefits	664,801	575,454	30,837	11,569	4,848	1,287,509	108,406	1,395,915
Subcontractors and subrecipients	384,430	350,137	—	—	—	734,567	—	734,567
Contractual services	762,314	118,780	88,023	54,749	9,014	1,032,880	304,522	1,337,402
Supplies, materials and other	433,924	225,294	11,549	31,141	9,183	711,091	56,670	767,761
Depreciation	135,162	102,206	8,126	11,224	20,350	277,068	35,100	312,168
Travel	96,219	28,655	5,020	302	195	130,391	6,573	136,964
Interest	36,243	633	1,795	3,592	780	43,043	10,153	53,196
Total	<u>\$ 5,097,399</u>	<u>2,630,627</u>	<u>246,290</u>	<u>149,594</u>	<u>58,984</u>	<u>8,182,894</u>	<u>872,738</u>	<u>9,055,632</u>

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Operating expenses by nature and function are summarized as follows for the year ended June 30, 2024:

	2024 Programs							
	Instruction, research and clinical practice	APL Research	Student services	Auxiliaries	Libraries	Total Programs	Institutional support	Total expenses
Compensation	\$ 2,420,183	1,150,563	89,842	35,581	13,554	3,709,723	326,243	4,035,966
Benefits	606,608	510,484	25,813	11,298	4,482	1,158,685	94,642	1,253,327
Subcontractors and subrecipients	380,806	253,908	—	—	—	634,714	—	634,714
Contractual services	796,717	109,243	80,203	57,626	13,518	1,057,307	233,254	1,290,561
Supplies, materials and other	407,377	213,299	14,498	33,205	4,446	672,825	55,973	728,798
Depreciation	130,601	88,894	7,843	10,829	19,530	257,697	33,886	291,583
Travel	115,979	27,557	5,244	501	226	149,507	7,193	156,700
Interest	37,484	—	1,850	3,737	801	43,872	10,515	54,387
Total	\$ 4,895,755	2,353,948	225,293	152,777	56,557	7,684,330	761,706	8,446,036

Costs related to the operation and maintenance of property, including depreciation of property and equipment and interest on related debt, are allocated to program and supporting activities based upon periodic inventories of facilities. Other net periodic benefit credit recorded in nonoperating expense was \$9,037 and \$8,017 for the years ended June 30, 2025 and 2024. APL research includes administrative support of \$163,384 and \$149,426 for the years ended June 30, 2025 and 2024, which is solely attributable to APL research.

(13) Liquidity and Availability

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

As of June 30, the following assets could readily be available within one year to meet general expenditures:

	2025	2024
Cash and cash equivalents	\$ 782,417	487,300
Operating investments	1,049,872	638,764
Sponsored research accounts receivable, net	700,228	624,240
Accounts receivable, net	328,290	301,367
Contributions receivable, net	45,205	44,674
Expected endowment payout for upcoming fiscal year	647,686	704,061
Investments in and loans to affiliates	11,077	5,042
Payout from interests in trusts and endowment funds held for others	5,563	5,379
Financial assets available to meet general expenditures over the next year	\$ 3,570,338	2,810,827

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

The University has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt securities, lines of credit, and a commercial paper facility.

The University's cash flows have seasonal variations during the year attributable to tuition billings, patient service billings and concentration of contributions received at calendar and fiscal year-end. Operating investments have been reduced for an estimate of expenditures that will occur on grants and gifts beyond one year, as well as for cash received for capital contributions and expected board-designated transfers to the endowment. Principal and interest on student loans are not included as those amounts are used solely to make new loans and are, therefore, not available to meet current operating needs. Based on historical experience, only the portion of contributions receivable for operations expected to be received within one year is considered liquid and is therefore included. Investments in and loans to affiliates include only the loan principal payments due from affiliates in the next year.

(14) Leases

The University leases facilities used in its academic and research operations under long-term operating and finance leases, including certain facilities from the Hospital under a renewable one-year lease. This lease provides for a rent equal to the cost to the Hospital for maintaining the facilities and has been renewed for the year ending June 30, 2025.

For the years ended June 30, 2025 and 2024, the components of lease expense are as follows:

	<u>2025</u>	<u>2024</u>
Lease cost:		
Finance lease expense:		
Amortization of right-of-use assets	\$ 5,502	4,452
Interest on lease obligations	2,693	2,495
Operating lease expense	55,442	53,290
Variable lease expense	51,809	48,700
Short-term lease expense	10,797	7,741
Total lease expense	<u>\$ 126,243</u>	<u>116,678</u>
Other information:		
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 22,893	46,325
Weighted average remaining lease term:		
Finance leases	3.93 yrs.	4.85 yrs.
Operating leases	6.45 yrs.	6.87 yrs.
Weighted average discount rate:		
Finance leases	5.99 %	6.17 %
Operating leases	4.15	3.98

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

Payments due include options, where reasonably certain, to extend operating leases through fiscal year 2107 and are summarized below as of June 30, 2025:

	<u>Affiliates</u>	<u>Others</u>	<u>Total</u>
2026	\$ 14,846	37,914	52,760
2027	9,928	34,006	43,934
2028	5,914	29,939	35,853
2029	4,419	28,000	32,419
2030	1,859	24,206	26,065
After 2030	<u>15,866</u>	<u>36,641</u>	<u>52,507</u>
	52,832	190,706	243,538
Less amounts representing interest	<u>8,415</u>	<u>22,821</u>	<u>31,236</u>
Total operating lease liabilities	<u>\$ 44,417</u>	<u>167,885</u>	<u>212,302</u>

Payments due for finance leases through fiscal year 2031 are summarized below as of June 30, 2025:

2026	\$ 67,685
2027	19,945
2028	8,206
2029	2,842
2030	1,923
2031	<u>1,971</u>
	102,572
Less amounts representing interest	<u>3,658</u>
Total finance lease liabilities	<u>\$ 98,914</u>

As of June 30, 2025, the gross amount of finance right-of-use assets and accumulated depreciation thereon are reflected in property and equipment and amounted to \$311,100 and \$61,312.

