OREGON HEALTH & SCIENCE UNIVERSITY

(A Component Unit of the State of Oregon)

Financial Statements
and Supplementary Information

June 30, 2026 and 2025

(Dollars in thousands)

(With Independent Auditors' Report Thereon)

OREGON HEALTH & SCIENCE UNIVERSITY
(A Component Unit of the State of Oregon)

Table of Contents

	Page(s)
Independent Auditors' Report	1–3
Management Discussion and Analysis (Unaudited)	4–29
Financial Statements:	
Statements of Net Position	30–31
Statements of Revenues, Expenses, and Changes in Net Position	32
Statements of Cash Flows	33–34
Nongovernmental Aggregate Discretely Presented Component Units – Balance Sheets	35–36
Nongovernmental Aggregate Discretely Presented Component Units – Statements of Operations	37
Nongovernmental Aggregate Discretely Presented Component Units – Statements of Changes in Net Assets	38
Notes to Financial Statements	39–103
Required Supplementary Information (Unaudited)	104
Supplementary information:	
Combining Schedules of Net Position, June 30, 2026 with comparative totals for June 30, 2025 – Schedule 1	105–106
Combining Schedules of Revenues, Expenses, and Changes in Net Position, Years ended June 30, 2026 and 2025 – Schedule 2	107
Nongovernmental Discretely Presented Component Units – Consolidating Balance Sheets – Schedule 3	108–109
Nongovernmental Discretely Presented Component Units – Consolidating Statements of Operations – Schedule 4	110
Nongovernmental Discretely Presented Component Units – Consolidating Statements of Changes in Net Assets – Schedule 5	111

KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Board of Directors
Oregon Health & Science University:

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Oregon Health & Science University (OHSU) as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise OHSU's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of OHSU, as of June 30, 2026 and 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Emphasis of Matter

In 2026, OHSU adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OHSU's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise OHSU's basic financial statements. The supplemental information included in schedules 1 through 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

KPMG LLP

Portland, Oregon
October 30, 2026

Introduction

Oregon Health & Science University (OHSU) is Oregon's only public academic health center and health sciences university and is a component unit of the State of Oregon. Through its integrated missions of education, research, and healthcare, OHSU serves as a statewide provider of specialized healthcare services, a leading biomedical research institution, and a center for health sciences education. OHSU operates a system of hospitals, clinics, and physician practices across Oregon and southwest Washington, including OHSU Hospital and OHSU Doernbecher Children's Hospital, and educates future healthcare professionals through its schools of medicine, nursing, dentistry, pharmacy, and public health.

OHSU's academic, research, and clinical enterprises work together to advance scientific discovery, improve patient outcomes, and address the healthcare needs of Oregon and beyond. Nationally recognized programs include the Knight Cancer Institute, Oregon's only National Cancer Institute-designated cancer center, and the Knight Cardiovascular Institute. As Oregon's largest employer and a significant contributor to the state's economy, OHSU provides highly specialized care, supports healthcare workforce development, and delivers education, research, and outreach programs that benefit communities throughout the region.

This Management's Discussion and Analysis (MD&A) provides an overview and analysis of OHSU's financial position and results of operations for the fiscal years ending June 30, 2026 and 2025, with comparative information for fiscal year 2024. The discussion focuses on significant activities, financial results, changes in financial position, and currently known facts, decisions, and conditions that are expected to have a significant effect on OHSU's financial position, results of operations, or cash flows. This discussion should be read in conjunction with the accompanying financial statements and related notes.

Overview of the Financial Statements

OHSU's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements include the Statements of Net Position, which present OHSU's financial position, the Statements of Revenues, Expenses, and Changes in Net Position, which report the results of operations for the fiscal year; and the Statements of Cash Flows, which provide information about cash receipts and payments from operating, financing and investing activities.

