

A portrait of a middle-aged man with a shaved head, smiling slightly. He is wearing a white lab coat over a light blue collared shirt and a blue patterned tie. The background is a warm, orange-toned wall with a large, stylized letter 'S' visible on the right. The image is partially covered by a dark blue semi-transparent overlay on the left side, which contains the text.

UNIVERSITY
OF
CALIFORNIA

Medical Centers Report

2024-25

University of California's health system is committed to protecting and improving the health of all people across California, serving as a model for the nation and the world. As one of the nation's largest public academic health systems, we deliver exceptional care, train the health professionals of tomorrow and accelerate the pace of scientific discovery.

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Annual Report URL

<https://www.ucop.edu/uc-controller/financial-reports/medical-center-financial-reports.html>

All images included in this report are taken at various UC campuses, showing the depth and breadth of research, education and public service occurring at the University of California.



Letter from the Executive Vice President

As we look back on the 2024–2025 fiscal year, we begin by recognizing the accomplishments of our teams across the academic medical centers of the University of California. Even as health systems nationwide face significant challenges and uncertainty — including new concerns about Medicaid and Medicare financing, growing costs for supplies and pharmaceuticals, and rising wages for our workforce — we keep our focus on one true north: the people of California. UC continues to address health care service and access gaps in the communities we serve, as we know that Californians are increasingly relying on our medical centers for their care. UC facility openings and the daily commitment of UC clinical teams and staff help improve access, which is part of the vital role UC plays in advancing health care across our state.

In the financial statements, the benefits of last year's acquisitions for our communities are becoming evident, and ultimately, this growth will help strengthen UC medical centers' financial foundations. UC medical centers have increased patient care capacity across the system through these new facilities and partnerships, as shown by the growth in inpatient days, discharges and outpatient visits. The expansions have linked more communities to the advanced resources of academic medicine, allowing us to bring UC care closer to home for more patients. At the same time, expenses have grown faster than volume, reflecting higher care delivery costs.

UC medical centers remain steadfast in their commitment to serving Californians and continue to care for patients regardless of their ability to pay. The number of our inpatients covered by Medicare and Medicaid (known as Medi-Cal in California) has grown to approximately 75 percent. Because reimbursement from these plans falls short of the expenses to deliver care, our UC medical centers underwrite this gap of billions of dollars annually. And, these amounts have continued to grow despite the tremendous expense pressure UC medical centers are experiencing.

Our academic health system has continued to deliver on the University's core missions in other ways. Each of UC's medical centers is a self-sustaining enterprise whose revenue must be sufficient to support its own operations. Additionally, together the medical centers support the University's academic and research missions, annually contributing significant funds, which totaled \$1.3 billion in fiscal year 2024–2025, a 35 percent increase over two years ago. This funding helps UC train the next generation of health professionals in the only public schools of medicine for a state of 40 million people and advance discoveries that improve care everywhere. Also, teams across the UC system are working to improve mental and behavioral health, expand services to meet our communities' growing health needs and build and maintain facilities designed to serve California's population.

The people of California continue to demonstrate their confidence in our system by seeking care with us in large and growing numbers. In fact, U.S. News & World Report rated UC medical centers as among the best in the state and the nation, including two on the national honor roll of the top twenty hospitals in the country. In turn, we are investing more deeply in education, research, clinical excellence and public service — ensuring that the benefits of academic medicine reach more people in more places across the state.

Fiat lux,

David Rubin, M.D., MSCE

Executive Vice President
University of California Health

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HEALTH



The University of California, Davis Medical Center

UC Davis Medical Center is the inpatient teaching site for the UC Davis School of Medicine and the Betty Irene Moore School of Nursing at UC Davis, and the clinical core of the UC Davis Health system.

The acute care hospital has more than 650 beds and provides a full range of inpatient acute and intensive care, along with a full complement of ancillary, support and ambulatory services. Many services are located on approximately 144 acres in the city of Sacramento. Ambulatory care is provided at hospital-based and community clinics in Sacramento and the surrounding communities of Auburn, Carmichael, Davis, Elk Grove, Folsom, Rancho Cordova, Rocklin and Roseville.

UC Davis Medical Center serves as the major tertiary and quaternary care hospital for a 33-county area more than 350 miles wide and 400 miles long, with a population of more than 6 million. It is the only provider of most tertiary/quaternary services between San Francisco and Portland, including level I adult and pediatric trauma care. It is also home to the region's only nationally ranked comprehensive children's hospital and a National Cancer Institute-designated comprehensive cancer center.

UC Davis Health leads multiple cooperative programs with regional providers to increase care access and quality in both urban and rural settings. For example, the UC Davis Cancer Care Network is comprised of community-based cancer centers around Northern California. Nationally recognized clinical telemedicine and rural affiliation programs are also paired with locally delivered care through partners such as regional community hospitals and Federally Qualified Health Centers (FQHCs).

Notable recognitions and events during the year include:

UC Davis Health continues to maintain an outstanding local and national reputation for care delivery

- The UC Davis Medical Center is the top-ranking hospital in the Sacramento metropolitan area and among the top 10 in California, according to the U.S. News & World Report “Best Hospitals” 2025–26 survey.
- U.S. News & World Report also ranked UC Davis Medical Center one of the nation's best for 2025–26 in multiple adult specialties, including cardiology, heart & vascular surgery, diabetes & endocrinology, ENT, geriatrics, neurology & neurosurgery and pulmonology & lung surgery. It also ranked as high-performing in the cancer, orthopedics, gastroenterology & GI surgery and urology specialties.
- In 2025–26 U.S. News & World Report ratings for adult procedures and conditions, UC Davis Medical Center ranked as high-performing in aortic valve surgery, chronic obstructive pulmonary disease (COPD), colon cancer surgery, diabetes, gynecological cancer surgery, heart arrhythmia, heart failure, kidney failure (acute), leukemia, lymphoma and myeloma, lung cancer surgery, pneumonia, prostate cancer surgery, spinal fusion, stroke and transcatheter aortic valve replacement (TAVR).

- U.S. News & World Report ranked the UC Davis Children’s Hospital among the nation’s best for 2024–25 in behavioral health, neonatology, nephrology, pulmonology & lung surgery and — together with Shriners Children’s Northern California — orthopedics.
- The UC Davis School of Medicine ranked in Tier 1 (the top tier) for primary care, and Tier 2 for research in U.S. News & World Report 2025 graduate school rankings. The medical school also ranked No. 17 in the country for graduates who practice in primary care settings. The Betty Irene Moore School of Nursing at UC Davis ranked No. 30 (tie) among best graduate schools for master’s degree nursing programs for 2025, and the Master of Health Services — Physician Assistant Studies Degree Program ranked 35th (tie).

Regional outreach, strategic initiatives and major capital projects

UC Davis Health continues to enhance its ability to provide the right care, at the right time, in the right place to support both our academic and social missions through our operational and financial performance.

We continue to partner with remote regional providers to ensure greater access to our tertiary and quaternary services, as well as to provide care through telemedicine at local hospitals closer to patients’ homes. We have partnerships with FQHCs as convenient destinations for transportation-challenged populations who utilize wrap-around social services. We have also worked to increase access by providing more care at non-UC Davis hospitals through affiliations and contractual agreements that increase local care quality and expertise in Northern California’s rural areas.

U.S. News & World Report included UC Davis Medical Center among its “Best regional hospitals for community access” for 2025–26. According to the publication, the category recognizes hospitals that achieve excellent outcomes among disadvantaged communities and provide certain vulnerable populations with substantial access to high-quality care.

Planning and construction for several major capital projects continues on the medical center’s Sacramento campus and at satellite locations, with two major projects opening in 2025:

- A large new outpatient surgery center on the Sacramento medical center campus opened to patients in June 2025. The 48X Complex will ultimately include more than a dozen operating rooms plus recovery spaces, advanced imaging, ancillary services and specialty clinics, and is intended to ease OR crowding, reduce wait times and expand services.

- UC Davis Health purchased a 34.5-acre parcel in suburban Folsom for an expansion of health services in the growing city, with new medical facilities and high-tech housing. An outpatient medical office building opened in fall 2025; future plans include other possible health facilities. UC Davis Health has also secured 20 acres in suburban Elk Grove for additional primary and specialty care.
- Construction activities continue for the new California Tower, a replacement for areas of UC Davis Medical Center slated to close due to seismic laws. The new 14-story tower and five-story pavilion will add approximately one million square feet of additional space, with operating rooms and approximately 350 single-patient rooms to help replace others being taken out of service. The medical center is anticipated to have a total of 675–700 inpatient beds upon project completion in 2030, with many rooms adaptable for critical-care surges.

Aggie Square project supports public-private research partnerships

The UC Davis School of Medicine is a key partner in expanding UC Davis research collaborations and discoveries at Aggie Square, a new Sacramento innovation district near UC Davis Medical Center on the UC Davis Sacramento campus that celebrated a grand opening in May 2025.

A partnership of UC Davis, Wexford Science & Technology and the City of Sacramento, the project will be home to research programs, private industry, classrooms, housing that prioritizes university students, faculty and staff and public programs that engage local communities and entrepreneurs.

Aggie Square encompasses 11 acres and will include 1.2 million square feet at full buildout. The medical school will occupy about 300,000 square feet of collaborative research and education space, and more than 300 School of Medicine scientists and affiliated centers will conduct collaborative studies. The project will also enhance educational opportunities with leading-edge anatomical and surgical training capabilities.





UCI Health

Hospital

The University of California, Irvine Medical Center

UCI Health is the academic health enterprise of the University of California, Irvine. The leading provider of complex care in a region of 5.2 million people, UCI Health is the only academic health system in Orange County and is among the largest in California.

The 1,317-bed UCI Health system includes five hospitals and more than 60 ambulatory clinics, including UCI Health — Orange, formerly called UCI Medical Center, the UCI Health — Irvine medical campus, UCI Health — Fountain Valley, UCI Health — Lakewood, UCI Health — Los Alamitos and UCI Health — Placentia Linda. UCI Health — Orange is the system's flagship academic medical center and is the primary teaching facility for the UC Irvine School of Medicine. Established in 1976, the 459-bed medical center is the region's leading provider of tertiary and quaternary care, features Orange County's only combined American College of Surgeons-verified Level I Trauma Center and Level II Pediatric Trauma Center, combined high-risk obstetrics and regional neonatal programs, the region's leading kidney transplant program and an American Burn Association-verified regional burn center, at the UCI Health — Orange medical complex. It also is home to the only National Cancer Institute-designated comprehensive cancer center based in Orange County, providing access to leading-edge clinical care and trials not available elsewhere in the area.

UCI Health continued the integration of the UCI Health Community Network begun in March 2024 with the acquisition of Tenet Healthcare, Inc.'s former Pacific Coast Network of community hospitals and associated ambulatory facilities in Los Angeles and Orange counties. In 2025, UCI Health added the three Orange County inpatient facilities in Fountain Valley, Placentia and Los Alamitos to the license of UCI Health — Orange. This transformational move strengthens the system's ability to meet the continually increasing demand for inpatient beds for a range of intensive and critical care needs across the region.

UCI Health provides inpatient and outpatient services through a clinical practice group of more than 400 faculty physicians and surgeons. Primary care and specialty outpatient services are offered at many locations throughout the region, providing more than 1.2 million outpatient visits last year. UCI Health also operates two federally qualified health centers (FQHCs) in Santa Ana and Anaheim to meet the needs of Orange County's underserved populations.

Notable recognitions and events during the year include:

Local and national recognitions and milestones

- Vizient recognized UCI Health as a Top Performer in its annual Ambulatory Quality and Accountability Ranking and as one of nation's top 10 academic medical centers for high-quality inpatient care.
- Received an "A" in the spring 2025 Leapfrog Hospital Safety Grade report, its 20th "A" grade since 2014.
- Designated a Recognized Leader in Caring for People Living with Diabetes by The Leapfrog Group and the American Diabetes Association.
- The UCI Health Regional Burn Center at UCI Health — Orange has been reverified as an Adult and Pediatric Burn Center by the American Burn Association (ABA) through January 2028.
- The emergency department at UCI Medical Center/UCI Health — Orange received the 2025 Emergency Nurses Association Lantern Award.

- The UCI Health Advanced Endoscopic and Outpatient Spine team successfully performed the world's first endoscopic spinal fusion using augmented reality (AR) technology. It is the first instance of AR being fully integrated with endoscopic spinal fusion, a technique that can mean reduced postoperative pain and faster recovery for patients compared with conventional open spine surgeries.
- Recognition as one of the nation's top hospitals leading sustainability transformation with the prestigious Practice Greenhealth Top 25 Environmental Excellence Award. UCI Health — Orange also received the Making Medicine Mercury Free Award, which recognizes organizations that have made significant steps toward eliminating mercury from their facilities.
- The neurosciences step down unit, the cardiovascular ICU and the cardiovascular surgery unit at UCI Health — Orange, have been honored with the prestigious Beacon Award for Excellence by the American Association of Critical-Care Nurses (AACN).
- The UCI Health Hematopoietic Stem Cell Transplantation and Cellular Therapy Program treated its 250th patient with this critically important therapy.
- UCI Health — Orange and UCI Health — Los Alamitos have received the 2025 Gold Antimicrobial Stewardship Honor Roll designation, the highest possible recognition from the California Department of Public Health Healthcare-Associated Infections Program. UCI Health — Fountain Valley was recognized with the Bronze Award.

UCI Health expansion

In 2025, UCI Health launched the UCI Health Physician Network, a collaborative partnership between UCI Health and select community partners aiming to elevate patient experience, streamline care coordination and empower community physicians for success in value-based care. As a clinically integrated network, the UCI Health Physician Network is designed to deliver evidence-based patient care that is safe, effective, patient-centered, timely, efficient and equitable. Founding participants include United Medical Doctors, Associated Gastroenterology Medical Group, SoCal Eye and Orange County Urology Associates.

The new Integrative Oncology Program at the UCI Health Chao Family Comprehensive Cancer Center, in partnership with the Susan Samueli Integrative Health Institute, appointed its first director, Dr. Gary E. Deng, an internationally recognized pioneer in integrative medicine. Deng, who built a highly regarded integrative medicine program in his nearly two decades at Memorial Sloan Kettering Cancer Center, is bringing whole-person, supportive care to patients undergoing cancer treatment.

UCI Health — Irvine, a new medical campus at the north end of the UC Irvine campus, brings unparalleled expertise and the finest evidence-based care that only an academic medical system can offer to the communities of coastal and south Orange County. The 1.2 million-square-foot campus will feature the nation's first all-electric powered medical center and offers key clinical programs in oncology, digestive health, neurology, neurosurgery, orthopedics and spine surgery.

The campus will be completed in December 2025 with opening of a seven-story, 350,000-square-foot, acute care hospital with 144 inpatient beds, 10 operating suites and a 24-hour emergency department with 20 treatment rooms. The initial phase opened in spring 2024 and included:

- The Joe C. Wen & Family UCI Health Center for Advanced Care, a five-story, 168,000-square-foot medical facility offering the full range of multidisciplinary specialty care for children and adults under a single roof, urgent care services, and the UCI Health Center for Autism & Neurodevelopmental Disorders.
- The Chao Family Comprehensive Cancer Center and Ambulatory Care building, a five-story, 225,000-square-foot tower with 36 private exam rooms, numerous infusion bays and operating rooms.

UCI Health Rehabilitation Hospital is a collaboration with Lifepoint Rehabilitation, Inc. The standalone 52-bed specialized hospital broke ground February 2024 and is expected to open in summer 2026.

- The 68,000-square-foot, two-story facility will feature a specialized acquired brain injury unit, a dialysis suite, an imaging suite for onsite radiology, multidisciplinary therapy gymnasiums outfitted with the latest therapeutic technologies, outdoor courtyards and other spaces designed to help patients return to activities of daily living.



UCL Health



The University of California, Los Angeles Medical Center

UCLA Health generates essential revenue to meet increasing community health care needs, train medical professionals, advance research, care for underserved populations and sustain facilities that support the UCLA Health System and the David Geffen School of Medicine at UCLA (DGSOM).

The UCLA Health System includes five hospitals and 288 community clinics. The Westwood campus includes the 446-bed Ronald Reagan UCLA Medical Center (RRUCLA), UCLA Mattel Children's Hospital (UMCH), and the 74-bed Resnick Neuropsychiatric Hospital (RNPH). UCLA Santa Monica Medical Center (UCLASM) has 281 beds, and UCLA West Valley Medical Center (UCLAWV) has 260 beds. The Tiverton, Health & Wellness Hotel provides accommodation for patients and families.

UCLA Health operates primary and specialty care clinics throughout Southern California, including new sites on the Central Coast. These clinics recorded more than 3 million patient visits last year, reflecting strong regional demand for care. UCLA Health also operates the nation's largest infusion center network among NCI-designated Comprehensive Cancer Centers, delivering more than 104,000 infusions annually.

UCLA Health is the primary teaching site for DGSOM, offering comprehensive services on the Westwood campus, including tertiary and quaternary services, Level I trauma care, neonatal and pediatric intensive care, neurosurgery, a comprehensive stroke center, cancer care and organ transplantation. UCLASM supports teaching, research and community care. RNPH is a national leader in inpatient psychiatric care and research on developmental and behavioral health. UCLAWV serves as a community hospital and home to a comprehensive burn center.

Notable recognitions and events during the year include:

UCLA Health maintains outstanding national reputation

- UCLA Health ranked No. 1 in Los Angeles and California* and for the 36th consecutive year earned a spot on the U.S. News & World Report Best Hospitals Honor Roll. Ten specialties ranked among the nation's top 10 this year. (*Tied for No. 1 ranking)
- RRUCLA and UCLASM were named among Newsweek's World's Best Hospitals for 2025, with RRUCLA ranked No. 13 globally. Both hospitals have appeared on the list for seven consecutive years.
- UMCH was ranked among the nation's top children's hospitals by U.S. News & World Report for 2024–2025, with multiple pediatric subspecialties receiving national recognition.
- UCLA Health was included in Forbes' 2025 America's Best Large Employers list.
- RRUCLA, UCLASM, and RNPH hold the American Nurses Credentialing Center (ANCC) Magnet® designation, the highest recognition for nursing excellence in the U.S. Additionally, RRUCLA and UCLASM hold 13 American Association of Critical-Care Nurses (AACN) Beacon Awards for Excellence and two Emergency Nurses Association (ENA) Lantern Awards.
- Jonsson Comprehensive Cancer Center received national accreditation as an NCI-Designated Network Cancer Program, an honor held by just one percent of cancer programs.

- UCLA Health became the first health system in California and the western U.S. to earn the Joint Commission Health Care Equity Certification.
- The Human Rights Campaign's 2024 index named UCLA Health a Leader in LGBTQ+ Healthcare Equality, awarding a perfect score for inclusivity.
- RRUCLA and UCLASM earned the 2025 Practice Greenhealth Environmental Excellence Emerald Award for sustainability innovation and high scores in multiple categories.
- UCLA Health Nursing holds the ANCC Practice Transition Accreditation Program® (PTAP) redesignation with distinction, the highest recognition for transitioning newly licensed nurses into practice. UCLA Health also continues to hold the Provider with Distinction designation for nursing continuing education and its first Continuing Professional Development (NCPD) Premier Award. UCLA Health continues to hold the Relationship-Based Care Designation with Distinction from Creative Health Care Management, recognizing the deep integration of relationship-based care principles across the organization's culture and operations.
- UCLA Health ranked No. 1 in Vizient's Ambulatory Quality and Accountability Award in its first year of submission.

UCLA Health continues strengthening strategic activities and community initiatives

- Provided medical support at the Red Cross Emergency Shelter at the Westwood Recreation Center during the January 2025 wildfires.
- Addressed transportation and access barriers through two programs: enrolled more than 100 unhoused patients in Enhanced Care Management with intensive support and completed 157 rides for federally insured cancer patients through UCLA Health's Lyft program to support timely care.
- Established an Oncofertility Workgroup to streamline fertility preservation referrals; expanded telehealth and partnerships improved access.
- Launched early, integrated palliative care at two clinics, reaching 17,000 advanced cancer patients and increasing engagement by 140 percent since 2022.
- Transitioned oncology social work to the Simms/Mann Center, enhancing ambulatory oncology and psychosocial services.
- Implemented targeted cancer disparity outreach with multilingual trial brochures and a Mandarin stem cell donor drive in partnership with LLS and NMDP.
- Launched a multidisciplinary Sickle Cell program focused on prevention and pediatric-to-adult transitions; in its first year, 100 patients avoided an estimated 70 ER visits or hospitalizations.
- Continued the Anchor Institution Mission (AIM) to address social determinants of health through local hiring, procurement and community investments. Initiatives included health promotion events, professional pathway programs and support for entrepreneurial youth programs in under-resourced areas.
- UCLA Health teams participated in LGBTQ+ PRIDE events across West Hollywood, Los Angeles, Santa Monica, San Fernando Valley, Mammoth, and, new this year, Westwood Village, strengthening visibility and connection with the communities we serve.

Providing exceptional care to all

UCLA Health remains committed to equity through care that is compassionate, culturally responsive and attuned to each patient's needs. FYE 2025 highlights include:

- For the first time, UCLA Health created and began offering a Medicare Advantage Plan to provide eligible individuals with comprehensive health care coverage. The plan includes 7,000 in-network physicians, specialists, hospitals and clinics comprising UCLA Health and select independent physician associations.
- Developed new dashboards to identify and address disparities in care delivery and outcomes at each UCLA Health hospital.
- Integrated the Social Vulnerability Index (SVI) into workforce dashboards to evaluate community representation.
- The Homeless Healthcare Collaborative completed over 34,000 patient encounters this year, expanding services with psychiatrists, an addiction specialist and women's therapy groups at shelters.

Planning for future growth

UCLA Health is transforming a former Mid-Wilshire community medical center into a neuropsychiatric hospital, six miles from the Westwood campus. The new facility will offer behavioral health care for adults, adolescents, children and geriatric patients, as well as crisis stabilization services. It is scheduled for completion and occupancy in 2026. The new hospital will free up capacity at RRUCLA, adding 103 beds for complex inpatient care.

This year, UCLA Health focused on the successful onboarding and integration of the UCLA West Valley Medical Center, acquired on March 29, 2024. The organization also invested in three adjacent medical office buildings, totaling more than 160,000 square feet and creating a 20-acre health campus.

UCLA Health continues to open new community-based service sites to expand access and meet patient needs closer to home.

UCLA Health is developing a long-term facility upgrade plan for UCLAWV that includes service line alignment, seismic compliance and increased care capacity to meet community needs.





UC San Diego Health

McGrath Outpatient Pavilion

McGrath Outpatient Pavilion

The University of California, San Diego Medical Center

UC San Diego Health, the region's only academic medical system, is nationally ranked and recognized for groundbreaking research, inspired education and the commitment to providing the highest quality of care to the San Diego community. The 1,101-bed health system includes two academic medical centers — UC San Diego Medical Center in Hillcrest and Jacobs Medical Center in La Jolla — and one community medical center — East Campus Medical Center in eastern San Diego. The academic medical complexes support acute inpatient care, emergency services and a spectrum of advanced specialty outpatient programs. The community medical complex supports acute inpatient care, emergency services and select outpatient surgeries and services. The health system also includes primary care and same-day services at clinics throughout Southern California.

UC San Diego Medical Center in Hillcrest (381 beds) is a clinical teaching site for the UC San Diego School of Medicine and is a focal point for community service missions. It is home to the area's only Regional Burn Center, one of only two adult Level 1 Trauma Centers in San Diego County, the state's only chronic kidney disease program certified by the Joint Commission and an accredited geriatric emergency department. Its Stroke Center was one of the first five certified Comprehensive Stroke Centers in the nation. Its Owen Clinic is the largest, most comprehensive primary care center in San Diego for individuals living with HIV and is among the nation's top HIV care programs for adults and children.

La Jolla medical campus (418 beds), located on the eastern portion of the UC San Diego campus, has experienced substantial growth in the last decade. Its major facilities include:

- Jacobs Medical Center (364 beds), a state-of-the-art hospital with advanced surgery, oncology, comprehensive stroke care and high-risk obstetrics and gynecology. It is also home

to the region's highest-volume Blood and Bone Marrow Transplant (BMT) clinic, a level III Neonatal Intensive Care Unit (NICU) and an intraoperative imaging suite for complex brain surgeries. Its ER is California's first accredited geriatric emergency department and holds the highest Level 1 gold accreditation.

- Moores Cancer Center, the region's only National Cancer Institute-designated Comprehensive Cancer Center, the highest rating possible for a U.S. cancer center.
- Shiley Eye Institute, a multi-specialty vision center that includes an outpatient surgical center, a glaucoma center, a retina research center and the region's only facility dedicated to children.
- Sulpizio Cardiovascular Center (54 beds), the inpatient facility for our renowned Cardiovascular Institute.
- Koman Family Outpatient Pavilion includes eight operating rooms for surgeries that once required hospital stays, as well as specialty services in orthopedics and sports medicine, breast oncology and imaging, and urology, among others.
- Altman Clinical and Translational Research Institute supports most clinical trials at UC San Diego Health.

The East Campus Medical Center (302 beds), located in eastern San Diego near La Mesa and El Cajon, is the health system's first community hospital. Purchased in 2023, the medical complex provides an emergency department, outpatient operating rooms, catheterization labs, endoscopy suites, critical care and behavioral health services. The acquisition marks a significant milestone in UC San Diego Health's plans to broaden, align and expand health care services to better serve the needs of the region.

Excellence in Clinical Care and Community Health

UC San Diego Health is proud to deliver expert care to every patient, while addressing issues of health equity in the community.

- **Best Hospital in San Diego** — For the sixth consecutive year, U.S. News & World Report ranked UC San Diego Health the No. 1 hospital system in San Diego in 2025.
- **More Top Ranked Specialties** — Ranked among the nation's best in nine adult medical and surgical specialties for 2025–2026 by U.S. News & World Report — more than any hospital system in San Diego:
 - Obstetrics & Gynecology (7)
 - Pulmonology & Lung Surgery (8)
 - Geriatrics (18)
 - Cardiology, Heart & Vascular Surgery (27)
 - Gastroenterology & GI Surgery (28)
 - Neurology & Neurosurgery (28)
 - Diabetes & Endocrinology (32)
 - Cancer (41)
 - Urology (46)
- **Among the Nation's Top Academic Medical Centers for Patient Care** — For the sixth straight year, UC San Diego was named a top performer in the Bernard A. Birnbaum, MD, Quality Leadership Annual Ranking by Vizient. The 2024 recognition reflects the superior quality of its patient care areas.
- **"A's" for Hospital Safety** — UC San Diego Health's hospitals in La Jolla and Hillcrest earned top marks from The Leapfrog Group in the spring of 2025 for keeping patients safe from preventable harm and medical errors.
- **5-Star CMS Rating** — In 2024, UC San Diego Health received a 5-star rating from the Centers for Medicare & Medicaid Services (CMS) for quality and safety of our hospital care to Medicare Advantage patients.
- **Nursing Excellence** — UC San Diego Health maintains Magnet status from the American Nurses Credentialing Center, considered among the highest recognitions for nursing excellence and innovation in nursing practice.
- **Excellence in Maternity Care** — Ranked among the top 25 in the nation by U.S. News & World Report for 2024–2025 and recognized as a 2024–2025 High Performing Hospital for Maternity Care, the highest award a hospital can earn from U.S. News & World Report for obstetric and infant care.
- **LGBTQ Leader** — UC San Diego Medical Center in Hillcrest garnered the "LGBTQ+ Healthcare Equality High Performer" designation from the Human Rights Campaign Foundation.
- **Environmental Sustainability Leader** — UC San Diego Health received a Greenhealth Emerald Award, Greening the Operating Room Recognition Award and Circle of Excellence awards for green building, food, leadership, sustainable procurement and transportation.

Redevelopment of Hillcrest Medical Campus

The \$3 billion UC San Diego Hillcrest Redevelopment Project is transforming the 62-acre medical campus through multiple phases.

Opened in 2025, Phase 1 — which includes the new 250,000 square-foot McGrath Outpatient Pavilion (the Pavilion) and adjacent 1,850-space parking structure — brings together nationally ranked clinical programs, including a multi-specialty cancer clinic, a comprehensive breast center, an infusion clinic with views of the cityscape and advanced radiation therapy, including brachytherapy, a highly targeted internal treatment for certain cancers. The Pavilion also houses key specialty services such as colorectal and digestive disease care, neurology, neurosurgery, otolaryngology, urology, plastic surgery, burn and trauma surgery, a vascular clinic, orthopedics, endoscopy and perinatology.

The Pavilion marks a major step in the expansion of UC San Diego Health's NCI-designated cancer care. It sets a new standard by co-locating integrated, multidisciplinary care, leading-edge clinical trials and exceptional cancer treatment — all under one roof.



UCSF Medical Center



The University of California, San Francisco Medical Center and Children's Hospital & Research Center Oakland

UCSF Health is internationally renowned for providing highly specialized and innovative care. Our family of care includes UCSF Helen Diller Medical Center at Parnassus Heights, UCSF Medical Center at Mount Zion, UCSF Medical Center at Mission Bay (collectively UCSF Medical Center); UCSF Health Saint Francis Hospital and UCSF Health St. Mary's Hospital; UCSF Benioff Children's Hospitals and clinics; Langley Porter Psychiatric Hospital and Clinics; UCSF Medical Foundation; and the UCSF Faculty Clinical Practices. UCSF Health serves as the principal clinical teaching site for the University of California, San Francisco, School of Medicine, affiliated with the University of California since 1873.

UCSF Health's financial statements include the activities of the UCSF Faculty Clinical Practices. Revenues include professional fees earned by the faculty physicians practicing as the UCSF Faculty Clinical Practices and operating expenses include corresponding physician professional services along with the direct expenses of non-physician staff and non-labor expenses.

Notable recognitions and events during the year include:

UCSF Health continues to maintain an outstanding local and national reputation

- U.S. News & World Report 2025–26 survey ranked UCSF Health — UCSF Medical Center (UCSFMC) the No. 1 adult hospital in California (tied for No. 1). UCSF Health ranked among the nation's top 10 hospitals in seven areas: Cancer, geriatrics, neurology, ophthalmology, orthopedics,

pulmonology and rheumatology. UCSF Benioff Children's Hospitals are No. 7 nationally in neonatology and nationally ranked in all eleven pediatric specialties.

- UCSFMC hospitals at Mission Bay, Parnassus Heights and UCSF Health St. Mary's Hospital have received an "A" Leapfrog Hospital Safety Grade for Spring 2025 — a national distinction that signifies excellence in protecting patients from harm and error in the hospitals.

UCSF Health continues to focus on strategic initiatives and network expansion to meet its mission and community needs

- UCSF Health is self-supporting and uses its margins to meet important needs in the community, including training physicians and other health professionals, supporting medical research, providing care to the medically and financially underserved and building and operating facilities to serve the diverse needs of its patients.
- UCSF Health and John Muir Health operate the Berkeley Outpatient Center (BOPC), which provides primary and specialty care services to the Berkeley, Oakland and Emeryville communities. Radiation oncology services became available in November 2024, and the center is on track to open an ambulatory surgery center in late 2025.
- UCSF Health has an alliance agreement with Marin Health to expand clinical collaborations in Marin County with the goal of improving patient care and strengthening clinical practices for the community. UCSF Health has added 38 active clinics and 214 providers in the Marin clinical network (not managed by UCSF), providing approximately 375,000 visits in fiscal 2025.

- The new Peninsula outpatient center (POPC) opened in February 2025. This center increases the infusion capacity to more than double from the previously available in San Mateo and introduced additional services including an ambulatory surgery center and a freestanding imaging center.
- In August 2024, Saint Francis Memorial Hospital, St. Mary's Medical Center and associated outpatient clinics joined UCSF Health. Having more places to offer primary and secondary care increases UCSF Health's ability to care for patients with complex medical needs. Combining community care with academic medicine makes convenient, comprehensive care easier to access for all our patients.
- In August 2024, UCSF opened the Bayfront Medical Building in Mission Bay. The five-story clinical building includes an ambulatory surgery center, adult primary and secondary multi-specialty clinics (including same-day urgent care) and pharmacy.

Major Construction Projects

- In May 2022, UCSF received approval to build a state-of-the-art hospital, the UCSF Helen Diller Hospital at Parnassus Heights. The new hospital is scheduled to open in 2030 and will incorporate the latest innovations in technology, including advanced diagnostics and robotics, to drive new therapies and treatments that are backed by UCSF's scientific research. To address the rising need for specialty care, the hospital will increase UCSF Health's current capacity by 37 percent to 682 beds, while adding 22 new operating rooms, for a total of 40 overall, and 31 new emergency care beds, increasing capacity by 71 percent to 70 beds.
- In July 2024, UCSF Benioff Children's Hospitals received approval to build a new hospital on its Oakland campus that will provide a state-of-the-art, child-centered medical facility for families across the Bay Area. The seven-story, 277,500-square-foot building is expected to open in 2031 and will include a new and expanded emergency department, providing double the current space for the child-centered trauma care for which the Oakland hospital is renowned. The additional space will enable more efficient care and provide room for updated imaging and surgical services, a new neonatal intensive care unit (NICU) and seven new surgical suites. It will have triple the number of single-patient rooms as the current hospital — from 39 now to 137 — while also providing rooms for families with multiple children requiring care. And it will add a much-needed, 20-bed inpatient behavioral health unit.



Management's Discussion and Analysis *(Unaudited)*

Introduction

The objective of this Management's Discussion and Analysis is to help readers better understand the University of California Medical Centers' (the Medical Centers) financial position and operating activities for the year ended June 30, 2025, with selected comparative information for the years ended June 30, 2024 and 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes to the financial statements. Unless otherwise indicated, years (2023, 2024, 2025, etc.) in this discussion refer to the fiscal years ended June 30.

Overview

The Medical Centers are operating units of the University of California (the University), a California public corporation under Article IX, Section 9 of the California Constitution. The University is administered by The Regents of the University of California (The Regents) of which, under the formation documents of the University, administrative authority with respect to the Medical Centers is vested in the President of the University. The Medical Centers consist of the University of California, Davis Medical Center (UC Davis Medical Center or Davis), the University of California, Irvine Medical Center (UC Irvine Medical Center or Irvine), the University of California, Los Angeles Medical Center (UCLA Medical Center or Los Angeles), the University of California, San Diego Medical Center (UC San Diego Medical Center or San Diego) and the University of California, San Francisco Medical Center (UCSF

Medical Center or San Francisco), each of which provides educational and clinical opportunities for students in the University's Schools of Medicine (Schools of Medicine) and offers a comprehensive array of medical services including tertiary and quaternary care services. The Regents is the sole corporate and voting member of UCSF Health Community Hospitals and Children's Hospital & Research Center Oakland (CHRCO), which are both private, not-for-profit 501(c)(3) corporations. Children's Hospital & Research Center Foundation, a nonprofit public benefit corporation, is organized and operated for the purpose of supporting CHRCO. The San Francisco Medical Center's financial statements include CHRCO, combined with its foundation, and UCSF Health Community Hospitals, which are blended component units of the University of California. San Francisco provides certain management services for CHRCO and UCSF Health Community Hospitals. The San Francisco Medical Center's financial statements also include the activities of the UCSF Faculty Clinical Practices.

The Medical Centers' activities are monitored by The Regents' Health Services Committee. The President of the University has delegated certain administrative authority to the Chancellor of each applicable campus. At each campus, direct management authority has been further delegated by the Chancellor as follows: for the UC Davis Medical Center, to the Vice Chancellor of Human Health Sciences and CEO; for the UC Irvine Medical Center, to the CEO and President; for the UCLA Medical Center, to the Vice Chancellor, Health Sciences and CEO; for the UC San Diego Medical Center, to the Vice Chancellor, Health Sciences and for the UCSF Medical Center, to the Health System CEO.

Operating Statistics

Table MDA.1 presents utilization statistics for the Medical Centers.

Table MDA.1: Operating Statistics

Description	Year	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Licensed beds ^[1]	2025	653	1,317	1,061	1,101	1,715	5,847
	2024	646	1,317	1,061	1,101	1,171	5,296
	2023	646	459	801	799	1,199	3,904
Admissions	2025	35,306	61,633	46,322	42,358	53,044	238,663
	2024	34,689	34,273	41,381	40,130	44,577	195,050
	2023	33,123	22,609	38,436	36,156	44,309	174,633
Average daily census	2025	632	1,024	919	772	1,028	4,375
	2024	621	565	908	725	869	3,688
	2023	620	411	787	671	877	3,366
Discharges	2025	35,244	61,493	46,471	42,412	52,927	238,547
	2024	34,662	33,907	41,331	40,219	44,770	194,889
	2023	33,193	22,573	38,458	36,130	44,342	174,696
Average length of stay (days)	2025	6.5	6.1	7.2	6.6	7.1	6.7
	2024	6.6	6.1	7.3	6.6	7.1	6.8
	2023	7.0	6.6	7.5	6.8	7.2	7.0
Patient days	2025	230,715	373,650	335,272	281,649	375,137	1,596,423
	2024	227,310	206,747	301,345	265,356	318,219	1,318,977
	2023	226,330	150,025	287,335	244,896	320,130	1,228,716
Case mix index ^[2]	2025	2.18	1.98	2.36	2.10	2.34	N/A
	2024	2.17	2.04	2.38	2.17	2.42	N/A
	2023	2.16	2.14	2.32	2.18	2.42	N/A
Outpatient visits ^[3]	2025	1,152,752	1,689,005	936,306	490,749	3,433,360	7,702,172
	2024	1,084,670	1,328,273	851,814	453,949	2,973,262	6,691,968
	2023	1,034,377	1,155,587	868,652	411,442	2,726,144	6,196,202

[1] Licensed beds are reported as of June 30 as approved by the California Department of Public Health, including all acquired hospitals during the year.

[2] Case mix index is calculated at the patient level and is not determinable systemwide.

[3] Outpatient visits for San Francisco includes School of Medicine and other non-hospital clinic visits.

Licensed Beds

Table MDA.2 presents changes in licensed beds.

Table MDA.2: Changes in licensed beds

Location	2025	2024	Comments
Davis	7		Overall increase of seven beds is from an increase of twenty beds in general acute care, offset by decrease of eight beds in ICU, four beds in pediatric and one bed in perinatal.
Irvine		858	Licensed beds increased with the acquisition of four hospitals from Tenet Healthcare Corporation (Tenet) in March 2024.
Los Angeles		260	Increase in 2024 due to the acquisition of West Valley Medical Center.
San Diego		302	Increase in 2024 driven by hospital acquisition in December 2023.
San Francisco	544	(28)	Increase in 2025 due to the acquisition of the UCSF Health Community Hospitals in August 2024. Decrease in 2024 due to declines in licensed beds for UCSF Medical Center and Langley Porter Psychiatric Institute partially offset by an increase in licensed beds for CHRCO.

Admissions and Patient Days

Admissions fluctuate based upon the Medical Centers' market share and overall volumes in the marketplace. Patient days fluctuate based on admissions and the overall length of stay, generally as a result of the complexity of care provided.

Display 1 illustrates patient days for each Medical Center.

Display 1: Patient days by location

Table data for Display 1 is on page 138

Davis



Irvine



Los Angeles



San Diego



San Francisco



Tables MDA.3a and 3b present admissions and patient days changes in 2025 and 2024, respectively.

Table MDA.3a: Admissions and patient days changes in 2025

Location	Change in admissions	Change percentage	Patient days	Change percentage	Comments
Davis	617	1.8%	3,405	1.5%	Admissions rose due to a 1.4% year-over-year increase in inpatient surgeries and a 1.5% year-over-year decrease in average length of stay, which freed up beds and increased both surgical and medical admissions. Higher admissions also led to more patient days.
Irvine	27,360	79.8	166,903	80.7	Increase primarily due to a full year of patient volume from the acquisition of the UCI Health Community Hospitals in March 2024.
Los Angeles	4,941	11.9	33,927	11.3	Increase primarily due to a full year of patient volume from the acquisition of West Valley Medical Center in March 2024.
San Diego	2,228	5.6	16,293	6.1	Increase driven by full year activity in fiscal year 2025 from the hospital acquisition in December 2023.
San Francisco	8,467	19.0	56,918	17.9	Increase primarily due to the acquisition of the UCSF Health Community Hospitals in August 2024.

Table MDA.3b: Admissions and patient days changes in 2024

Location	Change in admissions	Change percentage	Patient days	Change percentage	Comments
Davis	1,566	4.7%	980	0.4%	Admissions and patient days were higher due to increased volume including emergency room visits and admissions.
Irvine	11,664	51.6	56,722	37.8	Admissions and patient days increased mainly from the acquisition of four Tenet hospitals and emergency room volume increase.
Los Angeles	2,945	7.7	14,010	4.9	Admissions and patient days increased due to surgeries, transfers and visits related to the newly acquired West Valley Medical Center, partially offset by a decrease in the average length of stay.
San Diego	3,974	11.0	20,460	8.4	Increase in emergency department and admissions at the acquired hospital in December 2023.
San Francisco	268	0.6	(1,911)	(0.6)	Slight increase in admissions was primarily driven by higher surgery and ED volumes. Slight decline in patient days due to decreases in the average length of stay.