The following presents supplemental cash flow information for the years ended June 30, 2025 and 2024 as it relates to cash paid for amounts included in the measurement of lease liabilities:

	<u>2025</u>	<u>2024</u>
Operating cash flows for operating leases	\$ 55,391	53,227
Operating cash flows for finance leases	2,693	2,495
Financing cash flows for finance leases	33,991	51,322

THE JOHNS HOPKINS UNIVERSITY

Notes to Consolidated Financial Statements

June 30, 2025 and 2024

(Dollars in thousands)

In February 2025, APL executed an operating lease purchase option to acquire a building, resulting in the recognition of a finance right-of-use asset and finance lease liability of \$36,802 and \$43,521, respectively. As of June 30, 2025, the University's estimated aggregate remaining minimum lease payments were \$43,490, which have been included within payments due for finance leases for fiscal year 2026 in the table above. The purchase will be completed in fiscal year 2026.

In June 2021, the University signed a 40-year lease agreement with the Hospital for approximately 65% of the total space in a research facility scheduled to be completed in early fiscal year 2027. The University is responsible for approximately 65% of the total core and shell costs, which are estimated to range from \$300,000 to \$320,000, and is funding its share of these costs as prepayments under the lease on a monthly basis during the construction and renovation period. The University is funding its own tenant improvements during this period. As of June 30, 2025, the University's estimated aggregate remaining minimum lease payments were \$25,292, which have been included within payments due for finance leases through fiscal year 2027 in the table above. The University made prepayments on the lease of \$26,679 and \$46,738 as of June 30, 2025 and 2024. In fiscal year 2025, the final wing commenced resulting in the recognition of a finance right-of-use asset and finance lease liability of \$12,439. The aggregate finance right-of-use asset was \$196,739 and \$183,361, at June 30, 2025 and 2024, respectively. The corresponding finance lease liability was \$25,292 and \$44,047, at June 30, 2025 and 2024.

Due to the structure of the above leases, they are not included in the weighted average remaining lease term nor the weighted average discount rate for financing leases; if they were included the values would be 8.11 years and 1.77% for fiscal year 2025 and 24.85 years and 5.57% for fiscal year 2024. The finance right-of-use assets are included in property and equipment, net and the finance lease liabilities are included in debt. Amortization of \$1,050 is reported in the consolidated statement of activities as contractual services at June 30, 2025.

(15) Commitments and Contingencies

(a) Legal, Regulatory, and Tax Matters

The University is subject to various claims, litigation, regulatory inquiries, tax audits, and other assessments. While the final outcomes of any pending matter cannot be determined at this time, management is of the opinion that adequate provision, including insurance, has been made for losses on these matters, where probable and estimable.

Amounts received and expended by the University under various federal and state programs are subject to audit by governmental agencies. In the opinion of management, audit adjustments, if any, will not have a material adverse effect on the financial position of the University.

Current Regulatory Environment

The University receives significant funding from federal sources, including student financial aid, research grants, Medicare, Medicaid, and other sponsored programs. Consistent with the industry, during fiscal year 2025, through federal legislation, executive orders, and other actions, the University was subjected to numerous federal policy and regulatory changes and certain regulatory inquiries affecting federally funded research and other programmatic and compliance activities. The University monitors and assesses the potential impact of proposed legislation, administrative actions, judicial

THE JOHNS HOPKINS UNIVERSITY
Notes to Consolidated Financial Statements
June 30, 2025 and 2024
(Dollars in thousands)

decisions, and regulatory actions that may affect the University, and the higher education and health care sectors more broadly. Changes in the federal regulatory environment may impact the availability, timing, and terms of such funding and could impact the University's operations.

The United States Congress was unable to reach an agreement on funding measures for certain United States government programs resulting in a federal government shutdown effective October 1, 2025. As a result, many United States government programs have been suspended. Where permissible, the University and APL continue to work on projects funded under existing United States government grants and contracts, but anticipate the possibility of delays in the award of new grants and contracts and delays in the receipt of certain payments from United States government departments affected by the lapse of funding. The University and APL maintain sources of liquidity in the event of short-term cash flow interruptions. The University and APL are monitoring this situation, and will take appropriate action if and when necessary.

(b) Guarantees

The University and the Hospital have also provided guarantees of principal and interest payments related to loans granted to JHMI Utilities LLC under the MHHEFA Pooled Loan Program. As of June 30, 2025, the University's guarantee amounted to \$1,800 and continues until maturity of the loans occurring through 2029. No guarantee obligation has been recognized.

(c) Construction Purchase Commitments

As of June 30, 2025 open contracts for the construction of projects amounted to approximately \$1,200,000 and will span over the next two to three years.

(16) Subsequent Events

The University evaluated subsequent events through October 17, 2025, which is the date the consolidated financial statements were issued. There were no additional matters that required adjustment to or disclosure in the consolidated financial statements.