For financial reporting purposes, OHSU's financial statements include its academic programs, research activities, hospitals and clinics, and other operations conducted in support of its mission, as well as certain legally separate organizations for which OHSU is financially accountable. The Oregon Health & Science University Foundation (the Foundation), OHSU's designated philanthropic organization, and OHSU Insurance Company (INSCO), a captive insurance company supporting OHSU's risk management activities, are reported as blended component units. Their financial activities are included in OHSU's financial statements, with intercompany transactions eliminated.

Beginning in fiscal year 2026, OHSU's financial statements reflect the financial reporting model established by GASB Statement No.103, *Financial Reporting Model Improvements*. GASB 103 establishes definitions of operating and nonoperating revenues and expenses for proprietary fund financial statements and requires noncapital subsidies to be presented separately from operating and other nonoperating revenues, and expenses. The Statements of Revenues, Expenses, and Changes in Net Position also present a subtotal for operating income (loss) and noncapital subsidies, providing additional information about the effect of these resources on OHSU's financial results. Comparative fiscal year 2025 and 2024 information has been restated, where applicable, to conform to the presentation requirements of GASB Statement No. 103.

Financial Summary

To manage its operations and monitor its financial position, OHSU focuses on two key indicators: the total change in net position and the "Total University" operating performance. Fiscal year 2026 represented a strong year of progress for OHSU, with revenue growth outpacing expense growth and operating performance improving from the prior year. These results reflect continued success in advancing strategic priorities, including improving workforce productivity, expanding access to high-acuity and specialized services, strengthening reimbursement for the complexity of care provided, and maintaining disciplined operational management across OHSU's education, research, and healthcare missions.

The broadest measure of OHSU's financial strength is reflected in net position. OHSU ended fiscal year 2026 with total net position of $4.8 billion, an increase of $512 million, or 12.0%, compared with $4.3 billion ended June 30, 2025. This follows growth of approximately $238 million, or 5.9%, during fiscal year 2025 compared with fiscal year 2024, demonstrating continued strengthening of OHSU's financial position over the two-year period. The fiscal year 2026 increase was supported by improved operating results, strong investment performance, continued philanthropic support, and strategic capital investments, including the completion and opening of Vista Pavilion. OHSU also maintained stable liquidity during the year, positioning the organization to continue investing in its missions while supporting future growth, innovation, and patient care capacity.

The following condensed financial information compares OHSU's financial position and results of operations for fiscal years 2026, 2025, and 2024. Significant changes and the factors contributing to those changes are discussed in the sections that follow.

Condensed Statements of Net Position

(Dollars in thousands)

	2026	2025	2024
Assets:			
Current assets	$ 1,685,522	1,490,862	1,380,761
Capital assets	2,721,096	2,637,761	2,426,176
Other noncurrent assets	3,323,295	2,881,746	3,128,351
Total assets	7,729,913	7,010,369	6,935,288
Deferred outflows	268,104	239,328	194,460
Total assets and deferred outflows	$ 7,998,017	7,249,697	7,129,748
Liabilities:			
Current liabilities	$ 832,227	748,125	864,610
Noncurrent liabilities	2,039,703	2,043,193	2,031,989
Total liabilities	2,871,930	2,791,318	2,896,599
Deferred inflows	353,496	197,614	210,160
Net position:			
Net investment in capital assets	1,575,705	1,445,277	1,219,614
Restricted, expendable	634,500	611,045	599,596
Restricted, nonexpendable	413,947	388,410	369,145
Unrestricted	2,148,439	1,816,033	1,834,634
Total net position	4,772,591	4,260,765	4,022,989
Total liabilities, deferred outflows, and net position – end of year	$ 7,998,017	7,249,697	7,129,748

(Continued)

Condensed Statements of Revenue, Expenses, and Changes in Net Position

For the fiscal years ended June 30, 2026, 2025 and 2024

(Dollars in thousands)