Outpatient Visits

Outpatient services provided by the Medical Centers include clinic visits, home health and hospice and emergency visits.

Tables MDA.4a, 4b and 4c present outpatient services volume for the Medical Centers in 2025, 2024 and 2023, respectively.

Table MDA.4a: Outpatient services volume in 2025

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Hospital clinics	570,145	1,503,179	800,055	370,883	3,297,204	6,541,466
Community clinics	482,420					482,420
Home health and hospice	27,407					27,407
Emergency visits	72,780	185,826	136,251	119,866	136,156	650,879
Total Medical Center outpatient visits*	1,152,752	1,689,005	936,306	490,749	3,433,360	7,702,172
School of Medicine and other non-hospital clinic visits	37,544	64,519	3,223,412	1,006,308		4,331,783
Total outpatient visits	1,190,296	1,753,524	4,159,718	1,497,057	3,433,360	12,033,955

*All San Francisco clinic visits are reported as revenues by the Medical Center. Related revenues are not reported by the other Medical Centers.

Table MDA.4b: Outpatient services volume in 2024

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Hospital clinics	512,458	1,231,099	752,889	351,148	2,868,677	5,716,271
Community clinics	474,358					474,358
Home health and hospice	27,357					27,357
Emergency visits	70,497	97,174	98,925	102,801	104,585	473,982
Total Medical Center outpatient visits*	1,084,670	1,328,273	851,814	453,949	2,973,262	6,691,968
School of Medicine and other non-hospital clinic visits	36,235	89,799	2,997,955	965,513		4,089,502
Total outpatient visits	1,120,905	1,418,072	3,849,769	1,419,462	2,973,262	10,781,470

*All San Francisco clinic visits are reported as revenues by the Medical Center. Related revenues are not reported by the other Medical Centers.

Table MDA.4c: Outpatient services volume in 2023

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Hospital clinics	495,926	1,094,063	789,124	324,530	2,626,630	5,330,273
Community clinics	445,400					445,400
Home health and hospice	26,727					26,727
Emergency visits	66,324	61,524	79,528	86,912	99,514	393,802
Total Medical Center outpatient visits*	1,034,377	1,155,587	868,652	411,442	2,726,144	6,196,202
School of Medicine and other non-hospital clinic visits	31,245	125,853	2,766,143	857,263		3,780,504
Total outpatient visits	1,065,622	1,281,440	3,634,795	1,268,705	2,726,144	9,976,706

*All San Francisco clinic visits are reported as revenues by the Medical Center. Related revenues are not reported by the other Medical Centers.

Display 2 illustrates outpatient visits volume for each Medical Center. Outpatient visits do not include School of Medicine and other non-hospital clinic visits for Davis, Irvine, Los Angeles and San Diego.

Display 2: Outpatient visits volume by location *(not including School of Medicine and other non-hospital clinic visits for Davis, Irvine, Los Angeles and San Diego)*

[Table data for Display 2 is on page 138](#)

Davis



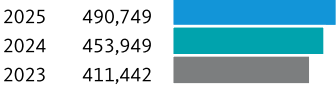
Irvine



Los Angeles



San Diego



San Francisco



Tables MDA.5a and 5b present outpatient visits changes in 2025 and 2024, respectively.

Table MDA.5a: Outpatient visits changes in 2025

Location	Change in outpatient visits	Change percentage	Comments
Davis	68,082	6.3%	Growth is due to increased demand and the ability to see more patients. There was continuation and expansion of outpatient visits under the Access Plus Weekend Program, which included weekend clinics held by participating physicians and extended weekday hours.
Irvine	360,732	27.2	Increase primarily due to a full year of patient volume from the acquisition of the UCI Health Community Hospitals in March 2024.
Los Angeles	84,492	9.9	Increase primarily due to a full year of patient volume from the acquisition of West Valley Medical Center in March 2024. In addition, there was an overall volume increase in outpatient services including labs, radiology, clinic visits and outpatient procedures.
San Diego	36,800	8.1	Increase in hospital-based clinic visits due to increased treatment within cancer, gastrointestinal and orthopedic clinics.
San Francisco	460,098	15.5	Increase primarily due to the acquisition of the UCSF Health Community Hospitals in August 2024 and growth in primary care and specialty care outpatient programs.

Table MDA.5b: Outpatient visits changes in 2024

Location	Change in outpatient visits	Change percentage	Comments
Davis	50,293	4.9%	Continued growth in primary and specialty care visits contributed to the increase.
Irvine	172,686	14.9	Increase mainly due to acquisition of Tenet hospitals, and the continued growth in offsite clinics.
Los Angeles	(16,838)	(1.9)	Decrease was primarily due to a reduction in lab visits.
San Diego	42,507	10.3	Increase in hospital-based clinic visits from growth in primary and specialty care.
San Francisco	247,118	9.1	Increases were driven by the continued recovery in emergency department visits and growth in primary care and specialty care outpatient programs.

Condensed Statements of Revenues, Expenses and Changes in Net Position

The Medical Centers implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences* (GASB 101) in 2025. As a result, financial information for 2024 has been restated to retroactively apply the new accounting standard. Additionally, certain amounts in the 2024 financial information have been restated to reflect a change in the revenue recognition principle for Medi-Cal reimbursement programs (Designated Public Hospital Enhanced Payment Program (EPP), Quality Incentive Pool Program (QIP) and Hospital Fee Program). Revenue was previously recognized upon CMS final approval of rates and contracts; under the new method, revenue is recognized when preprint approval is received, services are rendered and amounts are reasonably estimable.

Tables MDA.6a, 6b and 6c summarize the results for the Medical Centers for fiscal years 2025, 2024 and 2023, respectively.

Table MDA.6a: Condensed statements of revenues, expenses and changes in net position for the year ended June 30, 2025

(in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net patient service revenue	\$3,865,080	\$3,372,217	\$4,400,893	\$4,117,937	\$8,418,664	\$24,174,791
Other operating revenue	199,415	210,776	632,227	154,122	489,609	1,686,149
Total operating revenue	4,064,495	3,582,993	5,033,120	4,272,059	8,908,273	25,860,940
Total operating expenses	3,799,436	3,676,467	4,239,920	3,823,190	8,375,018	23,914,031
Income (loss) from operations	265,059	(93,474)	793,200	448,869	533,255	1,946,909
Net nonoperating revenues (expenses)	(23,259)	(51,867)	96,057	(24,268)	276,206	272,869
Income (loss) before other changes in net position	241,800	(145,341)	889,257	424,601	809,461	2,219,778
Other changes in net position	(130,925)	(175,351)	(493,359)	(294,870)	(285,369)	(1,379,874)
Change in net position	110,875	(320,692)	395,898	129,731	524,092	839,904
Net position, beginning of year	(1,349,428)	(496,256)	(111,723)	(1,395,111)	(135,220)	(3,487,738)
Net position, end of year	(\$1,238,553)	(\$816,948)	\$284,175	(\$1,265,380)	\$388,872	(\$2,647,834)

Table MDA.6b: Condensed statements of revenues, expenses and changes in net position for the year ended June 30, 2024

(in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net patient service revenue	\$3,576,086	\$2,282,371	\$3,804,340	\$3,509,541	\$7,251,719	\$20,424,057
Other operating revenue	167,147	163,869	404,699	159,595	262,633	1,157,943
Total operating revenue	3,743,233	2,446,240	4,209,039	3,669,136	7,514,352	21,582,000
Total operating expenses	3,784,781	2,516,570	3,706,660	3,525,165	7,142,885	20,676,061
Income (loss) from operations	(41,548)	(70,330)	502,379	143,971	371,467	905,939
Net nonoperating revenues (expenses)	(46,657)	5,313	143,775	(5,735)	111,900	208,596
Income (loss) before other changes in net position	(88,205)	(65,017)	646,154	138,236	483,367	1,114,535
Other changes in net position	(105,391)	(207,447)	(338,778)	(361,467)	(212,474)	(1,225,557)
Change in net position	(193,596)	(272,464)	307,376	(223,231)	270,893	(111,022)
Net position						
Beginning of year, as previously reported	(1,242,212)	(311,934)	(477,447)	(1,297,934)	(682,345)	(4,011,872)
Cumulative effect of accounting changes	86,380	88,142	58,348	126,054	276,232	635,156
Net position, beginning of year, as restated	(1,155,832)	(223,792)	(419,099)	(1,171,880)	(406,113)	(3,376,716)
Net position, end of year	(\$1,349,428)	(\$496,256)	(\$111,723)	(\$1,395,111)	(\$135,220)	(\$3,487,738)

Table MDA.6c: Condensed statements of revenues, expenses and changes in net position for the year ended June 30, 2023

(in thousands of dollars)

Description	Davis*	Irvine*	Los Angeles*	San Diego*	San Francisco*	Total*
Net patient service revenue	\$3,277,414	\$1,825,214	\$3,522,636	\$3,058,233	\$6,434,135	\$18,117,632
Other operating revenue	152,023	156,123	261,382	198,155	384,976	1,152,659
Total operating revenue	3,429,437	1,981,337	3,784,018	3,256,388	6,819,111	19,270,291
Total operating expenses	3,583,540	1,871,097	3,515,403	3,244,275	6,926,147	19,140,462
Income (loss) from operations	(154,103)	110,240	268,615	12,113	(107,036)	129,829
Net nonoperating revenues (expenses)	54,640	20,918	65,503	(11,743)	(8,897)	120,421
Income (loss) before other changes in net position	(99,463)	131,158	334,118	370	(115,933)	250,250
Other changes in net position	(173,289)	(63,760)	(258,418)	(276,730)	(161,635)	(933,832)
Change in net position	(272,752)	67,398	75,700	(276,360)	(277,568)	(683,582)
Net position, beginning of year	(969,460)	(379,332)	(541,866)	(1,021,574)	(404,777)	(3,317,009)
Net position, end of year	(\$1,242,212)	(\$311,934)	(\$466,166)	(\$1,297,934)	(\$682,345)	(\$4,000,591)

*Does not reflect adoption of GASB 101 or change in accounting principle

Revenues

Patient service revenue depends on inpatient occupancy levels, the volume of outpatient visits, the complexity of care provided and the payment rates for services provided. Patient service revenue is net of allowance for bad debt and estimated allowances from contractual arrangements with Medicare, Medi-Cal and other third-party commercial payors and has been estimated based on the terms of reimbursement for contracts currently in effect. Other operating revenue consists primarily of clinical teaching support funds, grants and contracts and other non-patient service sources such as pharmacy rebate programs and cafeteria revenues.

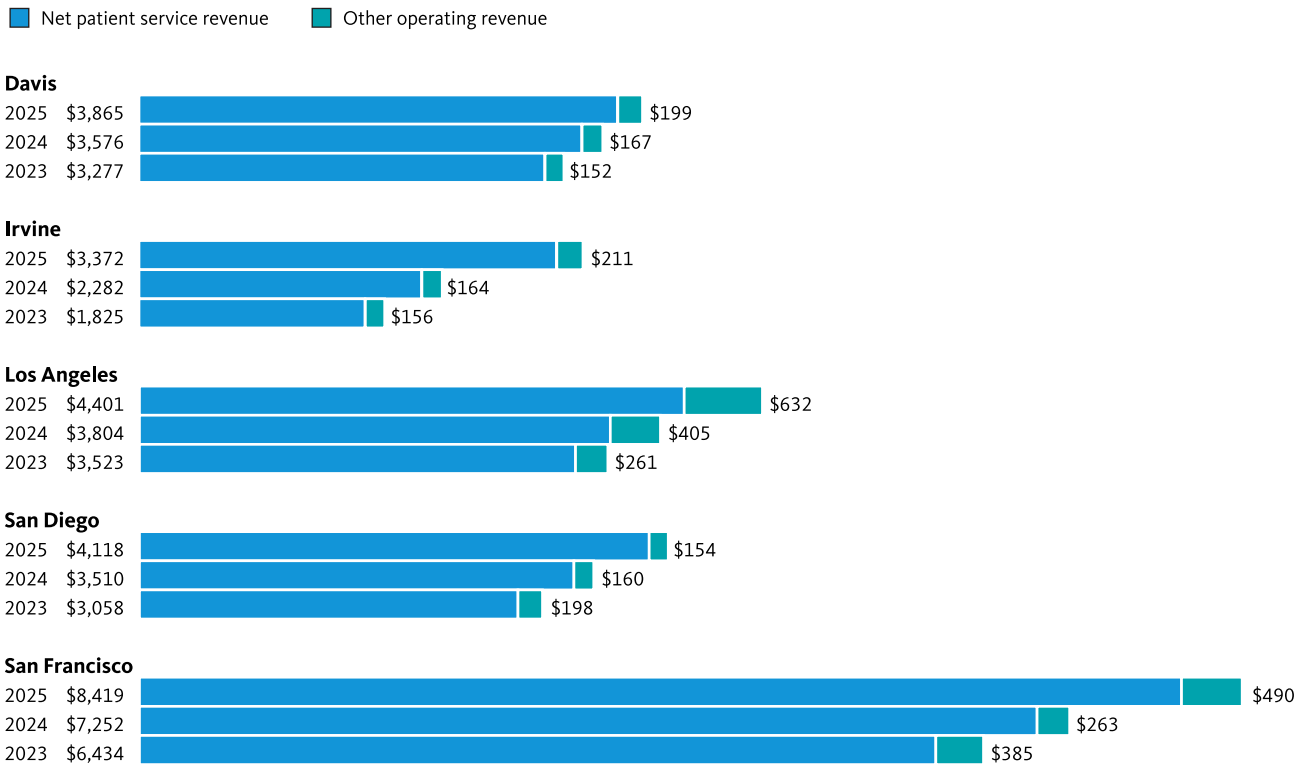
The most common payment arrangement for inpatient services is a prospectively determined per diem rate or case rate. The most common payment arrangement for outpatient care is a prospective payment system that uses ambulatory payment classifications.

Display 3 illustrates trends in net patient service revenue and other operating revenue.

Display 3: Net patient service revenue and other operating revenue *(in millions of dollars)*

Legend is presented in the same order as the bars in each cluster.

[Table data for Display 3 is on page 138](#)



Tables MDA.7a and 7.b present revenue changes in 2025 and 2024, respectively.

Table MDA.7a: Revenue changes in 2025 *(in millions of dollars)*

Location	Change in total operating revenue	Change percentage	Change in net patient service revenue	Change percentage	Comments
Davis	\$321.3	8.6%	\$289.0	8.1%	Growth is due to increased demand and the ability to see more patients.
Irvine	1,136.8	46.5	1,089.8	47.8	Increase is attributed to organic growth and a full year of patient volumes from the acquisition of the UCI Health Community Hospitals in March 2024.
Los Angeles	824.1	19.6	596.6	15.7	Increase due to patient volume growth, contract and retail pharmacy, third-party payor settlements, hematology oncology revenue and full year activity from the acquisition of West Valley Medical Center in March 2024.
San Diego	602.9	16.4	608.4	17.3	Increased patient volumes across inpatient and outpatient services, plus full year from the hospital acquisition in December 2023.
San Francisco	1,393.9	18.6	1,166.9	16.1	Increase due to the acquisition of the UCSF Health Community Hospitals and opening of the Bayfront Medical Building in August 2024, organic growth in patient volumes, contract rate increases and strong growth in pharmacy revenues. Growth in outpatient services has outpaced growth in inpatient services.

Table MDA.7b: Revenue changes in 2024 *(in millions of dollars)*

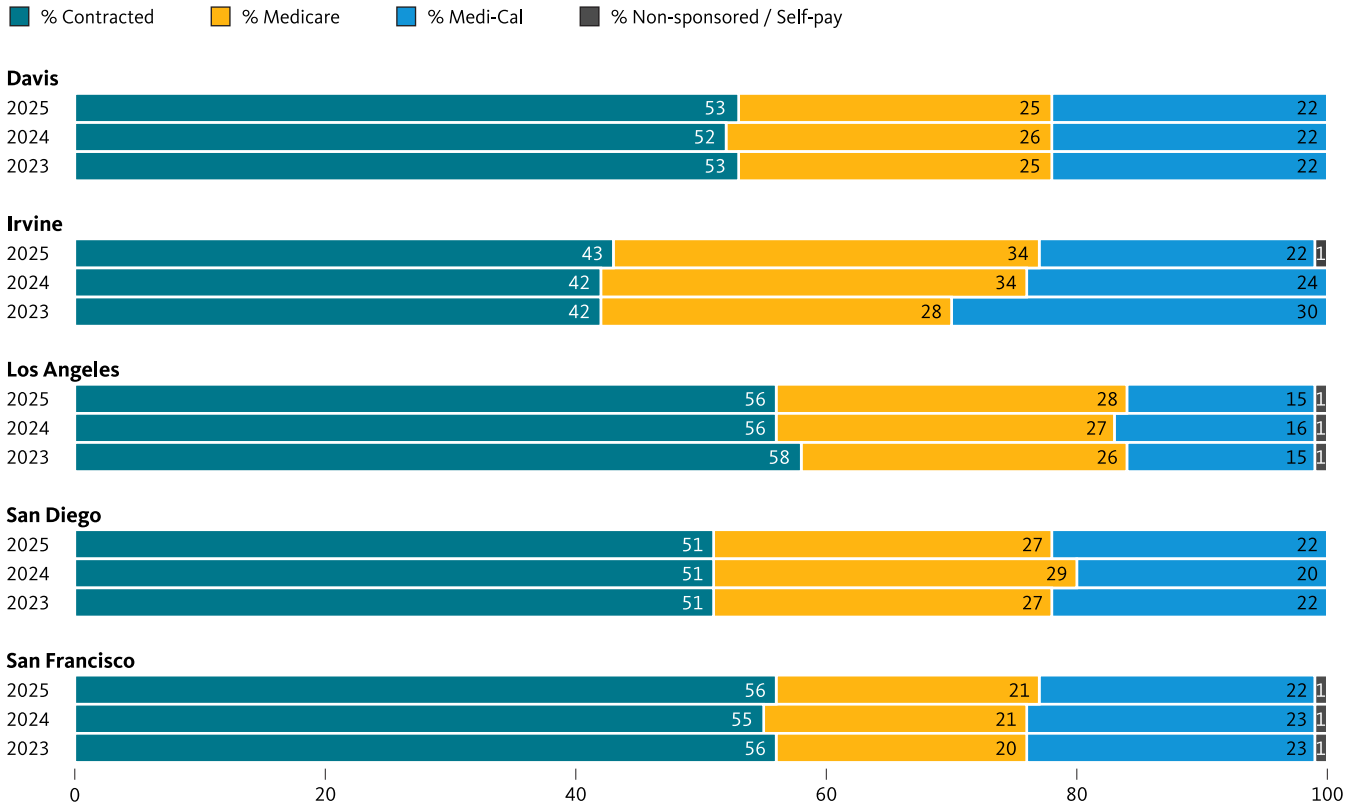
Location	Change in total operating revenue	Change percentage	Change in net patient service revenue	Change percentage	Comments
Davis	\$313.8	9.2%	\$298.7	9.1%	Increase is attributable to higher patient volume and growth in pharmaceutical revenue.
Irvine	464.9	23.5	457.2	25.0	The increase is attributable to organic growth from higher patient volumes and incremental revenue generated by the Tenet hospitals acquired in March 2024.
Los Angeles	425.0	11.2	281.7	8.0	Increase due to inpatient and outpatient volume growth, specialty retail pharmacy, third-party supplemental payments and newly acquired West Valley Medical Center.
San Diego	412.7	12.7	451.3	14.8	Driven by various prior period revenue settlements and the acquisition of a hospital. In addition, increased patient volumes in surgery cases, emergency visits and clinic visits.
San Francisco	695.2	10.2	817.6	12.7	Increase due to growth in volumes, contract rate increases, higher supplemental revenues and prior year settlements and growth in specialty pharmacy. Outpatient growth has outpaced growth in inpatient.

Display 4 illustrates the percentage of net patient service revenue by payor.

Display 4: Net patient service revenue by payor *(by percentage)*

Legend is presented in the same order as the bars in each cluster.

[Table data for Display 4 is on page 139](#)



Tables MDA.8a and 8b present payor mix changes in 2025 and 2024, respectively.

Table MDA.8a: Changes in payor mix in 2025

Location	Comments
Davis	Payor mix remained relatively stable. Commercial increased slightly, offset by decrease in Medi-Cal.
Irvine	Payor mix has shifted slightly from Medi-Cal to Contract payors.
Los Angeles	Payor mix changed due to a shift from contracted payors to government payors.
San Diego	Payor mix shifted slightly from Medicare to Medi-Cal payors.
San Francisco	No significant change in payor mix. Contract net revenues increased due to contract rate increases.

Table MDA.8b: Changes in payor mix in 2024

Location	Comments
Davis	Payor mix remained relatively stable. Commercial remained consistent while Medi-Cal slightly declined, offset by a slight increase in Medicare.
Irvine	Payor mix changed due to a shift mainly from Medi-Cal to Medicare payors.
Los Angeles	Payor mix changed due to a shift from contracted payors to government payors.
San Diego	Payor mix shifted slightly from Medi-Cal to Medicare.
San Francisco	Payor mix changed due to a shift from contracted payors to government payors. Medicare and Medi-Cal net patient increased due to favorable supplemental revenues and prior year settlements.

Operating Expenses

Operating expenses fluctuate based on patient statistics, including inpatient occupancy levels, the volume of outpatient visits and the mix of services provided. Expenses are also impacted by inflation and ongoing cost containment efforts by the Medical Centers. Pension expenses have caused significant fluctuations in total operating expenses due to the performance of the financial markets.

Tables MDA.9a, 9b and 9c summarize the operating expenses for the Medical Centers in 2025, 2024 and 2023, respectively.

Table MDA.9a: Operating expenses in 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Salaries and wages	\$1,679,300	\$1,468,555	\$1,755,855	\$1,483,212	\$3,123,419	\$9,510,341
Pension benefits	147,004	175,014	152,164	116,668	178,940	769,790
Retiree health benefits	27,005	81,937	1,242	48,735	125,455	284,374
Other employee benefits	385,622	330,141	364,635	346,029	682,836	2,109,263
Professional services	158,665	22,910	47,696	117,398	1,575,308	1,921,977
Medical supplies	875,960	742,542	914,567	1,118,323	1,600,696	5,252,088
Other supplies and purchased services	256,785	552,583	720,042	327,749	674,364	2,531,523
Depreciation and amortization	165,025	187,792	187,181	130,668	234,477	905,143
Insurance and other	104,070	114,993	96,538	134,408	179,523	629,532
Total	\$3,799,436	\$3,676,467	\$4,239,920	\$3,823,190	\$8,375,018	\$23,914,031

Table MDA.9b: Operating expenses in 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Salaries and wages	\$1,639,897	\$919,962	\$1,546,999	\$1,277,720	\$2,563,865	\$7,948,443
Pension benefits	291,874	258,345	243,796	221,825	391,317	1,407,157
Retiree health benefits	84,804	102,876	37,718	86,791	120,308	432,497
Other employee benefits	376,040	204,530	289,570	298,206	529,675	1,698,021
Professional services	163,456	28,895	46,006	106,109	1,338,752	1,683,218
Medical supplies	708,974	513,026	738,203	983,910	1,278,315	4,222,428
Other supplies and purchased services	260,607	290,338	562,221	310,222	544,528	1,967,916
Depreciation and amortization	162,823	127,020	164,283	123,493	224,986	802,605
Insurance and other	96,306	71,578	77,864	116,889	151,139	513,776
Total	\$3,784,781	\$2,516,570	\$3,706,660	\$3,525,165	\$7,142,885	\$20,676,061

Table MDA.9c: Operating expenses in 2023 (in thousands of dollars)

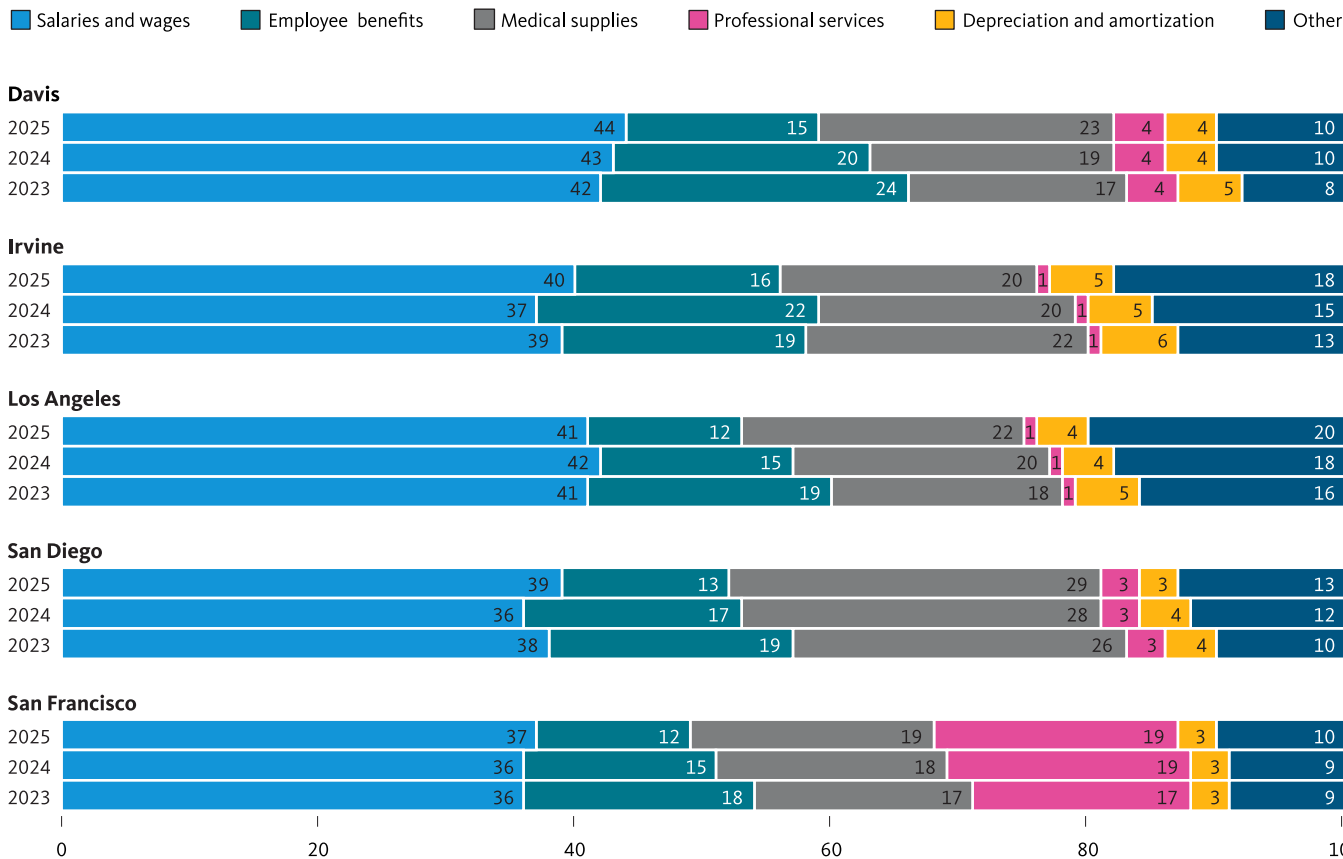
Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Salaries and wages	\$1,491,541	\$730,192	\$1,456,678	\$1,217,545	\$2,505,214	\$7,401,170
Pension benefits	413,722	175,667	347,961	285,089	627,522	1,849,961
Retiree health benefits	106,942	37,439	56,102	84,758	175,423	460,664
Other employee benefits	332,811	146,092	258,705	242,012	453,408	1,433,028
Professional services	141,366	12,962	37,975	89,155	1,155,658	1,437,116
Medical supplies	601,503	414,506	644,761	841,223	1,148,671	3,650,664
Other supplies and purchased services	236,270	202,961	483,253	258,238	526,467	1,707,189
Depreciation and amortization	164,256	110,465	159,035	125,768	222,045	781,569
Insurance and other	95,129	40,813	70,933	100,487	111,739	419,101
Total	\$3,583,540	\$1,871,097	\$3,515,403	\$3,244,275	\$6,926,147	\$19,140,462

Display 5 illustrates the percentage of operating expenses by type.

Display 5: Operating expenses by type *(by percentage)*

Legend is presented in the same order as the bars in each cluster.

[Table data for Display 5 is on page 139](#)



Tables MDA.10a and 10b present changes in total operating expense in 2025 and 2024, respectively.

Table MDA.10a: Changes in operating expense in 2025 *(in millions of dollars)*

Location	Change in total operating expense	Change percentage	Comments
Davis	\$14.7	0.4%	Increase is primarily driven by salaries and other employee benefits related to higher patient volume and salary rate increases. In addition, medical supplies increased due to increased volume and costs. These increases were offset by lower pension expense and retiree health benefits from lower unfunded pension and retiree health benefits expense.
Irvine	1,159.9	46.1	Increase driven by workforce expansion, benefit cost pressures, higher supplies and purchased services tied to volume growth and depreciation expense from significant capital additions. These increases were partially offset by a reduction in pension and retiree health benefits expense.
Los Angeles	533.3	14.4	Increase primarily driven by higher salary costs due to higher patient volume and salary rate increases, higher non-labor expenses due to increased volume and costs, and full year activity from the acquisition of West Valley Medical Center in March 2024. These increases were partially offset by a reduction in pension and retiree health benefits expense.
San Diego	298.0	8.5	Increase in salaries & wages due to increased patient volume. Increased patient volumes also resulted in higher medical supplies, pharmaceuticals and purchased services.
San Francisco	1,232.1	17.2	Overall increase in operating expenses due to higher volumes and inflationary rate increases. Volume growth was partly driven by opening of the Bayfront Medical Building and the acquisition of the UCSF Health Community Hospitals in August 2024. Expense increases were partially offset by a reduction in pension expense.

Table MDA.10b: Changes in operating expense in 2024 *(in millions of dollars)*

Location	Change in total operating expense	Change percentage	Comments
Davis	\$201.2	5.6%	Increase is primarily due to salaries and benefits, professional services and medical supplies due to slight growth in number of employees and rate increases. Operations within UC Davis Medical Center grew by 6% in surgery services and 4% in clinical visits during FY2024. This growth, including expanded services in infusion through Care at Home, Prenatal clinics and psychiatric services, resulted in a corresponding 5% growth in FTEs. Volume increase contributed to increase in supply costs.
Irvine	645.5	34.5	Increase primarily driven by higher pension and retiree health expenses, higher salary due to FTE growth and acquisition related expenses.
Los Angeles	191.3	5.4	Overall increase in operating expenses due to higher patient volume as well as inflationary and contract rate increases.
San Diego	280.9	8.7	Increase due to higher salaries and wages driven by higher patient volume and the acquisition of a new hospital. In addition, increases in pharmaceuticals, medical supplies and purchased services are also driven by increased patient volume and the hospital acquisition.
San Francisco	216.7	3.1	Overall increase in operating expenses due to higher volumes and rate increases. Expense increases were partially offset by reductions in pension and retiree health benefits expenses, improvements in FTE efficiency and reductions in both COVID-19 employee payments and contract labor rates.

Salaries and Benefits

Salary and employee benefits expenses include wages paid to employees, vacation, holiday and sick pay, payroll taxes, workers' compensation insurance premiums, health insurance, pension and retiree health benefits expense and other employee benefits. Salaries and benefits as a percentage of total operating revenue have changed primarily due to changes in pension and retiree health benefits expense.

Tables MDA.11a and 11b present salaries and benefits expense changes as a percentage of total operating revenue in 2025 and 2024, respectively.

Table MDA.11a: Salaries and benefits expense changes as a percentage of total operating revenue in 2025

Location	2025	2024	Comments
Davis	55.1%	63.9%	Decrease primarily due to lower pension and retiree health benefits expenses with strong investment earnings on plan assets.
Irvine	57.4	60.7	Decrease primarily due to lower pension and retiree health benefits expenses with strong investment earnings on plan assets.
Los Angeles	45.2	50.3	Decrease primarily due to lower pension and retiree health benefits expenses with strong investment earnings on plan assets.
San Diego	46.7	51.4	Decrease primarily due to lower pension and retiree health benefits expenses with strong investment earnings on plan assets.
San Francisco	46.1	48.0	Decrease primarily due to lower pension and retiree health benefits. The decline in pension expense is primarily associated with plan provision changes for the CHRCO pension plan and strong investment earnings on plan assets for both the CHRCO and UCRP plans.

Table MDA.11b: Salaries and benefits expense changes as a percentage of total operating revenue in 2024

Location	2024	2023	Comments
Davis	63.9%	68.4%	Decrease was driven by favorable market returns on pension assets and a decline in retiree health benefits.
Irvine	60.7	55.0	Salaries and benefits as a percentage of total operating revenue increased due to higher pension and retiree health benefit expenses noting covered employees from the acquired hospitals in March 2024.
Los Angeles	50.3	56.0	Decrease was driven by favorable market returns on pension assets and a decline in retiree health benefits.
San Diego	51.4	56.2	Reduction of contract labor resulted in salaries and benefits increasing less relative to the increase in medical supplies and purchased services.
San Francisco	48.0	55.2	Decrease due to improvements in FTE efficiency, reductions in COVID-19 employee payments, declines in contract labor rates, declines in pension and retiree health benefits expense and strong volume and revenue growth.

Approximately one-half of the Medical Centers' workforce, including nurses and employees providing ancillary services, expand and contract with patient volumes.

Tables MDA.12a and 12b present changes in salaries and wages, full-time equivalents and salaries and wages rates in 2025 and 2024, respectively.

Table MDA.12a: Changes in salaries and wages, full-time equivalents and salaries and wages rates in 2025 *(in millions of dollars)*

Location	Change in salaries and wages	Change percentage	Change in full-time equivalents	Change percentage	Rate change	Change percentage
Davis	\$39.4	2.4%	(61)	(0.5%)	\$47.7	2.9%
Irvine	548.6	59.6	1,272	12.8	381.9	41.5
Los Angeles	208.9	13.5	934	8.4	73.0	4.7
San Diego	205.5	16.1	1,276	13.7	67.4	2.1
San Francisco	559.6	21.8	2,573	16.6	134.3	5.2

Table MDA.12b: Changes in salaries and wages, full-time equivalents and salaries and wages rates in 2024 *(in millions of dollars)*

Location	Change in salaries and wages	Change percentage	Change in full-time equivalents	Change percentage	Rate change	Change percentage
Davis	\$148.4	9.9%	555	4.8%	\$76.4	4.9%
Irvine	189.8	26.0	3,901	64.6	(171.3)	(23.5)
Los Angeles	90.3	6.2	504	4.7	20.0	1.4
San Diego	60.2	4.9	283	3.1	66.1	1.7
San Francisco	58.7	2.3	(132)	(0.8)	79.1	3.1

Tables MDA.13a and 13b present changes in employee benefits in 2025 and 2024, respectively.

Table MDA.13a: Changes in employee benefits in 2025 *(in millions of dollars)*

Location	Change in pension	Change percentage	Change in retiree health benefits	Change percentage	Change in other employee benefits	Change percentage
Davis	(\$144.9)	(49.6%)	(\$57.8)	(20.7%)	\$9.6	2.5%
Irvine	(83.3)	(32.3)	(20.9)	174.8	125.6	61.4
Los Angeles	(91.6)	(37.6)	(36.5)	(32.8)	75.1	25.9
San Diego	(105.2)	(47.4)	(38.1)	2.4	47.8	16.0
San Francisco	(212.4)	(54.3)	5.1	(31.4)	153.2	28.9

Table MDA.13b: Changes in employee benefits in 2024 *(in millions of dollars)*

Location	Change in pension	Change percentage	Change in retiree health benefits	Change percentage	Change in other employee benefits	Change percentage
Davis	(\$121.8)	(29.5%)	(\$22.1)	(2.4%)	\$43.2	13.0%
Irvine	82.7	47.1	65.4	(5.1)	58.4	40.0
Los Angeles	(104.2)	(29.9)	(18.4)	(21.0)	30.9	11.9
San Diego	(63.3)	(22.2)	2.0	(8.5)	56.2	23.2
San Francisco	(236.2)	(37.6)	(55.1)	(1.1)	76.3	16.8

Substantially all full-time employees of the Medical Centers participate in the University of California Retirement Plan (UCRP).

Table MDA.14 presents pension expense and contributions for the Medical Centers related to UCRP.

Table MDA.14: UCRP pension expense and contributions *(in thousands of dollars)*

Location	Pension expense 2025	Pension contributions 2025	Pension expense 2024	Pension contributions 2024	Pension expense 2023	Pension contributions 2023
Davis	\$137,883	\$204,274	\$291,874	\$189,294	\$413,722	\$168,790
Irvine	174,196	160,702	257,610	95,969	174,601	73,635
Los Angeles	118,686	198,042	243,796	165,981	347,961	151,748
San Diego	116,668	162,699	221,825	137,326	285,089	119,008
San Francisco	296,171	311,941	355,223	253,478	583,286	238,919
Total	\$843,604	\$1,037,658	\$1,370,328	\$842,048	\$1,804,659	\$752,100

The University has financial responsibility for pension benefits associated with its defined benefit plans. The Medical Centers are required to contribute at a rate set by The Regents. The University contribution rate for active members was 14.5 percent, 14.0 percent and 14.0 percent of covered payroll for the years ended June 30, 2025, 2024 and 2023, respectively.

Pension expense is allocated to the Medical Centers based on their proportionate share of covered compensation for the fiscal year. Pension expense fluctuates primarily based on expected as compared to actual investment returns and the trend in the Medical Centers' proportionate share of the net pension liability. Pension expenses were lower in 2025 and 2024 due to higher-than-expected investment returns. Pension expenses were higher in 2023 primarily due to assumption changes based on a required experience study. The discount rate used to estimate the net pension liability was 6.75 percent in 2023, 2024 and 2025.

Table MDA.15 presents retiree health benefits expense and contributions for the Medical Centers.

Table MDA.15: Retiree health benefits expense and contributions *(in thousands of dollars)*

Location	Retiree health benefits expense 2025	Retiree health benefits contributions 2025	Retiree health benefits expense 2024	Retiree health benefits contributions 2024	Retiree health benefits expense 2023	Retiree health benefits contributions 2023
Davis	\$27,005	\$32,395	\$84,804	\$31,173	\$106,942	\$27,804
Irvine	81,937	25,609	102,876	15,803	37,439	12,048
Los Angeles	1,242	31,347	37,718	27,207	56,102	24,842
San Diego	48,735	25,758	86,791	22,479	84,758	19,449
San Francisco	125,455	50,193	120,308	42,076	175,423	39,876
Total	\$284,374	\$165,302	\$432,497	\$138,738	\$460,664	\$124,019

The University administers single-employer health and welfare plans to provide primarily medical, dental and vision benefits to eligible retirees (and their eligible family members) of the University of California and its affiliates through the University of California Retiree Health Benefit Trust (UCRHBT). The University has a financial responsibility for retiree health benefits associated with UCRHBT and funds them on a pay-as-you-go basis. The Medical Centers are required to contribute at a rate assessed each year by the University.

Retiree health benefits expense is allocated to the Medical Centers based on their proportionate share of covered compensation for the fiscal year. Retiree health benefits expenses decreased in 2025 and 2024 primarily due to changes in the discount rate. The discount rates as of June 30, 2025, 2024 and 2023 were 5.20 percent, 3.93 percent and 3.65 percent, respectively.

Professional Services

Professional services include payments to the Schools of Medicine for physician services in the hospitals and clinics, payments to other health care providers for capitated patients, outside laboratory fees, organ acquisition fees, transcription fees and legal fees.

Tables MDA.16a and 16b present changes in professional services expense in 2025 and 2024, respectively.

Table MDA.16a: Changes in professional services expense in 2025 (in millions of dollars)

Location	Change in professional services	Change percentage	Comments
Davis	(\$4.8)	(2.9%)	Decrease is driven by decrease in consulting fees and other professional fees.
Irvine	(6.0)	(20.7)	Decrease due to reduced spending on consulting, legal and audit fees.
Los Angeles	1.7	3.7	Increase is driven by physician services provided for West Valley Medical Center, which was acquired in March 2024.
San Diego	11.3	10.6	Increases in administrative component expenses.
San Francisco	236.6	17.7	Professional services include the UCSF Faculty Clinical Practices, while other UC Health entities only reflect hospital performance. Increase in professional fees is primarily driven by higher physician fees due to a significant increase in volumes and rates.