		2026	2025	2024
Operating revenues				
Patient service revenue, net	$	4,892,456	4,095,300	3,668,810
Grants and contracts		728,542	683,407	677,775
Other operating revenues		423,409	428,114	403,451
Total operating revenues		6,044,407	5,206,821	4,750,036
Operating expenses				
Salaries, wages and benefits		3,674,880	3,378,574	3,160,542
Services, supplies, and other		2,134,491	1,954,627	1,712,096
Other operating expenses		356,314	348,784	331,986
Total operating expenses		6,165,685	5,681,985	5,204,624
Operating income (loss)	$	(121,278)	(475,164)	(454,588)
Noncapital subsidies				
Gifts		114,232	134,551	117,036
Scholarships		7,661	13,712	10,753
State appropriations		73,539	70,396	72,886
Total noncapital subsidies		195,432	218,659	200,675
Operating income (loss) and noncapital subsidies	$	74,154	(256,505)	(253,913)
Nonoperating revenues, net		437,672	330,661	179,940
Total change in net position	$	511,826	74,156	(73,973)
Net position - beginning of year, as adjusted*		4,260,765	4,186,609	4,096,962
Net position - end of year	$	4,772,591	4,260,765	4,022,989

* Beginning year net position for year ended June 30, 2025 has been adjusted by $163,620 related to estimated liabilities associated with compensated absences.

(Continued)

Comparative fiscal year 2025 information has been updated to reflect a refinement to OHSU's compensated absence liability methodology under GASB Statement No. 101, *Compensated Absences*. As a result, beginning net position as of July 1, 2024, increased by $164 million, fiscal year 2025 salaries, wages, and benefits expense decreased by $16 million, and compensated absence liabilities at June 30, 2025, decreased by $179 million. The refinement did not affect cash flows.

The following discussion provides additional analysis of significant changes in OHSU's results of operations, financial position, and liquidity during fiscal year 2026 and 2025.

Results of Operations

Fiscal year 2026 operating performance increased compared with fiscal year 2025 as growth in revenues exceeded growth in expenses. Strong clinical demand, increased patient acuity, growth in pharmacy services, continued support through state-directed payment programs, and ongoing operational initiatives focused on workforce productivity and operational effectiveness contributed to improved financial results. These factors were partially offset by continued pressure from labor and benefit costs, pharmaceutical and medical supply inflation, and support for affiliated clinical operations.

Total University Operating Performance

Management uses "Total University" results as a supplemental measure to assess underlying operating performance. Total University differs from generally accepted accounting principles primarily in its treatment of the OHSU Foundation, state appropriations and other noncapital subsidies, PERS pension expense, and the classification of certain revenues and expenses based on how management evaluates ongoing operations. A detailed presentation of Total University results is included in the supplementary financial information following the notes to the financial statements.

Total University operating performance improved by $253 million, from a $118 million operating loss in fiscal year 2025 to $135 million of operating income in fiscal year 2026. Operating margin improved from (2.1)% to 2.2%. The fiscal year 2026 result also exceeded the original budget, which anticipated an operating loss of $45 million. Results were driven primarily by strong growth in patient service revenue, increased patient acuity, continued expansion of pharmacy and specialized clinical services, and reimbursement enhancements, partially offset by higher labor costs, including the continued impact of staffing requirements under Oregon's hospital staffing law, as well as inflationary pressures affecting pharmaceuticals and medical supply costs.

(Continued)

These results reflect continued execution of OHSU's strategic priorities, including productivity improvements and reimbursement that better aligns with the complexity of care provided, while continuing to invest in the organization's long-term mission and strategic objectives.

Condensed Total University Operating Results

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025	$ Change	% Change
Patient service revenue, net	$ 4,892,456	4,095,300	797,156	19.5 %
Other revenues	1,400,595	1,413,142	(12,547)	(0.9)
Total operating revenues	6,293,051	5,508,442	784,609	14.2
Salaries, wages, and benefits, net of pension accrual	3,752,668	3,423,770	328,898	9.6
Services, supplies, and other	2,127,168	1,939,405	187,763	9.7
Depreciation and amortization, and interest	277,745	262,928	14,817	5.6
Total operating expenses, net of pension accrual	6,157,581	5,626,103	531,478	9.4
Adjusted operating income (loss)	135,470	(117,661)	253,131	(215.1)
Cash basis pension expense	101,472	67,830	33,642	49.6
Accrual basis pension expense	(77,183)	(84,433)	7,250	(8.6)
Operating income (loss)	$ 159,759	(134,264)	294,023	(219.0)%
Operating margin	2.2 %	(2.1)%		
EBITDA margin	6.6 %	2.6 %		

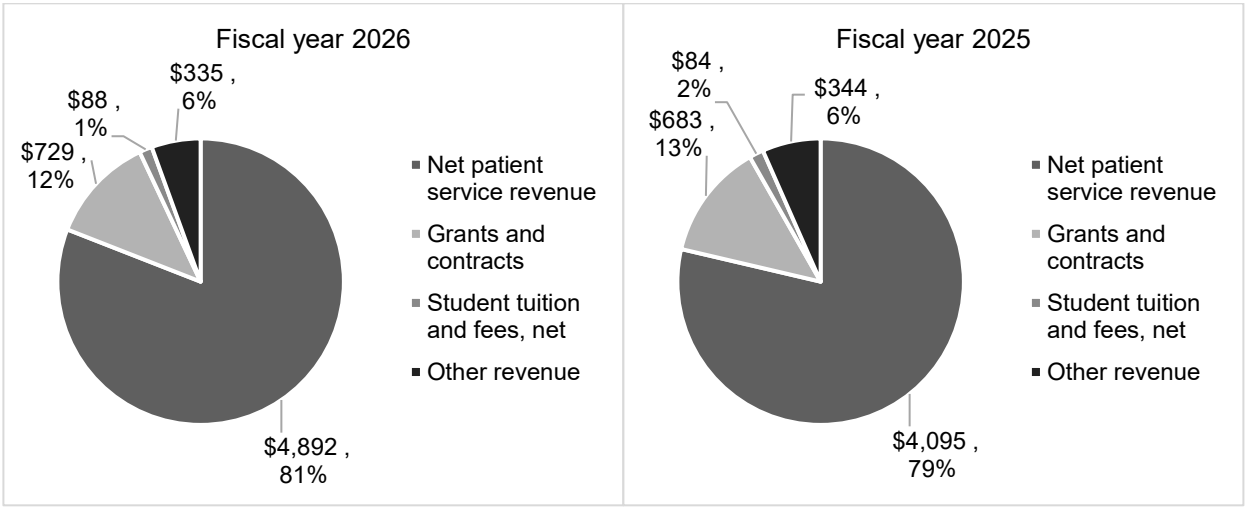
While Total University Operating Results provides management's view of operating performance, the discussion that follows focuses on the results reported in OHSU's financial statements prepared in accordance with generally accepted accounting principles. Under GASB Statement No. 103, certain mission-supporting resources, including state appropriations, gifts, scholarships, and investment income, are reported outside operating revenues and expenses. Accordingly, the following discussion analyzes OHSU's operating revenues, operating expenses, noncapital subsidies, and nonoperating activity as presented in the Statements of Revenues, Expenses, and Changes in Net Position.

Operating Revenues

Operating revenues increased to $6.0 billion in fiscal year 2026 from $5.2 billion in fiscal year 2025, an increase of $838 million, or 16.1%, following growth of approximately $457 million, or 9.6%, in fiscal year 2025 compared with fiscal year 2024. Growth in both periods was driven primarily by patient service revenue, research activity, medical service contracts, and state-directed payment programs.

Operating Revenue by Source
Fiscal years 2026 and 2025

(Dollars in millions)



Clinical Services Revenue

Net patient service revenue increased $797 million, or 19.5%, to $4.9 billion, driven by higher patient acuity, increased demand for specialized and complex services, improved reimbursement, and continued revenue cycle improvements. This follows growth of $426 million, or 11.6%, in fiscal year 2025 compared with fiscal year 2024, reflecting similar trends in patient activity, acuity, reimbursement, and demand for specialized care.