Table MDA.16b: Changes in professional services expense in 2024 (in millions of dollars)

Location	Change in professional services	Change percentage	Comments
Davis	\$22.1	15.6%	Increase is driven by consulting fees, other professional services and professional network cost for physician services.
Irvine	15.9	122.9	Increase mainly due to higher consulting and legal fees.
Los Angeles	8.0	21.1	Increase primarily driven by interim service agreements related to the acquisition of West Valley Medical Center.
San Diego	17.0	19.0	Increases in administrative component expenses and legal fees.
San Francisco	183.1	15.8	Professional services include the UCSF Faculty Clinical Practices, while other UC Health entities only reflect hospital performance. Increase in professional fees is primarily driven by higher physician fees due to a significant increase in volumes, rates and higher consulting spend.

Medical Supplies

Medical supplies expense fluctuates with patient volumes. Medical supplies are also subject to significant inflationary pressures due to escalating pharmaceutical costs and continued innovation in implants, prosthetics and other medical supplies. The Medical Centers have ongoing initiatives to control utilization and to negotiate competitive pricing.

Tables MDA.17a and 17b present changes in medical supplies expense, including pharmaceuticals in 2025 and 2024, respectively.

Table MDA.17a: Changes in medical supplies expense in 2025 (in millions of dollars)

Location	Change in medical supplies	Change percentage	Comments
Davis	\$167.0	23.6%	Increase is driven by increase in pharmaceutical expense. This increased expense correlates with the increase in pharmacy revenues.
Irvine	229.5	44.7	Increase from higher patient volumes, rising pharmaceutical costs and growth in specialty retail pharmacy, noting a full year activity from the acquisition of the UCI Health Community Hospitals.
Los Angeles	176.4	23.9	Increase in pharmacy expense due to patient acuity and growth in specialty pharmacy and retail pharmacy prescriptions. Increase in medical supplies due to volume and supply chain pricing inflation. Overall increase due to full year activity from the acquisition of West Valley Medical Center in March 2024.
San Diego	134.4	13.7	Increase in patient volumes and associated increases in pharmaceutical supplies from higher retail pharmacy revenue and general pharmaceutical price increases.
San Francisco	322.4	25.2	Increase due to strong growth in pharmacy and surgery volumes, partly driven by opening of the Bayfront Medical Building and the acquisition of the UCSF Health Community Hospitals in August 2024.

Table MDA.17b: Changes in medical supplies expense in 2024 *(in millions of dollars)*

Location	Change in medical supplies	Change percentage	Comments
Davis	\$107.5	17.9%	Higher patient volumes, inflation costs for supplies and growth in pharmacy services contributed to the increase.
Irvine	98.5	23.8	Increase due to higher patient volumes and escalating medical and pharmaceutical supplies costs.
Los Angeles	93.4	14.5	Increase in pharmacy expense due to patient acuity and growth in specialty pharmacy and retail pharmacy prescriptions. Increase in medical supplies due to volume and inflation.
San Diego	142.7	17.0	Increase driven by higher patient volume, particularly higher pharmaceutical expenses from retail pharmacy revenue and general pharmaceutical price increases.
San Francisco	129.6	11.3	Increase due to higher patient volumes, supply chain pricing inflation and growth in specialty pharmacy.

Other Supplies and Purchased Services

Other supplies and purchased services expenses include non-medical supplies, medical purchased services and repairs and maintenance.

Tables MDA.18a and 18b present changes in other supplies and purchased services expense in 2025 and 2024, respectively.

Table MDA.18a: Changes in other supplies and purchased services expense in 2025 *(in millions of dollars)*

Location	Change in other supplies and purchased services	Change percentage	Comments
Davis	(\$3.8)	(1.5%)	The decrease is mainly due to lower capitation loss liability from fewer high-cost encounters in FY25 versus FY24, along with reduced spending on non-capitalizable equipment and non-medical supplies.
Irvine	262.2	90.3	Increase driven by higher non-medical supplies and advisory support related to integration along with volume-driven facility and service costs, noting a full year activity from the acquisition of the UCI Health Community Hospitals.
Los Angeles	157.8	28.1	Increase driven by higher volume, increases in supply costs, payments to outside providers for capitation plans, and full year activity from the acquisition of West Valley Medical Center in March 2024.
San Diego	17.5	5.6	Increase driven by increased patient volume, partially driven by full year activity from the hospital acquisition in December 2023.
San Francisco	129.8	23.8	Increase due to higher volumes and increases in supply costs. Volume growth was partly driven by opening of the Bayfront Medical Building and the acquisition of the UCSF Health Community Hospitals in August 2024.

Table MDA.18b: Changes in other supplies and purchased services expense in 2024 *(in millions of dollars)*

Location	Change in other supplies and purchased services	Change percentage	Comments
Davis	\$24.3	10.3%	Increase is due to higher software and maintenance contracts, as well as supply costs related to higher volume.
Irvine	87.4	43.1	Increase driven by higher patient volumes and acquisition-related purchased services.
Los Angeles	79.0	16.3	Increase driven by higher volume, higher organ acquisition costs, payments to outside providers for capitation plans, higher maintenance service contracts and inflation.
San Diego	52.0	20.1	Increase due to overall higher patient volume and additional expenses from the acquired hospital.
San Francisco	18.1	3.4	Increase due to higher volumes and increases in supply costs.

Depreciation and Amortization

Tables MDA.19a and 19b present changes in depreciation and amortization expense in 2025 and 2024, respectively.

Table MDA.19a: Changes in depreciation and amortization in 2025 *(in millions of dollars)*

Location	Change in depreciation and amortization	Change percentage	Comments
Davis	\$2.2	1.4%	Increase is driven by amortization of new assets purchased and completion of construction projects during the year.
Irvine	60.8	47.8	Increase due to new buildings and equipment placed into service, higher right-of-use asset amortization and amortization of deferred outflows related to acquired hospitals.
Los Angeles	22.9	13.9	Increase primarily driven by depreciation of capital assets from the acquisition of West Valley Medical Center in March 2024.
San Diego	7.2	5.8	Increase in assets associated with the hospital acquisition in December 2023.
San Francisco	9.5	4.2	Increase driven by depreciation of new assets purchased and completion of construction projects during the year.

Table MDA.19b: Changes in depreciation and amortization in 2024 *(in millions of dollars)*

Location	Change in depreciation and amortization	Change percentage	Comments
Davis	(\$1.4)	(0.9%)	Depreciation and amortization remained consistent with prior year.
Irvine	16.6	15.0	Increase due to more buildings and capital equipment placed into service, higher amortization of right-of-use assets and a new amortization of excess consideration provided for acquisition.
Los Angeles	5.2	3.3	Increase primarily driven by depreciation of capital assets for the newly acquired facilities.
San Diego	(2.3)	(1.8)	Decrease in number of leases subject to GASB 87 lease accounting pronouncement.
San Francisco	2.9	1.3	No significant change from prior year.

Income (Loss) Before Other Changes in Net Position

Income (loss) before other changes in net position generally fluctuates consistently with operating results; however, as designated public hospitals, grants from the State, which are intended to mitigate operating losses, are reported as nonoperating revenues.

Table MDA.20 presents income (loss) before other changes in net position for the Medical Centers.

Table MDA.20: Income (loss) before other changes in net position (in thousands of dollars)

Fiscal year	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
2025	\$241,800	(\$145,341)	\$889,257	\$424,601	\$809,461	\$2,219,778
2024	(88,205)	(65,017)	646,154	138,236	483,367	1,114,535
2023	(99,463)	131,158	334,118	370	(115,933)	250,250

Tables MDA.21a and **21b** present changes in income (loss) before other changes in net position in 2025 and 2024, respectively.

Table MDA.21a: Increases (decreases) in income (loss) before other changes in net position in 2025 (in millions of dollars)

Location	Income (loss) before other changes in net position	Change percentage	Comments
Davis	\$330.0	374.1%	Increase due to improvements in FTE efficiency, lower pension and OPEB costs, patient volume growth, increase in pharmaceutical revenues and third-party settlements.
Irvine	(80.3)	(123.5)	Net loss increased during fiscal year 2025 mainly due to integration and a full year operating costs from the acquired UCI Health Community Hospitals exceeded the operating revenue from organic growth.
Los Angeles	243.1	37.6	Increase due to patient volume growth, contract and retail pharmacy, third-party payor settlements and lower pension and retiree health benefits expense.
San Diego	286.4	207.2	Increase due to patient volume growth, lower pension benefits and retiree health benefits and strong third-party settlements.
San Francisco	326.1	67.5	Increase primarily due to strong growth in 340B contract and specialty pharmacy, lower pension and retiree health benefits expense and increases in direct government grants.

Table MDA.21b: Increases (decreases) in income (loss) before other changes in net position in 2024 (in millions of dollars)

Location	Income (loss) before other changes in net position	Change percentage	Comments
Davis	\$11.3	11.3%	Increase due to growth in patient volumes and favorable third-party settlements from prior years.
Irvine	(196.2)	(149.6)	Decrease due to operating cost increases mainly from salaries, pension and retiree benefits were more than the operating revenue increases.
Los Angeles	312.0	93.4	Increase due to lower pension and OPEB costs driven by favorable market returns on pension assets, in-patient and outpatient volume growth, specialty and retail pharmacy, out-of-period third-party settlements and investment returns.
San Diego	137.9	37,261.1	Increase driven primarily by higher patient volumes and favorable third-party settlements from prior years.
San Francisco	599.3	516.9	Increase due to a significant improvement in operating margin and higher investment income. Improvements were largely driven by growth in outpatient volumes, FTE efficiency, increases in supplemental revenues and prior year settlements and reductions in pension expense.

Other Changes in Net Position

The most significant line item in other changes in net position is health system support. Health system support includes amounts paid to the Schools of Medicine by the Medical Centers to fund the operating activities, clinical research and faculty practice plans, as well as other payments for various programs. Transfers from the respective campuses to fund capital projects are reported as contributions for building programs.

Table MDA.22 presents other changes in net position.

Table MDA.22: Other changes in net position (in thousands of dollars)

Fiscal Year	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
2025	(\$130,925)	(\$175,351)	(\$493,359)	(\$294,870)	(\$285,369)	(\$1,379,874)
2024	(105,391)	(207,447)	(338,778)	(361,467)	(212,474)	(1,225,557)
2023	(173,289)	(63,760)	(258,418)	(276,730)	(161,635)	(933,832)

Tables MDA.23a and **23b** present other changes in net position in 2025 and 2024, respectively.

Table MDA.23a: Increases (decreases) in other changes in net position in 2025 (in millions of dollars)

Location	Other changes in net position	Change percentage	Comments
Davis	(\$25.5)	(24.2%)	Change is due to additional health system support provided to the School of Medicine.
Irvine	32.1	15.5	Change is due to decrease in allocation of pension payable to University covering more than enough of increased health system support to the School of Medicine.
Los Angeles	(154.6)	(45.6)	Decrease due to increased health system support.
San Diego	66.6	18.4	Change driven by lower health system support and a decrease in the allocation for pension payable to the University.
San Francisco	(72.9)	(34.3)	Decrease due to an increase in the allocation for pension payable to the University. There was a large increase in the proportionate share of the pension liability due to the acquisition of the UCSF Health Community Hospitals and the transition of the CHRCO employees to the University.

Table MDA.23b: Increases (decreases) in other changes in net position in 2024 (in millions of dollars)

Location	Other changes in net position	Change percentage	Comments
Davis	\$67.9	39.2%	Change is due to change in pension allocation and lower payments for health system support.
Irvine	(143.7)	(225.4)	Change is due to additional health system support provided to the School of Medicine and increase in changes in allocation for pension payable to University.
Los Angeles	(80.4)	(31.1)	Decrease due to increased health system support.
San Diego	(84.7)	(30.6)	Driven mainly by an increase in health system support.
San Francisco	(50.8)	(31.5)	Decline is due to higher health system support. Increases in health system support were driven by favorable volumes and financial performance.

Condensed Statements of Net Position

Tables MDA.24a, 24b and 24c present condensed statements of net position at June 30, 2025, 2024 and 2023, respectively.

Table MDA.24a: Condensed statements of net position at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Current assets						
Cash and cash equivalents	\$549,586	\$380,054	\$2,134,849	\$521,570	\$2,956,609	\$6,542,668
Net patient accounts receivable	698,559	596,550	658,083	544,657	1,437,087	3,934,936
Short-term investments and other current assets	289,470	287,145	656,248	349,966	654,596	2,237,425
Total current assets	1,537,615	1,263,749	3,449,180	1,416,193	5,048,292	12,715,029
Restricted assets	619,540	29,521	222,639	37,453	312,288	1,221,441
Capital assets, net	3,515,182	2,578,131	2,353,312	1,925,881	4,454,240	14,826,746
Investments and other noncurrent assets	126,316	36,606	484,604	93,479	582,780	1,323,785
Total noncurrent assets	4,261,038	2,644,258	3,060,555	2,056,813	5,349,308	17,371,972
Total assets	5,798,653	3,908,007	6,509,735	3,473,006	10,397,600	30,087,001
Deferred outflows of resources	475,306	1,378,644	500,463	456,927	1,509,553	4,320,893
Liabilities						
Current liabilities	814,513	964,230	1,014,782	776,476	1,960,727	5,530,728
Long-term debt, net of current portion	2,661,095	2,094,335	1,897,209	1,182,568	2,566,819	10,402,026
Net pension liability	906,354	723,741	878,703	721,891	1,538,771	4,769,460
Net retiree health benefits liability	1,326,900	1,048,980	1,284,010	1,054,942	2,329,719	7,044,551
Other noncurrent liabilities	646,541	479,393	595,186	601,967	1,080,981	3,404,068
Total liabilities	6,355,403	5,310,679	5,669,890	4,337,844	9,477,017	31,150,833
Deferred inflows of resources	1,157,109	792,920	1,056,133	857,469	2,041,264	5,904,895
Net position						
Net investment in capital assets	1,124,229	662,780	1,010,507	579,994	2,028,405	5,405,915
Restricted		33	11,823	19	139,142	151,017
Unrestricted	(2,362,782)	(1,479,761)	(738,155)	(1,845,393)	(1,778,675)	(8,204,766)
Total net position	(\$1,238,553)	(\$816,948)	\$284,175	(\$1,265,380)	\$388,872	(\$2,647,834)

Table MDA.24b: Condensed statements of net position at June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Current assets						
Cash and cash equivalents	\$708,316	\$633,455	\$1,965,849	\$428,750	\$2,789,643	\$6,526,013
Net patient accounts receivable	648,588	422,644	605,336	530,701	1,165,858	3,373,127
Short-term investments and other current assets	327,790	242,741	619,250	247,057	517,724	1,954,562
Total current assets	1,684,694	1,298,840	3,190,435	1,206,508	4,473,225	11,853,702
Restricted assets	292,926	8,308	288,424	60,090	735,559	1,385,307
Capital assets, net	2,896,632	2,398,734	2,101,106	1,904,573	3,840,379	13,141,424
Investments and other noncurrent assets	128,691	35,399	457,475	93,501	338,090	1,053,156
Total noncurrent assets	3,318,249	2,442,441	2,847,005	2,058,164	4,914,028	15,579,887
Total assets	5,002,943	3,741,281	6,037,440	3,264,672	9,387,253	27,433,589
Deferred outflows of resources	639,283	1,460,801	554,471	587,344	876,253	4,118,152
Liabilities						
Current liabilities	903,103	1,274,798	842,836	509,677	1,684,035	5,214,449
Long-term debt, net of current portion	1,725,948	1,396,586	1,917,335	1,331,357	2,580,513	8,951,739
Net pension liability	1,344,486	936,602	1,194,585	1,024,015	1,800,409	6,300,097
Net retiree health benefits liability	1,495,319	1,050,984	1,343,961	1,139,851	2,018,376	7,048,491
Other noncurrent liabilities	666,829	408,288	524,529	562,234	849,689	3,011,569
Total liabilities	6,135,685	5,067,258	5,823,246	4,567,134	8,933,022	30,526,345
Deferred inflows of resources	855,969	631,080	880,388	679,993	1,465,704	4,513,134
Net position						
Net investment in capital assets	1,234,219	655,452	806,873	565,782	1,816,526	5,078,852
Restricted		33	11,895	5837	138,082	155,847
Unrestricted	(2,583,647)	(1,151,741)	(930,491)	(1,966,730)	(2,089,828)	(8,722,437)
Total net position	(\$1,349,428)	(\$496,256)	(\$111,723)	(\$1,395,111)	(\$135,220)	(\$3,487,738)

Table MDA.24c: Condensed statements of net position at June 30, 2023 (in thousands of dollars)

Description	Davis*	Irvine*	Los Angeles*	San Diego*	San Francisco*	Total*
Current assets						
Cash and cash equivalents	\$640,919	\$833,231	\$1,753,150	\$416,246	\$2,290,279	\$5,933,825
Net patient accounts receivable	594,466	208,260	522,964	455,539	1,016,082	2,797,311
Short-term investments and other current assets	345,826	169,676	481,154	179,814	249,981	1,426,451
Total current assets	1,581,211	1,211,167	2,757,268	1,051,599	3,556,342	10,157,587
Restricted assets	801,935	399,194	574,604	221,248	1,261,161	3,258,142
Capital assets, net	2,239,609	1,459,968	1,863,368	1,564,699	3,463,186	10,590,830
Investments and other noncurrent assets	184,531	18,595	451,518	83,193	323,909	1,061,746
Total noncurrent assets	3,226,075	1,877,757	2,889,490	1,869,140	5,048,256	14,910,718
Total assets	4,807,286	3,088,924	5,646,758	2,920,739	8,604,598	25,068,305
Deferred outflows of resources	816,326	313,091	561,896	551,023	1,203,947	3,446,283
Liabilities						
Current liabilities	751,507	492,330	748,198	481,115	1,606,151	4,079,301
Long-term debt, net of current portion	1,747,986	1,334,947	1,927,562	1,113,312	2,618,781	8,742,588
Net pension liability	1,529,126	681,741	1,374,737	1,078,132	2,215,442	6,879,178
Net retiree health benefits liability	1,621,188	702,471	1,448,495	1,133,878	2,324,959	7,230,991
Other noncurrent liabilities	552,481	225,915	486,869	489,729	764,359	2,519,353
Total liabilities	6,202,288	3,437,404	5,985,861	4,296,166	9,529,692	29,451,411
Deferred inflows of resources	663,536	276,545	688,959	473,530	961,198	3,063,768
Net position						
Net investment in capital assets	1,169,717	496,518	854,045	617,509	1,920,804	5,058,593
Restricted		33	25,282	168	134,022	159,505
Unrestricted	(2,411,929)	(808,485)	(1,345,493)	(1,915,611)	(2,737,171)	(9,218,689)
Total net position	(\$1,242,212)	(\$311,934)	(\$466,166)	(\$1,297,934)	(\$682,345)	(\$4,000,591)

*Does not reflect adoption of GASB 101 or change in accounting principle

Cash and Cash Equivalents

Tables MDA.25a and 25b present changes in cash and cash equivalents in 2025 and 2024, respectively.

Table MDA.25a: Changes in cash and cash equivalents in 2025 (in millions of dollars)

Location	Change in cash and cash equivalents	Change percentage	Comments
Davis	(\$158.7)	(22.4%)	Decrease due to an increase in health system support and purchased service agreements paid to the School of Medicine.
Irvine	(253.4)	(40.0)	Decrease due to working capital needs from the acquired hospitals, increased operating expense levels and continued investment in capital projects.
Los Angeles	169.0	8.6	Increase primarily due to cash flows from operations and direct government grants, partially offset by an increase in health system support.
San Diego	92.8	21.6	Increase due to improved cash flow from operations and lower health system support.
San Francisco	167.0	6.0	Increase primarily due to cash inflows from operations, investment income and direct government grants.

Table MDA.25b: Changes in cash and cash equivalents in 2024 (in millions of dollars)

Location	Change in cash and cash equivalents	Change percentage	Comments
Davis	\$67.4	10.5%	Increase due to higher cash from operations and decreases in health system support.
Irvine	(199.8)	(24.0)	Decrease due to acquisition of four Tenet hospitals and continued investment in capital assets.
Los Angeles	212.7	12.1	Increase due to strong cash flow from operations.
San Diego	12.5	3.0	Increase due to higher patient volumes.
San Francisco	499.4	21.8	Increase due to strong cash flow from operations.

Patient Accounts Receivable

Tables MDA.26a and 26b present changes in patient accounts receivable, net of estimated uncollectible accounts, in 2025 and 2024, respectively.

Table MDA.26a: Changes in net patient accounts receivable in 2025 *(in millions of dollars)*

Location	Change in patient accounts receivable	Change percentage	Comments
Davis	\$50.0	7.7%	Increase due to higher patient volume and timing of payments from payors.
Irvine	173.9	41.1	Increase driven by higher patient volumes, integration of acquired hospitals and timing of collections from payors.
Los Angeles	52.7	8.7	Increase due to higher patient volume, partly attributed to full year activity from the acquisition of West Valley Medical Center in March 2024, and timing of payments from payors.
San Diego	14.0	2.6	Increase due to higher patient volumes plus a full year of activity at the hospital acquired in December 2023.
San Francisco	271.2	23.3	Increase due to higher patient volume and timing of payments from payors.

Table MDA.26b: Changes in net patient accounts receivable in 2024 *(in millions of dollars)*

Location	Change in patient accounts receivable	Change percentage	Comments
Davis	\$54.1	9.1%	Increase due to higher patient volume and timing of payments from payors.
Irvine	214.4	102.9	The increase is driven by the acquisition of four Tenet hospitals, higher patient volumes, and the timing of payments from payors.
Los Angeles	82.4	15.8	Increase due to higher patient volume and timing of payments from payors.
San Diego	75.2	16.5	Increase due to higher patient volume and the acquisition of a hospital.
San Francisco	149.8	14.7	Increase due to higher patient volume and timing of payments from payors.

Restricted Assets

General Revenue Bonds and Medical Center Pooled Revenue Bonds are issued to primarily finance future capital projects. Unspent proceeds and investment income earned on the proceeds from this issuance are invested in University investment pools.

Table MDA.27 presents restricted assets related to deposits held for hospital construction.

Table MDA.27: Restricted assets related to deposits held for hospital construction (in thousands of dollars)

Location	2025	2024	2023
Davis	\$619,540	\$292,926	\$801,935
Irvine	29,521	8,308	399,194
Los Angeles	210,814	277,758	563,787
San Diego	37,453	60,090	221,248
San Francisco	194,826	607,667	1,127,029
Total	\$1,092,154	\$1,246,749	\$3,113,193

Capital Assets

Tables MDA.28a and **28b** present changes in net capital assets in 2025 and 2024, respectively.

Table MDA.28a: Changes in net capital assets in 2025 (in millions of dollars)

Location	Change in net capital assets	Change percentage	Comments
Davis	\$618.6	21.4%	Increase due to major ongoing construction projects, including the California Tower, 48X Complex, and Folsom Medical Office Building.
Irvine	179.4	7.5	Increase due to continued construction of the Irvine Campus Medical Center complex and other capital additions.
Los Angeles	252.2	12.0	Increase due to the acquisition of medical office buildings, construction of the neuropsychiatric hospital, new equipment and the commencement of new long-term leases.
San Diego	21.3	1.1	Increase due to construction on a new outpatient pavilion at the Hillcrest campus.
San Francisco	613.9	16.0	Increase due to major construction projects, including the Helen Diller Hospital, and the acquisition of the UCSF Health Community Hospitals.

Table MDA.28b: Changes in net capital assets in 2024 (in millions of dollars)

Location	Change in net capital assets	Change percentage	Comments
Davis	\$657.0	29.3%	Increase due to significant ongoing construction projects.
Irvine	938.8	64.3	Increase due to the capital assets acquired through the Tenet acquisition and the ongoing construction of the Irvine Campus Medical Center complex.
Los Angeles	237.7	12.8	Increase due to the acquisition of West Valley Medical Center and West Hills Surgical Center, construction of the neuropsychiatric hospital and the commencement of new long-term leases.
San Diego	339.9	21.7	Increase due to a \$200 million hospital acquisition and the ongoing construction on an outpatient pavilion.
San Francisco	377.2	10.9	Increase due to ongoing construction projects, including the Helen Diller Hospital and Bayfront Medical Building.

Debt

In March 2025, General Revenue Bonds 2025 Series CC totaling \$885.7 million were issued to finance the acquisition and construction of certain facilities at UC Davis Medical Center and UC Irvine Medical Center. The fixed-rate tax-exempt bonds mature in 2055 and have a stated weighted average interest rate of 4.9 percent.

In August 2024, General Revenue Bonds 2024 Series BX and 2024 Series BY totaling \$748.7 million were issued to finance the acquisition and construction of certain facilities at UC Irvine Medical Center.

In February 2024, General Revenue Bonds 2024 Series BT totaling \$200.4 million were issued to finance the acquisition of certain facilities at UC San Diego Medical Center. The fixed-rate tax-exempt bonds mature in 2026 and have a stated weighted average interest rate of 5.0 percent.

In February 2023, General Revenue Bonds totaling \$344.4 million of tax-exempt variable bonds were issued to refinance all or a portion of certain projects of the University through the refunding of certain bonds, including the outstanding Medical Center Pooled Revenue Bonds, 2013 Series J of \$344.4 million. The bonds mature at various dates through 2048 and the interest rate resets each business day.

The University has an internal working capital program that allows each Medical Center to receive internal advances. Advances may not exceed 60 percent of a Medical Center's accounts receivable for any working capital needs. Repayment of advances made to the Medical Centers under the working capital program is not collateralized by a pledge of revenues. At June 30, 2025, there were no outstanding advances to the Medical Centers except for San Diego of \$57.8 million recorded as long-term debt.

As of June 30, 2025, the University has available a \$4.0 billion commercial paper program, issued in two series, with tax-exempt and taxable components. Commercial paper may be issued for interim financing for capital projects or equipment, financing for working capital for the medical centers, standby or interim financing for gift-financed projects and working capital for the University. At June 30, 2025, UC Davis Medical Center utilized \$44.0 million of tax-exempt commercial paper. UC Irvine Medical Center utilized \$60.5 million in line of credit.

Tables MDA.29a and 29b present changes in long-term debt, including the current portion, in 2025 and 2024, respectively.

Table MDA.29a: Changes in debt in 2025 (in millions of dollars)

Location	Change in debt	Change percentage
Davis	\$1,003.7	56.3%
Irvine	183.3	8.4
Los Angeles	(18.4)	(0.9)
San Diego	61.2	4.4
San Francisco	(10.9)	(0.4)

Table MDA.29b: Changes in debt in 2024 (in millions of dollars)

Location	Change in debt	Change percentage
Davis	(\$17.2)	(1.0%)
Irvine	818.4	60.1
Los Angeles	(4.0)	(0.2)
San Diego	224.8	19.2
San Francisco	(37.9)	(1.4)

Net Pension Liability

The University has financial responsibility for the payment of pension benefits associated with its defined benefit plans. The net pension liability related to UCRP is allocated to the Medical Centers based on their proportionate share of covered compensation for the fiscal year.

Table MDA.30 presents the Medical Centers' proportionate share and net pension liability related to UCRP.

Table MDA.30: UCRP proportionate share and net pension liability (in thousands of dollars)

Location	Proportionate share 2025	Net pension liability 2025	Proportionate share 2024	Net pension liability 2024	Proportionate share 2023	Net pension liability 2023
Davis	7.3%	\$906,354	7.8%	\$1,344,486	7.8%	\$1,529,126
Irvine	5.7	713,030	5.3	923,324	3.4	667,084
Los Angeles	7.1	878,703	6.9	1,194,585	7.0	1,374,737
San Diego	5.8	721,891	5.9	1,024,015	5.5	1,078,132
San Francisco	12.4	1,538,771	10.4	1,800,362	11.1	2,164,448
Total	38.3%	\$4,758,749	36.3%	\$6,286,772	34.8%	\$6,813,527

The changes in net pension liability are primarily driven by the investment performance of the UCRP investment portfolio. UCRP's total investment rate of return was 12.7 percent, 12.2 percent and 10.1 percent in 2025, 2024 and 2023, respectively. The discount rate used to estimate the net pension liability was 6.75 percent in 2025, 2024 and 2023.

The Irvine Medical Center's proportionate share of the net pension liability for the Orange County Employees Retirement System was \$10.7 million, \$13.3 million and \$14.7 million at June 30, 2025, 2024 and 2023, respectively.

CHRCO is the sponsor of a single employer defined benefit plan. The CHRCO Pension Plan was amended during the fiscal year ended June 30, 2025 to freeze benefit service as of July 5, 2025 and a freeze in pay increases after 2030. The net pension asset for CHRCO was \$174.9 million at June 30, 2025. The net pension liability for CHRCO was \$47.0 thousand and \$51.0 million at June 30, 2024 and 2023, respectively. The asset and the liability is reported by San Francisco.

Net Retiree Health Benefits Liability

The University has a financial responsibility for providing retiree health benefits. The net retiree health benefits liability is allocated to the Medical Centers based on their proportionate share of covered compensation for the fiscal year.

Table MDA.31 presents the Medical Centers' proportionate share and net retiree health benefits liability.

Table MDA.31: Proportionate share and net retiree health benefits liability (in thousands of dollars)

Location	Proportionate share 2025	Net retiree health benefits liability 2025	Proportionate share 2024	Net retiree health benefits liability 2024	Proportionate share 2023	Net retiree health benefits liability 2023
Davis	6.9%	\$1,326,900	7.4%	\$1,495,319	7.5%	\$1,621,188
Irvine	5.4	1,048,980	5.2	1,050,984	3.2	702,471
Los Angeles	6.7	1,284,010	6.6	1,343,961	6.7	1,448,495
San Diego	5.5	1,054,942	5.6	1,139,851	5.2	1,133,878
San Francisco	12.1	2,329,719	9.9	2,018,376	10.7	2,324,959
Total	36.6%	\$7,044,551	34.7%	\$7,048,491	33.3%	\$7,230,991

The changes in the net retiree health benefits liability in 2025 were primarily driven by changes in the discount rate and health care cost trend rate. The changes in the net retiree health benefits liability in 2024 were primarily driven by an actuarial loss from higher than projected health care premium rates. The discount rate used to estimate the net retiree health benefits liability at June 30, 2025, 2024 and 2023 was 5.20 percent, 3.93 percent and 3.65 percent, respectively. The discount rate was based on the Bond Buyer 20-Bond General Obligation index since UCRHBT plan assets are not sufficient to make projected benefit payments.

Net Position

Net position represents the residual interest in the Medical Centers’ assets and deferred outflows after all liabilities and deferred inflows are deducted. Net position is reported in the following categories: net investment in capital assets; restricted, nonexpendable; restricted, expendable; and unrestricted.

Under generally accepted accounting principles, net position that is not subject to externally imposed restrictions governing its use must be classified as unrestricted for reporting purposes. Unrestricted net position is negative primarily due to obligations for pension and retiree health benefits exceeding the Medical Centers’ reserves.

Liquidity and Capital Resources

Days Cash on Hand

Days cash on hand measures the average number of days’ expenses the Medical Centers maintain in cash and unrestricted investments. The days cash on hand is adjusted for noncash retiree health benefits, pension and compensated absences expenses.

Table MDA.32 presents days cash on hand.

Table MDA.32: Days cash on hand

Location	2025	2024	2023
Davis	54	75	94
Irvine	41	108	186
Los Angeles	219	241	237
San Diego	51	48	53
San Francisco	143	165	149

Debt Service Coverage

The debt service coverage ratio measures the funds available to cover the principal and interest on long-term debt. Debt service coverage decreases as new debt is issued and fluctuates based on operating results.

Table MDA.33 presents debt service coverage ratios.

Table MDA.33: Debt service coverage ratios

Location	2025	2024	2023
Davis	2.9	2.4	3.9
Irvine	1.5	3.8	5.1
Los Angeles	8.7	8.3	6.9
San Diego	4.9	4.5	4.3
San Francisco	6.1	5.8	4.1

Looking Forward

The University's medical centers, which are self-funding and without support from the State's general fund, continue to face financial and competitive challenges in their regional markets, along with the added costs and responsibilities related to their function as academic institutions. The demand for health care services, especially at the level of complexity provided by the medical centers and the cost of providing them continue to increase significantly. In addition to the rising costs of salaries, benefits and supplies faced by hospitals across the state, the University's medical centers face other costs associated with maintaining and upgrading facilities, seismic retrofitting, new technologies, biomedical research and the education and training of health care professionals. Another financial pressure is caused by care delivered for a significant share of patients who are covered by Medicare or Medi-Cal (California's Medicaid program), which are programs whose reimbursements do not fully compensate the medical centers for care delivered. Other than Medicare and Medi-Cal, health insurance payments do not recognize the added cost of teaching in academic medical centers. Possible changes to government sponsored health insurance programs and potentially rising rates of uninsured, if they occur, would place downward pressure on operating results for the medical centers.

Cautionary Note Regarding Forward-Looking Statements

Certain information provided by the Medical Centers, including written as outlined above or oral statements made by its representatives, may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, which address activities, events or developments that the Medical Centers expect or anticipate will or may occur in the future, contain forward-looking information. In reviewing such information, it should be kept in mind that actual results may differ materially from those projected or suggested in such forward-looking information. This forward-looking information is based upon various factors and is derived using various assumptions. The Medical Centers do not update forward-looking information contained in this report or elsewhere to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking information.





Report of Independent Auditors

To The Regents of the University of California

Opinions

We have audited the accompanying financial statements of the University of California, Davis Medical Center, the University of California, Irvine Medical Center, the University of California, Los Angeles Medical Center, the University of California, San Diego Medical Center, and the University of California, San Francisco Medical Center (hereafter collectively referred to as the "University of California Medical Centers"), each of which is a department of the University of California (the "University"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, including the related notes, which comprise the basic financial statements of each of the University of California Medical Centers.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of each of the University of California Medical Centers as of June 30, 2025 and 2024, and the changes in each of their financial positions and each of their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 1 to the financial statements, the financial statements of each of the University of California Medical Centers are intended to present the financial position, and the changes in financial position and the cash flows of only that portion of the University of California that is attributable to the transactions of the respective University of California Medical Center. They do not purport to, and do not, present fairly the financial position of the University of California as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

As discussed in Note 1 to the financial statements, the University of California Medical Centers changed the manner in which they account for revenue recognition related to Medi-Cal reimbursement programs in 2025. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 of California Medical Centers' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis on pages 24 through 52 and the required supplementary information on pages 130 through 137 be presented to supplement the basic financial statements of the corresponding University of California Medical Center. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements of the corresponding University of California Medical Center in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises pages 3 through 22, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

San Francisco, California
November 21, 2025





UNIVERSITY
OF
CALIFORNIA

Financial Statements

University of California Medical Centers — Statements of Net Position

At June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Assets						
Cash and cash equivalents	\$549,586	\$380,054	\$2,134,849	\$521,570	\$2,956,609	\$6,542,668
Short-term investments	500		360,443			360,943
Net patient accounts receivable	698,559	596,550	658,083	544,657	1,437,087	3,934,936
Other receivables	54,990	15,612	79,035	42,329	178,957	370,923
Third-party payor settlements, net	107,399	143,185	46,902	196,775	228,243	722,504
Inventories	79,439	63,330	83,059	74,272	96,588	396,688
Prepaid expenses and other assets	47,142	65,018	86,809	36,590	150,808	386,367
Current assets	1,537,615	1,263,749	3,449,180	1,416,193	5,048,292	12,715,029
Restricted assets: Deposits held for hospital construction	619,540	29,521	210,814	37,453	194,826	1,092,154
Restricted assets: Donor funds			11,825		117,462	129,287
Capital assets, net	3,515,182	2,578,131	2,353,312	1,925,881	4,454,240	14,826,746
Investments in joint ventures	34,424	2,120	19,862	32,995	78,817	168,218
Investments		19,615	120,515	2,044	277,675	419,849
Other assets	91,892	14,871	344,227	58,440	226,288	735,718
Noncurrent assets	4,261,038	2,644,258	3,060,555	2,056,813	5,349,308	17,371,972
Total assets	5,798,653	3,908,007	6,509,735	3,473,006	10,397,600	30,087,001
Deferred outflows of resources	475,306	1,378,644	500,463	456,927	1,509,553	4,320,893
Liabilities						
Accounts payable and accrued expenses	275,963	244,360	423,332	226,177	592,426	1,762,258
Accrued salaries and benefits	135,450	216,656	358,017	206,212	592,234	1,508,569
Third-party payor settlements, net	104,063	218,668	98,078	71,380	646,133	1,138,322
Current portion of long-term debt	125,548	270,020	53,538	271,707	53,842	774,655
Other current liabilities	173,489	14,526	81,817	1,000	76,092	346,924
Current liabilities	814,513	964,230	1,014,782	776,476	1,960,727	5,530,728
Long-term debt, net of current portion	2,661,095	2,094,335	1,897,209	1,182,568	2,566,819	10,402,026
Net pension liability	906,354	723,741	878,703	721,891	1,538,771	4,769,460
Net retiree health benefits liability	1,326,900	1,048,980	1,284,010	1,054,942	2,329,719	7,044,551
Notes payable to campus				86,740		86,740
Pension payable to University	574,693	452,112	557,160	457,730	975,690	3,017,385
Interest rate swap agreements			16,263		1,217	17,480
Self-insurance					19,855	19,855
Other noncurrent liabilities	71,848	27,281	21,763	57,497	84,219	262,608
Noncurrent liabilities	5,540,890	4,346,449	4,655,108	3,561,368	7,516,290	25,620,105
Total liabilities	6,355,403	5,310,679	5,669,890	4,337,844	9,477,017	31,150,833
Deferred inflows of resources	1,157,109	792,920	1,056,133	857,469	2,041,264	5,904,895
Net position						
Net investment in capital assets	1,124,229	662,780	1,010,507	579,994	2,028,405	5,405,915
Restricted: Nonexpendable endowments and gifts			694		35,460	36,154
Restricted: Expendable		33	11,129	19	103,682	114,863
Unrestricted	(2,362,782)	(1,479,761)	(738,155)	(1,845,393)	(1,778,675)	(8,204,766)
Total net position	(\$1,238,553)	(\$816,948)	\$284,175	(\$1,265,380)	\$388,872	(\$2,647,834)

See accompanying notes to financial statements.

University of California Medical Centers — Statements of Net Position

As of June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Assets						
Cash and cash equivalents	\$708,316	\$633,455	\$1,965,849	\$428,750	\$2,789,643	\$6,526,013
Short-term investments			325,448			325,448
Net patient accounts receivable	648,588	422,644	605,336	530,701	1,165,858	3,373,127
Other receivables	76,306	16,183	79,958	24,404	55,186	252,037
Third-party payor settlements, net	123,438	127,227	69,348	125,952	256,981	702,946
Inventories	69,730	48,120	76,679	62,356	77,221	334,106
Prepaid expenses and other assets	58,316	51,211	67,817	34,345	128,336	340,025
Current assets	1,684,694	1,298,840	3,190,435	1,206,508	4,473,225	11,853,702
Restricted assets: Deposits held for hospital construction	292,926	8,308	277,758	60,090	607,667	1,246,749
Restricted assets: Donor funds			10,666		127,892	138,558
Capital assets, net	2,896,632	2,398,734	2,101,106	1,904,573	3,840,379	13,141,424
Investments in joint ventures	30,998	2,497	16,091	32,806	66,351	148,743
Investments		16,379	107,494		253,804	377,677
Other assets	97,693	16,523	333,890	60,695	17,935	526,736
Noncurrent assets	3,318,249	2,442,441	2,847,005	2,058,164	4,914,028	15,579,887
Total assets	5,002,943	3,741,281	6,037,440	3,264,672	9,387,253	27,433,589
Deferred outflows of resources	639,283	1,460,801	554,471	587,344	876,253	4,118,152
Liabilities						
Accounts payable and accrued expenses	285,256	176,850	385,242	227,935	507,515	1,582,798
Accrued salaries and benefits	239,774	146,686	315,361	165,244	449,128	1,316,193
Third-party payor settlements, net	150,914	156,348	57,485	54,811	626,664	1,046,222
Current portion of long-term debt	56,978	784,426	51,787	61,687	51,007	1,005,885
Other current liabilities	170,181	10,488	32,961		49,721	263,351
Current liabilities	903,103	1,274,798	842,836	509,677	1,684,035	5,214,449
Long-term debt, net of current portion	1,725,948	1,396,586	1,917,335	1,331,357	2,580,513	8,951,739
Net pension liability	1,344,486	936,602	1,194,585	1,024,015	1,800,409	6,300,097
Net retiree health benefits liability	1,495,319	1,050,984	1,343,961	1,139,851	2,018,376	7,048,491
Notes payable to campus				88,747		88,747
Pension payable to University	550,348	377,951	488,988	419,167	736,955	2,573,409
Interest rate swap agreements			13,159		895	14,054
Self-insurance					22,024	22,024
Other noncurrent liabilities	116,481	30,337	22,382	54,320	89,815	313,335
Noncurrent liabilities	5,232,582	3,792,460	4,980,410	4,057,457	7,248,987	25,311,896
Total liabilities	6,135,685	5,067,258	5,823,246	4,567,134	8,933,022	30,526,345
Deferred inflows of resources	855,969	631,080	880,388	679,993	1,465,704	4,513,134
Net position						
Net investment in capital assets	1,234,219	655,452	806,873	565,782	1,816,526	5,078,852
Restricted: Nonexpendable endowments and gifts			641		35,465	36,106
Restricted: Nonexpendable for minority interests			1,231			1,231
Restricted: Expendable		33	10,023	5,837	102,617	118,510
Unrestricted	(2,583,647)	(1,151,741)	(930,491)	(1,966,730)	(2,089,828)	(8,722,437)
Total net position	(\$1,349,428)	(\$496,256)	(\$111,723)	(\$1,395,111)	(\$135,220)	(\$3,487,738)

See accompanying notes to financial statements.