Case mix increased from 2.58 to 2.67 as OHSU expanded advanced clinical programs such as CAR-T therapy, transplant, gene therapy, and complex cardiovascular and neurological procedures. Patient activity remained strong, with surgical cases increasing 0.9%, ambulatory visits increasing 7.4%, and case mix-adjusted admissions increasing 8.2% compared with the prior year, reflecting growth in both outpatient demand and the complexity of care provided. While inpatient admissions declined 1% compared with the prior year, higher-acuity patients drove increased inpatient utilization, as evidenced by growth in case mix index and adjusted admissions.

As Oregon's only academic health center, OHSU serves as a statewide referral destination for tertiary and quaternary care services. Continued demand for highly specialized care was supported by the opening of Vista Pavilion in April 2026, which increased licensed bed capacity from 576 to 704 beds and expanded OHSU's ability to care for patients requiring advanced cancer, transplant, and other complex services.

Demand for OHSU's specialized services remained strong during fiscal year 2026. OHSU Hospital represented approximately 7.5% of licensed hospital beds in Oregon but accounted for 11.6% of occupied beds statewide. OHSU's occupancy rate was 88%, compared with the statewide average of 63%, reflecting continued demand

for the highly specialized and complex services provided by Oregon's only academic health center and supporting the need for ongoing investments in clinical capacity, including the opening of Vista Pavilion.

The OHSU Practice Plan, the largest organized clinical practice in Oregon, remains central to OHSU's healthcare delivery model. As of June 30, 2026, the Practice Plan included more than 1,940 physicians, nurse practitioners, physician assistants, and other licensed independent practitioners representing virtually every medical and surgical specialty. This integrated provider network supports OHSU's ability to deliver highly specialized care, expand access to services across the state, and support growth in clinical activity and patient service revenue.

OHSU also supports healthcare access through strategic partnerships and affiliations across Oregon, including relationships with Tuality, doing business as Hillsboro Medical Center, and Columbia Memorial Hospital. These collaborations expand access to specialty services, strengthen coordinated care delivery, and extend OHSU's reach as Oregon's academic health center, contributing to patient access across the region and supporting referral pathways for specialized care.

Clinical Capacity and Utilization Indicators

Metric	2026	2025	2024	2026 vs. 2025	2025 vs. 2024
Inpatient admissions	$ 28,858	29,150	27,713	(1.0)%	5.2 %
Average length of stay	6.91	6.82	7.03	1.3	(3.0)
Average daily census	509	502	493	1.4	1.8
Day/observation patients	52,675	51,612	48,538	2.1	6.3
Emergency visits	61,625	59,411	56,441	3.7	5.3
Ambulatory visits	1,352,795	1,260,117	1,210,547	7.4	4.1
Surgical cases	39,007	38,673	37,150	0.9	4.1
Casemix index	2.67	2.58	2.51	3.5	2.8
Outpatient share of activity	61.7 %	59.6 %	58.3 %	3.5	2.2
CMI/OP adjusted admissions	201,330	186,029	166,861	8.2	11.5

Revenue growth also benefited from state-directed payment funding, which increased to $340 million in fiscal year 2026 from $310 million in fiscal year 2025 and $220 million in fiscal year 2024. Through OHSU's Intergovernmental Transfer (IGT) partnership with the State of Oregon, this program helps secure funding for the Oregon Health Plan and covers a percentage of the cost of care provided to Medicaid and other low-income patients. Increased funding in both years reflected growth in patient activity and ongoing state support for healthcare access and services.

Operating performance was also supported by growth across OHSU's integrated missions. In addition to patient care services, increased research funding, educational programs, non-hospital pharmacy services, and other mission-based activities contributed to operating revenue growth and further diversified the institution's revenue base.