University of California Medical Centers — Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Net patient service revenue	\$3,865,080	\$3,372,217	\$4,400,893	\$4,117,937	\$8,418,664	\$24,174,791
Other operating revenue: Clinical teaching support		7,882	13,467			21,349
Other operating revenue: Other	199,415	202,894	618,760	154,122	489,609	1,664,800
Total other operating revenue	199,415	210,776	632,227	154,122	489,609	1,686,149
Total operating revenue	4,064,495	3,582,993	5,033,120	4,272,059	8,908,273	25,860,940
Operating expenses						
Salaries and wages	1,679,300	1,468,555	1,755,855	1,483,212	3,123,419	9,510,341
Pension benefits	147,004	175,014	152,164	116,668	178,940	769,790
Retiree health benefits	27,005	81,937	1,242	48,735	125,455	284,374
Other employee benefits	385,622	330,141	364,635	346,029	682,836	2,109,263
Professional services	158,665	22,910	47,696	117,398	1,575,308	1,921,977
Medical supplies	875,960	742,542	914,567	1,118,323	1,600,696	5,252,088
Other supplies and purchased services	256,785	552,583	720,042	327,749	674,364	2,531,523
Depreciation and amortization	165,025	187,792	187,181	130,668	234,477	905,143
Insurance and other	104,070	114,993	96,538	134,408	179,523	629,532
Total operating expenses	3,799,436	3,676,467	4,239,920	3,823,190	8,375,018	23,914,031
Income (loss) from operations	265,059	(93,474)	793,200	448,869	533,255	1,946,909
Nonoperating revenues (expenses)						
Direct government grants	3,104		10,265	4,706	188,314	206,389
Hospital fee program grants	6,119	3,320	4,798	3,742	6,440	24,419
Investment income	45,625	22,334	112,845	15,388	136,309	332,501
Build America Bonds federal interest subsidies		3,349	2,876	2,401	14,163	22,789
Private gifts, net					29,536	29,536
Net appreciation in fair value of investments	19	3,503	42,972		30,474	76,968
Interest expense	(82,365)	(87,427)	(81,926)	(47,054)	(118,572)	(417,344)
Income (loss) on disposal of capital assets	(3,974)	(129)	(233)	(502)	610	(4,228)
Other	8,213	3,183	4,460	(2,949)	(11,068)	1,839
Net nonoperating revenues (expenses)	(23,259)	(51,867)	96,057	(24,268)	276,206	272,869
Income (loss) before other changes in net position	241,800	(145,341)	889,257	424,601	809,461	2,219,778
Other changes in net position						
Donated assets		6,333	445	14,163		20,941
Contributions (distributions) for building programs	44	3,677	1,341		(2,949)	2,113
Distributions for noncontrolling interest, net			(96)			(96)
Transfers from (to) University, net	(37,929)	82,010	11,668	(36,673)		19,076
Changes in allocation for pension payable to University	34,684	(26,765)	(10,944)	9,422	(146,735)	(140,338)
Health system support	(127,724)	(240,606)	(495,773)	(281,782)	(135,685)	(1,281,570)
Other changes in net position	(130,925)	(175,351)	(493,359)	(294,870)	(285,369)	(1,379,874)
Change in net position	110,875	(320,692)	395,898	129,731	524,092	839,904
Net position						
Beginning of year	(1,349,428)	(496,256)	(111,723)	(1,395,111)	(135,220)	(3,487,738)
End of year	(\$1,238,553)	(\$816,948)	\$284,175	(\$1,265,380)	\$388,872	(\$2,647,834)

See accompanying notes to financial statements.

University of California Medical Centers — Statements of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Net patient service revenue	\$3,576,086	\$2,282,371	\$3,804,340	\$3,509,541	\$7,251,719	\$20,424,057
Other operating revenue: Clinical teaching support		7,882	13,467			21,349
Other operating revenue: Grants and contracts					11,498	11,498
Other operating revenue: Other	167,147	155,987	391,232	159,595	251,135	1,125,096
Total other operating revenue	167,147	163,869	404,699	159,595	262,633	1,157,943
Total operating revenue	3,743,233	2,446,240	4,209,039	3,669,136	7,514,352	21,582,000
Operating expenses						
Salaries and wages	1,639,897	919,962	1,546,999	1,277,720	2,563,865	7,948,443
Pension benefits	291,874	258,345	243,796	221,825	391,317	1,407,157
Retiree health benefits	84,804	102,876	37,718	86,791	120,308	432,497
Other employee benefits	376,040	204,530	289,570	298,206	529,675	1,698,021
Professional services	163,456	28,895	46,006	106,109	1,338,752	1,683,218
Medical supplies	708,974	513,026	738,203	983,910	1,278,315	4,222,428
Other supplies and purchased services	260,607	290,338	562,221	310,222	544,528	1,967,916
Depreciation and amortization	162,823	127,020	164,283	123,493	224,986	802,605
Insurance and other	96,306	71,578	77,864	116,889	151,139	513,776
Total operating expenses	3,784,781	2,516,570	3,706,660	3,525,165	7,142,885	20,676,061
Income (loss) from operations	(41,548)	(70,330)	502,379	143,971	371,467	905,939
Nonoperating revenues (expenses)						
Direct government grants	1,151	10,342	38,487	2,976	11,717	64,673
Hospital fee program grants	16,800	8,700	13,746	14,224	19,296	72,766
Investment income	39,179	39,668	101,560	20,676	130,914	331,997
Build America Bonds federal interest subsidies		3,367	2,936	2,403	14,510	23,216
Private gifts, net					27,025	27,025
Net appreciation (depreciation) in fair value of investments	(22,009)	9,651	53,606		41,909	83,157
Interest expense	(68,033)	(66,166)	(70,748)	(42,306)	(119,963)	(367,216)
Loss on disposal of capital assets	(313)	(1,895)	(1,081)	(523)	(4,646)	(8,458)
Other	(13,432)	1,646	5,269	(3,185)	(8,862)	(18,564)
Net nonoperating revenues (expenses)	(46,657)	5,313	143,775	(5,735)	111,900	208,596
Income (loss) before other changes in net position	(88,205)	(65,017)	646,154	138,236	483,367	1,114,535
Other changes in net position						
Donated assets		5,472	319	6,437	306	12,534
Contributions (distributions) for building programs	22,889				(2,719)	20,170
Transfers from (to) University, net	(38,467)	71,899	11,570	(12,971)		32,031
Changes in allocation for pension payable to University	7,019	(132,001)	11,226	(25,381)	48,964	(90,173)
Health system support	(96,832)	(152,817)	(361,893)	(329,552)	(259,025)	(1,200,119)
Other changes in net position	(105,391)	(207,447)	(338,778)	(361,467)	(212,474)	(1,225,557)
Change in net position	(193,596)	(272,464)	307,376	(223,231)	270,893	(111,022)
Net position						
Beginning of year, as previously reported	(1,242,212)	(311,934)	(477,447)	(1,297,934)	(682,345)	(4,011,872)
Cumulative effect of accounting change	86,380	88,142	58,348	126,054	276,232	635,156
Beginning of year, as restated	(1,155,832)	(223,792)	(419,099)	(1,171,880)	(406,113)	(3,376,716)
End of year	(\$1,349,428)	(\$496,256)	(\$111,723)	(\$1,395,111)	(\$135,220)	(\$3,487,738)

See accompanying notes to financial statements.

University of California Medical Centers — Statements of Cash Flows

For the year ended June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Cash flows from operating activities:						
Receipts from patients and third-party payors	\$3,802,779	\$3,244,673	\$4,453,788	\$4,049,727	\$8,133,123	\$23,684,090
Payments to employees	(1,753,903)	(1,398,585)	(1,737,492)	(1,441,826)	(3,078,960)	(9,410,766)
Payments to suppliers	(1,395,029)	(1,293,742)	(1,689,108)	(1,708,466)	(3,821,665)	(9,908,010)
Payments for benefits	(706,562)	(572,886)	(613,607)	(542,060)	(1,059,801)	(3,494,916)
Other receipts	210,371	92,827	536,190	126,777	261,524	1,227,689
Net cash provided by operating activities	157,656	72,287	949,771	484,152	434,221	2,098,087
Cash flows from noncapital financing activities:						
Health system support	(127,724)	(240,606)	(495,773)	(281,782)	(135,672)	(1,281,557)
Direct government grants	3,104		10,265	4,706	183,364	201,439
Hospital fee program grants	14,437	3,320	4,798	3,741	16,092	42,388
Transfers from (to) University, net	(37,929)	129,406	11,668	(36,673)		66,472
Gifts received for other than capital purposes					29,865	29,865
Net cash provided by (used for) noncapital financing activities	(148,112)	(107,880)	(469,042)	(310,008)	93,649	(941,393)
Cash flows from capital and related financing activities:						
Contributions for building programs	44	3,677	1,341			5,062
Proceeds from financing obligations and other borrowings	920,188	947,603		89,230		1,957,021
Build America Bonds federal interest subsidies		3,349	2,876	2,401	14,201	22,827
Proceeds from the sale of capital assets	537			1,510	4,854	6,901
Purchases of capital assets	669,339	(295,397)	(356,798)	(105,287)	(671,555)	(2,098,376)
Cash paid for acquisitions, net of cash acquired					(69,396)	(69,396)
Refinancing or prepayment of outstanding debt		(749,860)		(1,494)		(751,354)
Principal paid on long-term debt	(67,210)	(42,909)	(56,325)	(63,199)	(52,783)	(282,426)
Interest paid on long-term debt	(74,588)	(93,124)	(74,652)	(54,622)	(122,112)	(419,098)
Gifts and donated funds		6,333	445	14,163	(2,949)	17,992
Other nonoperating receipts (payments)	(546)	514	5,781	182	(21,810)	(15,879)
Net cash provided by (used for) capital and related financing activities	109,086	(219,814)	(477,332)	(117,116)	(918,601)	(1,623,777)
Cash flows from investing activities:						
Investment income received	44,967	22,334	108,633	15,388	139,234	330,556
Distributions from (contributions to) investments in joint ventures, net	1,063	363	(3,771)	(189)	(9,897)	(12,431)
Purchase of investments	(500)	(3,836)	(5,078)	(2,044)	(15,747)	(27,205)
Proceeds from sales and maturities of investments		600			15,337	15,937
Change in restricted assets	(326,614)	(17,710)	65,819	22,637	428,770	172,902
Other nonoperating payments	3,724	255				3,979
Net cash provided by (used for) investing activities	(277,360)	2,006	165,603	35,792	557,697	483,738
Net change in cash and cash equivalents	(158,730)	(253,401)	169,000	92,820	166,966	16,655
Cash and cash equivalents, beginning of year	708,316	633,455	1,965,849	428,750	2,789,643	6,526,013
Cash and cash equivalents, end of year	\$549,586	\$380,054	\$2,134,849	\$521,570	\$2,956,609	\$6,542,668

University of California Medical Centers — Statements of Cash Flows *(Continued)*

For the year ended June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Reconciliation of income (loss) from operations to net cash provided by operating activities:						
Income (loss) from operations	\$265,059	(\$93,474)	\$793,200	\$448,869	\$533,255	\$1,946,909
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:						
Depreciation and amortization expense	165,025	187,792	187,181	130,668	234,477	905,143
Allowance for uncollectible accounts	72,844	162,675	25,498	21,918	113,018	395,953
Changes in operating assets and liabilities:						
Patient accounts receivable	(122,815)	(336,581)	(78,245)	(35,874)	(384,247)	(957,762)
Other receivables	12,998	330	3,605	(17,925)	(87,905)	(88,897)
Inventories	(9,709)	(15,210)	(6,380)	(11,916)	(4,530)	(47,745)
Prepaid expenses and other assets	11,174	(13,807)	(18,992)	(2,245)	(21,985)	(45,855)
Other assets	6,787	12	2,285		(276)	8,808
Accounts payable and accrued expenses	25,292	53,310	7,546	(6,174)	37,558	117,532
Accrued salaries and benefits	(104,324)	66,576	42,656	40,968	116,846	162,722
Third-party payor settlements, net	(30,812)	46,362	63,039	(54,254)	38,553	62,888
Other liabilities	(51,337)	96	48,237	745	(5,569)	(7,828)
Pension benefits	(67,608)	(34,588)	(80,536)	(46,030)	(193,504)	(422,266)
Retiree health benefits	(14,918)	48,794	(39,323)	15,402	58,530	68,485
Net cash provided by operating activities	\$157,656	\$72,287	\$949,771	\$484,152	\$434,221	\$2,098,087
Supplemental noncash activities information						
Payables for property and equipment	\$94,614	\$14,238	\$30,544	\$4,782	\$107,083	\$251,261
Capital assets acquired through leases	96,530	27,291	14,819	34,522	26,496	199,658
Capital assets acquired through subscription-based information technology arrangements (SBITAs)	48,308	11,776	29,143	9,396	19,747	118,370
Change in fair value of investments	19	3,483	42,972		30,474	76,948
Amortization of bond premium	4,617	9,979	2,755	7,224	2,285	26,860
Amortization of other borrowings			3,008			3,008
Capital asset transfers from (to) the University		3,677		(25,264)		(21,587)
Change in fair value of interest rate swaps	(39)	1	(3,104)	(2,255)	(322)	(5,719)
Amortization of deferred cost of issuance		661	(13,133)			(12,472)
Beneficial interests in irrevocable split-interest agreements					16,337	16,337

See accompanying notes to financial statements.

University of California Medical Centers — Statements of Cash Flows

For the year ended June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Cash flows from operating activities:						
Receipts from patients and third-party payors	\$3,454,048	\$2,075,318	\$3,753,720	\$3,539,231	\$7,125,548	\$19,947,865
Payments to employees	(1,583,888)	(864,927)	(1,518,679)	(1,250,124)	(2,497,996)	(7,715,614)
Payments to suppliers	(1,128,895)	(752,218)	(1,330,260)	(1,488,294)	(3,072,013)	(7,771,680)
Payments for benefits	(603,923)	(343,969)	(504,200)	(464,682)	(856,472)	(2,773,246)
Other receipts	202,778	75,947	286,716	94,510	114,061	774,012
Net cash provided by operating activities	340,120	190,151	687,297	430,641	813,128	2,461,337
Cash flows from noncapital financing activities:						
Health system support	(96,832)	(152,817)	(361,893)	(329,552)	(259,025)	(1,200,119)
Direct government grants	1,151	10,342	38,487	2,976	11,717	64,673
Hospital fee program grants	8,482	8,700	13,746	14,224	9,642	54,794
Transfers from (to) University, net	(38,467)	91,953	11,570	(12,990)		52,066
Gifts received for other than capital purposes					28,060	28,060
Net cash used for noncapital financing activities	(125,666)	(41,822)	(298,090)	(325,342)	(209,606)	(1,000,526)
Cash flows from capital and related financing activities:						
Contributions for building programs	22,889					22,889
Proceeds from financing obligations and other borrowings		747,074		261,174		1,008,248
Build America Bonds federal interest subsidies		3,367	2,936	2,403	14,547	23,253
Proceeds from the sale of capital assets				19		19
Purchases of capital assets	(728,026)	(461,487)	(151,337)	(242,420)	(590,757)	(2,174,027)
Cash paid for acquisitions, net of cash acquired		(980,651)	(296,765)	(200,046)		(1,477,462)
Refinancing or prepayment of outstanding debt					(1,132)	(1,132)
Principal paid on long-term debt	(47,899)	(32,412)	(47,956)	(55,842)	(48,135)	(232,244)
Interest paid on long-term debt	(71,309)	(67,561)	(75,497)	(44,939)	(123,421)	(382,727)
Gifts and donated funds		5,472	319	6,437	(2,415)	9,813
Other nonoperating receipts (payments)	7,032	1,888	3,009	2,605	(28,395)	(13,861)
Net cash used for capital and related financing activities	(817,313)	(784,310)	(565,291)	(270,609)	(779,708)	(3,217,231)
Cash flows from investing activities:						
Investment income received	38,428	39,668	99,352	20,676	169,739	367,863
Contributions to investments in joint ventures, net	(7,539)	(2,133)	(4,012)	(4,020)	(15,063)	(32,767)
Purchase of investments		(1,068)	(7,765)		(2,669)	(11,502)
Proceeds from sales and maturities of investments	131,602				10,952	142,554
Change in restricted assets	509,009	400,537	301,208	161,158	512,591	1,884,503
Other nonoperating payments	(1,244)	(799)				(2,043)
Net cash provided by investing activities	670,256	436,205	388,783	177,814	675,550	2,348,608
Net change in cash and cash equivalents	67,397	(199,776)	212,699	12,504	499,364	592,188
Cash and cash equivalents, beginning of year	640,919	833,231	1,753,150	416,246	2,290,279	5,933,825
Cash and cash equivalents, end of year	\$708,316	\$633,455	\$1,965,849	\$428,750	\$2,789,643	\$6,526,013

University of California Medical Centers — Statements of Cash Flows *(Continued)*

For the year ended June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Reconciliation of income (loss) from operations to net cash provided by operating activities:						
Income (loss) from operations	(\$41,548)	(\$70,330)	\$502,379	\$143,971	\$371,467	\$905,939
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:						
Depreciation and amortization expense	162,823	127,020	164,283	123,493	224,986	802,605
Allowance for uncollectible accounts	76,745	102,693	119,168	28,444	113,502	440,552
Changes in operating assets and liabilities:						
Patient accounts receivable	(130,867)	(317,077)	(199,334)	(103,606)	(263,278)	(1,014,162)
Other receivables	(41,478)	(5,868)	(40,253)	(21,320)	(51,026)	(159,945)
Inventory	(10,478)	(2,676)	(7,818)	(4,595)	3,614	(21,953)
Prepaid expenses and other assets	19,898	(7,372)	(11,378)	(2,143)	(745)	(1,740)
Other assets	6,972	(147)	2,756		7,311	16,892
Accounts payable and accrued expenses	68,350	90,089	27,165	56,895	102,388	344,887
Accrued salaries and benefits	74,388	55,720	46,479	28,364	91,614	296,565
Third-party payor settlements, net	12,404	45,479	18,226	104,852	94,935	275,896
Short-term advances					(3,956)	(3,956)
Other liabilities	5,482	(48,478)	16,899	(65,086)	(34,247)	(125,430)
Pension benefits	93,557	140,882	46,987	84,500	91,831	457,757
Retiree health benefits	43,872	80,216	1,738	56,872	64,732	247,430
Net cash provided by operating activities	\$340,120	\$190,151	\$687,297	\$430,641	\$813,128	\$2,461,337
Supplemental noncash activities information						
Payables for property and equipment	\$129,172	\$38	\$23,286	\$255	\$43,562	\$196,313
Capital assets acquired through leases	35,906	88,465	36,656	16,378	12,728	190,133
Capital assets acquired through subscription-based information technology arrangements (SBITAs)	31,217	18,287	20,602	12,023	881	83,010
Change in reporting entity			(11,281)			(11,281)
Noncash assets received and liabilities assumed in an acquisition		(31,600)	1,614			(29,986)
Change in fair value of investments		489	38,578		3,083	42,150
Amortization of bond premium	3,732	2,205	5,798	4,837	2,288	18,860
Capital asset transfers from the University				19		19
Change in fair value of interest rate swaps	97	28	8,180	7,618	513	16,436
Amortization of borrowing for off-the-market interest rate swap and deferred cost of issuance			(1,145)			(1,145)
Beneficial interests in irrevocable split-interest agreements					16,639	16,639

See accompanying notes to financial statements.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

1. Organization

The University of California Medical Centers (the Medical Centers) are operating units of the University of California (the University), a California public corporation under Article IX, Section 9 of the California Constitution. Since a majority of the regents are appointed by the governor and approved by the state senate, the University is a component unit of the state of California. The University is administered by The Regents of the University of California (The Regents) of which, under the formation documents of the University, administrative authority with respect to the Medical Centers is vested in the President of the University. The Medical Centers consist of the University of California, Davis Medical Center (UC Davis Medical Center or Davis), the University of California, Irvine Medical Center (UC Irvine Medical Center or Irvine), the University of California, Los Angeles Medical Center (UCLA Medical Center or Los Angeles), the University of California, San Diego Medical Center (UC San Diego Medical Center or San Diego) and the University of California, San Francisco Medical Center (UCSF Medical Center or San Francisco). The Medical Centers provide educational and clinical opportunities for students in the University's Schools of Medicine (Schools of Medicine) and offer a comprehensive array of medical services including tertiary and quaternary care services.

The financial statements of the Medical Centers present the financial position, and the changes in financial position and cash flows, of only that portion of the University that is attributable to the transactions of the Medical Centers.

The Regents is the sole corporate and voting member of UCSF Health Community Hospitals and Children's Hospital & Research Center Oakland (CHRCO), which are both private, not-for-profit 501(c)(3) corporations. Children's Hospital & Research Center Foundation, a nonprofit public benefit corporation, is organized and operated for the purpose of supporting CHRCO. The San Francisco Medical Center's financial statements include CHRCO, combined with its foundation, and UCSF Health Community Hospitals, which are blended component units of the University of California.

Acquisition

UCSF Medical Center

In August 2024, the Regents, on behalf of UCSF Medical Center, effected an affiliation agreement with CommonSpirit Health and its affiliates. Under the agreement, the Regents, through UCSF Medical Center, became the sole member of UCSF Health Community Hospitals, a private, not-for-profit section 501(c)(3) corporation. UCSF Health Community Hospitals owns UCSF Health Saint Francis Hospital, a 277-licensed bed general acute care hospital, UCSF Health St. Mary's Hospital, a 267-licensed bed general acute care hospital and related assets. The final cash consideration associated with the purchase was \$69.4 million. The purpose of the acquisition was to address hospital inpatient capacity needs and ensure these longstanding San Francisco hospitals continue to serve the local community.

Effective August 2024, UCSF Medical Center's financial statements include the UCSF Health Community Hospitals, which represent a blended component unit of the University of California. The assets and liabilities of the UCSF Health Community Hospitals were recognized at their carrying values as the transaction did not meet the criteria to be accounted for as a government combination. The excess of the cash consideration provided over the carrying values of the assets and liabilities was recorded as a non-operating loss in the Statement of Revenues, Expenses and Changes in Net Position.

The consideration provided was assigned as presented in **Table 1.1**.

Table 1.1: Consideration provided, assets acquired and liabilities assumed *(in thousands of dollars)*

Description	Total
Consideration provided	
Total cash consideration provided	\$69,396
Assets acquired and liabilities assumed	
Inventories	14,835
Capital assets	95,282
Other assets	47,591
Deferred outflow of resources: Asset retirement obligations	7,167
Accounts payable and accrued expenses	(9,155)
Accrued salaries and benefits	(20,088)
Other liabilities	(36,163)
Deferred inflow of resources: Leases	(43,283)
Net position acquired	56,186
Loss on acquisition	\$13,210

Basis of Presentation

The financial statements of the Medical Centers have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable Statements of the Governmental Accounting Standards Board (GASB). The proprietary fund method of accounting is followed and uses the economic resources measurement focus and the accrual basis of accounting. The Medical Centers are not legally separate entities from the University and therefore, under GASB requirements, a going concern evaluation at the level of the respective Medical Centers is not required and has not been performed by management.

Change in Accounting Principle

Certain amounts in the 2024 financial information have been restated to reflect a change in the revenue recognition principle for Medi-Cal reimbursement programs, including the Designated Public Hospital Enhanced Payment Program (EPP), the Quality Incentive Pool Program (QIP) and the Hospital Fee Program Revenue. Revenue for these programs was previously recognized upon final Centers for Medicare & Medicaid Services (CMS) approval and is now recognized when preprint approval* is obtained, services are rendered and amounts are reasonably estimable. This approach is preferable as it aligns revenue with the period of service, avoids timing mismatches, is supported by consistent funding patterns, reliable historical estimates and CMS preprint approvals. The change has been applied retroactively to prior periods for comparability.

**Preprint approval refers to CMS's review and acceptance of an application form (preprint) that states, including California under its Medi-Cal program, must submit for Medicaid managed care contracts and rate certifications. This approval authorizes states to implement specific directed payment arrangements and related payment terms under the Medicaid (or Medi-Cal) program.*

Adoption of Accounting Pronouncement

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* (GASB 101), effective for the Medical Centers' fiscal year beginning July 1, 2024. The Statement replaces Statement No. 16, *Accounting for Compensated Absences*, to align recognition and measurement guidance for all types of compensated absences under a unified model. GASB 101 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The Statement also establishes guidance for measuring a liability for leave that has not been used. The adoption of GASB 101 resulted in restatement of the financial statements for all Medical Centers excluding CHRCO. The 2024 financial statements for CHRCO included an estimate for extended sick leave compliant with GASB 101 so no restatement was required.

Table 1.2 presents the effect of adopting GASB 101 and the change in accounting principle on beginning net position for July 1, 2023.

Table 1.2: University of California Medical Centers restated beginning net position for the year beginning July 1, 2023

(in thousands of dollars)

Net Position	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total (memorandum only)
Beginning of year, as previously reported	(\$1,242,212)	(\$311,934)	(\$477,447)	(\$1,297,934)	(\$682,345)	(\$4,011,872)
Effect of adoption of GASB 101	(8,414)	(3,684)	(7,850)	(5,951)	(12,681)	(38,580)
Effect of change in accounting principle	94,794	91,826	66,197	132,005	288,913	673,735
Beginning of year, as restated	(\$1,155,832)	(\$223,792)	(\$419,100)	(\$1,171,880)	(\$406,113)	(\$3,376,717)

Tables 1.3, 1.4, 1.5, 1.6, 1.7 and 1.8 present the effects of adopting GASB 101 and the change in accounting principle in the Medical Centers' financial statements for the year ended June 30, 2024.

Table 1.3a: Restated statement of net position at Davis at June 30, 2024 (in thousands of dollars)

Statement of net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Third-party payor settlements, net	\$65,765		\$57,673	\$123,438
Accrued salaries and benefits	282,995	(\$43,221)		239,774
Other noncurrent liabilities	64,241	52,240		116,481
Unrestricted	(2,632,301)	(9,019)	57,673	(2,583,647)

Table 1.3b: Restated statement of revenues, expenses and changes in net position at Davis for the year ended June 30, 2024

(in thousands of dollars)

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$3,613,207		(\$37,121)	\$3,576,086
Other employee benefits	375,435	\$605		376,040

Table 1.3c: Restated statement of cash flows at Davis for the year ended June 30, 2024 (in thousands of dollars)

Statement of cash flows: Reconciliation of loss from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Loss from operations	(\$3,822)	(\$605)	(\$37,121)	(\$41,548)
Accrued salaries and benefits	73,783	605		74,388
Third-party payor settlements, net	(24,717)		37,121	12,404

Table 1.4a: Restated statement of net position at Irvine at June 30, 2024 (in thousands of dollars)

Statement of net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Third-party payor settlements, net	\$76,396		\$50,831	\$127,227
Accrued salaries and benefits	172,655	(\$25,969)		146,686
Other noncurrent liabilities		30,337		30,337
Unrestricted	(1,198,204)	(4,368)	50,831	(1,151,741)

Table 1.4b: Restated statement of revenues, expenses and changes in net position at Irvine for the year ended June 30, 2024
(in thousands of dollars)

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$2,323,366		(\$40,995)	\$2,282,371
Other employee benefits	203,846	\$684		204,530

Table 1.4c: Restated statement of cash flows at Irvine for the year ended June 30, 2024 (in thousands of dollars)

Statement of cash flows: Reconciliation of loss from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Loss from operations	(\$28,651)	(\$684)	(\$40,995)	(\$70,330)
Accrued salaries and benefits	55,036	684		55,720
Third-party payor settlements, net	4,484		40,995	45,479

Table 1.5a: Restated statement of net position at Los Angeles at June 30, 2024 (in thousands of dollars)

Statement of net position	As previously reported and revised	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Third-party payor settlements, net	\$23,687		\$45,661	\$69,348
Accrued salaries and benefits	329,266	(\$13,905)		315,361
Other noncurrent liabilities		22,382		22,382
Unrestricted	(967,675)	(8,477)	45,661	(930,491)

Table 1.5b: Restated statement of revenues, expenses and changes in net position at Los Angeles for the year ended June 30, 2024 (in thousands of dollars)

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$3,824,877		(\$20,537)	\$3,804,340
Other employee benefits	288,943	\$627		289,570

Table 1.5c: Restated statement of cash flows at Los Angeles for the year ended June 30, 2024 (in thousands of dollars)

Statement of cash flows: Reconciliation of income from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Income from operations	\$523,543	(\$627)	(\$20,537)	\$502,379
Accrued salaries and benefits	45,852	627		46,479
Third-party payor settlements, net	(2,311)		20,537	18,226

Table 1.6a: Restated statement of net position at San Diego at June 30, 2024 (in thousands of dollars)

Statement of net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Other receivables	\$47,338		(\$22,934)	\$24,404
Third-party payor settlements, net	24,537		101,415	125,952
Accrued salaries and benefits	176,197	(\$10,953)		165,244
Other noncurrent liabilities	36,648	17,672		54,320
Unrestricted	(2,038,492)	(6,719)	78,481	(1,966,730)

Table 1.6b: Restated statement of revenues, expenses and changes in net position at San Diego for the year ended June 30, 2024
(in thousands of dollars)

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$3,563,065		(\$53,524)	\$3,509,541
Other employee benefits	297,438	\$768		298,206

Table 1.6c: Restated statement of cash flows at San Diego for the year ended June 30, 2024 (in thousands of dollars)

Statement of cash flows reconciliation of income from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Income from operations	\$198,263	(\$768)	(\$53,524)	\$143,971
Accrued salaries and benefits	27,596	768		28,364
Third-party payor settlements, net	51,328		53,524	104,852

Table 1.7a: Restated statement of net position at San Francisco at June 30, 2024 (in thousands of dollars)

Statement of net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Other receivables	\$97,613		(\$42,427)	\$55,186
Third-party payor settlements, net	34,793		222,188	256,981
Accounts payable and accrued expenses	483,467		24,048	507,515
Accrued salaries and benefits	515,072	(\$65,944)		449,128
Other current liabilities	73,416		(23,695)	49,721
Other noncurrent liabilities	10,187	79,628		89,815
Unrestricted	(2,255,552)	(13,684)	179,408	(2,089,828)

Table 1.7b: Restated statement of revenues, expenses and changes in net position at San Francisco for the year ended June 30, 2024 (in thousands of dollars)

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$7,355,765		(\$104,046)	\$7,251,719
Other employee benefits	528,672	\$1,003		529,675
Insurance and other	145,680		5,459	151,139

Table 1.7c: Restated statement of cash flows at San Francisco for the year ended June 30, 2024 (in thousands of dollars)

Statement of cash flows reconciliation of income from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Income from operations	\$481,975	(\$1,003)	(\$109,505)	\$371,467
Other receivables	(57,792)		6,766	(51,026)
Accounts payable and accrued expenses	96,929		5,459	102,388
Accrued salaries and benefits	90,611	1,003		91,614
Third-party payor settlements, net	(2,345)		97,280	94,935

Table 1.8a: Restated statement of net position total at June 30, 2024 *(memorandum only) (in thousands of dollars)*

Statement of net position	As previously reported and revised	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Other receivables	\$317,398		(\$65,361)	\$252,037
Third-party payor settlements, net	225,178		477,768	702,946
Accounts payable and accrued expenses	1,558,750		24,048	1,582,798
Accrued salaries and benefits	1,476,185	(\$159,992)		1,316,193
Other current liabilities	287,046		(23,695)	263,351
Other noncurrent liabilities	111,076	202,259		313,335
Unrestricted	(9,092,224)	(42,267)	412,054	(8,722,437)

Table 1.8b: Restated statement of revenues, expenses and changes in net position total for the year ended June 30, 2024 *(memorandum only) (in thousands of dollars)*

Statement of revenues, expenses and changes in net position	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Net patient service revenue	\$20,680,280		(\$256,223)	\$20,424,057
Other employee benefits	1,694,334	\$3,687		1,698,021
Insurance and other	508,317		5,459	513,776

Table 1.8c: Restated statement of cash flows total for the year ended June 30, 2024 *(memorandum only) (in thousands of dollars)*

Statement of cash flows: Reconciliation of income from operations to net cash provided by operating activities	As previously reported	Effect of adoption of GASB 101	Effect of change in accounting principle	As restated
Income from operations	\$1,171,308	(\$3,687)	(\$261,682)	\$905,939
Other receivables	(166,711)		6,766	(159,945)
Accounts payable and accrued expenses	339,428		5,459	344,887
Accrued salaries and benefits	292,878	3,687		296,565
Third-party payor settlements, net	26,439		249,457	275,896

Revision

During fiscal year 2025, UCLA Medical Center identified a prior period misclassification in which bond proceeds were reported as net investment in capital assets rather than unrestricted net position. Management determined the error was not material to prior periods. Accordingly, the June 30, 2024 Statement of Net Position was revised to increase net investment in capital assets by \$400 million and decrease unrestricted net position by the same amount, with no impact on total net position or the 2024 Statements of Revenues, Expenses and Changes in Net Position, or Statements of Cash Flows.

Significant Accounting Policies

Significant accounting policies of the Medical Centers are as follows:

Cash and cash equivalents

All University operating entities seek to optimize returns on their cash balances by participating in investment pools managed by the Office of the Chief Investment Officer of the Regents (UC Investments). The Regents oversee all of the University's investment pools — Short Term Investment Pool (STIP), Total Return Investment Pool (TRIP), Blue and Gold Pool (BGP) and General Endowment Pool (GEP) — and establish the related investment policies, which are implemented by UC Investments.

The Medical Centers classify demand deposits and investment pool balances, excluding those designated for construction, as cash and cash equivalents. While the majority of the Medical Centers' cash is held in STIP, each Chancellor has the discretion to invest cash and cash equivalents in any of the University's investment pools and remains obligated to make these funds available to their respective Medical Centers upon request.

The net asset value for STIP is held at a constant value of \$1, not adjusted for unrealized gains and losses associated with the fluctuation in the fair value of the investments included in STIP (which are predominately held to maturity) and not recorded by each operating entity but absorbed by the University as the manager of the pool. None of these amounts are insured by the Federal Deposit Insurance Corporation. To date, the Medical Centers have not experienced any losses on these accounts.

Interest income is reported as nonoperating revenue in the statements of revenues, expenses and changes in net position.

Additional information on cash and investments can be obtained from the 2024–25 annual financial report of the University of California at <https://www.ucop.edu/uc-controller/financial-reports/annual-financial-reports.html>.

UCSF Medical Center includes certain investments in highly liquid debt instruments with original maturities of three months or less as cash and cash equivalents.

Investments

Investments are reported at fair value. The Medical Centers' investments consist of investments in other investment securities, TRIP and GEP. UCSF Medical Center's investments consist of investments in the UCSF Foundation's (UCSFF's) Endowed Investment Pool (EIP), the University's STIP and other investment securities. The basis of determining the fair value of pooled funds or mutual funds is the number of units held in the pool multiplied by the price per unit share, computed on the last day of the month. Securities are generally valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or by utilizing an industry standard pricing service, when available. Securities for which no sale was reported as of the close of the last business day of the fiscal year are valued at the quoted bid price of a dealer who regularly trades in the security being valued. Certain securities may be valued on a basis of a price provided by a single source.

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

Inventories

The Medical Centers' inventories consist primarily of pharmaceuticals and medical supplies which are stated on a first-in, first-out basis at the lower of cost or market.

Prepaid expenses and other assets

The Medical Centers' prepaid expenses are primarily prepayments for pharmaceuticals and medical supplies, rent, equipment and maintenance contracts. Other assets include receivables from the University and beneficial interests in irrevocable split-interest agreements administered by third parties.

Restricted assets, deposits held for hospital construction

The University directly finances the construction, renovation and acquisition of facilities and equipment as authorized by The Regents through the issuance of debt obligations. Bond proceeds are primarily invested in STIP, GEP and TRIP and are released to the Medical Centers when spent on qualifying expenditures for construction.

Restricted assets, donor funds

The Medical Centers have been designated as the trustees for several charitable remainder trusts. The trusts are established by donors to provide income to designated beneficiaries, generally for life. Upon maturity, the principal in the trusts will be distributed to the Medical Centers. Trust assets are recorded at fair value.

The Medical Centers have been named the irrevocable beneficiaries for several charitable remainder trusts for which the Medical Centers are not the trustees. Upon maturity of each trust, the remainder of the trust corpus will be transferred to the Medical Centers. These funds cannot be sold, disbursed or consumed until a specified number of years have passed or a specific event has occurred. The Medical Centers recognize contribution revenue when all eligibility requirements have been met.

Beneficial interests in irrevocable split-interest agreements

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

Capital assets, net

The Medical Centers' capital assets are reported at cost at the date of acquisition. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The range of the estimated useful lives for the Medical Centers' buildings and land improvements is 5 to 40 years and for equipment is 2 to 20 years. University guidelines mandate that land purchased with the Medical Centers' funds is recorded as an asset of the Medical Centers, and land utilized by the Medical Centers but purchased with other sources of funds is recorded as an asset of the University. Intangible assets include right-to-use lease assets, right-to-use subscription-based information technology arrangement (SBITA) assets and similar arrangements. Leases and SBITAs are recorded at the estimated present value of future payments expected to be made during the term, net of amounts paid in advance and capitalizable implementation costs. Assets under leases and SBITAs are amortized over the shorter of the lease or subscription term or the estimated useful life of the asset. Significant additions, replacements, major repairs and renovations to infrastructure and buildings are generally capitalized by the Medical Centers if the cost is equal to or greater than \$35,000 and if they have a useful life of more than one year. Minor renovations are charged to operations. Equipment with a cost equal to or greater than \$5,000 and a useful life of more than one year is capitalized. Incremental costs, including salaries and employee benefits, directly related to the acquisition, development and installation of major software projects are included in the cost of the capital assets.

Investments in joint ventures

Certain Medical Centers have entered into joint-venture arrangements with various third-party entities that include surgery centers, home health services, cancer center operations and a health maintenance organization. Investments in these joint ventures are recorded using the equity method.

Interest rate swap agreements

The Medical Centers have entered into interest rate swap agreements to limit the exposure of their variable-rate debt to changes in market interest rates. These derivative financial instruments are agreements that involve the exchange with a counterparty of fixed- and variable-rate interest payments periodically over the life of the agreement without exchange of the underlying notional principal amounts. The difference to be paid or received is recognized over the life of the agreements as an adjustment to interest expense.

Interest rate swaps are recorded at fair value as either assets or liabilities in the statements of net position. The Medical Centers have determined that the market interest rate swaps are hedging derivatives that hedge future cash flows. Under hedge accounting, changes in the fair value are considered to be deferred inflows (for hedging derivatives with positive fair values) or deferred outflows (for hedging derivatives with negative fair values).

At the time of pricing certain interest rate swaps, the fixed rate of the swaps was off-market and UCLA Medical Center received an upfront payment based on the derived swap pricing. As such, the swaps consist of an at-the-market interest rate swap derivative instrument and a borrowing, represented by the upfront payment. The unamortized amount of the borrowing is included in the current and noncurrent portion of debt and amortized as interest expense over the term of the related bonds.

Bond premium

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

Self-insurance programs

The University is self-insured or insured through a wholly owned captive insurance company for medical malpractice, workers' compensation, employee health care and general liability claims. These risks are subject to various claim and aggregate limits, with excess liability coverage provided by independent insurers.

Liabilities are recorded when it is probable a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported. The estimated liabilities are based upon an independent actuarial determination of the present value of the anticipated future payments. While the Medical Centers participate in the self-insurance programs, they are administered by the University's Office of the President. Accordingly, the self-insurance assets and liabilities are not included in the accompanying financial statements.

CHRCO has a claims-made policy for medical malpractice claims. Under this policy, insurance premiums cover only those claims actually reported during the policy term. Should the claims-made policy not be renewed, or replaced with equivalent insurance, claims related to occurrences during their terms but reported subsequent to their termination may be uninsured. CHRCO has a high-deductible, per-occurrence policy for workers' compensation with no limit and is effectively self-insured due to the high deductible. CHRCO has a self-insured preferred provider organization plan for health claims.

Asset retirement obligations

Upon an obligating event, the Medical Centers record the costs of any expected tangible capital asset retirement obligations using the best estimate of the current value of outlays expected to be incurred. The liabilities are reviewed annually and may change as a result of additional information that refines the estimates. Actual asset retirement obligation costs may vary from these estimates as a result of changes in assumptions such as asset retirement dates, regulatory requirements, technology and costs of labor, materials and equipment.

Leases where Medical Centers are lessors

The Medical Centers are lessors of buildings and equipment under agreements that extend through 2078. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to 25 years. Leases may also include options to terminate the leases. Certain of the Medical Centers' lease agreements include rental payments adjusted periodically, primarily for inflation. The lease agreements do not contain any material lease incentive received, residual value guarantees, material restrictive covenants or material termination penalties. The Medical Centers measure the deferred inflows of resources at the present value of payments expected to be received including any advance lease payments or lease incentives during the lease term.

Deferred outflows of resources and deferred inflows of resources

Deferred outflows of resources and deferred inflows of resources represent a consumption and acquisition of net position that applies to a future period, respectively. The Medical Centers classify gains on refunding of debt, increases in the fair value of the hedging derivatives, certain lease payments to be received and the net interest in irrevocable split-interest agreements as deferred inflows of resources. The Medical Centers classify losses on refunding of debt, decreases in the fair value of hedging derivatives, certain asset retirement obligations and results from certain acquisitions as deferred outflows of resources. The difference between the net position acquired and consideration provided for acquisitions are reported as deferred outflow of resources and are recognized over the expected remaining service life of capital assets acquired, when acquisitions are largely based on the expected use of those capital assets or the duration of any acquired contracts.

Gains or losses on refunding of debt are amortized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter. Asset retirement obligations are recognized over the remaining useful life of the related asset. Revenues from split-interest agreements are recognized when the resources become available to spend. Lease revenues are recognized over the lease term.

Changes in net pension and retiree health benefits liabilities not included in expense, including proportionate shares of collective pension and retiree health benefits expenses from the University of California Retirement Plan (UCRP), are reported as deferred outflows of resources or deferred inflows of resources.

Net position

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

- **Net investment in capital assets.** Capital assets, net of accumulated depreciation, reduced by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted.** The Medical Centers classify net position resulting from transactions with purpose restrictions as restricted net position until the resources are used for the specific purpose or for as long as the donor requires the resources to remain intact.
 - **Nonexpendable.** Net position subject to externally imposed restrictions that must be retained in perpetuity. Also included in nonexpendable net position are minority interests, which include the net position of legally separate organizations attributable to other participants.
 - **Expendable.** Net position whose use is subject to externally imposed restrictions that can be fulfilled by actions pursuant to those restrictions or that expire by the passage of time.
- **Unrestricted.** Net position that is neither restricted nor invested in capital assets, net of related debt. Unrestricted net position may be designated for specific purposes by management or The Regents. Substantially all unrestricted net position is allocated for operating initiatives or programs, or for capital programs.

Expenses are charged to either restricted or unrestricted net position based upon a variety of factors, including consideration of prior and future revenue sources, the type of expense incurred, budgetary policies surrounding the various revenue sources or whether the expense is a recurring cost. Unrestricted net position is negative due primarily to obligations for pension and retiree health benefits exceeding the Medical Centers' reserves.

Contributions received by CHRCO may be designated by the donor for restricted purposes or may be without restriction as to their use. Contributions restricted by donors as to use or time period are reported as restricted until used in a manner designated or upon expiration of the time period. Under California law, income and gains on permanently restricted net position are maintained in restricted expendable net position until those amounts are appropriated for expenditure by the CHRCO Board of Directors in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Income and gains on permanently restricted net position that are available for expenditure are \$18.4 million and \$18.2 million at June 30, 2025 and 2024, respectively.

Revenues and expenses

Revenues received through conducting the programs and services of the Medical Centers are presented in the financial statements as operating revenue. Revenues include professional fees earned by the faculty physicians practicing as the UCSF Faculty Clinical Practices.

Operating revenues include net patient service revenue reported at the estimated net realizable amounts from patients, third-party payors including Medicare and Medi-Cal and others for services rendered, including estimated retroactive audit adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. The Medical Centers believe that they are in compliance with all applicable laws and regulations related to the Medicare and Medi-Cal programs.

The Medical Centers estimate and recognize an allowance for uncollectible accounts based on historical experience.

CHRCO received grants from federal agencies and other third parties until 2024. Government grants are reimbursed based on actual expenses incurred or units of service provided. Revenue from these grants is recognized as operating revenue either when expenses are incurred or when services are provided, depending on the grant award agreements.

Substantially all of the Medical Centers' operating expenses are directly or indirectly related to patient care activities.

Nonoperating revenues and expenses include direct government grants from the Hospital Fee Program grants, designated public hospital grants, interest income and expense, federal interest subsidies, net appreciation (depreciation) in fair value of investments, the gain or loss on the disposal of capital assets and other nonoperating revenues and expenses.

The Medical Centers received Disaster Grants - Public Assistance (Presidentially Declared Disasters) from the Federal Emergency Management Agency (FEMA) to aid in disaster response and recovery related to COVID-19. The Medical Centers recognized these direct grants as nonoperating revenues following the information contained in laws and regulations, as well as interpretations issued by the Department of Homeland Security (DHS) governing the funding, which was publicly available at June 30, 2025 and 2024, respectively.

Measure C is a 0.5% sales tax that was approved by Alameda County voters in March 2020 to expand access to early childhood education and health care services in Alameda County. The measure was delayed but was upheld by the California Supreme Court in 2024. CHRCO recognized these funds as nonoperating revenues.

The Medical Centers received Employee Retention Credits (ERC), which are refundable tax credits for eligible tax-exempt organizations that had employees that were affected during the COVID-19 pandemic. These funds were included in nonoperating revenues.

Health system support, donated assets, contributions for building programs, transfers to the University and changes in allocation for pension payable to the University are classified as other changes in net position.

Net pension liability

UCRP provides retirement benefits to retired employees of the Medical Centers. The Medical Centers are required to contribute to UCRP at a rate set by The Regents. Net pension liability includes the Medical Centers' share of the University's net pension liability for UCRP. The Medical Centers' share of net pension liability, deferred inflows of resources, deferred outflows of resources and pension expense have been determined based upon their proportionate share of covered compensation for the fiscal year. The fiduciary net position and changes in the fiduciary net position of UCRP have been measured consistently with the accounting policies used by the Plan. For purposes of measuring UCRP's fiduciary net position, investments are reported at fair value and benefit payments are recognized when due and payable in accordance with the benefit terms.

Net pension liability also includes the net pension liability for the Retirement Plan for Children's Hospital & Research Center Oakland (CHRCO Plan). The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position have been measured consistently with the accounting policies used by the CHRCO Plan. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

Net retiree health benefits liability

The University provides health benefits to retired employees of the Medical Centers. The University established the University of California Retiree Health Benefit Trust (UCRHBT) to allow certain University locations and affiliates, including the Medical Centers, to share the risks, rewards and costs of providing for retiree health benefits and to accumulate funds on a tax-exempt basis under an arrangement segregated from University assets. Contributions from the Medical Centers to the UCRHBT are effectively made to a single-employer health plan administered by the University as a cost-sharing plan. The Medical Centers are required to contribute at a rate assessed each year by the University.

Net retiree health benefits liability includes the Medical Centers' share of the University's net retiree health benefits liability for UCRHBT. The Medical Centers' share of net retiree health benefits liability, deferred inflows of resources, deferred outflows of resources and retiree health benefits expense has been determined based upon their proportionate share of covered compensation for the fiscal year. The fiduciary net position and changes in net position of UCRHBT have been measured consistently with the accounting policies used by the trust. For purposes of measuring UCRHBT's fiduciary net position, investments are reported at fair value and benefit payments are recognized when due and payable in accordance with the benefit terms.

Pension payable to University

Additional deposits in UCRP have been made using University resources to make up the gap between the approved contribution rates and the contributions based on The Regents' funding policy. These deposits, carried as internal loans by the University, are being repaid by the Medical Centers, plus accrued interest, through 2042 with a supplemental pension assessment. The Medical Centers' share of the internal loans has been determined based upon their proportionate share of covered compensation for the fiscal year. Supplemental pension assessments are reported as pension expense by the Medical Centers. Additional deposits in UCRP by the University, and changes in the Medical Centers' share of the internal loans, are reported as other changes in net position.

Charity care

The Medical Centers provide care without charge or at amounts less than their established rates to patients who meet certain criteria under their charity care policies. Amounts determined to qualify as charity care are not reported as net patient service revenue. The Medical Centers also provide services to other patients under publicly sponsored programs, which may reimburse at amounts less than the cost of the services provided to the recipients. The difference between the cost of services provided to the patients and the expected reimbursement is included in the estimated cost of charity care ("Refer to Note 4").

Transactions with the University and University affiliates

The Medical Centers have various transactions with the University and University affiliates. The University, as the primary reporting entity, has at its discretion the ability to transfer cash from the Medical Centers at will (subject to certain restrictive covenants or bond indentures) and to use that cash at its discretion. The Medical Centers record expense transactions where direct and incremental economic benefits are received by the Medical Centers. Payments which constitute subsidies or payments for which the Medical Centers do not receive direct and incremental economic benefit are recorded as health system support in the statements of revenues, expenses and changes in net position.

Certain revenues and expenses are allocated from the University to the Medical Centers. Allocated expenses reported as operating expenses in the statements of revenues, expenses and changes in net position are management's best estimates of the Medical Centers' arms-length payment of such amounts for their market-specific circumstances. To the extent that payments to the University exceed an arms-length estimated amount relative to the benefit received by the Medical Centers, the payments are recorded as health system support.

Compensated absences

The Medical Centers accrue annual leave, including vacation, PTO, sick leave and related employer costs, for employees at rates based upon length of service and job classification. Compensatory time is accrued based upon job classification and hours worked. When accumulated compensated absence balances are utilized by employees for time off, it is assumed that those balances are used chronologically, starting from those recently earned to those earned in prior fiscal periods.

Tax exemption

The University of California is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), except for tax on unrelated business income tax under IRC Section 511. The University is also exempt from federal income tax under IRC Section 115(a) as a state institution. In addition, the University is exempt from state income taxes imposed under the California Revenue and Taxation Code. CHRCO and UCSF Health Community Hospitals are qualified for exemption under IRC Section 501(c)(3).

Use of estimates

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

New Accounting Pronouncements

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

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

2. Investments

Tables 2a and **2b** present the composition of investments by investment type and fair value level at June 30, 2025 and 2024, respectively.

Table 2a: Composition of investments at June 30, 2025 (in thousands of dollars)

Description	Fair value level	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Balanced funds	NAV			\$480,958		\$348,375	\$829,333
Other	2					1,143	1,143
Commingled funds				480,958		349,518	830,476
Other investments	3	\$500	\$19,615		\$2,044	140	22,299
Total investments		500	19,615	480,958	2,044	349,658	852,775
Less: Current portion		(500)		(360,443)			(360,943)
Less: Reported as restricted assets in donor funds						(71,983)	(71,983)
Noncurrent portion			\$19,615	\$120,515	\$2,044	\$277,675	\$419,849

Table 2b: Composition of investments at June 30, 2024 (in thousands of dollars)

Description	Fair value level	Irvine	Los Angeles	San Francisco	Total
Balanced funds	NAV		\$432,942	\$321,842	\$754,784
Other	2			1,085	1,085
Commingled funds			432,942	322,927	755,869
Other investments	3	\$16,379		388	16,767
Total investments		16,379	432,942	323,315	772,636
Less: Current portion			(325,448)		(325,448)
Less: Reported as restricted assets in donor funds				(69,511)	(69,511)
Noncurrent portion		\$16,379	\$107,494	\$253,804	\$377,677

The University-managed commingled funds (UC pooled funds) serve as the core investment vehicle for the Medical Centers. Additional information on the University's investments can be obtained from the 2024–25 annual report of the University of California at <https://www.ucop.edu/uc-controller/financial-reports/annual-financial-reports.html>.

Total Return Investment Pool (TRIP)

TRIP allows participants the opportunity to maximize the return on their long-term working capital by taking advantage of the economies of scale of investing in a large pool across a broad range of asset classes. TRIP supplements STIP by investing in an intermediate-term, higher-risk portfolio allocated across equities, fixed-income and liquid alternative strategies, and allows participants to maximize the return on their long-term capital. The objective of TRIP is to generate a rate of return above the policy benchmark, after all costs and fees, consistent with liquidity, cash flow requirements and the risk. UCLA Medical Center's investments in TRIP is classified as commingled balanced funds. TRIP is considered to be an external investment pool from the Medical Center's perspective. The fair value of the UCLA Medical Center's investment in TRIP was \$360.4 million and \$325.4 million at June 30, 2025 and 2024, respectively.

General Endowment Pool (GEP)

GEP is an investment pool in which a large number of individual endowments participate in order to benefit from diversification and economies of scale. GEP is a balanced portfolio of equities, fixed-income securities and alternative investments. The primary goal is to maximize long-term total return, growth of principal and a growing payout stream to ensure that future funding for endowment-supported activities can be maintained. Where donor agreements place constraints on allowable investments, assets associated with endowments are invested in accordance with the terms of the agreements. UCLA Medical Center's investment in GEP is classified as commingled funds. GEP is considered to be an external investment pool from the Medical Center's perspective. The fair value of the UCLA Medical Center's investment in GEP was \$120.5 million and \$107.5 million at June 30, 2025 and 2024, respectively.

Endowed Investment Pool (EIP)

UCSF Medical Center invests primarily in the UCSF Foundation's EIP, the UCSF Foundation's primary investment vehicle for endowed gifts. The Foundation's primary investment objective is growth of principal sufficient to preserve purchasing power and provide income to support current and future activities. Investments in EIP include high-quality, readily marketable equity and fixed-income securities; other types of investments, including derivative instruments such as financial futures, may be made at the direction of the UCSF Foundation's Investment Committee. EIP represents investments in a unitized pool. UCSF Medical Center's investment in EIP is classified as commingled funds. Transactions within each individual endowment in the pool are based on the unit market value at the beginning or end of the month during which the transaction takes place for additions and withdrawals, respectively.

Investments in EIP by the UCSF Foundation require at least 12 months' prior written notice of intention to terminate as of a date specified in the notice. Withdrawals will occur on the last business day of the month and are subject to certain withdrawal guidelines such as providing a forecasted schedule of cash withdrawals 90 days prior to the start of each fiscal year.

Fair Value

Fair value is defined in the accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities reported at fair value are organized into a hierarchy based on the levels of inputs observable in the marketplace that are used to measure fair value. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions.

Inputs may include price information, credit data, liquidity statistics and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument.

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

- **Level 1.** Prices based on unadjusted quoted prices in active markets that are accessible for identical assets or liabilities are classified as Level 1. Level 1 investments include equity securities, commingled funds (exchange traded funds and mutual funds) and other publicly traded securities.
- **Level 2.** Quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly are classified as Level 2. Level 2 investments include fixed- or variable-income securities, commingled funds (institutional funds not listed in active markets) and other assets that are valued using market information.
- **Level 3.** Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments are based upon the best information in the circumstance and may require significant management judgment.
- **Net Asset Value (NAV).** Investments whose fair value is measured at NAV are excluded from the fair value hierarchy. Investments in non-governmental entities that do not have a readily determinable fair value may be valued at NAV. Investments measured at NAV include commingled balanced funds.
- **Not Levelled.** Cash and cash equivalents including pending trades and settlements within various pools are not measured at fair value and, therefore, are not subject to the fair value disclosure requirements.

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial credit risk, concentration of credit risk and foreign currency risk, may affect both equity and fixed-income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance and market liquidity, while fixed-income securities are particularly sensitive to credit risks and changes in interest rates. The Medical Centers have established investment policies to provide the basis for the management of a prudent investment program appropriate to the particular fund type.

Credit risk

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

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

Certain fixed-income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are considered to have minimal credit risk.

UCLA Medical Center's and UCSF Medical Center's commingled funds (including GEP, EIP and TRIP) are not rated.

Custodial credit risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned. Substantially all of UCSF Medical Center's investments are registered in the name of the UCSF Foundation. UC Davis Medical Center's, UC Irvine Medical Center's and UCLA Medical Center's investments are registered in the name of the University.

Concentration of credit risk

Concentration of credit risk is the risk of loss associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic or credit developments. Securities issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools and other pooled investments are not subject to concentration of credit risk. Investments in the various investment pools managed by

UC Investments and the UCSF Foundation are external investment pools and are not subject to concentration of credit risk. There is no concentration on any single individual issuer of investments that comprises more than five percent of total investments for any Medical Center.

Interest rate risk

Interest rate risk is the risk that the fair value of fixed-income securities will decline because of changing interest rates. The prices of fixed-income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100-basis-point (1-percentage-point) change in the level of interest rates.

UCSF Medical Center considers the effective duration for money market funds to be zero, and effective duration information for EIP is unavailable.

Foreign currency risk

The University's strategic asset allocation policy for TRIP and GEP as well as the UCSF Foundation's asset allocation strategy includes allocations to non-U.S. equities and non-dollar-denominated bonds. Exposure from foreign currency risk results from investments in foreign currency-denominated equity, fixed-income and private equity securities. At June 30, 2025 and 2024, UCSF Medical Center is subject to foreign currency risk as a result of holding various currency denominations.

3. Net Patient Service Revenue

The Medical Centers have agreements with third-party payors that provide for payments at amounts different from the Medical Centers' established rates. A summary of the payment arrangements with major third-party payors is as follows:

Medicare

Medicare patient revenue includes traditional reimbursement under Title XVIII of the Social Security Act or Medicare capitated contract revenue.

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient non-acute services, certain outpatient services and medical education costs related to Medicare beneficiaries are paid based, in part, on a cost reimbursement methodology. Medicare reimburses hospitals for covered outpatient services rendered to their beneficiaries by way of an outpatient prospective payment system based on ambulatory payment classifications. The Medical Centers do not believe that there are significant credit risks associated with the Medicare program.

The Medical Centers are reimbursed for cost reimbursable items at a tentative rate with final settlement of such items determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Medical Centers' classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization. The Medical Centers have received final notices from the Medicare fiscal intermediary through June 30, 2020 for Davis; through June 30, 2018 for Irvine; through June 30, 2019 for Ronald Reagan UCLA Medical Center; through June 30, 2022 for UCLA Santa Monica Medical Center; through June 30, 2023 for Resnick Neuropsychiatric Hospital; through June 30, 2018 for San Diego; through June 30, 2018 with certain prior years pending settlement for San Francisco and through June 30, 2022 for CHRCO. The fiscal intermediary is in the process of conducting its audits of the subsequent cost reports. The results of these audits have yet to be finalized and any amounts due to or from Medicare have not been determined. Estimated receivables and payables related to all open cost reporting periods are included in the statements of net position as third-party payor settlements.

Medi-Cal

The Medicaid program is referred to as Medi-Cal in California. Historically, Medi-Cal fee-for-service (FFS) payments for inpatient hospital services were made in accordance with the terms and conditions of federal Medicaid hospital financing waivers and legislation enacted by the state of California (collectively, the Waiver Program). The Medical Centers are reimbursed at interim rates with final settlement of such items determined after submission of annual filings and audits thereof by the state. Payments under the Waiver Program are based on the allocation of pooled funds amongst certain University of California Medical Centers (Davis, Irvine, San Diego and San Francisco) and are subject to change based on the audit results of participating University of California Medical Centers. UCLA Medical Center and the remaining designated public hospitals in California receive Disproportionate Share Hospital Program (DSH) payments under a Waiver Program known as the Global Payment Program, which transitions from a cost-based reimbursement

methodology to a value-based payment system focused on services provided to the uninsured. The State is in the process of conducting audits of the Waiver Program. The results of these audits have yet to be finalized and any amounts due to or from Medi-Cal have not been determined. Estimated receivables and payables related to all Waiver Program reporting periods are included in the statements of net position as third-party payor settlements. Effective July 2017, the Medical Centers may be eligible to receive enhanced payments and additional reimbursement for Medi-Cal managed care patients under the Quality Incentive Pool Program (QIP) and Designated Public Hospital Enhanced Payment Program (EPP). Revenues are recognized in the fiscal period in which preprint approval is obtained, services are rendered and amounts are reasonably estimable.

CHRCO has a contractual agreement with the Medi-Cal program, which includes patients that qualify for California Children's Services. CHRCO is an essential Medi-Cal and California Children's Services provider. Inpatient services are reimbursed by the All Patient Refined Diagnosis Related Group, at a per-case rate based upon acuity. Outpatient services are paid via fee schedules. In addition, CHRCO is the recipient of Medi-Cal funds under various state of California programs, in particular the Private Hospital Supplemental Fund and disproportionate share hospitals (DSH). The state of California funds eligible hospitals based upon the total pool of funding available and a formula for distribution. The legislative funding is subject to retroactive reductions and potential future elimination.

Hospital Fee Program

State of California Assembly Bill 1383 of 2009, as amended by AB 1653 on September 8, 2010, and extended through 2013, and then through 2016 (SB 239), established a series of Medicaid supplemental payments funded through a Quality Assurance Fee and a Hospital Fee Program, which are imposed on certain California hospitals. In November 2016, the Hospital Fee Program was made permanent through the passage of the Medi-Cal Funding and Accountability Act (Proposition 52), which establishes the framework for all future hospital fee programs. Proposition 52 also makes permanent the limit on the amount the state can take out of the program for the General Fund; the construct of the fee program (both the fee side and the payment mechanisms); and the source of data and information used to develop the program, subject to CMS approval. The Hospital Fee Program makes supplemental payments to certain hospitals for various health care services and supports the state's effort to maintain health care coverage for children. The Hospital Fee Program is funded by a Quality Assurance Fee paid by participating hospitals and matching federal funds. All of the Medical Centers, except CHRCO, are designated as public hospitals and are exempt from paying the Quality Assurance Fee. CHRCO receives supplemental payments under the Hospital Fee Program. CHRCO recognized \$69.3 million and \$164.4 million of patient service revenue under the Hospital Fee Program for the years ended June 30, 2025 and 2024, respectively. CHRCO paid \$17.4 million and \$49.5 million in Quality Assurance Fees for the years ended June 30, 2025 and 2024, respectively. The Medical Centers receive a grant funded by the Hospital Fee Program.

Assembly Bill 915

State of California Assembly Bill 915, Public Hospital Outpatient Services Supplemental Reimbursement Program, provides for supplemental reimbursement equal to the federal share of unreimbursed facility costs incurred by public hospital outpatient departments. This supplemental payment covers only Medi-Cal fee-for-service outpatient services. The supplemental payment is based on each eligible hospital's certified public expenditures, which are matched with federal Medicaid funds.

Senate Bill 1732

State of California Senate Bill 1732 provides for supplemental Medi-Cal reimbursement to DSH for costs (i.e., principal and interest) of qualified patient care capital construction. For the years ended June 30, 2025 and 2024, the Medical Centers applied for and received additional revenue related to the reimbursement of costs for certain debt-financed construction projects based on the Medical Centers' Medi-Cal utilization rate.

Other

The Medical Centers have entered into agreements with numerous other third-party payors to provide patient care to beneficiaries under a variety of payment arrangements. These include arrangements with:

- Commercial insurance companies that reimburse the Medical Centers for reasonable and customary charges. Workers' compensation plans pay negotiated rates and are reported as contract (discounted or per diem) revenue.
- Managed care contracts such as those with HMOs and PPOs that reimburse the Medical Centers at contracted or per-diem rates, which are usually less than full charges. CHRCO contracts with various Medi-Cal managed care plans in the state. These plans operate as state-licensed HMOs that provide health care services on a prepaid basis to enrolled Medi-Cal members residing in the county. Eligible members select the plan in which they wish to participate.

- Capitated contracts with health plans that reimburse the Medical Centers on a per-member-per-month basis, regardless of whether services are actually rendered. The Medical Centers assume a certain financial risk, as the contract requires patient treatment for all covered services. Expected losses on capitated agreements are accrued when probable and can be reasonably estimated.
- Certain health plans that have established a shared-risk pool where the Medical Centers share in any surplus associated with health care utilization as defined in the related contracts. Additionally, the Medical Centers may assume the risk of certain health care utilization costs, as determined in the related agreements. Differences between the final contract settlement and the amount estimated as receivable or payable relating to the shared-risk arrangements are recorded in the year of final settlement.
- Counties in the state of California that reimburse the Medical Centers for certain indigent patients covered under county contracts.

The most common payment arrangement for inpatient services is a prospectively determined per diem rate or case rate. The most common payment arrangement for outpatient care is a prospective payment system that uses ambulatory payment classifications.

Table 3.1 presents amount due from Medicare as a percentage of net patient accounts receivable at June 30.

Table 3.1: Amount due from Medicare as a percentage of net patient accounts receivable *(shown as percentage)*

Location	2025	2024
Davis	13.4%	19.6%
Irvine	26.3	28.9
Los Angeles	22.7	21.5
San Diego	30.6	28.4
San Francisco	13.7	14.6

Table 3.2 presents amount due from Medi-Cal as a percentage of net patient accounts receivable at June 30.

Table 3.2: Amount due from Medi-Cal as a percentage of net patient accounts receivable *(shown as percentage)*

Location	2025	2024
Davis	14.1%	13.2%
Irvine	17.5	16.8
Los Angeles	14.9	17.6
San Diego	17.0	16.6
San Francisco	19.7	21.0

CHRCO receives Medi-Cal supplemental payments, which are comprised of both federal and non-federal components. CHRCO received \$108.9 million and \$128.4 million under these programs for the years ended June 30, 2025 and 2024, respectively.

For the years ended June 30, net patient service revenue included amounts due to favorable (or unfavorable) cost report settlements and changes in estimates in settlements related to Medicare, Medi-Cal and County Medical Services Program.

Table 3.3 presents net change in settlement estimates.

Table 3.3: Net change in settlement estimates *(in thousands of dollars)*

Location	2025	2024
Davis	\$49,047	\$126,656
Irvine	10,373	89,383
Los Angeles	55,107	69,462
San Diego	90,593	52,818
San Francisco	154,676	186,435
Total	\$359,796	\$524,754

Net patient accounts receivable and net patient service revenue at June 30 are presented net of allowance for uncollectible accounts.

Table 3.4 presents patient accounts receivable allowance at June 30, 2025 and 2024.

Table 3.4: Patient accounts receivable allowance at June 30, 2025 and 2024 (in thousands of dollars)

Location	2025	2024
Davis	\$77,300	\$114,811
Irvine	194,103	99,447
Los Angeles	173,954	198,704
San Diego	305,016	169,965
San Francisco	337,186	301,540
Total	\$1,087,559	\$884,467

Table 3.5 presents patient service revenue allowance for the years ended June 30 in 2025 and 2024.

Table 3.5: Patient service revenue allowance for the years ended June 30 in 2025 and 2024 (in thousands of dollars)

Location	2025	2024
Davis	\$72,844	\$76,745
Irvine	162,675	102,693
Los Angeles	25,498	119,168
San Diego	21,918	28,444
San Francisco	113,018	113,502
Total	\$395,953	\$440,552

Tables 3.6a and 3.6b present net patient service revenue by major payor for the years ended June 30, 2025 and 2024, respectively.

Table 3.6a: Net patient service revenue by major payor for the year ended June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Medicare	\$975,946	\$1,134,990	\$1,218,017	\$1,103,247	\$1,743,564	\$6,175,764
Medi-Cal	830,817	752,449	684,787	903,327	1,872,102	5,043,482
Contract (discounted or per diem)	2,044,675	1,462,710	2,178,688	2,103,293	4,657,096	12,446,462
Contract (capitated)	470		293,847		88,861	383,178
Non-sponsored/self-pay	13,172	22,068	25,554	8,070	57,041	125,905
Total	\$3,865,080	\$3,372,217	\$4,400,893	\$4,117,937	\$8,418,664	\$24,174,791

Table 3.6b: Net patient service revenue by major payor for the year ended June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Medicare	\$913,463	\$774,198	\$1,039,032	\$1,015,932	\$1,539,948	\$5,282,573
Medi-Cal	800,482	541,138	595,174	691,815	1,697,614	4,326,223
Contract (discounted or per diem)	1,850,096	957,883	2,048,296	1,793,099	3,872,396	10,521,770
Contract (capitated)	815		90,194		85,633	176,642
Non-sponsored/self-pay	11,230	9,152	31,644	8,695	56,128	116,849
Total	\$3,576,086	\$2,282,371	\$3,804,340	\$3,509,541	\$7,251,719	\$20,424,057

4. Charity Care

Tables 4a and 4b present information related to the Medical Centers' charity care for the years ended June 30, 2025 and 2024, respectively.

Table 4a: Charity care for the year ended June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Charity care at established rates	\$67,347	\$196,919	\$18,383	\$76,155	\$189,572	\$548,376
Estimated cost of charity care	13,005	37,593	5,419	21,449	51,493	128,959
Estimated cost in excess of reimbursement for patients under publicly sponsored programs	697,650	886,986	283,374	633,593	1,472,828	3,974,431

Table 4b: Charity care for the year ended June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Charity care at established rates	\$41,644	\$117,642	\$8,540	\$94,208	\$104,204	\$366,238
Estimated cost of charity care	9,617	30,794	2,809	24,220	27,516	94,956
Estimated cost in excess of reimbursement for patients under publicly sponsored programs	846,938	514,544	447,723	619,365	1,050,903	3,479,473

5. Capital Assets

Tables 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6 present the Medical Centers' capital asset activity for the years ended June 30, 2025 and 2024.

Table 5.1a: Capital assets at original cost at Davis (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$113,401			\$113,401			\$113,401
Buildings and improvements	1,856,710	\$60,473		1,917,183	\$144,529		2,061,712
Equipment and software	634,790	20,789	(\$21,079)	634,500	81,086	(\$27,124)	688,462
Leases	419,007	35,906	(26,840)	428,073	96,530	(34,676)	489,927
Subscription-based IT arrangements	37,187	31,217	(5,588)	62,816	48,308	(18,555)	92,569
Construction in progress	560,768	693,369		1,254,137	450,744	(2,914)	1,701,967
Total	\$3,621,863	\$841,754	(\$53,507)	\$4,410,110	\$821,197	(\$83,269)	\$5,148,038

Table 5.1b: Accumulated depreciation and amortization at Davis (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$866,207	\$58,343		\$924,550	\$58,346		\$982,896
Equipment and software	392,358	58,303	(\$19,069)	431,592	51,891	(\$22,928)	460,555
Leases	104,115	30,474	(6,942)	127,647	35,789	(4,165)	159,271
Subscription-based IT arrangements	19,574	15,703	(5,588)	29,689	18,999	(18,554)	30,134
Total	\$1,382,254	\$162,823	(\$31,599)	\$1,513,478	\$165,025	(\$45,647)	\$1,632,856

Table 5.1c: Net capital assets at Davis (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$2,239,609	\$2,896,632	\$3,515,182

Table 5.2a: Capital assets at original cost at Irvine (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$36,709	\$180,112		\$216,821			\$216,821
Buildings and improvements	1,107,124	510,158	(\$28)	1,617,254	\$31,098		1,648,352
Equipment and software	612,940	159,806	(31,698)	741,048	127,030	(\$3,583)	864,495
Leases	143,643	88,465	(4,250)	227,858	27,291	(3,717)	251,432
Subscription-based IT arrangements	45,879	18,287	(887)	63,279	11,776	(2,834)	72,221
Construction in progress	629,905	106,899		736,804	151,469		888,273
Total	\$2,576,200	\$1,063,727	(\$36,863)	\$3,603,064	\$348,664	(\$10,134)	\$3,941,594

Table 5.2b: Accumulated depreciation and amortization at Irvine (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$582,009	\$49,848	(\$28)	\$631,829	\$65,415		\$697,244
Equipment and software	480,832	45,165	(29,803)	496,194	63,591	(\$3,454)	556,331
Leases	39,523	18,226	(4,397)	53,352	26,514	(4,037)	75,829
Subscription-based IT arrangements	13,868	9,542	(455)	22,955	15,042	(3,938)	34,059
Total	\$1,116,232	\$122,781	(\$34,683)	\$1,204,330	\$170,562	(\$11,429)	\$1,363,463

Table 5.2c: Net capital assets at Irvine (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$1,459,968	\$2,398,734	\$2,578,131

Table 5.3a: Capital assets at original cost at Los Angeles (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$92,016	\$32,200		\$124,216	\$14,940		\$139,156
Buildings and improvements	2,205,292	182,471		2,387,763	64,794		2,452,557
Equipment and software	644,439	98,035	(\$36,574)	705,900	80,812	(\$30,549)	756,163
Leases	146,970	36,656	(16,712)	166,914	14,819	(179)	181,554
Subscription-based IT arrangements	48,996	20,602	(12,633)	56,965	29,143	(12,522)	73,586
Construction in progress	185,830	44,711		230,541	228,749		459,290
Total	\$3,323,543	\$414,675	(\$65,919)	\$3,672,299	\$433,257	(\$43,250)	\$4,062,306

Table 5.3b: Accumulated depreciation and amortization at Los Angeles (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$911,988	\$68,973	(\$2,774)	\$978,187	\$76,881	(\$669)	\$1,054,399
Equipment and software	478,568	66,326	(32,627)	512,267	64,108	(27,770)	548,605
Leases	48,815	17,851	(10,587)	56,079	16,790	(179)	72,690
Subscription-based IT arrangements	20,804	16,489	(12,633)	24,660	21,162	(12,522)	33,300
Total	\$1,460,175	\$169,639	(\$58,621)	\$1,571,193	\$178,941	(\$41,140)	\$1,708,994

Table 5.3c: Net capital assets at Los Angeles (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$1,863,368	\$2,101,106	\$2,353,312

Table 5.4a: Capital assets at original cost at San Diego (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$8,641	\$40,041		\$48,682			\$48,682
Buildings and improvements	1,953,258	165,394	(\$4,253)	2,114,399	\$324,179	(\$25,264)	2,413,314
Equipment and software	441,556	40,983	(30,365)	452,174	65,139	(26,155)	491,158
Leases	155,466	16,378	(20,028)	151,816	34,522	(20,798)	165,540
Subscription-based IT arrangements	41,148	12,023	(521)	52,650	9,396	(6,921)	55,125
Construction in progress	114,693	193,210		307,903	(253,983)		53,920
Total	\$2,714,762	\$468,029	(\$55,167)	\$3,127,624	\$179,253	(\$79,138)	\$3,227,739

Table 5.4b: Accumulated depreciation and amortization at San Diego (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$743,927	\$61,607	(\$4,227)	\$801,307	\$63,931		\$865,238
Equipment and software	314,942	29,413	(29,657)	314,698	29,363	(\$25,589)	318,472
Leases	75,787	21,101	(16,100)	80,788	24,059	(19,352)	85,495
Subscription-based IT arrangements	15,407	11,372	(521)	26,258	13,315	(6,920)	32,653
Total	\$1,150,063	\$123,493	(\$50,505)	\$1,223,051	\$130,668	(\$51,861)	\$1,301,858

Table 5.4c: Net capital assets at San Diego (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$1,564,699	\$1,904,573	\$1,925,881

Table 5.5a: Capital assets at original cost at San Francisco (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$146,327			\$146,327	\$84,982		\$231,309
Buildings and improvements	3,446,583	\$178,450	(\$17,261)	3,607,772	472,506	(\$19,127)	4,061,151
Equipment and software	1,228,243	67,808	(31,516)	1,264,535	139,401	(44,576)	1,359,360
Leases	512,673	12,728	(4,342)	521,059	26,496	(14,236)	533,319
Subscription-based IT arrangements	7,254	881	(2,133)	6,002	19,747		25,749
Construction in progress	829,694	350,198	(5,310)	1,174,582	107,310		1,281,892
Total	\$6,170,774	\$610,065	(\$60,562)	\$6,720,277	\$850,442	(\$77,939)	\$7,492,780

Table 5.5b: Accumulated depreciation and amortization at San Francisco (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$1,604,494	\$105,862	(\$16,239)	\$1,694,117	\$117,200	(\$14,326)	\$1,796,991
Equipment and software	986,174	81,310	(29,994)	1,037,490	78,098	(43,778)	1,071,810
Leases	113,419	34,940	(4,310)	144,049	34,483	(17,731)	160,801
Subscription-based IT arrangements	3,501	2,874	(2,133)	4,242	4,696		8,938
Total	\$2,707,588	\$224,986	(\$52,676)	\$2,879,898	\$234,477	(\$75,835)	\$3,038,540

Table 5.5c: Net capital assets and accumulated depreciation and amortization at San Francisco (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$3,463,186	\$3,840,379	\$4,454,240

Table 5.6a: Total capital assets at original cost (in thousands of dollars)

Capital assets, at original cost	2023	Additions/ Transfers	Disposals	2024	Additions/ Transfers	Disposals	2025
Land	\$397,094	\$252,353		\$649,447	\$99,922		\$749,369
Buildings and improvements	10,568,967	1,096,946	(\$21,542)	11,644,371	1,037,106	(\$44,391)	12,637,086
Equipment and software	3,561,968	387,421	(151,232)	3,798,157	493,468	(131,987)	4,159,638
Leases	1,377,759	190,133	(72,172)	1,495,720	199,658	(73,606)	1,621,772
Subscription-based IT arrangements	180,464	83,010	(21,762)	241,712	118,370	(40,832)	319,250
Construction in progress	2,320,890	1,388,387	(5,310)	3,703,967	684,289	(2,914)	4,385,342
Total	\$18,407,142	\$3,398,250	(\$272,018)	\$21,533,374	\$2,632,813	(\$293,730)	\$23,872,457

Table 5.6b: Total Accumulated depreciation and amortization (in thousands of dollars)

Accumulated depreciation and amortization	2023	Depreciation/ Amortization	Disposals	2024	Depreciation/ Amortization	Disposals	2025
Buildings and improvements	\$4,708,625	\$344,633	(\$23,268)	\$5,029,990	\$381,773	(\$14,995)	\$5,396,768
Equipment and software	2,652,874	280,517	(141,150)	2,792,241	287,051	(123,519)	2,955,773
Leases	381,659	122,592	(42,336)	461,915	137,635	(45,464)	554,086
Subscription-based IT arrangements	73,154	55,980	(21,330)	107,804	73,214	(41,934)	139,084
Total	\$7,816,312	\$803,722	(\$228,084)	\$8,391,950	\$879,673	(\$225,912)	\$9,045,711

Table 5.6c: Total net capital assets (in thousands of dollars)

Capital assets	2023	2024	2025
Capital assets, net	\$10,590,830	\$13,141,424	\$14,826,746

The Medical Centers made seismic improvements in order to be in compliance with Senate Bill 1953 (SB 1953), the Hospital Facilities Seismic Safety Act. Certain facilities and equipment were constructed or acquired to make seismic improvements using financing obligations of the University. These facilities and equipment were contributed at cost by the University to the Medical Centers to support the operations of the Medical Centers. Principal and interest payments required for these obligations are not reflected in the financial statements of the Medical Centers.

The Medical Centers have beds in service in facilities that do not meet the requirements of SB 1953 and these facilities will either need to be retrofitted or replaced by 2030. Asset retirement obligations and related deferred outflows are recognized based on the existence of external laws, regulations, contracts or court judgments, together with the occurrence of an internal event that obligates the Medical Centers to perform asset retirement activities. The Medical Centers plan to demolish certain existing facilities to comply with SB 1953.

Davis recognized asset retirement obligations of \$38.0 million and \$62.9 million at June 30, 2025 and 2024, respectively, and expenses of \$11.6 million at June 30, 2024. San Diego recognized asset retirement obligations of \$38.3 million and \$34.9 million and expenses of \$3.1 million and \$2.7 million at June 30, 2025 and 2024, respectively. San Francisco recognized asset retirement obligations of \$9.7 million and expenses of \$0.2 million at June 30, 2025, and expenses of \$9.4 million at June 30, 2024. The estimated remaining useful life of these assets is 4.5 years.

6. Notes Payable to Campus

The UC San Diego Medical Center has an internal loan from the San Diego campus funded from the campus' allocation of proceeds from a series of General Revenue Bonds of The Regents. The loan is to fund a portion of the costs for an outpatient pavilion. The loan is due in May 2048 and bears interest at a rate of 5.0 percent. As of June 30, 2025 and 2024, balances of \$86.7 million and \$88.7 million, respectively, were outstanding and are reported as a note payable to the campus on the statements of net position. Interest payments of \$3.8 million and \$4.5 million were made on the loan during the years ended June 30, 2025 and 2024, respectively.

7. Interest Rate Swap Agreements

As a means to lower the Medical Centers' borrowing costs when compared against fixed-rate bonds at the time of issuance, the Medical Centers entered into interest rate swap agreements in connection with their variable-rate Medical Center Pooled Revenue Bonds. Under the swap agreements, the Medical Centers pay the swap counterparty a fixed interest rate payment and receive a variable-rate interest payment to effectively change the variable-rate bonds to synthetic fixed-rate bonds. For one of the hedging derivatives, the notional amount of the swap matches the principal amount of the variable-rate Medical Center Pooled Revenue Bonds, and the swap agreement contains scheduled reductions to outstanding notional amounts that match scheduled reductions in the variable-rate bonds. Two of the UCLA Medical Center interest rate swaps are partial hedges. The first has a swap notional amount of \$25.8 million, which is less than the amount of bonds outstanding of \$31.3 million. The other partial hedge has a swap notional amount of \$138.5 million, while the amount of the bonds outstanding is \$138.6 million. The Medical Centers entered into two interest rate swaps, which hedge variable-rate General Revenue Bonds 2023 Series BP that refunded the Medical Center Pooled Revenue Bonds 2013 Series J in 2023. The notional amount of the swap matches the principal amount of the variable-rate General Revenue Bonds.

The UCLA Medical Center commenced hedge accounting for certain interest rate swap agreements either upon refinancing the variable-rate debt or amending the interest rate swap agreements. At the time of the transactions, the fixed rate on each of the interest rate swaps was off market such that the UCLA Medical Center received an upfront payment. The swaps consist of an at-the-market interest rate swap derivative instrument and a borrowing, represented by the market value of the swap at the time of the transaction. To commence hedge accounting, an additional borrowing for the off-the-market interest rate swap was recognized. The unamortized amount of the borrowing was \$60.2 million and \$63.2 million at June 30, 2025 and 2024, respectively.

Tables 7.1a and 7.1b present the notional amounts, fair value of the interest rate swaps outstanding and the changes in fair value at June 30 in 2025 and 2024, respectively.

Table 7.1a: Notional amount and fair value at June 30, 2025 *(in thousands of dollars)*

Location	Notional amount	Fair value classification	Fair value	Change in fair value classification	Change in fair value
Davis	\$3,945	Other noncurrent assets	\$756	Deferred inflows	(\$39)
Irvine	755	Other noncurrent assets	184	Deferred inflows	1
Los Angeles	203,110	Other noncurrent liabilities	(16,263)	Deferred outflows	(3,104)
San Diego	292,150	Other noncurrent assets	58,440	Deferred inflows	(2,255)
San Francisco	36,545	Other noncurrent liabilities	(1,217)	Deferred outflows	(322)

Table 7.1b: Notional amount and fair value at June 30, 2024 *(in thousands of dollars)*

Location	Notional amount	Fair value classification	Fair value	Change in fair value classification	Change in fair value
Davis	\$3,960	Other noncurrent assets	\$795	Deferred inflows	\$97
Irvine	755	Other noncurrent assets	183	Deferred inflows	28
Los Angeles	209,025	Other noncurrent liabilities	(13,159)	Deferred outflows	8,180
San Diego	293,980	Other noncurrent assets	60,695	Deferred inflows	7,618
San Francisco	40,995	Other noncurrent liabilities	(895)	Deferred outflows	513

Because interest rates have changed since the execution of the swaps, the estimated fair value of the swaps has been determined using quoted market prices when available or a forecast of expected discounted future net cash flows. The swaps are classified as level 2 on the fair value hierarchy. The fair value of the interest rate swaps is the estimated amount the Medical Centers would have either (paid) or received if the swap agreements were terminated on June 30, 2025 or 2024.

Table 7.2 presents additional terms with respect to the outstanding interest rate swaps that are classified as hedging derivatives, along with the credit rating of the counterparty.

Table 7.2: Hedging derivatives (in thousands of dollars)

Terms	Counterparty credit rating	Medical Center	Notional amount 2025	Notional amount 2024	Effective date	Maturity date	Cash paid or received
Pay fixed 0.926% and 1.238%; receive 70% of Federal Funds Rate -H.15	A2/A+ A2/A	Davis	\$3,945	\$3,960	2023	2047	None
		Irvine	755	755	2023	2047	None
		Los Angeles	38,890	41,130	2023	2048	None
		San Diego	292,150	293,980	2023	2048	None
		San Francisco	525	525	2023	2047	None
Pay fixed 4.550% to 4.741%; receive 67% of Federal Funds Rate +0.760% to 0.902%	Aa2/A+	Los Angeles	164,220	167,895	2020	2030–47	None
Pay fixed 3.5897%; receive 58% of Federal Funds Rate +0.564%	Aa2/A+	San Francisco	36,020	40,470	2020	2032	None

Interest Rate Swap Risk Factors

Credit risk

The Medical Centers could be exposed to credit risk if the counterparties to the swap contracts are unable to meet the terms of the contracts. Contracts with positive fair values are exposed to credit risk. The Medical Centers face a maximum possible loss equivalent to the amount of the swap contract's fair value, less any collateral held by the Medical Centers provided by the counterparties. Swap contracts with negative fair values are not exposed to credit risk. Although the Medical Centers have entered into the interest rate swap contracts with creditworthy financial institutions, there is credit risk for losses in the event of non-performance by counterparties or unfavorable interest rate movements.

Certain UCLA Medical Center swaps and the swaps with the counterparties rated A2/A+ and A2/A have collateral requirements. Depending on the fair value and the counterparty credit rating for certain of the UCLA Medical Center swaps, the University may be entitled to receive collateral to the extent the positive fair value exceeds \$20.0 million at June 30, 2025. At June 30, 2025 and 2024, there was no collateral required. Depending on the fair value and the counterparty credit ratings for the swaps that are currently rated A2/A+ and A2/A, the Medical Centers may be entitled to receive collateral based on a positive value threshold. At June 30, 2025 and 2024, there was no collateral received.

Interest rate risk

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

Basis risk

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

Termination risk

There is termination risk for interest rate swaps associated with variable-rate bonds in the event of nonperformance by counterparties in an adverse market resulting in cancellation of the synthetic interest rate and returning the interest rate payments to the variable interest rates on the bonds. For the interest rate swap held by the UCSF Medical Center expiring in 2032, the termination threshold is reached when the credit quality rating for either the underlying Medical Center Pooled Revenue Bonds or swap counterparty falls below Baa2 or BBB. For certain swaps held by the UCLA Medical Center, the termination threshold is reached when the credit quality rating for the underlying Medical Center Pooled Revenue Bonds falls below Baa3/BBB-, or the interest rate swap counterparty's rating falls below Baa2 or BBB. For the swaps with the counterparties rated A2/A+ and A2/A, the termination threshold is reached when either the credit quality rating for the Medical Center Pooled Revenue Bonds or the swap counterparty's rating falls below Baa2 or BBB. Upon termination, the Medical Centers may also owe a termination payment if there is a realized loss based on the fair value of each interest rate swap.

8. Debt

Tables 8.1a and 8.1b present the Medical Centers' outstanding debt at June 30, 2025 and 2024, respectively.

Bond series followed by "*" are variable rate bonds.

Table 8.1a: Outstanding debt at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
University of California Medical Centers pooled revenue bonds:						
2007 Series B*					\$36,020	\$36,020
2009 Series F Build America Bonds		\$152,140	\$128,900	\$106,815	17,645	405,500
2010 Series H Build America Bonds					624,950	624,950
2013 Series K*			31,300			31,300
2016 Series L	\$151,480	102,460	226,580	65,355	102,975	648,850
2016 Series M	31,030	29,335	26,130		17,245	103,740
2020 Series N	373,701	233,970	457,898	332,767	401,665	1,800,001
2020 Series O*			138,645			138,645
2022 Series P	570,010	475,010	171,005		683,975	1,900,000
2022 Series Q	210,000	175,010	463,000		251,990	1,100,00
University of California general revenue bonds:						
2017 Series AY	4,050	1,110	18,215	172,030		195,405
2023 Series BP*	3,945	755	38,890	292,150	525	336,265
2024 Series BT				200,430		200,430
2024 Series BX		498,700				498,700
2024 Series BY*		250,000				250,000
2025 Series CC	797,830	87,845				885,675
Financing obligations	41,090			76,935	1,111	119,136
Subscription-based IT arrangements	52,875	33,268	31,215	17,523	12,271	147,152
Leases	381,016	189,551	121,148	86,512	426,975	1,205,202
Other borrowings	43,981	60,526	60,164	74,611		239,282
Total outstanding debt	2,661,008	2,289,680	1,913,090	1,425,128	2,577,347	10,866,253
Unamortized bond premium	125,635	74,675	37,657	29,147	43,314	310,428
Total debt	2,786,643	2,364,355	1,950,747	1,454,275	2,620,661	11,176,681
Less: Current portion	(125,548)	(270,020)	(53,538)	(271,707)	(53,842)	(774,655)
Noncurrent portion of debt	\$2,661,095	\$2,094,335	\$1,897,209	\$1,182,568	\$2,566,819	\$10,402,026

Table 8.1b: Outstanding debt at June 30, 2024 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
University of California Medical Center pooled revenue bonds:						
2007 Series B*					\$40,470	\$40,470
2009 Series F Build America Bonds		\$153,190	\$132,020	\$110,355	18,070	413,635
2010 Series H Build America Bonds					641,015	641,015
2010 Series I			855			855
2013 Series K*			31,300			31,300
2016 Series L	\$166,190	105,545	230,525	67,085	103,590	672,935
2016 Series M	34,770	30,305	28,465		17,455	110,995
2020 Series N	373,701	233,970	457,898	332,767	401,665	1,800,001
2020 Series O*			142,320			142,320
2022 Series P	570,010	475,010	171,005		683,975	1,900,000
2022 Series Q	210,000	175,010	463,000		251,990	1,100,000
University of California general revenue bonds						
2017 Series AY	4,295	1,445	19,320	182,660		207,720
2023 Series BP*	3,960	755	41,130	293,980	525	340,350
2024 Series BT				200,430		200,430
Financing obligations				30,196	970	31,166
Subscription-based IT arrangements	23,307	36,820	25,246	22,319	1,070	108,762
Leases	343,245	184,980	122,454	76,881	425,127	1,152,687
Other borrowings		747,074	63,172	40,000		850,246
Total outstanding debt	1,729,478	2,144,104	1,928,710	1,356,673	2,585,922	9,744,887
Unamortized bond premium	53,448	36,908	40,412	36,371	45,598	212,737
Total debt	1,782,926	2,181,012	1,969,122	1,393,044	2,631,520	9,957,624
Less: Current portion	(56,978)	(784,426)	(51,787)	(61,687)	(51,007)	(1,005,885)
Noncurrent portion of debt	\$1,725,948	\$1,396,586	\$1,917,335	\$1,331,357	\$2,580,513	\$8,951,739

Table 8.2 presents significant terms of outstanding debt.

Bond series followed by “*” are variable rate bonds.

Table 8.2: Significant terms of outstanding debt

Description	Interest rate	Interest payment frequency	Principal payment terms
University of California Medical Center pooled revenue bonds:			
2007 Series B*	2.5% to 2.9%	Monthly	Through 2032
2009 Series F Build America Bonds	4.3% to 4.4%, after net 33.0% federal subsidy	Semi-annually	Through 2049
2010 Series H Build America Bonds	4.3% to 4.4%, after net 33.0% federal subsidy	Semi-annually	Through 2048
2013 Series K*	2.5%	Monthly	Beginning 2045 through 2047
2016 Series L	2.5% to 5.0%	Semi-annually	Through 2047
2016 Series M	2.5% to 3.5%	Semi-annually	Through 2047
2020 Series N	3.0% to 3.7%	Semi-annually	Beginning 2050 through 2120
2020 Series O*	2.5% to 2.9%	Monthly	Through 2045
2022 Series P	3.5% to 5.0%	Semi-annually	Beginning 2033 through 2054
2022 Series Q	4.1% to 4.6%	Semi-annually	Beginning 2032 through 2053
University of California general revenue bonds:			
2017 Series AY	3.0% to 5.0%	Semi-annually	Through 2041
2023 Series BP*	1.1% to 1.9%	Monthly	Through 2048
2024 Series BT	5.0%	Semi-annually	Through 2026
2024 Series BX	5.0%	Semi-annually	Through 2031
2024 Series BY*	1.1%	Monthly	In 2054
2025 Series CC	4.0% to 5.3%	Semi-annually	Beginning 2029 through 2055
Financing obligations, subscription-based IT arrangements (primarily for computer and medical equipment, collateralized by underlying equipment) and leases	Fixed interest rates of 1.1% to 6.0%	Monthly, quarterly	Through 2063

The activity with respect to current and noncurrent debt is presented in **Tables 8.3** through **8.8**.

Tables 8.3a and **8.3b** present debt activity at Davis in 2025 and 2024, respectively.

Table 8.3a: Debt activity at Davis for the year ended June 30, 2025 (in thousands of dollars)

Davis	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2024	\$1,416,374	\$366,552		\$1,782,926
New obligations	797,830	155,356	\$45,554	998,740
Bond premium, net	76,804			76,804
Principal payments and debt retirements	(18,710)	(46,927)	(1,573)	(67,210)
Amortization of bond premium	(4,617)			(4,617)
Long-term debt at June 30, 2025	2,267,681	474,981	43,981	2,786,643
Less: Current portion	(25,775)	(55,792)	(43,981)	(125,548)
Noncurrent portion of long-term debt at June 30, 2025	\$2,241,906	\$419,189		\$2,661,095

Table 8.3b: Debt activity at Davis for the year ended June 30, 2024 *(in thousands of dollars)*

Davis	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Total
Long-term debt at June 30, 2023	\$1,438,461	\$361,679	\$1,800,140
New obligations		34,417	34,417
Principal payments and debt retirements	(18,355)	(29,544)	(47,899)
Amortization of bond premium	(3,732)		(3,732)
Long-term debt at June 30, 2024	1,416,374	366,552	1,782,926
Less: Current portion	(22,177)	(34,801)	(56,978)
Noncurrent portion of long-term debt at June 30, 2024	\$1,394,197	\$331,751	\$1,725,948

Tables 8.4a and 8.4b present debt at Irvine in 2025 and 2024, respectively.

Table 8.4a: Debt activity at Irvine for the year ended June 30, 2025 *(in thousands of dollars)*

Irvine	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2024	\$1,212,138	\$221,800	\$747,074	\$2,181,012
New obligations	836,545	43,312	63,312	943,169
Bond premium, net	47,746			47,746
Refinancing or prepayment of outstanding debt		(4,824)	(749,860)	(754,684)
Principal payments and debt retirements	(5,440)	(37,469)		(42,909)
Amortization of bond premium	(9,979)			(9,979)
Long-term debt at June 30, 2025	2,081,010	222,819	60,526	2,364,355
Less: Current portion	(173,495)	(35,999)	(60,526)	(270,020)
Noncurrent portion of long-term debt at June 30, 2025	\$1,907,515	\$186,820		\$2,094,335

Table 8.4b: Debt activity at Irvine for the year ended June 30, 2024 *(in thousands of dollars)*

Irvine	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2023	\$1,219,548	\$143,064		\$1,362,612
New obligations		139,472	\$747,074	886,546
Refinancing or prepayment of outstanding debt		(33,529)		(33,529)
Principal payments and debt retirements	(5,205)	(27,207)		(32,412)
Amortization of bond premium	(2,205)			(2,205)
Long-term debt at June 30, 2024	1,212,138	221,800	747,074	2,181,012
Less: Current portion	(7,577)	(29,775)	(747,074)	(784,426)
Noncurrent portion of long-term debt at June 30, 2024	\$1,204,561	\$192,025		\$1,396,586

Tables 8.5a and 8.5b present debt at Los Angeles in 2025 and 2024, respectively.

Table 8.5a: Debt activity at Los Angeles for the year ended June 30, 2025 *(in thousands of dollars)*

Los Angeles	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2024	\$1,758,250	\$147,700	\$63,172	\$1,969,122
New obligations		43,713		43,713
Principal payments and debt retirements	(17,275)	(39,050)		(56,325)
Amortization of bond premium	(2,755)		(3,008)	(5,763)
Long-term debt at June 30, 2025	1,738,220	152,363	60,164	1,950,747
Less: Current portion	(19,723)	(30,807)	(3,008)	(53,538)
Noncurrent portion of long-term debt at June 30, 2025	\$1,718,497	\$121,556	\$57,156	\$1,897,209

Table 8.5b: Debt activity at Los Angeles for the year ended June 30, 2024 *(in thousands of dollars)*

Los Angeles	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2023	\$1,777,680	\$129,249	\$66,180	\$1,973,109
New obligations		56,722		56,722
Refinancing or prepayment of outstanding debt		(6,955)		(6,955)
Principal payments and debt retirements	(16,640)	(31,316)		(47,956)
Amortization of bond premium	(2,790)		(3,008)	(5,798)
Long-term debt at June 30, 2024	1,758,250	147,700	63,172	1,969,122
Less: Current portion	(20,030)	(28,749)	(3,008)	(51,787)
Noncurrent portion of long-term debt at June 30, 2024	\$1,738,220	\$118,951	\$60,164	\$1,917,335

Tables 8.6a and 8.6b present debt at San Diego in 2025 and 2024, respectively.

Table 8.6a: Debt activity at San Diego for the year ended June 30, 2025 *(in thousands of dollars)*

San Diego	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2024	\$1,223,648	\$129,396	\$40,000	\$1,393,044
New obligations		98,537	34,611	133,148
Refinancing or prepayment of outstanding debt		(1,494)		(1,494)
Principal payments and debt retirements	(17,730)	(45,469)		(63,199)
Amortization of bond premium	(7,224)			(7,224)
Long-term debt at June 30, 2025	1,198,694	180,970	74,611	1,454,275
Less: Current portion	(226,120)	(45,587)		(271,707)
Noncurrent portion of long-term debt at June 30, 2025	\$972,574	\$135,383	\$74,611	\$1,182,568

Table 8.6b: Debt activity at San Diego for the year ended June 30, 2024 *(in thousands of dollars)*

San Diego	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2023	\$1,034,995	\$133,275		\$1,168,270
New obligations	200,430	35,303	\$40,000	275,733
Bond premium, net	9,720			9,720
Principal payments and debt retirements	(16,660)	(39,182)		(55,842)
Amortization of bond premium	(4,837)			(4,837)
Long-term debt at June 30, 2024	1,223,648	129,396	40,000	1,393,044
Less: Current portion	(24,954)	(36,733)		(61,687)
Noncurrent portion of long-term debt at June 30, 2024	\$1,198,694	\$92,663	\$40,000	\$1,331,357

Tables 8.7a and 8.7b present debt at San Francisco in 2025 and 2024, respectively.

Table 8.7a: Debt activity at San Francisco for the year ended June 30, 2025 *(in thousands of dollars)*

San Francisco	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Total
Long-term debt at June 30, 2024	\$2,204,353	\$427,167	\$2,631,520
New obligations		44,209	44,209
Principal payments and debt retirements	(21,764)	(31,019)	(52,783)
Amortization of bond premium	(2,285)		(2,285)
Long-term debt at June 30, 2025	2,180,304	440,357	2,620,661
Less: Current portion	(24,865)	(28,977)	(53,842)
Noncurrent portion of long-term debt at June 30, 2025	\$2,155,439	\$411,380	\$2,566,819

Table 8.7b: Debt activity at San Francisco for the year ended June 30, 2024 *(in thousands of dollars)*

San Francisco	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Total
Long-term debt at June 30, 2023	\$2,227,755	\$441,656	\$2,669,411
New obligations		13,694	13,694
Refinancing or prepayment of outstanding debt		(1,162)	(1,162)
Principal payments and debt retirements	(21,114)	(27,021)	(48,135)
Amortization of bond premium	(2,288)		(2,288)
Long-term debt at June 30, 2024	2,204,353	427,167	2,631,520
Less: Current portion	(24,050)	(26,957)	(51,007)
Noncurrent portion of long-term debt at June 30, 2024	\$2,180,303	\$400,210	\$2,580,513

Tables 8.8a and 8.8b present total debt activity for the years ended 2025 and 2024, respectively.

Table 8.8a: Total debt activity for the year ended June 30, 2025 (in thousands of dollars)

Total	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2024	\$7,814,763	\$1,292,615	\$850,246	\$9,957,624
New obligations	1,634,375	385,127	143,477	2,162,979
Bond premium, net	124,550			124,550
Refinancing or prepayment of outstanding debt		(6,318)	(749,860)	(756,178)
Principal payments and debt retirements	(80,919)	(199,934)	(1,573)	(282,426)
Amortization of bond premium	(26,860)		(3,008)	(29,868)
Long-term debt at June 30, 2025	9,465,909	1,471,490	239,282	11,176,681
Less: Current portion	(469,978)	(197,162)	(107,515)	(774,655)
Noncurrent portion of long-term debt at June 30, 2025	\$8,995,931	\$1,274,328	\$131,767	\$10,402,026

Table 8.8b: Total debt activity for the year ended June 30, 2024 (in thousands of dollars)

Total	Revenue bonds	Financing obligations, subscription-based IT arrangements and leases	Other borrowings	Total
Long-term debt at June 30, 2023	\$7,698,439	\$1,208,923	\$66,180	\$8,973,542
New obligations	200,430	279,608	787,074	1,267,112
Bond premium, net	9,720			9,720
Refinancing or prepayment of outstanding debt		(41,646)		(41,646)
Principal payments and debt retirements	(77,974)	(154,270)		(232,244)
Amortization of bond premium	(15,852)		(3,008)	(18,860)
Long-term debt at June 30, 2024	7,814,763	1,292,615	850,246	9,957,624
Less: Current portion	(98,788)	(157,015)	(750,082)	(1,005,885)
Noncurrent portion of long-term debt at June 30, 2024	\$7,715,975	\$1,135,600	\$100,164	\$8,951,739

In March 2025, General Revenue bonds 2025 Series CC totaling \$885.7 million were issued to finance the acquisition and construction of certain facilities at UC Davis Medical Center and UC Irvine Medical Center, for \$797.8 million and \$87.8 million, respectively. The fixed-rate tax-exempt bonds mature in 2055 and have a stated weighted average interest rate of 4.9 percent. The deferred premium of \$85.7 million will be amortized as a reduction to interest expense over the term of the bonds.

In August 2024, General Revenue bonds 2024 Series BX and 2024 Series BY totaling \$748.7 million were issued to finance the acquisition and construction of certain facilities at UC Irvine Medical Center. The fixed-rate tax-exempt bonds 2024 Series BX of \$498.7 million mature in 2031 and have a stated weighted average interest rate of 5.0 percent. The interest rate will reset weekly for the 2024 Series BY variable rate demand bonds of \$250.0 million and mature in 2054. The deferred premium of \$38.9 million will be amortized as a reduction to interest expense over the term of the bonds.

In February 2024, General Revenue Bonds Series 2024 BT totaling \$200.4 million were issued to finance the acquisition of certain facilities at UC San Diego Medical Center. The fixed-rate tax-exempt bonds mature in 2026 and have a stated weighted average interest rate of 5.0 percent. The deferred premium of \$9.7 million will be amortized as a reduction to interest expense over the term of the bonds.

The Medical Centers' Pooled Revenue Bonds are issued to finance capital projects and other needs at the University's Medical Centers and are collateralized by joint and several pledges of certain operating and nonoperating revenues, as defined in the indentures, of all five of the University's Medical Centers. The Medical Center Pooled Revenue Bond Indenture requires the Medical Centers to set rates, charges and fees each year sufficient for the Medical Centers' total operating and nonoperating revenues to pay for the annual principal and interest on the bonds and sets forth certain other covenants. Pledged revenues for the Medical Centers for the years ended June 30, 2025 and 2024 were \$26.2 billion and \$21.9 billion, respectively.

The Medical Center Pooled Revenue Bonds 2007 Series B, 2013 Series K, 2020 Series O, and General Revenue Bonds 2023 Series BP and 2024 Series BY totaling \$36.0 million, \$31.3 million, \$138.6 million, \$336.3 million and \$250.0 million at June 30, 2025, respectively, are variable-rate demand obligations subject to daily or weekly remarketing. The Medical Centers have access to the hospital working capital program from the University described below for any amounts that would be obligated for repayment to the bondholders.

The Medical Centers' revenues are not pledged for any purpose other than those under the indentures for the Medical Center Pooled Revenue Bonds. The pledge of the Medical Centers' revenues under the Medical Center Pooled Revenue Bonds is on parity with interest rate swap agreements. The Medical Centers' revenues are not pledged to the General Revenue Bonds 2017 Series AY, 2024 Series BT, 2024 Series BX and 2025 Series CC and variable-rate General Revenue Bonds 2023 Series BP and 2024 Series BY, but the payments are obligations of the Medical Centers.

The University has an internal working capital program that allows each Medical Center to receive internal advances. Advances may not exceed 60 percent of a Medical Center's accounts receivable for any working capital needs. Repayment of advances made to the Medical Centers under the working capital program is not collateralized by a pledge of revenues. There were no outstanding advances to the Medical Centers except for San Diego of \$57.8 million and \$40.0 million at June 30, 2025 and 2024, respectively. This is included as part of debt as other borrowings on the statement of net position. The University may cancel or change the terms of the working capital program at its sole discretion. However, the University has historically provided working capital advances under formal or informal programs for the Medical Centers.

The University has available a \$4.0 billion commercial paper program, issued in two series, with tax-exempt and taxable components. Commercial papers may be issued for interim financing for capital projects or equipment, financing for working capital for the medical centers, standby or interim financing for gift-financed projects and working capital for the University. The University may also utilize lines of credit from external banks for the purpose of providing additional liquidity support for the commercial paper program. At June 30, 2025, UC Irvine Medical Center utilized \$60.5 million in line of credit. This is included as part of debt as other borrowings on the statement of net position.

At June 30, 2025, CHRCO had no amount outstanding under its revolving credit facility for \$25.0 million. The interest rate on the credit facility was 5.4 percent at June 30, 2025 and the facility expires on August 31, 2027.

Leases

The Medical Centers have leases for land, buildings and equipment under agreements that extend through 2063. Some leases include one or more options to renew, with renewal terms that can extend the lease term from 1 to 21 years. Leases may also include options to terminate the leases.

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

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

Future minimum payments on leases with an initial or remaining non-cancelable term in excess of one year are described in **Tables 8.9** through **8.14**.

Table 8.9: Future minimum payments on leases at Davis *(in thousands of dollars at year ending June 30)*

Davis	Principal	Interest	Total
2026	\$29,472	\$15,387	\$44,859
2027	29,154	13,931	43,085
2028	29,418	12,740	42,158
2029	27,555	11,569	39,124
2030	26,661	10,440	37,101
2031-35	131,789	35,776	167,565
2036-40	91,616	12,026	103,642
2041-45	15,230	901	16,131
2046-50	121		121
Total	\$381,016	\$112,770	\$493,786

Table 8.10: Future minimum payments on leases at Irvine *(in thousands of dollars at year ending June 30)*

Irvine	Principal	Interest	Total
2026	\$22,699	\$8,339	\$31,038
2027	20,361	7,515	27,876
2028	18,275	6,757	25,032
2029	17,725	5,592	23,317
2030	12,007	4,712	16,719
2031-35	51,533	16,228	67,761
2036-40	35,943	6,036	41,979
2041-45	10,963	721	11,684
Total	\$189,506	\$55,900	\$245,406

Table 8.11: Future minimum payments on leases at Los Angeles *(in thousands of dollars at year ending June 30)*

Los Angeles	Principal	Interest	Total
2026	\$14,780	\$4,347	\$19,127
2027	14,084	4,336	18,420
2028	14,155	3,575	17,730
2029	13,723	2,961	16,684
2030	11,952	2,452	14,404
2031-35	30,151	7,384	37,535
2036-40	16,152	2,934	19,086
2041-45	5,985	559	6,544
Total	\$120,982	\$28,548	\$149,530

Table 8.12: Future minimum payments on leases at San Diego *(in thousands of dollars at year ending June 30)*

San Diego	Principal	Interest	Total
2026	\$20,920	\$3,352	\$24,272
2027	17,146	2,456	19,602
2028	15,388	1,767	17,155
2029	13,197	1,132	14,329
2030	10,052	641	10,693
2031-35	9,809	442	10,251
Total	\$86,512	\$9,790	\$96,302

Table 8.13: Future minimum payments on leases at San Francisco *(in thousands of dollars at year ending June 30)*

San Francisco	Principal	Interest	Total
2026	\$24,276	\$16,679	\$40,955
2027	24,502	14,540	39,042
2028	23,249	13,212	36,461
2029	23,039	12,305	35,344
2030	23,905	11,381	35,286
2031–35	105,075	43,557	148,632
2036–40	82,004	25,661	107,665
2041–45	39,679	14,033	53,712
2046–50	24,883	9,190	34,073
2051–55	20,975	6,179	27,154
2056–60	23,967	3,187	27,154
2061–65	11,421	346	11,767
Total	\$426,975	\$170,270	\$597,245

Table 8.14: Total future minimum payments on leases *(in thousands of dollars at year ending June 30)*

Total	Principal	Interest	Total
2026	\$112,147	\$48,104	\$160,251
2027	105,247	42,778	148,025
2028	100,485	38,051	138,536
2029	95,239	33,559	128,798
2030	84,577	29,626	114,203
2031–35	328,357	103,387	431,744
2036–40	225,715	46,657	272,372
2041–45	71,857	16,214	88,071
2046–50	25,004	9,190	34,194
2051–55	20,975	6,179	27,154
2056–60	23,967	3,187	27,154
2061–65	11,421	346	11,767
Total	\$1,204,991	\$377,278	\$1,582,269

Subscription-based Information Technology Arrangements

The Medical Centers have subscription-based information technology arrangements (SBITAs) under agreements that extend through 2034. Some SBITAs include one or more options to renew, with renewal terms that can extend the subscription term from 1 to 6 years. SBITAs may also include options to terminate the subscription. SBITAs do not contain any material incentives received, material restrictive covenants or material termination penalties.

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

Future minimum payments on SBITAs with an initial or remaining non-cancelable term in excess of one year are described in **Tables 8.15** through **8.20**.

Table 8.15: Future minimum payments on SBITAs at Davis *(in thousands of dollars at year ending June 30)*

Davis	Principal	Interest	Total
2026	\$18,300	\$2,137	\$20,437
2027	15,857	1,366	17,223
2028	11,222	679	11,901
2029	4,390	310	4,700
2030	3,106	113	3,219
Total	\$52,875	\$4,605	\$57,480

Table 8.16: Future minimum payments on SBITAs at Irvine *(in thousands of dollars at year ending June 30)*

Irvine	Principal	Interest	Total
2026	\$13,299	\$1,315	\$14,614
2027	9,742	838	10,580
2028	5,265	419	5,684
2029	4,074	215	4,289
2030	352	42	394
2031–35	536	53	589
Total	\$33,268	\$2,882	\$36,150

Table 8.17: Future minimum payments on SBITAs at Los Angeles *(in thousands of dollars at year ending June 30)*

Los Angeles	Principal	Interest	Total
2026	\$16,027	\$1,257	\$17,284
2027	10,977	629	11,606
2028	2,968	188	3,156
2029	1,243	53	1,296
Total	\$31,215	\$2,127	\$33,342

Table 8.18: Future minimum payments on SBITAs at San Diego *(in thousands of dollars at year ending June 30)*

San Diego	Principal	Interest	Total
2026	\$9,415	\$579	\$9,994
2027	4,316	315	4,631
2028	2,888	142	3,030
2029	904	22	926
Total	\$17,523	\$1,058	\$18,581

Table 8.19: Future minimum payments on SBITAs at San Francisco (in thousands of dollars at year ending June 30)

San Francisco	Principal	Interest	Total
2026	\$4,475	\$404	\$4,879
2027	4,898	241	5,139
2028	1,618	61	1,679
2029	1,021	17	1,038
2030	259	1	260
Total	\$12,271	\$724	\$12,995

Table 8.20: Total future minimum payments on SBITAs (in thousands of dollars at year ending June 30)

Total medical centers	Principal	Interest	Total
2026	\$61,516	\$5,692	\$67,208
2027	45,790	3,389	49,179
2028	23,961	1,489	25,450
2029	11,632	617	12,249
2030	3,717	156	3,873
2031–35	536	53	589
Total	\$147,152	\$11,396	\$158,548

Future Debt Service and Interest Rate Swaps

Future debt service payments for the Medical Centers' fixed- and variable-rate debt for each of the five fiscal years subsequent to June 30, 2025, and thereafter, are presented in **Tables 8.21** through **8.26**.

Although not a prediction by the Medical Centers of the future interest rate cost of the variable-rate bonds or the impact of the interest rate swaps, these amounts assume that current interest rates on variable-rate bonds and the current reference rates of the interest rate swaps will remain the same. As these rates vary, variable-rate bond interest payments and net interest rate swap payments will change.

Table 8.21: Future debt service payments at Davis (in thousands of dollars at year ending June 30)

Davis	Revenue bonds	Financing obligations	Total payments	Principal	Interest
2026	\$120,105	\$9,311	\$129,416	\$26,930	\$102,486
2027	113,483	9,312	122,795	27,405	95,390
2028	98,994	9,311	108,305	14,064	94,241
2029	103,536	9,312	112,848	19,083	93,765
2030	103,536	7,464	111,000	17,953	93,047
2031–35	577,894		577,894	122,780	455,114
2036–40	678,488		678,488	270,315	408,173
2041–45	690,780		690,780	355,325	335,455
2046–50	779,910		779,910	540,243	239,667
2051–55	656,330		656,330	550,285	106,045
Thereafter	417,516		417,516	238,753	178,763
Total future debt service	4,340,572	44,710	4,385,282	\$2,183,136	\$2,202,146
Less: Interest component of future payments	(2,198,526)	(3,620)	(2,202,146)		
Principal portion of future payments	2,142,046	41,090	2,183,136		
Adjusted by:					
Unamortized bond premium	125,635		125,635		
Other borrowings	43,981		43,981		
Total debt	\$2,311,662	\$41,090	\$2,352,752		

Table 8.22: Future debt service payments at Irvine *(in thousands of dollars at year ending June 30)*

Irvine	Revenue bonds	Principal	Interest
2026	\$248,336	\$162,615	\$85,721
2027	125,426	48,550	76,876
2028	101,729	27,215	74,514
2029	298,827	225,625	73,202
2030	72,212	10,230	61,982
2031–35	452,131	165,555	286,576
2036–40	411,893	162,120	249,773
2041–45	418,862	215,665	203,197
2046–50	460,171	320,189	139,982
2051–55	582,107	519,090	63,017
Thereafter	261,403	149,481	111,922
Total future debt service	3,433,097	\$2,006,335	\$1,426,762
Less: Interest component of future payments	(1,426,762)		
Principal portion of future payments	2,006,335		
Adjusted by:			
Unamortized bond premium	74,675		
Other borrowings	60,526		
Total debt	\$2,141,536		

Table 8.23: Future debt service payments at Los Angeles *(in thousands of dollars at year ending June 30)*

Los Angeles	Revenue bonds	Principal	Interest
2026	\$84,480	\$17,005	\$67,475
2027	84,562	17,610	66,952
2028	84,598	18,340	66,258
2029	84,562	19,095	65,467
2030	84,561	19,890	64,671
2031–35	786,778	527,035	259,743
2036–40	366,144	172,435	193,709
2041–45	370,290	216,570	153,720
2046–50	420,433	312,497	107,936
2051–55	145,200	87,540	57,660
Thereafter	511,587	292,546	219,041
Total future debt service	3,023,195	\$1,700,563	\$1,322,632
Less: Interest component of future payments	(1,322,632)		
Principal portion of future payments	1,700,563		
Adjusted by:			
Unamortized bond premium	37,657		
Other borrowings	60,164		
Total debt	\$1,798,384		

Table 8.24: Future debt service payments at San Diego (in thousands of dollars at year ending June 30)

San Diego	Revenue bonds	Financing obligations	Total payments	Principal	Interest
2026	\$262,332	\$17,883	\$280,215	\$234,307	\$45,908
2027	51,739	16,916	68,655	34,280	34,375
2028	51,638	16,918	68,556	35,696	32,860
2029	51,528	16,919	68,447	37,193	31,254
2030	51,425	12,248	63,673	34,029	29,644
2031–35	255,376	3,732	259,108	129,450	129,658
2036–40	254,728		254,728	155,100	99,628
2041–45	243,426		243,426	168,975	74,451
2046–50	261,610		261,610	204,851	56,759
2051–55	35,859		35,859		35,859
Thereafter	371,784		371,784	212,601	159,183
Total future debt service	1,891,445	84,616	1,976,061	\$1,246,482	\$729,579
Less: Interest component of future payments	(721,898)	(7,681)	(729,579)		
Principal portion of future payments	1,169,547	76,935	1,246,482		
Adjusted by:					
Unamortized bond premium	29,147		29,147		
Other borrowings	74,611		74,611		
Total debt	\$1,273,305	\$76,935	\$1,350,240		

Table 8.25: Future debt service payments at San Francisco (in thousands of dollars at year ending June 30)

San Francisco	Revenue bonds	Financing obligations	Total payments	Principal	Interest
2026	\$126,447	\$271	\$126,718	\$22,805	\$103,913
2027	126,134	271	126,405	23,725	102,680
2028	125,776	286	126,062	24,701	101,361
2029	125,390	307	125,697	25,712	99,985
2030	125,005	65	125,070	26,511	98,559
2031–35	669,038	38	669,076	202,747	466,329
2036–40	699,341		699,341	303,155	396,186
2041–45	697,682		697,682	394,830	302,852
2046–50	691,046		691,046	507,141	183,905
2051–55	426,702		426,702	350,155	76,547
Thereafter	448,760		448,760	256,619	192,141
Total future debt service	4,261,321	1,238	4,262,559	\$2,138,101	\$2,124,458
Less: Interest component of future payments	(2,124,331)	(127)	(2,124,458)		
Principal portion of future payments	2,136,990	1,111	2,138,101		
Adjusted by:					
Unamortized bond premium	43,314		43,314		
Total debt	\$2,180,304	\$1,111	\$2,181,415		

Table 8.26: Total future debt service payments (in thousands of dollars at year ending June 30)

Total medical centers	Revenue bonds	Financing obligations	Total payments	Principal	Interest
2026	\$841,700	\$27,465	\$869,165	\$463,662	\$405,503
2027	501,344	26,499	527,843	151,570	376,273
2028	462,735	26,515	489,250	120,016	369,234
2029	663,843	26,538	690,381	326,708	363,673
2030	436,739	19,777	456,516	108,613	347,903
2031–35	2,741,217	3,770	2,744,987	1,147,567	1,597,420
2036–40	2,410,594		2,410,594	1,063,125	1,347,469
2041–45	2,421,040		2,421,040	1,351,365	1,069,675
2046–50	2,613,170		2,613,170	1,884,921	728,249
2051–55	1,846,198		1,846,198	1,507,070	339,128
Thereafter	2,011,050		2,011,050	1,150,000	861,050
Total future debt service	16,949,630	130,564	17,080,194	\$9,274,617	\$7,805,577
Less: Interest component of future payments	(7,794,149)	(11,428)	(7,805,577)		
Principal portion of future payments	9,155,481	119,136	9,274,617		
Adjusted by:					
Unamortized bond premium	310,428		310,428		
Other borrowings	239,282		239,282		
Total debt	\$9,705,191	\$119,136	\$9,824,327		

Additional information on the revenue bonds can be obtained from the 2024–25 annual financial report of the University.

For the Medical Centers' cash flow hedges, future debt service payments for the Medical Centers' variable-rate debt and net receipts or payments on the associated hedging derivative instruments for each of the five fiscal years subsequent to June 30, 2025, and thereafter are presented in **Tables 8.27** through **8.32**.

Although not a prediction by the Medical Centers of the future interest cost of the variable-rate bonds or the impact of the interest rate swaps, using rates at June 30, 2025, combined debt service requirements of the variable-rate debt and net swap payments are presented in **Tables 8.27** through **8.32**.

Table 8.27: Future debt service payments, Interest rate swaps at Davis (in thousands of dollars at year ending June 30)

Future debt service at Davis	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026	\$20	\$59	(\$81)	(\$2)
2027	20	58	(81)	(3)
2028	20	58	(80)	(2)
2029	20	57	(80)	(3)
2030	20	57	(80)	(3)
2031–35	100	280	(391)	(11)
2036–40	1,530	251	(353)	1,428
2041–45	1,540	94	(132)	1,502
2046–48	675	19	(26)	668
Total	\$3,945	\$933	(\$1,304)	\$3,574

Table 8.28: Future debt service payments, Interest rate swaps at Irvine *(in thousands of dollars at year ending June 30)*

Future debt service at Irvine	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026		\$11	(\$15)	(\$4)
2027		11	(15)	(4)
2028		11	(15)	(4)
2029		11	(15)	(4)
2030		11	(15)	(4)
2031–35		56	(73)	(17)
2036–40		56	(73)	(17)
2041–45		56	(73)	(17)
2046–48	\$755	22	(29)	748
Total	\$755	\$245	(\$323)	\$677

Table 8.29: Future debt service payments, Interest rate swaps at Los Angeles *(in thousands of dollars at year ending June 30)*

Future debt service at Los Angeles	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026	\$6,110	\$4,988	\$723	\$11,821
2027	6,315	4,956	733	12,004
2028	6,550	4,822	735	12,107
2029	6,755	4,656	764	12,175
2030	6,995	4,515	759	12,269
2031–35	27,020	20,373	3,430	50,823
2036–40	44,170	16,316	2,268	62,754
2041–45	72,950	8,887	1,042	82,879
2046–48	31,970	1,168	(164)	32,974
Total	\$208,835	\$70,681	\$10,290	\$289,806

Table 8.30: Future Debt Service Payments, Interest Rate Swaps at San Diego *(in thousands of dollars at year ending June 30)*

Future debt service at San Diego	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026	\$1,850	\$4,364	(\$6,010)	\$204
2027	1,875	4,279	(5,972)	182
2028	1,895	4,259	(5,944)	210
2029	1,925	4,215	(5,882)	258
2030	1,950	4,194	(5,854)	290
2031–35	14,130	20,401	(28,485)	6,046
2036–40	72,380	18,531	(25,967)	64,944
2041–45	120,070	10,858	(15,332)	115,596
2046–48	76,075	2,195	(3,112)	75,158
Total	\$292,150	\$73,296	(\$102,558)	\$262,888

Table 8.31: Future debt service payments, Interest rate swaps at San Francisco *(in thousands of dollars at year ending June 30)*

Future debt service at San Francisco	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026	\$4,615	\$948	\$163	\$5,726
2027	4,780	850	137	5,767
2028	4,955	722	113	5,790
2029	5,130	585	92	5,807
2030	5,320	449	66	5,835
2031–35	11,220	481	29	11,730
2036–40		39	(51)	(12)
2041–45		39	(51)	(12)
2046–48	525	15	(20)	520
Total	\$36,545	\$4,128	\$478	\$41,151

Table 8.32: Total future debt service payments, Interest rate swaps *(in thousands of dollars at year ending June 30)*

Future debt service total medical centers	Variable-rate bond principal	Variable-rate bond interest	Interest rate swap, net	Total
2026	\$12,595	\$10,370	(\$5,220)	\$17,745
2027	12,990	10,154	(5,198)	17,946
2028	13,420	9,872	(5,191)	18,101
2029	13,830	9,524	(5,121)	18,233
2030	14,285	9,226	(5,124)	18,387
2031–35	52,470	41,591	(25,490)	68,571
2036–40	118,080	35,193	(24,176)	129,097
2041–45	194,560	19,934	(14,546)	199,948
2046–48	110,000	3,419	(3,351)	110,068
Total	\$542,230	\$149,283	(\$93,417)	\$598,096

9. Deferred Outflows and Deferred Inflows of Resources

Tables 9.1a and 9.2a present the composition of deferred outflows and deferred inflows of resources at June 30, 2025.

Table 9.1a: Deferred outflows of resources at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net pension liability	\$204,998	\$385,885	\$200,993	\$185,756	\$620,192	\$1,597,824
Net retiree health benefits liability	264,044	584,776	179,248	235,999	878,871	2,142,938
Debt refunding	6,264			13,322	172	19,758
Interest rate swap agreements			16,263		1,217	17,480
Asset retirement obligations				21,850	9,101	30,951
Acquisitions		407,983	103,959			511,942
Total	\$475,306	\$1,378,644	\$500,463	\$456,927	\$1,509,553	\$4,320,893

Table 9.2a: Deferred inflows of resources at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net pension liability	\$443,772	\$322,698	\$378,351	\$312,551	\$802,011	\$2,259,383
Net retiree health benefits liability	698,669	454,527	645,410	486,478	1,182,315	3,467,399
Debt refunding			2,162			2,162
Interest rate swap agreements	756	184		58,440		59,380
Irrevocable split-interest agreements					18,376	18,376
Leases	13,912	15,511	30,210		38,562	98,195
Total	\$1,157,109	\$792,920	\$1,056,133	\$857,469	\$2,041,264	\$5,904,895

Tables 9.1b and 9.2b present the composition of deferred outflows and deferred inflows of resources at June 30, 2024.

Table 9.1b: Deferred outflows of resources at June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net pension liability	\$262,585	\$406,830	\$189,850	\$221,078	\$376,224	\$1,456,567
Net retiree health benefits liability	370,076	628,754	239,359	329,365	498,912	2,066,466
Debt refunding	6,622			15,352	222	22,196
Interest rate swap agreements			13,159		895	14,054
Asset retirement obligations				21,549		21,549
Acquisitions		425,217	112,103			537,320
Total	\$639,283	\$1,460,801	\$554,471	\$587,344	\$876,253	\$4,118,152

Table 9.2b: Deferred inflows of resources at June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Net pension liability	\$189,864	\$165,370	\$189,090	\$139,765	\$390,541	\$1,074,630
Net retiree health benefits liability	651,200	447,707	684,893	479,533	1,055,169	3,318,502
Debt refunding			2,258			2,258
Interest rate swap agreements	795	183		60,695		61,673
Irrevocable split-interest agreements					18,216	18,216
Leases	14,110	17,820	4,147		1,778	37,855
Total	\$855,969	\$631,080	\$880,388	\$679,993	\$1,465,704	\$4,513,134

10. Retirement Plans

University of California Retirement System (UCRS)

Substantially all full-time employees of the Medical Centers participate in the UCRS, administered by the University. UCRS consists of the University of California Retirement Plan (UCRP), a single employer defined benefit pension plan, and the University of California Retirement Savings Program (UCRSP) that includes four defined contribution retirement plans with several investment portfolios generally funded with employee non-elective and elective contributions. The Regents has the authority to establish and amend the UCRS plans.

In July 2024, the Regents approved an amendment to UCRP in connection with the affiliation with CommonSpirit Health and its affiliates. Under the amendment, eligible employees who transition from these facilities will receive UCRP service credit for vesting purposes only (not for benefit accrual), based on their vesting service under the CommonSpirit Health pension plans, adjusted for differences in service crediting methods and plan years. To fund this change, UCSF Medical Center made a supplemental contribution of \$16.5 million to UCRP in December 2024. UCRP provides lifetime retirement income, disability protection, death benefits and postretirement and preretirement survivor benefits to eligible employees of the University and its affiliates. Additional information on UCRP can be obtained from the 2024–25 annual report of the UCRS.

Additional information on the retirement plans can be obtained from the 2024–25 annual report of the University of California Retirement System at <https://www.ucop.edu/uc-controller/financial-reports/retirement-system-annual-reports.html>.

Contributions

Contributions to the UCRP may be made by the Medical Centers and the employees. The rates for contributions as a percentage of payroll are determined annually pursuant to The Regents’ funding policy and based upon recommendations of a consulting actuary. The Regents determines the portion of the total contribution to be made by the Medical Centers and by the employees. Employee contributions by represented employees are subject to collective bargaining agreements. Employee contributions range from 7.0 percent to 9.0 percent. The University pays a uniform contribution rate on behalf of all UCRP active members. The contribution rate for active members was 14.5 and 14.0 percent of covered payroll for the years ended June 30, 2025 and 2024, respectively. The University contribution rate remains at 14.5 percent effective July 1, 2025, with an annual increase of 0.5 percent until reaching 18.0 percent on July 1, 2032. Employee contributions to UCRP are accounted for separately and currently accrue interest at 6.0 percent annually. Upon termination, members may elect a refund of their contributions plus accumulated interest; vested terminated members who are eligible to retire may also elect monthly retirement income or, if they are a member of certain tiers, a lump sum equal to the present value of their accrued benefits.

Tables 10.1a and 10.1b present contributions to the UCRP during the years ended June 30, 2025 and 2024, respectively.

Table 10.1a: UCRP contributions in 2025 (in thousands of dollars)

Location	Medical Center	Employees	Total
Davis	\$204,274	\$118,783	\$323,057
Irvine	160,702	94,284	254,986
Los Angeles	198,042	118,507	316,549
San Diego	162,699	96,868	259,567
San Francisco	311,941	179,964	491,905
Total	\$1,037,658	\$608,406	\$1,646,064

Table 10.1b: UCRP contributions in 2024 *(in thousands of dollars)*

Location	Medical Center	Employees	Total
Davis	\$189,294	\$113,525	\$302,819
Irvine	95,969	58,462	154,431
Los Angeles	165,981	104,554	270,535
San Diego	137,326	84,905	222,231
San Francisco	253,478	150,896	404,374
Total	\$842,048	\$512,342	\$1,354,390

Additional deposits were made by the University to UCRP of \$800.0 million and \$500.0 million for fiscal years ended June 30, 2025 and 2024, respectively. The Medical Centers' reported pension expense and increase in the pension payable to the University for their portion of these additional deposits based upon their proportionate share of covered compensation for the year ended June 30, are presented in **Table 10.2**.

Table 10.2: Medical Centers' portion of additional deposits to UCRP *(in thousands of dollars)*

Location	2025	2024
Davis	\$59,029	\$39,556
Irvine	46,438	20,054
Los Angeles	57,228	34,684
San Diego	47,015	28,696
San Francisco	90,141	52,968
Total	\$299,851	\$175,958

Net pension liability

Tables 10.3a and **10.3b** present the Medical Centers' proportional percentage and proportionate share of the net pension liability for UCRP at June 30, 2025, and 2024, respectively.

Table 10.3a: Proportionate share of the net pension liability at June 30, 2025 *(in thousands of dollars)*

Location	Proportion of the net pension liability	Proportionate share of the net pension liability
Davis	7.3%	\$906,354
Irvine	5.7	713,030
Los Angeles	7.1	878,703
San Diego	5.8	721,891
San Francisco	12.4	1,538,771
Total	38.3%	\$4,758,749

Table 10.3b: Proportionate share of the net pension liability at June 30, 2024 *(in thousands of dollars)*

Location	Proportion of the net pension liability	Proportionate share of the net pension liability
Davis	7.8%	\$1,344,486
Irvine	5.3	923,324
Los Angeles	6.9	1,194,585
San Diego	5.9	1,024,015
San Francisco	10.4	1,800,362
Total	36.3%	\$6,286,772

The Medical Centers' net pension liability was measured at June 30 and calculated using the plan net position valued at the measurement date and total pension liability determined based upon rolling forward the total pension liability from the results of the actuarial valuations at July 1, 2024 and 2023, respectively. Actuarial valuations represent a long-term perspective and involve estimates of the value of reported benefits and assumptions about the probability of certain events occurring far into the future. Actuarial assumptions are subject to periodic revisions as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used at June 30, 2025 and 2024 were based upon the results of an experience study conducted for the period July 1, 2018 through June 30, 2022.

Table 10.4 presents actuarial assumptions used in calculating the Medical Centers' net pension liability.

Table 10.4: UCRP actuarial assumptions

Description	2025	2024
Discount rate	6.75%	6.75%
Inflation	2.50	2.50
Investment rate of return	6.75	6.75
Projected salary increases	3.65 to 5.95	3.65 to 5.95
Cost-of-living adjustments	2.00	2.00

Discount rate

To calculate the discount rate, cash flows into and out of UCRP were projected in order to determine whether UCRP has sufficient cash in future periods for projected benefit payments for current members. For this purpose, Medical Center contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected Medical Center and member contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are not included. UCRP was projected to have assets sufficient to make projected benefit payments for current members for all future years at June 30, 2025 and 2024.

Investment rate of return

The long-term expected investment rate of return assumption for UCRP was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used to derive the long-term expected investment rate of return assumption can be obtained from Note 7 to the Financial Statements from the 2024-25 annual report of the UCRS.

Mortality rates

Table 10.5 presents the mortality rates valuation basis used to calculate the Medical Centers' net pension liability.

Table 10.5: UCRP mortality rates valuation basis

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

Sensitivity of the net pension liability to the discount rate assumption

Table 10.6 presents the June 30, 2025 net pension liability of the Medical Centers calculated using the June 30, 2025 discount rate assumption of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate one percent lower and one percent higher than the current assumption.

Table 10.6: UCRP Sensitivity of the net pension liability to changes in the discount rate *(in thousands of dollars)*

Location	1% Decrease (5.75%)	Current discount (6.75%)	1% Increase (7.75%)
Davis	\$2,057,012	\$906,354	(\$34,236)
Irvine	1,618,254	713,030	(26,933)
Los Angeles	1,994,257	878,703	(33,191)
San Diego	1,638,365	721,891	(27,268)
San Francisco	3,492,311	1,538,771	(58,124)
Total	\$10,800,199	\$4,758,749	(\$179,752)

Deferred outflows of resources and deferred inflows of resources

Tables 10.7a and 10.8a present the composition of deferred outflows and deferred inflows of resources for UCRP at June 30, 2025.

Table 10.7a: UCRP deferred outflows of resources at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$50,879	\$263,862	\$51,578	\$63,005	\$312,748	\$742,072
Changes of assumptions or other inputs	13,892	10,929	13,468	11,065	23,585	72,939
Difference between expected and actual experience	140,227	110,315	135,947	111,686	238,068	736,243
Total	\$204,998	\$385,106	\$200,993	\$185,756	\$574,401	\$1,551,254

Table 10.8a: UCRP deferred inflows of resources at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$71,191	\$28,866	\$17,139	\$15,800	\$96,538	\$229,534
Net difference between projected and actual earnings on pension plan investments	372,581	293,108	361,212	\$296,751	632,549	1,956,201
Total	\$443,772	\$321,974	\$378,351	\$312,551	\$729,087	\$2,185,735

Tables 10.7b and 10.8b present the composition of deferred outflows and deferred inflows of resources for UCRP at June 30, 2024.

Table 10.7b: UCRP deferred outflows of resources at June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$78,034	\$277,982	\$25,875	\$80,516	\$86,113	\$548,520
Changes of assumptions or other inputs	23,581	16,195	20,953	17,961	31,578	110,268
Difference between expected and actual experience	160,970	110,545	143,022	122,601	215,549	752,687
Total	\$262,585	\$404,722	\$189,850	\$221,078	\$333,240	\$1,411,475

Table 10.8b: UCRP deferred inflows of resources at June 30, 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$6,357	\$39,176	\$26,044		\$88,378	\$159,955
Net difference between projected and actual earnings on pension plan investments	183,507	126,022	163,046	\$139,765	245,727	858,067
Total	\$189,864	\$165,198	\$189,090	\$139,765	\$334,105	\$1,018,022

Table 10.9 presents net deferred outflows and (inflows) of resources related to UCRP that will be recognized in pension expense during the years ended June 30 in future years.

Table 10.9: UCRP net deferred outflows and (inflows) of resources in future years *(in thousands of dollars)*

Fiscal Year	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
2026	\$102,181	\$153,665	\$98,385	\$95,389	\$222,974	\$672,594
2027	(129,709)	(20,937)	(111,598)	(83,464)	(160,359)	(506,067)
2028	(131,609)	(30,858)	(106,779)	(83,969)	(155,537)	(508,752)
2029	(79,637)	(38,738)	(57,366)	(54,751)	(61,764)	(292,256)
Total	(\$238,774)	\$63,132	(\$177,358)	(\$126,795)	(\$154,686)	(\$634,481)

The UCRSP plans (Defined Contribution (DC) Plan, Supplemental DC Plan, 403(b) Plan and 457(b) Plan) provide savings incentives and additional retirement security for all eligible employees. Additional information on the UCRSP plans can be obtained from the 2024–25 annual report of the UCRS.

Orange County Employees Retirement System

Orange County Employees Retirement System (OCERS) administers a cost-sharing multiemployer governmental defined benefit pension plan for the county of Orange, city of San Juan Capistrano and 13 special districts. Certain employees of the UC Irvine Medical Center were eligible to continue to participate in OCERS at the time the hospital was acquired.

OCERS provides retirement, disability and death benefits. Retirement benefits are tiered based upon date of OCERS membership. Participation in OCERS for UC Irvine Medical Center employees is closed. UC Irvine Medical Center's share of net pension liability, deferred inflows of resources, deferred outflows of resources and pension expense have been determined based upon its specific actuarial accrued liability and a share of assets allocated in accordance with a formula set forth in OCERS' policy. The fiduciary net position and changes in net position have been measured consistently with the accounting policies used by OCERS. Pursuant to an agreement between the University and the county of Orange (OC), the University and OC equally split the contributions and net pension liability. The amounts reported in the financial statements reflect the University's share of the net pension liability, deferred inflows and outflows and pension expense.

Additional information on OCERS can be obtained from the 2024–25 annual reports of the Orange County Employees Retirement System at <https://www.ocers.org>.

Membership in the OCERS Plan consisted of the following at December 31, 2024: 21,740 retired members and beneficiaries, 9,377 inactive members and 23,368 active members.

Contributions

Contribution rates for OCERS are set by the OCERS Board of Retirement.

Net pension liability

The Irvine Medical Center's proportionate share of the net pension liability was \$10.7 million and \$13.3 million at June 30, 2025 and 2024, respectively. Irvine Medical Center's net pension liability for OCERS was measured at June 30, 2025 and 2024, and the total pension liability was determined by an actuarial valuation at December 31, 2024 and 2023 rolled forward to June 30, 2025 and 2024, respectively. The actuarial assumptions used in that valuation were based on the results of an experience study for the period January 1, 2020 through December 31, 2022 and they are the same assumptions used starting with the December 31, 2023 funding valuation for OCERS.

Table 10.10 presents the assumptions used to calculate the net pension liability for the Plan at June 30, 2025 and 2024.

Table 10.10: OCERS actuarial assumptions

Description	2025	2024
Discount rate	7.0%	7.0%
Inflation	2.5	2.5
Investment rate of return	7.0	7.0
Projected salary increases: General	3.9 to 10.25	3.9 to 10.25
Projected salary increases: Safety	4.5 to 15.0	4.5 to 15.0
Cost-of-living adjustments	2.75	2.75

Discount rate

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rate. For this purpose, only employer contributions will be made at rates equal to the actuarially determined contribution rates.

Investment rate of return

Table 10.11 presents the target allocation and projected arithmetic real rates of return, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class for the OCERS Plan.

Table 10.11: OCERS investment rate of return

Description	Target allocation	Long-term expected real rate of return*
Global equity	45.0%	7.1%
Investment grade bonds	9.0	2.0
High-yield bond	0.5	4.6
TIPS	2.0	1.8
Emerging market debt	0.5	4.7
Long-term government bonds	3.3	2.8
Real estate	3.0	3.9
Private equity	15.0	9.8
Private credit	3.5	6.5
Value added real estate	3.0	7.4
Opportunistic real estate	1.0	9.7
Energy	2.0	10.9
Infrastructure (Core private)	1.0	6.0
Infrastructure (Non-core private)	3.0	8.9
Global macro	1.7	3.2
CTA (Trend following)	3.3	3.2
Alternative risk premia	1.7	3.2
Special situations lending	1.5	9.0
Total	100.0%	6.6%

*Arithmetic real rates of return are net of inflation

Sensitivity of the net pension liability to the discount rate assumption

Table 10.12 presents the net pension liability calculated using the June 30, 2025 discount rate assumption of 7.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate one percent lower and one percent higher than the current assumption.

Table 10.12: OCERS sensitivity of the net pension liability to changes in the discount rate *(in thousands of dollars)*

Description	1% Decrease (6.0%)	Current discount (7.0%)	1% Increase (8.0%)
Net pension liability	\$16,773	\$10,711	\$5,755

Deferred outflows of resources and deferred inflows of resources

Tables 10.13 and **10.14** present the composition of deferred outflows and deferred inflows of resources at June 30 2025 and 2024, respectively.

Table 10.13: OCERS deferred outflows of resources *(in thousands of dollars)*

Description	2025	2024
Difference between expected and actual experience	\$748	\$1,163
Changes of assumptions or other inputs	27	35
Net difference between projected and actual earnings on pension plan investments	4	910
Total	\$779	\$2,108

Table 10.14: OCERS deferred inflows of resources *(in thousands of dollars)*

Description	2025	2024
Difference between expected and actual experience	\$647	
Changes of assumptions or other inputs	77	\$172
Total	\$724	\$172

Table 10.15 presents the net deferred outflows and (inflows) of resources related to pensions that will be recognized in pension expense for OCERS in future years.

Table 10.15: OCERS net deferred outflows and (inflows) of resources in future years *(in thousands of dollars at year ending June 30)*

Fiscal year	Total
2026	\$161
2027	834
2028	(547)
2029	(346)
2030	(47)
Total	\$55

Children's Hospital and Research Center Oakland Pension Plan

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

The CHRCO Pension Plan was amended during the fiscal year ended June 30, 2025 to close the CHRCO Pension Plan to new participants effective July 6, 2025, freeze credited service for benefit accrual purposes as of July 5, 2025, freeze pay for benefit accrual purposes after June 30, 2030 for unrepresented employees and December 31, 2030 for represented employees and provide partial benefit service for represented employee participants working between 500 and 999 hours during 2025.

Table 10.16 presents assumptions used to calculate the net pension liability for the CHRCO Pension Plan.

Table 10.16: CHRCO actuarial assumptions

Description	2025	2024
Inflation	3.00%	3.00%
Investment rate of return	6.75%	7.00%
Projected salary increases: Represented employees	4.50% for FYE 2025, 4.20% for FYE 2026 and 3.50% for FYE 2027 annually thereafter	4.50% for FYE 2024, 4.50% for FYE 2025, 4.20% for FYE 2026 and 3.50% for FYE 2027 annually thereafter
Projected salary increases: Unrepresented employees	4.20% for FYE 2025 and 3.50% for FYE 2026 annually thereafter	4.20% for FYE 2024, 4.20% for FYE 2025 and 3.50% for FYE 2026 annually thereafter
Cost-of-living adjustments	None	None

CHRCO recognized pension expense of (\$119.4) million and \$36.1 million for the years ended June 30, 2025 and 2024, respectively.

The actuarial assumptions used in the June 30, 2025 and 2024 valuations were based on the results of a plan experience review conducted during 2024 and recent discussions with management regarding expected future salary increases and inflation. The mortality rates were based on the Pri-2012 Private Retirement Plans Mortality Table with fully generational projected mortality improvements using Scale MP-2021.

Additional information on the CHRCO Pension Plan can be obtained from Children's Hospital Oakland, Finance Department, 747 52nd Street, Oakland, CA 94609.

Table 10.17 presents condensed financial information for the CHRCO Pension Plan at and for the years ended June 30, 2025 and 2024.

Table 10.17: Children’s Hospital and Research Center Oakland pension plan condensed financial information *(in thousands of dollars)*

Description	2025	2024
Condensed statement of plan fiduciary net position		
Investments at fair value	\$789,306	\$690,589
Total assets	789,306	690,589
Net position held in trust	\$789,306	\$690,589
Condensed statement of changes in plan fiduciary net position		
Contributions	\$41,800	\$46,500
Investment and other income, net	89,585	90,743
Total additions, net	131,385	137,243
Benefit payment and participant withdrawals	29,566	65,531
Plan expense	3,102	4,979
Total deductions	32,668	70,510
Change in net position held in trust	98,717	66,733
Net position held in trust		
Beginning of year	690,589	623,856
End of year	\$789,306	\$690,589
Changes in total pension liability		
Service cost	\$14,263	\$14,012
Interest	48,326	45,927
Changes of benefit terms	(135,792)	3,805
Difference between expected and actual experience	4,631	23,722
Changes of assumptions and other inputs	21,940	(6,149)
Benefits paid, including refunds of employee contributions	(29,566)	(65,531)
Net change in total pension liability	(76,198)	15,786
Total pension liability		
Beginning of year	690,636	674,850
End of year	614,438	690,636
Net pension (asset) liability, end of year	(\$174,868)	\$47

Table 10.18 presents membership in the CHRCO Pension Plan at June 30, 2025.

Table 10.18: CHRCO pension plan membership

Description	Total
Retirees and beneficiaries receiving benefits	1,501
Inactive members entitled to, but not yet receiving benefits	626
Active members	2,104
Total membership	4,231

Contributions

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

Net pension liability

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

Discount rate

The discount rate used to estimate the net pension liability was 6.75 percent and 7.0 percent for June 30, 2025 and 2024, respectively. The projection of cash flows used to determine the discount rate assumes that CHRCO will make contributions to the plan under IRC Section 430's minimum requirements for a period of three and six years for its unrepresented and represented employees, respectively, and that all future assumptions are met. Based on these assumptions, the CHRCO Pension Plan fiduciary net position is projected to be available to make all projected future benefit payments for current active and inactive employees.

Investment rate of return

Table 10.19 presents the target allocation and projected arithmetic real rates of return, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class for the CHRCO Pension Plan.

Table 10.19: CHRCO pension plan investment rate of return

Asset class	Target allocation	Projected real rate of return
Global equity	70.0%	4.0%
Core fixed income	30.0	2.2
Total	100.0%	

Sensitivity of the net pension liability to the discount rate assumption

Table 10.20 presents the current-period net pension (asset) liability calculated using the June 30, 2025 discount rate assumption of 6.75 percent, as well as what the net pension (asset) liability would be if it were calculated using a discount rate 1 percent lower and 1 percent higher than the current assumption.

Table 10.20: CHRCO pension plan sensitivity of the net pension (asset) liability to the discount rate assumption *(in thousands of dollars)*

Description	1% Decrease (5.75%)	Current discount (6.75%)	1% Increase (7.75%)
Net pension (asset)	(\$108,012)	(\$174,868)	(\$231,839)

Deferred outflows of resources and deferred inflows of resources

Tables 10.21 and **10.22** present the components of deferred outflows and deferred inflows of resources as of June 30, 2025 and 2024, respectively.

Table 10.21: CHRCO pension plan deferred outflows of resources *(in thousands of dollars)*

Description	2025	2024
Difference between expected and actual experience	\$26,899	\$36,869
Changes of assumptions	18,891	6,115
Total	\$45,790	\$42,984

Table 10.22: CHRCO pension plan deferred inflows of resources *(in thousands of dollars)*

Description	2025	2024
Difference between expected and actual experience	\$1,116	\$1,604
Changes of assumptions	22,681	32,733
Net difference between projected and actual earnings on pension plan investments	49,127	22,099
Total	\$72,924	\$56,436

Table 10.23 presents the net deferred outflows and (inflows) of resources related to pensions that will be recognized in pension expense for the CHRCO Pension Plan during the years ending June 30.

Table 10.23: CHRCO pension plan net deferred outflows and (inflows) of resources in future years *(in thousands of dollars at year ending June 30)*

Fiscal year	Total
2026	\$9,844
2027	(22,392)
2028	(14,738)
2029	(2,577)
2030	2,729
Total	(\$27,134)

11. Retiree Health Benefits Plans

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

Additional information on the retiree health plans can be obtained from the 2024–25 annual financial report of the University.

Contributions

Campus and Medical Center contributions toward retiree health benefits, at rates determined by the University, are made to UCRHBT. The University receives retiree health contributions from retirees that are deducted from their UCRP benefit payments or are received from the retiree through direct pay. The University also remits these retiree contributions to UCRHBT. Contributions toward benefits are shared with the retiree. Retirees are required to pay the difference between the employer's contribution and the full cost of the health insurance. The University acts as a third-party administrator on behalf of UCRHBT and pays health care insurers and administrators amounts currently due under the University's retiree health benefit plans for retirees who previously worked at a campus or Medical Center. UCRHBT reimburses the University for these amounts.

The contribution requirements are based upon projected pay-as-you-go financing requirements. The retiree health benefits assessment rate was \$2.23 per \$100 of UCRP covered payroll effective July 1, 2024 and 2023.

Table 11.1 presents the Medical Centers’ cash contributions to the UCRHBT for the years ended June 30, 2025 and 2024.

Table 11.1: Cash contributions to UCRHBT *(in thousands of dollars)*

Location	2025	2024
Davis	\$32,395	\$31,173
Irvine	25,609	15,803
Los Angeles	31,347	27,207
San Diego	25,758	22,479
San Francisco	50,193	42,076
Total	\$165,302	\$138,738

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

Table 11.2 presents the Medical Centers’ implicit subsidy contributions for the years ended June 30, 2025 and 2024.

Table 11.2: Implicit subsidy contributions *(in thousands of dollars)*

Location	2025	2024
Davis	\$9,528	\$9,759
Irvine	7,534	6,857
Los Angeles	9,218	8,773
San Diego	7,575	7,440
San Francisco	16,732	13,173
Total	\$50,587	\$46,002

Net Retiree Health Benefits Liability

Tables 11.3a and **11.3b** present the Medical Centers’ proportionate share of the net retiree health benefits liability at June 30, 2025 and 2024, respectively.

Table 11.3a: Net retiree health benefits liability at June 30, 2025 *(in thousands of dollars)*

Location	Proportion of the net retiree health benefits liability	Proportionate share of the net retiree health benefits liability
Davis	6.9%	\$1,326,900
Irvine	5.4	1,048,980
Los Angeles	6.7	1,284,010
San Diego	5.5	1,054,942
San Francisco	12.1	2,329,719
Total	36.6%	\$7,044,551

Table 11.3b: Net retiree health benefits liability at June 30, 2024 (in thousands of dollars)

Location	Proportion of the net retiree health benefits liability	Proportionate share of the net retiree health benefits liability
Davis	7.4%	\$1,495,319
Irvine	5.2	1,050,984
Los Angeles	6.6	1,343,961
San Diego	5.6	1,139,851
San Francisco	9.9	2,018,376
Total	34.7%	\$7,048,491

The Medical Centers' net retiree health benefits liability was measured as of June 30 based on rolling forward the results of the actuarial valuations as of June 30, one year prior to the measurement date. Actuarial valuations represent a long-term perspective and include estimates of the value of reported benefits and assumptions about the probability of occurrence of events far into the future.

Table 11.4 presents actuarial assumptions used to calculate the Medical Centers' net retiree health benefits liability.

Table 11.4: Net retiree health benefits actuarial assumptions

Description	2025	2024
Discount rate*	5.20%	3.93%
Investment rate of return	2.50%	2.50%
Inflation	2.50%	2.50%
Initial medical trend rate	1.01% to 20.68%	0.20% to 20.46%
Ultimate medical trend rate	3.94%	3.94%
Year ultimate trend rate reached	2075	2076

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

Mortality Rates

Table 11.5 presents the mortality rates valuation basis used to calculate the Medical Centers' net retiree health benefits liability.

Table 11.5: Mortality rates valuation basis

Description	Mortality rates valuation basis
Preretirement	Pub-2010 Teacher Employee Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021.
Postretirement: Healthy Participants	Pub-2010 Healthy Teacher Retiree Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021. Base Mortality Tables are adjusted as follows: • Faculty: 90% for Males and Females • Staff and Safety: 110% for Males and 105% for Females
Postretirement: Spouses/Domestic Partners	Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021 with no adjustment for Males and 95% for Females, applied after the expected (and actual) death of the retiree. While retiree is still alive, rates for Healthy Participants are applied.
Postretirement: Disabled Members	Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table, projected generationally with the two-dimensional mortality improvement scale MP-2021, adjusted 85% for Males and Females.

Actuarial assumptions are subject to periodic revisions as actual results are compared with past expectations and new estimates are made about the future. The actuarial assumptions used were based upon the results of the most recent experience study covering the period of July 1, 2018 through June 30, 2022.

Sensitivity of Net Retiree Health Benefits Liability to the Health Care Cost Trend Rate

Table 11.6 presents the June 30, 2025 net retiree health benefits liability of the Medical Centers calculated using the June 30, 2025 health care cost trend rate assumption with initial trend ranging from 1.0 percent to 20.7 percent grading down to an ultimate trend of 3.9 percent over 51 years, as well as what the net retiree health benefits liability would be if it were calculated using a health care cost trend rate one percent lower and one percent higher than the current assumption:

Table 11.6: Sensitivity to the health care cost trend rate (in thousands of dollars)

Location	1% Decrease (0.01% to 19.68%) decreasing to (2.94%)	Current trend (1.01% to 20.68%) decreasing to (3.94%)	1% Increase (2.01% to 21.68%) decreasing to (4.94%)
Davis	\$1,134,408	\$1,326,900	\$1,571,938
Irvine	896,805	1,048,980	1,242,695
Los Angeles	1,097,739	1,284,010	1,521,127
San Diego	901,902	1,054,942	1,249,758
San Francisco	1,991,749	2,329,719	2,759,949
Total	\$6,022,603	\$7,044,551	\$8,345,467

Sensitivity of Net Retiree Health Benefits Liability to the Discount Rate Assumption

Table 11.7 presents the June 30, 2025 net retiree health benefits liability of the Medical Centers calculated using the June 30, 2025 discount rate assumption of 5.20 percent, as well as what the net retiree health benefits liability would be if it were calculated using a discount rate 1 percent lower and 1 percent higher than the current assumption.

Table 11.7: Sensitivity to the discount rate assumption (in thousands of dollars)

Location	1% Decrease (4.2%)	Current discount (5.2%)	1% Increase (6.2%)
Davis	\$1,539,917	\$1,326,900	\$1,153,863
Irvine	1,217,381	1,048,980	912,186
Los Angeles	1,490,142	1,284,010	1,116,566
San Diego	1,224,300	1,054,942	917,371
San Francisco	2,703,728	2,329,719	2,025,909
Total	\$8,175,468	\$7,044,551	\$6,125,895

Deferred Outflows of Resources and Deferred Inflows of Resources

Tables 11.8a and **11.9a** present the components of deferred outflows and deferred inflows of resources for retiree health benefits at June 30, 2025.

Table 11.8a: Components of deferred outflows for retiree health benefits at June 30, 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$103,793	\$458,090	\$24,177	\$108,592	\$597,508	\$1,292,160
Changes in assumptions or other inputs	106,774	84,410	103,323	84,890	187,470	566,867
Difference between expected and actual experience	53,477	42,276	51,748	42,517	93,893	283,911
Total	\$264,044	\$584,776	\$179,248	\$235,999	\$878,871	\$2,142,938

Table 11.9a: Components of deferred inflows for retiree health benefits at June 30, 2025 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$129,004	\$4,178	\$94,158	\$33,569	\$182,118	\$443,027
Changes in assumptions or other inputs	495,095	391,397	479,092	393,622	869,269	2,628,475
Net difference between projected and actual earnings on plan investments	465	368	450	370	817	2,470
Difference between expected and actual experience	74,105	58,584	71,710	58,917	130,111	393,427
Total	\$698,669	\$454,527	\$645,410	\$486,478	\$1,182,315	\$3,467,399

Tables 11.8b and 11.9b present the components of deferred outflows and deferred inflows of resources for retiree health benefits at June 30, 2024.

Table 11.8b: Components of deferred outflows for retiree health benefits at June 30, 2024 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$130,247	\$460,190	\$23,805	\$146,548	\$175,191	\$935,981
Changes in assumptions or other inputs	172,044	120,921	154,630	131,146	232,225	810,966
Difference between expected and actual experience	67,785	47,643	60,924	51,671	91,496	319,519
Total	\$370,076	\$628,754	\$239,359	\$329,365	\$498,912	\$2,066,466

Table 11.9b: Components of deferred inflows for retiree health benefits at June 30, 2024 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Changes in proportion and differences between location's contributions and proportionate share of contributions	\$28,104	\$9,764	\$124,869	\$4,560	\$214,115	\$381,412
Changes in assumptions or other inputs	518,566	364,474	466,076	395,292	699,959	2,444,367
Net difference between projected and actual earnings on plan investments	235	165	210	179	317	1,106
Difference between expected and actual experience	104,295	73,304	93,738	79,502	140,778	491,617
Total	\$651,200	\$447,707	\$684,893	\$479,533	\$1,055,169	\$3,318,502

Table 11.10 presents the net deferred outflows and (inflows) of resources related to retiree health benefits that will be recognized in retiree health benefit expense during the years ended June 30.

Table 11.10: Net deferred outflows and (inflows) of resources for retiree health benefits *(in thousands of dollars)*

Fiscal year	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
2026	(\$64,351)	\$14,453	(\$91,815)	(\$32,976)	(\$52,580)	(\$227,269)
2027	(52,366)	24,933	(71,002)	(29,278)	(46,041)	(173,754)
2028	(63,503)	15,072	(77,920)	(42,313)	(73,491)	(242,155)
2029	(78,488)	4,447	(88,253)	(55,269)	(94,450)	(312,013)
2030	(67,051)	19,188	(66,642)	(40,320)	(54,008)	(208,833)
Thereafter	(108,866)	52,156	(70,530)	(50,323)	17,126	(160,437)
Total	(\$434,625)	\$130,249	(\$466,162)	(\$250,479)	(\$303,444)	(\$1,324,461)

12. Self-insurance and Other Liabilities

The Medical Centers are insured through the University's and its captive's malpractice, general liability, workers' compensation and health and welfare programs. All operating departments of the University, including the Medical Centers, are charged premiums to finance the workers' compensation and health and welfare programs. The Medical Centers are also charged premiums to finance the malpractice insurance. All claims and related expenses are paid from the University's self-insurance funds or the University's wholly owned captive insurance company. Such risks are subject to various per-claim and aggregate limits, with excess liability coverage provided by independent insurers.

Malpractice and general liability premiums are recorded as insurance and other expense in the statements of revenues, expenses and changes in net position. Workers' compensation premiums, net of refunds, are included as other employee benefits in the statements of revenues, expenses and changes in net position.

Tables 12.1a and 12.1b present CHRCO's self-insurance activity in 2025 and 2024, respectively.

Table 12.1a: CHRCO Self-insurance activity in 2025 *(in thousands of dollars)*

Description	Medical malpractice	Workers' compensation	Employee health care	Total
Liabilities at June 30, 2024	\$6,639	\$13,492	\$1,893	\$22,024
Claims incurred and changes in estimates	(3,738)	5,941	12,275	14,478
Claim payments	(355)	(3,993)	(12,299)	(16,647)
Liabilities at June 30, 2025	\$2,546	\$15,440	\$1,869	\$19,855
Discount rate	Undiscounted	5.0%	Undiscounted	

Table 12.1b: CHRCO Self-insurance activity in 2024 *(in thousands of dollars)*

Description	Medical malpractice	Workers' compensation	Employee health care	Total
Liabilities at June 30, 2023	\$5,622	\$11,953	\$1,929	\$19,504
Claims incurred and changes in estimates	1,214	5,121	10,786	17,121
Claim payments	(197)	(3,582)	(10,822)	(14,601)
Liabilities at June 30, 2024	\$6,639	\$13,492	\$1,893	\$22,024
Discount rate	Undiscounted	5.0%	Undiscounted	

CHRCO has two irrevocable letters of credit with a bank totaling \$5.6 million as of June 30, 2025, which are mostly security for the workers' compensation large dollar insurance deductible. No amounts were drawn on the letters of credit as of June 30, 2025.

The Medical Centers accrued salaries and benefits and other noncurrent liabilities at June 30, 2025 and 2024 are presented in **Tables 12.2a and 12.2b**.

Table 12.2a: Accrued salaries and benefits and other noncurrent liabilities in 2025 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Accrued salaries and benefits						
Compensated absences	\$75,937	\$73,342	\$160,387	\$72,028	\$194,060	\$575,754
Other accrued salaries and benefits	59,513	143,314	197,630	134,184	398,174	932,815
Total accrued salaries and benefits	\$135,450	\$216,656	\$358,017	\$206,212	\$592,234	\$1,508,569
Other noncurrent liabilities						
Compensated absences	\$66,147	\$26,943	\$21,763	\$18,091	\$72,478	\$205,422
Other noncurrent liabilities	5,701	338		39,406	11,741	57,186
Total other noncurrent liabilities	\$71,848	\$27,281	\$21,763	\$57,497	\$84,219	\$262,608

Table 12.2b: Accrued salaries and benefits and other noncurrent liabilities in 2024 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Accrued salaries and benefits						
Compensated absences	\$81,136	\$41,690	\$141,964	\$63,579	\$140,097	\$468,466
Other accrued salaries and benefits	158,638	104,996	173,397	101,665	309,031	847,727
Total accrued salaries and benefits	\$239,774	\$146,686	\$315,361	\$165,244	\$449,128	\$1,316,193
Other noncurrent liabilities						
Compensated absences	\$52,240	\$30,337	\$22,382	\$17,672	\$79,628	\$202,259
Other noncurrent liabilities	64,241			36,648	10,187	111,076
Total other noncurrent liabilities	\$116,481	\$30,337	\$22,382	\$54,320	\$89,815	\$313,335

The Medical Centers compensated absences activity for the year ended June 30, 2025 is presented in **Table 12.3a**.

Table 12.3a: Compensated absences activity in 2025 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Compensated absences at June 30, 2024	\$133,376	\$72,027	\$164,346	\$81,251	\$219,725	\$670,725
Net change	8,708	28,258	17,804	8,868	46,813	110,451
Compensated absences at June 30, 2025	142,084	100,285	182,150	90,119	266,538	781,176
Less: Current portion	75,937	73,342	160,387	72,028	194,060	575,754
Noncurrent portion at June 30, 2025	\$66,147	\$26,943	\$21,763	\$18,091	\$72,478	\$205,422

13. Transactions with Other University Entities

Services purchased from the University include office and medical supplies, building maintenance, repairs and maintenance, administrative, treasury, medical services and insurance. Services provided to the University include physician office rentals, pharmaceuticals, billing services, medical supplies and cafeteria services. Such amounts are netted and reported in the statements of revenues, expenses and changes in net position for the years ended June 30 as presented in **Tables 13.1a** and **13.1b**:

Tables 13.1a and **13.1b** present transactions with other University entities for the years ended June 30, 2025 and 2024, respectively.

Table 13.1a: Transactions of (income) expenses with other University entities in 2025 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Other employee benefits	\$14,628	\$32,170	\$42,461	\$25,876	(\$1,078)	\$114,057
Professional services	68,464	7,392	739	104,396	1,424,091	1,605,082
Other supplies and purchased services	21,284	113,453	138,996	92,656	129,749	496,138
Insurance and other	23,472	27,974	44,996	27,642	28,720	152,804
Interest income, net	(44,968)	(22,334)	(112,845)	(13,363)	(146,396)	(339,906)
Total	\$82,880	\$158,655	\$114,347	\$237,207	\$1,435,086	\$2,028,175

Table 13.1b: Transactions of (income) expenses with other University entities in 2024 *(in thousands of dollars)*

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Other employee benefits	\$13,491	\$8,167	\$25,143	\$16,488	(\$1,027)	\$62,262
Professional services	66,400	5,694	924	97,371	1,177,134	1,347,523
Other supplies and purchased services	10,555	99,336	86,133	80,164	121,294	397,482
Insurance and other	16,476	14,348	36,789	23,170	20,104	110,887
Interest income, net	(54,077)	(62,462)	(101,560)	(15,294)	(142,104)	(375,497)
Total	\$52,845	\$65,083	\$47,429	\$201,899	\$1,175,401	\$1,542,657

Additionally, the Medical Centers make payments to the Schools of Medicine. Services purchased from the Schools of Medicine include physician services that benefit the Medical Centers, such as emergency room coverage, physicians providing medical direction to the Medical Centers and the Medical Centers' allocation of malpractice insurance. Such expenses are reported as operating expenses in the statements of revenues, expenses and changes in net position. Health system support includes amounts paid to the Schools of Medicine by the Medical Centers to fund the operating activities, clinical research and faculty practice plans and other payments made to support various programs.

Tables 13.2a and 13.2b present payments between the Medical Centers and the University for the years ended June 30, 2025 and 2024, respectively.

Table 13.2a: Payments to the University in 2025 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Reported as operating expenses	\$82,880	\$158,655	\$114,347	\$237,207	\$1,435,086	\$2,028,175
Reported as health system support	127,724	240,606	495,773	281,782	135,685	1,281,570
Total payments to the University	\$210,604	\$399,261	\$610,120	\$518,989	\$1,570,771	\$3,309,745

Table 13.2b: Payments to the University in 2024 (in thousands of dollars)

Description	Davis	Irvine	Los Angeles	San Diego	San Francisco	Total
Reported as operating expenses	\$52,845	\$65,083	\$47,429	\$201,899	\$1,175,401	\$1,542,657
Reported as health system support	96,832	152,817	361,893	329,552	259,025	1,200,119
Total payments to the University	\$149,677	\$217,900	\$409,322	\$531,451	\$1,434,426	\$2,742,776

14. Component Unit Information

Condensed combining financial statement for San Francisco at and for the year ended June 30, 2025 is presented in Tables 14.1a, 14.2a and 14.3a:

Table 14.1a: Condensed statement of net position at June 30, 2025 (in thousands of dollars)

Description	UCSF (Primary Government)	CHRCO	UCSF Health Community Hospitals	Eliminations	San Francisco Total
Current assets	\$4,433,144	\$458,994	\$157,079	(\$925)	\$5,048,292
Capital assets, net	3,737,710	595,183	124,638	(3,291)	4,454,240
Net pension asset		174,868			174,868
Other assets	284,753	402,206	35,762	(2,521)	720,200
Total assets	8,455,607	1,631,251	317,479	(6,737)	10,397,600
Total deferred outflows of resources	1,456,595	45,791	7,167		1,509,553
Current liabilities	1,641,804	258,091	61,728	(896)	1,960,727
Long-term debt, net of current portion	2,441,546	124,395	3,306	(2,428)	2,566,819
Other noncurrent liabilities	4,911,700	28,606	9,165		4,949,471
Total liabilities	8,995,050	411,092	74,199	(3,324)	9,477,017
Total deferred inflows of resources	1,913,109	92,046	39,522	(3,413)	2,041,264
Net investment in capital assets	1,441,527	466,223	120,652	3	2,028,405
Restricted: Nonexpendable endowments and gifts		35,460			35,460
Restricted: Expendable	24,443	78,361	878		103,682
Unrestricted	(2,461,927)	593,860	89,395	(3)	(1,778,675)
Total net position	(\$995,957)	\$1,173,904	\$210,925		\$388,872

Table 14.2a: Condensed statement of revenues, expenses and changes in net position for the year ended June 30, 2025*(in thousands of dollars)*

Description	UCSF (Primary Government)	CHRCO	UCSF Health Community Hospitals	Eliminations	San Francisco Total
Net patient service revenue	\$7,403,761	\$711,520	\$340,846	(\$37,463)	\$8,418,664
Other operating revenue	438,956	33,877	17,730	(954)	489,609
Operating expenses before depreciation	(7,007,146)	(655,949)	(477,572)	126	(8,140,541)
Depreciation expense	(198,488)	(36,173)	(642)	826	(234,477)
Operating income	637,083	53,275	(119,638)	(37,465)	533,255
Nonoperating revenues, net	105,476	185,031	(14,305)	4	276,206
Income before other changes in net position	742,559	238,306	(133,943)	(37,461)	809,461
Other, including donated assets	(683,601)	15,903	344,868	37,461	(285,369)
Change in net position	58,958	254,209	210,925		524,092
Net position: Beginning of year	(1,054,915)	919,695			(135,220)
Net position: End of year	(\$995,957)	\$1,173,904	\$210,925		\$388,872

Table 14.3a: Condensed statement of cash flows for the year ended June 30, 2025 *(in thousands of dollars)*

Description	UCSF (Primary Government)	CHRCO	UCSF Health Community Hospitals	Eliminations	San Francisco Total
Net cash provided (used) by:					
Operating activities	\$718,162	\$4,614	(\$250,220)	(\$38,335)	\$434,221
Noncapital financing activities	(432,479)	145,012	343,653	37,463	93,649
Capital and related financing activities	(741,265)	(84,797)	(93,411)	872	(918,601)
Investing activities	547,194	10,503			557,697
Net change in cash and cash equivalents	91,612	75,332	22		166,966
Cash and cash equivalents: Beginning of year	2,593,101	196,542			2,789,643
Cash and cash equivalents: End of year	\$2,684,713	\$271,874	\$22		\$2,956,609

Condensed combining financial statement of San Francisco at and for the year ended June 30, 2024 is presented in **Tables 14.1b, 14.2b** and **14.3b**:

Table 14.1b: Condensed statement of net position at June 30, 2024 *(in thousands of dollars)*

Description	UCSF (Primary Government)	CHRCO	Eliminations	San Francisco Total
Current assets	\$4,029,639	\$443,834	(\$248)	\$4,473,225
Capital assets, net	3,339,130	501,454	(205)	3,840,379
Other assets	697,664	375,985		1,073,649
Total assets	8,066,433	1,321,273	(453)	9,387,253
Total deferred outflows of resources	833,269	42,984		876,253
Current liabilities	1,469,353	214,930	(248)	1,684,035
Long-term debt, net of current portion	2,465,741	114,772		2,580,513
Other noncurrent liabilities	4,630,044	38,430		4,668,474
Total liabilities	8,565,138	368,132	(248)	8,933,022
Total deferred inflows of resources	1,389,479	76,430	(205)	1,465,704
Net investment in capital assets	1,433,542	382,942	42	1,816,526
Restricted: Nonexpendable endowments and gifts		35,465		35,465
Restricted: Expendable	23,688	78,929		102,617
Unrestricted	(2,512,145)	422,359	(42)	(2,089,828)
Total net position	(\$1,054,915)	\$919,695		(\$135,220)

Table 14.2b: Condensed statement of revenues, expenses and changes in net position for the year ended June 30, 2024*(in thousands of dollars)*

Description	UCSF (Primary Government)	CHRCO	Eliminations	San Francisco Total
Net patient service revenue	\$6,480,453	\$813,835	(\$42,569)	\$7,251,719
Grants and contracts		11,498		11,498
Other operating revenue	217,146	33,989		251,135
Operating expenses before depreciation	(6,134,564)	(783,335)		(6,917,899)
Depreciation expense	(192,242)	(32,990)	246	(224,986)
Operating income	370,793	42,997	(42,323)	371,467
Nonoperating revenues, net	61,045	51,101	(246)	111,900
Income before other changes in net position	431,838	94,098	(42,569)	483,367
Other, including donated assets	(249,076)	(5,967)	42,569	(212,474)
Change in net position	182,762	88,131		270,893
Net position:				
Beginning of year, as previously reported	(1,450,384)	768,039		(682,345)
Cumulative effect of accounting change	212,707	63,525		276,232
Net position: Beginning of year	(1,237,677)	831,564		(406,113)
Net position: End of year	(\$1,054,915)	\$919,695		(\$135,220)

Table 14.3b: Condensed statement of cash flows for the year ended June 30, 2024 *(in thousands of dollars)*

Description	UCSF (Primary Government)	CHRCO	Eliminations	San Francisco Total
Net cash provided (used) by:				
Operating activities	\$820,797	\$35,181	(\$42,850)	\$813,128
Noncapital financing activities	(268,972)	16,797	42,569	(209,606)
Capital and related financing activities	(706,527)	(73,462)	281	(779,708)
Investing activities	654,140	21,410		675,550
Net change in cash and cash equivalents	499,438	(74)		499,364
Cash and cash equivalents: Beginning of year	2,093,663	196,616		2,290,279
Cash and cash equivalents: End of year	\$2,593,101	\$196,542		\$2,789,643

15. Commitments and Contingencies

Contractual Commitments

The Medical Centers have entered into various construction contracts. The estimated remaining costs of the Medical Center projects, excluding interest, at June 30, 2025 are presented in **Table 15**.

Table 15: Construction contracts *(in thousands of dollars)*

Location	Total
Davis	\$2,178,060
Irvine	206,852
Los Angeles	186,781
San Diego	25,603
San Francisco	2,415,677
Total	\$5,012,973

Under an agreement with a private, nonprofit hospital, UCSF Medical Center committed to providing \$90.0 million in aggregate capital investments through a series of newly formed joint ventures with the hospital over the course of the initial 10 years of the agreement. At June 30, 2025, UCSF Medical Center deposited \$30.0 million to a designated bank account for this purpose with the amount reported as prepaid expenses and other assets. An additional service agreement was signed for UCSF Medical Center to operate certain outpatient clinics whose sole corporate member is the same nonprofit hospital.

Contingencies

The health care industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to periodic governmental review, interpretation and audits, as well as regulatory actions unknown and unasserted at this time.

The Medical Centers are contingently liable in connection with certain claims and contracts, including those currently in litigation, arising out of the normal course of their activities. Management and General Counsel are of the opinion that the outcome of such matters will not have a material effect on the Medical Centers' financial position.

The Regents continues to monitor the federal government's actions with respect to the higher education sector and, in particular, the University. Such actions may have the direct or indirect effect of, among other things, reducing federal support for the University's research or other operations, reducing the University's fundraising or other revenue sources, and/or increasing costs borne by the University, and include or could possibly include, but are not limited to: investigations by governmental agencies, Congress or others into allegations of discrimination and harassment and related corrective or enforcement actions; regulatory changes to programs administered by federal agencies; suspensions, terminations, funding draw rejections and stop-work orders of various federal grants and contracts pursuant to certain executive orders, departmental memos and other governmental actions.

It is unclear how the matters described herein (and other or future federal actions) will ultimately impact the University, including its operations, financial condition and reputation. The University cannot predict if any of the federal actions will continue and for how long, if any potential resolutions may arise, the consequences and impacts of such actions, or whether any new federal actions may be proposed or pursued by the current or future administration or legislature.

16. Subsequent Events

In October 2025, the Regents, on behalf of UCI Health, completed a Stock Purchase Agreement with PHPS-CHM Acquisition, Inc., whose ultimate parent is Tenet Healthcare Corporation. Under the agreement, the Regents, through UCI Health, acquired 100 percent of the issued and outstanding shares of Premier Health Plan Services, Inc. ("the Plan") and 100 percent of the limited liability company interests of its direct parent, Coast Healthcare Management, LLC ("CHM"). The preliminary cash consideration for the acquisition was approximately \$41.1 million. The Plan operates as a restricted health care service plan under the Knox-Keene Health Care Service Plan Act of 1975, as amended. The California Department of Managed Health Care approved the change in ownership of the Plan on October 3, 2025.

In October 2025, the Regents, on behalf of UC San Diego Health, approved a Joint Exercise of Powers Agreement with Palomar Health, a California local healthcare district, to establish the Palomar UCSD Health Authority. Formed under California Government Code Section 6500 et seq., the Authority is intended to stabilize and strengthen access to community hospital services in San Diego County and surrounding areas. The Authority will operate Palomar Medical Center Escondido and Palomar Medical Center Poway, with the transfer of these hospitals and related assets expected to occur in phases beginning in spring 2026. As of the date of issuance of these financial statements, UC San Diego Health has provided \$90.0 million to Palomar Health for working capital support. This amount includes \$20.0 million provided prior to June 30, 2025 and \$70.0 million provided subsequent to June 30, 2025.

Required Supplementary Information

(Unaudited)

UCRP

UCRP RSI Table 1 presents the Medical Centers' proportionate share of UCRP's net pension liability for the past 10 years.

UCRP RSI Table 1: At June 30 (in thousands of dollars)

Description	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Davis					
2025	7.3%	\$906,354	\$1,340,951	67.6%	90.1%
2024	7.8	1,344,486	1,294,944	103.8	84.9
2023	7.8	1,529,126	1,159,655	131.9	81.2
2022	7.6	1,527,815	1,026,636	148.8	79.3
2021	7.1	472,294	914,099	51.7	93.9
2020	6.7	1,368,556	854,960	160.1	76.6
2019	6.7	1,151,862	793,442	145.2	79.5
2018	6.8	643,552	791,832	81.3	87.2
2017	6.7	675,141	732,307	92.2	85.2
2016	6.6	895,967	682,784	131.2	78.3
Irvine					
2025	5.7%	\$713,030	\$1,054,928	67.6%	90.1%
2024	5.3	923,324	656,512	140.6	84.9
2023	3.4	667,084	505,902	131.9	81.2
2022	3.3	670,850	450,787	148.8	79.3
2021	3.2	215,278	416,658	51.7	93.9
2020	3.1	632,665	395,237	160.1	76.6
2019	3.0	519,523	357,866	145.2	79.5
2018	3.0	279,015	343,303	81.3	87.2
2017	3.2	321,946	349,207	92.2	85.2
2016	3.2	438,524	334,184	131.2	78.3
Los Angeles					
2025	7.1%	\$878,703	\$1,300,041	67.6%	90.1%
2024	6.9	1,194,585	1,135,462	105.2	84.9
2023	7.0	1,374,737	1,042,570	131.9	81.2
2022	7.1	1,430,028	960,926	148.8	79.3
2021	7.2	478,616	926,335	51.7	93.9
2020	7.1	1,451,711	906,908	160.1	76.6
2019	7.2	1,245,807	858,155	145.2	79.5
2018	7.5	706,286	869,020	81.3	87.2
2017	7.3	741,290	804,058	92.2	85.2
2016	7.3	990,520	754,840	131.2	78.3

UCRP RSI Table 1: At June 30 (in thousands of dollars) (continued)

Description	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
San Diego					
2025	5.8%	\$721,891	\$1,068,037	67.6%	90.1%
2024	5.9	1,024,015	939,432	109.0	84.9
2023	5.5	1,078,132	817,631	131.9	81.2
2022	5.5	1,108,138	744,628	148.8	79.3
2021	5.3	353,179	683,559	51.7	93.9
2020	5.1	1,048,715	655,150	160.1	76.6
2019	4.9	844,319	581,596	145.2	79.5
2018	4.9	460,577	566,698	81.3	87.2
2017	4.5	459,781	498,712	92.2	85.2
2016	4.1	564,996	430,563	131.2	78.3
San Francisco					
2025	12.4%	\$1,538,771	\$2,047,730	75.1%	90.1%
2024	10.4	1,800,362	1,734,021	103.8	84.9
2023	11.1	2,164,448	1,641,469	131.9	81.2
2022	10.8	2,175,275	1,461,705	148.8	79.3
2021	10.3	688,043	1,331,669	51.7	93.9
2020	9.9	2,022,619	1,263,564	160.1	76.6
2019	9.6	1,643,970	1,132,424	145.2	79.5
2018	9.4	886,409	1,090,645	81.3	87.2
2017	9.1	919,943	997,838	92.2	85.2
2016	8.6	1,171,002	892,379	131.2	78.3
Total					
2025	38.3%	\$4,758,749	\$6,811,687	69.9%	90.1%
2024	36.3	6,286,772	5,760,371	109.1	84.9
2023	34.8	6,813,527	5,167,227	131.9	81.2
2022	34.3	6,912,106	4,644,682	148.8	79.3
2021	33.1	2,207,410	4,272,320	51.7	93.9
2020	31.9	6,524,266	4,075,819	160.1	76.6
2019	31.4	5,405,481	3,723,483	145.2	79.5
2018	31.6	2,975,839	3,661,498	81.3	87.2
2017	30.8	3,118,101	3,382,122	92.2	85.2
2016	29.8	4,061,009	3,094,750	131.2	78.3

Notes to Required Supplementary Information for the Year Ended June 30, 2025: UCRP

Changes of Benefit Terms

UCRP was amended during the fiscal year ended June 30, 2023 to provide a one-time cost-of-living adjustment (ad hoc COLA) to a cohort of retirees. There were no changes to the size or composition of the covered population in any of the fiscal years in the 10-year period ended June 30, 2025, that significantly affected the total pension liability.

Changes in Assumptions

Actuarial assumptions were changed three times during the 10-year period ended June 30, 2025, each time coinciding with an experience study. Amounts reported in 2023 include an adjustment to the mortality assumption reflecting longer life expectancy. Amounts reported in 2019 include an adjustment to the mortality assumption reflecting longer life expectancy and a decrease in the investment rate of return from 7.25 percent to 6.75 percent.

CHRCO Pension Plan

CHRCO RSI Tables 1a and 1b present the schedule of changes in the net pension liability for the CHRCO Pension Plan as of June 30 for the past 10 years.

CHRCO RSI Table 1a: Changes in net pension liability, 2021–25 *(in thousands of dollars)*

Description	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$14,263	\$14,012	\$14,159	\$15,775	\$14,873
Interest on the total pension liability	48,326	45,927	44,522	42,159	38,932
Changes of benefit terms	(135,792)	3,805			
Difference between expected and actual experience	4,631	23,722	6,851	1,058	18,527
Changes of assumptions or other inputs	21,940	(6,149)	(23,590)	(22,525)	(2,413)
Benefits paid, including refunds of employee contributions	(29,566)	(65,531)	(25,027)	(22,683)	(19,684)
Net change in total pension (asset) liability	(76,198)	15,786	16,915	13,784	50,235
Total pension liability, beginning of year	690,636	674,850	657,935	644,151	593,916
Total pension liability, end of year	\$614,438	\$690,636	\$674,850	\$657,935	\$644,151
Plan net position					
Contributions, employer	\$41,800	\$46,500	\$41,400	\$37,452	\$31,752
Net investment income	89,585	90,743	73,339	(94,275)	111,835
Benefits paid, including refunds of employee contributions	(29,566)	(65,531)	(25,027)	(22,683)	(19,684)
Administrative expense	(3,102)	(4,979)	(4,073)	(4,062)	(3,600)
Net change in plan net position	98,717	66,733	85,639	(83,568)	120,303
Plan net position, beginning of year	690,589	623,856	538,217	621,785	501,482
Plan net position, end of year	789,306	690,589	623,856	538,217	621,785
Net pension (asset) liability, end of year	(\$174,868)	\$47	\$50,994	\$119,718	\$22,366

CHRCO RSI Table 1b: Changes in net pension liability, 2016–20 (in thousands of dollars)

Description	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$12,648	\$11,430	\$11,304	\$9,910	\$10,410
Interest on the total pension liability	36,005	34,165	31,854	29,672	27,782
Changes of benefit terms			92	33	24
Difference between expected and actual experience	23,581	5,214	3,609	2,442	(3,690)
Changes of assumptions or other inputs	28,609	(9,540)			3,613
Benefits paid, including refunds of employee contributions	(17,262)	(15,143)	(12,802)	(11,767)	(9,509)
Net change in total pension liability	83,581	26,126	34,057	30,290	28,630
Total pension liability, beginning of year	510,335	484,209	450,152	419,862	391,232
Total pension liability, end of year	\$593,916	\$510,335	\$484,209	\$450,152	\$419,862
Plan net position					
Contributions, employer	\$31,200	\$31,200	\$33,600	\$28,800	\$24,000
Net investment income	(7,468)	25,203	33,269	41,256	214
Benefits paid, including refunds of employee contributions	(17,262)	(15,143)	(12,802)	(11,767)	(9,509)
Administrative expense	(3,598)	(2,711)	(3,014)	(2,727)	(1,816)
Net change in plan net position	2,872	38,549	51,053	55,562	12,889
Plan net position, beginning of year	498,610	460,061	409,008	353,446	340,557
Plan net position, end of year	501,482	498,610	460,061	409,008	353,446
Net pension liability, end of year	\$92,434	\$11,725	\$24,148	\$41,144	\$66,416

CHRCO RSI Table 2a and Table 2b present the net pension liability of the CHRCO pension plan in the past 10 years.

CHRCO RSI Table 2a: Net pension liability of the CHRCO pension plan, 2021–25 (in thousands of dollars)

Description	2025	2024	2023	2022	2021
Total pension liability	\$614,438	\$690,636	\$674,850	\$657,935	\$644,151
Plan net position	789,306	690,589	623,856	538,217	621,785
Net pension (asset) liability	(\$174,868)	\$47	\$50,994	\$119,718	\$22,366
Ratio of plan net position to total pension liability	128.5%	100.0%	92.4%	81.8%	96.5%
Covered payroll	\$285,119	\$245,944	\$224,898	\$214,184	\$220,208
Net pension liability as a percentage of covered payroll	N/A	0.0%	22.7%	55.9%	10.2%

CHRCO RSI Table 2b: Net pension liability of the CHRCO pension plan, 2016–20 (in thousands of dollars)

Description	2020	2019	2018	2017	2016
Total pension liability	\$593,916	\$510,335	\$484,209	\$450,152	\$419,862
Plan net position	501,482	498,610	460,061	409,008	353,446
Net pension liability	\$92,434	\$11,725	\$24,148	\$41,144	\$66,416
Ratio of plan net position to total pension liability	84.4%	97.7%	95.0%	90.9%	84.2%
Covered payroll	\$209,596	\$190,599	\$187,639	\$184,083	\$165,672
Net pension liability as a percentage of covered payroll	44.1%	6.2%	12.9%	22.4%	40.1%

CHRCO RSI Table 3a and Table 3b present employer contributions to the CHRCO pension plan as of June 30 in the past 10 years.

CHRCO RSI Table 3a: Employer contributions to the CHRCO pension plan, 2021–25 (in thousands of dollars)

Description	2025	2024	2023	2022	2021
Actuarially calculated employer contributions	\$33,030	\$34,660	\$17,990	\$11,050	\$15,270
Contributions in relation to the actuarially calculated employer contribution	41,800	46,500	41,400	37,452	31,752
Annual contribution (excess) deficiency	(\$8,770)	(\$11,840)	(\$23,410)	(\$26,402)	(\$16,482)
Covered payroll	\$285,119	\$245,944	\$224,898	\$214,184	\$220,208
Actual contributions as a percentage of covered payroll	14.7%	18.9%	18.4%	17.5%	14.4%

CHRCO RSI Table 3b: Employer contributions to the CHRCO pension plan, 2016–20 (in thousands of dollars)

Description	2020	2019	2018	2017	2016
Actuarially calculated employer contributions	\$22,070	\$17,870	\$7,710	\$5,642	\$7,823
Contributions in relation to the actuarially calculated employer contribution	31,200	31,200	33,600	28,800	24,000
Annual contribution (excess) deficiency	(\$9,130)	(\$13,330)	(\$25,890)	(\$23,158)	(\$16,177)
Covered payroll	\$209,596	\$190,599	\$187,639	\$184,083	\$165,672
Actual contributions as a percentage of covered payroll	14.9%	16.4%	17.9%	15.6%	14.5%

CHRCO RSI Table 4: Methods and assumptions used to determine contribution rates

Methods and assumptions	Description
Valuation date	Actuarially calculated contributions are calculated as of January 1 of the fiscal year (for the Represented Plan) and as of July 1 of the beginning of the fiscal year (for the Unrepresented Plan) in which contributions are reported.
Actuarially determined contribution	The Plan is subject to funding requirements under ERISA. The contribution shown is the IRC Section 430 minimum contribution prior to offset by credit balances prorated for the number of months in the fiscal year. The contributions reflect the Highway and Transportation Funding Act of 2014 (HATFA). The contribution for July 1, 2020 and after reflects the American Rescue Plan Act of 2021 (ARPA).
Contributions in relation to the actuarially determined contribution	The amount shown is equal to the contributions contributed to the plan during the fiscal year shown.
Actuarial cost method	Unit Credit Actuarial Cost Method
Amortization method	Level dollar, closed amortization over a 15-year period from the valuation date as specified under the Pension Protection Act (PPA) of 2006
Remaining amortization period	15 years for changes in unfunded liabilities that occur each valuation date
Asset valuation method	The actuarial value of assets is equal to the two-year average of Plan asset values as of the valuation date. The two-year average is the average of the two prior years' adjusted market value of assets and the current year's market value of assets. For this purpose, the prior years' market value of assets is adjusted to reflect benefit payments, administrative expenses, contributions and expected returns for the prior years. The resulting actuarial value of assets is adjusted to be within 10% of the market value of assets at the valuation date, as required by IRC Section 430.
Inflation	3.0%
Investment rate of return	7.00% (limited to the 3rd segment rate applicable for each year) for the Represented Plan 7.00% (limited to the 3rd segment rate applicable for each year) for the Unrepresented Plan
Projected salary increases	Represented employees: 4.50% for FYE 2025, 4.2% for FYE 2026 and 3.5% for FYE 2027 annually thereafter Unrepresented employees: 4.20% for FYE 2025 and 3.5% for FYE 2026 annually thereafter Salary increase assumption includes inflation
Cost-of-living adjustments	None
Mortality	IRS generational mortality table prescribed for the valuation year
Remarks	Note that the above assumptions are for the 2025 plan year for the Represented Plan and 2024 plan year for the Unrepresented Plan.

Notes to Required Supplementary Information for the Year Ended June 30, 2025: CHRCO Pension Plan

Changes of Benefit Terms

The CHRCO Pension Plan was amended during the fiscal year ended June 30, 2025 to close the CHRCO Pension Plan to new participants effective July 6, 2025, freeze credited service for benefit accrual purposes as of July 5, 2025, freeze pay for benefit accrual purposes after June 30, 2030 for unrepresented employees and December 31, 2030 for represented employees and provide partial benefit service for participants working between 500 and 999 hours during 2025 for represented employees. Certain employees also transferred out of the CHRCO Pension plan due to a change in employment status.

Change in Assumption

The long-term expected return on plan assets (which is also used to discount plan liabilities) was revised from 7.0% as of June 30, 2024 to 6.75% as of June 30, 2025 to better reflect the expected future anticipated experience.

OCERS

OCERS RSI Table 1 presents Irvine's proportionate share of OCERS' net pension liability for which data is available.

OCERS RSI Table 1: At June 30 (in thousands of dollars)

Description	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.3%	\$10,711			75.9%
2024	0.3	13,278			71.8
2023	0.3	14,657			69.6
2022	0.4	8,567			82.8
2021	0.3	12,669			75.4
2020	0.3	15,107			71.6
2019	0.3	17,404			67.9
2018	0.3	13,822	\$15	92,146.7%	75.1
2017	0.3	18,057	44	41,038.6	69.0
2016	0.3	18,092	285	6,347.5	69.5

Retiree Health Benefits

Retiree Health Benefits RSI Table 1 presents the Medical Centers' proportionate share of UCRHBT's net retiree health benefits liability.

Retiree health benefits RSI Table 1: At June 30 (in thousands of dollars)

Description	Proportion of the net retiree health benefits liability	Proportionate share of the net retiree health benefits liability	Covered payroll	Proportionate share of the net retiree health benefits liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total retiree health benefits liability
Davis					
2025	6.9%	\$1,326,900	\$1,452,691	91.3%	1.4%
2024	7.4	1,495,319	1,397,892	107.0	1.1
2023	7.5	1,621,188	1,246,816	130.0	0.9
2022	7.3	1,429,502	1,099,068	130.1	0.9
2021	7.0	1,705,269	957,674	178.1	0.7
2020	6.6	1,534,830	868,923	176.6	0.7
2019	6.6	1,268,189	816,000	155.4	0.8
2018	6.7	1,215,567	804,821	151.0	0.7
2017	6.6	1,227,803	735,904	166.8	0.6
2016	6.6	1,385,392	682,784	202.9	0.3
Irvine					
2025	5.4%	\$1,048,980	\$1,148,386	91.3%	1.4%
2024	5.2	1,050,984	708,655	148.3	1.1
2023	3.2	702,471	540,269	130.0	0.9
2022	3.2	623,548	479,449	130.1	0.9
2021	3.2	775,408	435,426	178.1	0.7
2020	3.1	713,600	404,077	176.6	0.7
2019	3.0	572,706	368,444	155.4	0.8
2018	3.0	548,548	363,214	151.0	0.7
2017	3.1	574,394	344,334	166.8	0.6
2016	3.2	678,034	334,184	202.9	0.3
Los Angeles					
2025	6.7%	\$1,284,010	\$1,405,695	91.3%	1.4%
2024	6.6	1,343,961	1,220,045	110.2	1.1
2023	6.7	1,448,495	1,113,991	130.0	0.9
2022	6.8	1,338,495	1,029,110	130.1	0.9
2021	7.1	1,723,183	967,713	178.1	0.7
2020	7.0	1,623,943	919,462	176.6	0.7
2019	7.1	1,358,829	874,296	155.4	0.8
2018	7.7	1,404,685	930,071	151.0	0.7
2017	7.6	1,422,069	852,389	166.8	0.6
2016	7.3	1,531,589	754,840	202.9	0.3
San Diego					
2025	5.5%	\$1,054,942	\$1,155,067	91.3%	1.4%
2024	5.6	1,139,851	1,008,027	113.1	1.1
2023	5.2	1,133,878	872,152	130.0	0.9
2022	5.3	1,028,874	791,102	130.1	0.9
2021	5.3	1,271,447	714,031	178.1	0.7
2020	5.2	1,193,191	675,577	176.6	0.7
2019	4.8	932,379	599,852	155.4	0.8
2018	4.8	867,819	574,571	151.0	0.7
2017	4.5	835,720	500,922	166.8	0.6
2016	4.1	873,597	430,563	202.9	0.3

Retiree health benefits RSI Table 1: At June 30 (in thousands of dollars) (continued)

Description	Proportion of the net retiree health benefits liability	Proportionate share of the net retiree health benefits liability	Covered payroll	Proportionate share of the net retiree health benefits liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total retiree health benefits liability
San Francisco					
2025	12.1%	\$2,329,719	\$2,250,807	103.5%	1.4%
2024	9.9	2,018,376	1,886,816	107.0	1.1
2023	10.7	2,324,959	1,788,161	130.0	0.9
2022	10.4	2,041,112	1,569,364	130.1	0.9
2021	10.3	2,493,992	1,400,659	178.1	0.7
2020	10.6	2,463,690	1,394,885	176.6	0.7
2019	10.1	1,945,198	1,251,556	155.4	0.8
2018	9.8	1,789,855	1,185,071	151.0	0.7
2017	9.5	1,777,540	1,065,427	166.8	0.6
2016	8.6	1,810,693	892,379	202.9	0.3
Total					
2025	36.6%	\$7,044,551	\$7,412,646	95.0%	1.4%
2024	34.7	7,048,491	6,221,435	113.3	1.1
2023	33.3	7,230,991	5,561,389	130.0	0.9
2022	33.0	6,461,531	4,968,093	130.1	0.9
2021	32.9	7,969,299	4,475,503	178.1	0.7
2020	32.5	7,529,254	4,262,924	176.6	0.7
2019	31.6	6,077,301	3,910,148	155.4	0.8
2018	32.0	5,826,474	3,857,748	151.0	0.7
2017	31.3	5,837,526	3,498,976	166.8	0.6
2016	29.8	6,279,305	3,094,750	202.9	0.3

Retiree health benefits RSI Table 2

Notes to schedule	Description																						
Changes of benefit terms	In 2019, University contributions for retirees age 65 and older not eligible for Medicare were reduced to levels comparable to Medicare-eligible retirees over a three-year period.																						
Changes in assumptions or other inputs	Changes in assumptions or other inputs primarily reflect the effects of changes in the discount rate and health care cost trend rate in each period. The following are the health care cost trend assumptions used in each period:																						
	<table> <tr> <th>As of June 30</th><th>Health care cost trend rate</th></tr> <tr> <td>2025</td><td>1.01% to 20.7% decreasing to 3.9% in 2075</td></tr> <tr> <td>2024</td><td>0.2% to 20.5% decreasing to 3.9% in 2076</td></tr> <tr> <td>2023</td><td>(3.1%) to 29.1% decreasing to 3.9% in 2075</td></tr> <tr> <td>2022</td><td>1.4% to 14.6% decreasing to 3.9% in 2075</td></tr> <tr> <td>2021</td><td>2.7% to 7.5% decreasing to 4.0% in 2075</td></tr> <tr> <td>2020</td><td>2.7% to 9.0% decreasing to 4.0% in 2076</td></tr> <tr> <td>2019</td><td>4.4% to 9.4% decreasing to 4.0% in 2077</td></tr> <tr> <td>2018</td><td>5.0% to 9.3% decreasing to 5.0% in 2033</td></tr> <tr> <td>2017</td><td>5.0% to 9.5% decreasing to 5.0% in 2032</td></tr> <tr> <td>2016</td><td>6.3% to 9.0% decreasing to 5.0% in 2031</td></tr> </table>	As of June 30	Health care cost trend rate	2025	1.01% to 20.7% decreasing to 3.9% in 2075	2024	0.2% to 20.5% decreasing to 3.9% in 2076	2023	(3.1%) to 29.1% decreasing to 3.9% in 2075	2022	1.4% to 14.6% decreasing to 3.9% in 2075	2021	2.7% to 7.5% decreasing to 4.0% in 2075	2020	2.7% to 9.0% decreasing to 4.0% in 2076	2019	4.4% to 9.4% decreasing to 4.0% in 2077	2018	5.0% to 9.3% decreasing to 5.0% in 2033	2017	5.0% to 9.5% decreasing to 5.0% in 2032	2016	6.3% to 9.0% decreasing to 5.0% in 2031
As of June 30	Health care cost trend rate																						
2025	1.01% to 20.7% decreasing to 3.9% in 2075																						
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2018	5.0% to 9.3% decreasing to 5.0% in 2033																						
2017	5.0% to 9.5% decreasing to 5.0% in 2032																						
2016	6.3% to 9.0% decreasing to 5.0% in 2031																						

Accessible Appendix

Display 1: Patient days by location

Location	2025	2024	2023
Davis	230,715	227,310	226,330
Irvine	373,650	206,747	150,025
Los Angeles	335,272	301,345	287,335
San Diego	281,649	265,356	244,896
San Francisco	375,137	318,219	320,130

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Display 2: Outpatient visits volume by location *(not including School of Medicine and other non-hospital clinic visits for Davis, Irvine, Los Angeles and San Diego)*

Location	2025	2024	2023
Davis	1,152,752	1,084,670	1,034,377
Irvine	1,689,005	1,328,273	1,155,587
Los Angeles	936,306	851,814	868,652
San Diego	490,749	453,949	411,442
San Francisco	3,433,360	2,973,262	2,726,144

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Display 3: Net patient service revenue and other operating revenue *(in millions of dollars)*

Location	Year	Net patient service revenue	Other operating revenue
Davis	2025	\$3,865	\$199
	2024	3,576	167
	2023	3,277	152
Irvine	2025	3,372	211
	2024	2,282	164
	2023	1,825	156
Los Angeles	2025	4,401	632
	2024	3,804	405
	2023	3,523	261
San Diego	2025	4,118	154
	2024	3,510	160
	2023	3,058	198
San Francisco	2025	8,419	490
	2024	7,252	263
	2023	6,434	385

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Display 4: Net patient service revenue by payor *(by percentage)*

Location	Year	Contracted	Medicare	Medi-Cal	Non-sponsored / Self-pay
Davis	2025	53%	25%	22%	0%
	2024	52	26	22	0
	2023	53	25	22	0
Irvine	2025	43	34	22	1
	2024	42	34	24	0
	2023	42	28	30	0
Los Angeles	2025	56	28	15	1
	2024	56	27	16	1
	2023	58	26	15	1
San Diego	2025	51	27	22	0
	2024	51	29	20	0
	2023	51	27	22	0
San Francisco	2025	56	21	22	1
	2024	55	21	23	1
	2023	56	20	23	1

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Display 5: Operating expenses by type *(by percentage)*

Location	Year	Salaries and wages	Employee benefits	Medical supplies	Professional services	Depreciation and amortization	Other
Davis	2025	44%	15%	23%	4%	4%	10%
	2024	43	20	19	4	4	10
	2023	42	24	17	4	5	8
Irvine	2025	40	16	20	1	5	18
	2024	37	22	20	1	5	15
	2023	39	19	22	1	6	13
Los Angeles	2025	41	12	22	1	4	20
	2024	42	15	20	1	4	18
	2023	41	19	18	1	5	16
San Diego	2025	39	13	29	3	3	13
	2024	36	17	28	3	4	12
	2023	38	19	26	3	4	10
San Francisco	2025	37	12	19	19	3	10
	2024	36	15	18	19	3	9
	2023	36	18	17	17	3	9

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University of California Regents and Officers

As of November 2025

Appointed Regents

(In alphabetical order by last name)

Maria Anguiano
Elaine E. Batchlor
Sonya Brooks
Carmen Chu
Michael Cohen
Gareth Elliott
Jose M. Hernandez
Brian Komoto
Nancy Lee
Richard Leib
Hadi Makarechian
Ana Matosantos
Robert Myers
Lark Park
Janet Reilly
Mark Robinson
Gregory Sarris
Jonathan “Jay” Sures
Ann Wang

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Eleni Kounalakis, *Lieutenant Governor*
Robert Rivas, *Speaker of the Assembly*
Tony Thurmond, *State Superintendent of Public Instruction*
James B. Milliken, *President of the University*

Regents-Designate

Charles Melton, *Alumni Regent-Designate*
Karl Tokita, *Alumni Regent-Designate*
Miguel Craven, *Student Regent-Designate*

Faculty Representatives (non-voting)

Ahmet Palazoglu, *Chair, Universitywide Academic Senate*
Susannah Scott, *Vice Chair, Universitywide Academic Senate*

Officers of the Regents

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Charles F. Robinson, *General Counsel and Senior Vice President of Legal Affairs*
Jagdeep Singh Bachher, *Chief Investment Officer, Senior Vice President of Investments*
Alexander Bustamante, *Chief Compliance and Audit Officer and Senior Vice President*

Office of the President

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Katherine Newman, *Provost and Executive Vice President of Academic Affairs*
Nathan Brostrom, *Chief Financial Officer and Executive Vice President*
Rachael Nava, *Chief Operating Officer and Executive Vice President*
David Rubin, *Executive Vice President of UC Health*

Medical Center Chief Executive Officers

Michael Condryn (Interim), *Davis*
Chad Lefteris, *Irvine*
Johnese Spisso, *Los Angeles*
Patty Maysent, *San Diego*
Suresh Gunasekaran, *San Francisco*

Medical Center Chief Financial Officers

Jennifer Doll, *Davis*
Randolph Siwabessy, *Irvine*
Tammy Wallace, *Los Angeles*
Lori Donaldson, *San Diego*
James Wentz, *San Francisco*





University of California
Office of the President
1111 Franklin Street
Oakland, CA 94607

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