(Continued)

Research and Sponsored Program Revenue

Grants and contracts increased by $45 million, or 6.6%, to $729 million in fiscal year 2026 from $683 million in fiscal year 2025. This follows an increase of approximately $6 million, or 0.8%, in fiscal year 2025 compared with fiscal year 2024. This revenue category reflects support from federal and other governmental agencies, industry sponsors and medical service contracts that advance OHSU's education, research, healthcare, and outreach missions. Growth over the two-year period was driven primarily by medical service contracts, continued strength in sponsored research and program activity, and increased support for grant-funded initiatives across OHSU's missions.

OHSU's sponsored research enterprise continued to perform strongly during fiscal year 2026, consistent with record external research awards and ongoing support from federal agencies, industry sponsors, and other funding partners. More than 750 researchers secured over $550 million in external research awards during the year, the highest level in OHSU's history, including approximately $102 million related to clinical trials. Despite uncertainty surrounding the federal funding environment, federal awards increased to $423 million, while industry-sponsored funding increased to $73 million, reflecting continued success in securing support from both public and private funding sources.

Continued success in attracting federal, foundation, and industry funding reflects the strength of OHSU's research programs, faculty, infrastructure, and collaborative partnerships. Research activity spans a broad range of disciplines, including neuroscience, cancer, cardiovascular medicine, infectious disease, genetics, reproductive health, and biomedical imaging, and supports scientific discovery, healthcare innovation, and improvements in patient care.

Federal funding from the National Institutes of Health remains the foundation of OHSU's research enterprise, supporting a broad portfolio of basic, translational, clinical, and population health research. OHSU continues to rank among the nation's leading academic research institutions, with research activities supported through nationally recognized centers and institutes, including the Knight Cancer Institute, the Vollum Institute, the Casey Eye Institute, the Vaccine and Gene Therapy Institute, the Oregon National Primate Research Center, and the Pacific Northwest Cryo-EM Center.

(Continued)

Research funding and innovation remain important contributors to OHSU's long-term strategic priorities, supporting scientific advancement, economic development, and the translation of research discoveries into clinical applications that benefit patients and communities throughout Oregon and beyond.

Research Awards Received by Funding Source

Fiscal years ended June 30

(Dollars in thousands)

	Federal NIH	Federal Other	Private	Industry	Other	Total
FY 22	$ 332.1	82.4	53.8	44.7	5.5	518.5
FY 23	345.6	67.7	46.3	55.4	7.3	522.3
FY 24	353.6	67.2	46.8	59.9	7.3	534.8
FY 25	309.6	68.9	45.1	65.4	10.4	499.4
FY 26	366.6	56.8	46.6	73.3	7.0	550.3

OHSU's research activities also generated 92 invention disclosures and 44 license and option agreements during fiscal year 2026, demonstrating the continued translation of research discoveries into innovation and commercialization opportunities.

Educational Revenue

Student tuition and fees increased $4 million, or 4.7%, to $88 million from $84 million in fiscal year 2025. Tuition and fee revenue also increased in fiscal year 2025 compared with fiscal year 2024, reflecting enrollment growth and tuition adjustments under OHSU's Tuition Promise program. Fiscal year 2026 marked the thirteenth year of the OHSU Tuition Promise program, which provides eligible students with a fixed tuition rate for the normal duration of their degree program.

Education remains a core component of OHSU's mission and plays a critical role in developing Oregon's healthcare and biomedical workforce through programs in medicine, nursing, dentistry, public health, pharmacy, physician assistant studies, and biomedical sciences. Educational programs are delivered across OHSU's Portland campus, online, and through partnerships and training sites throughout the state.

As of the fall 2025 term, OHSU had 3,047 students enrolled in degree and certificate programs. Enrollment reached its highest level in more than two decades during fiscal year 2026, reflecting sustained demand for healthcare and biomedical education. Increased enrollment contributed to growth in tuition revenue and supports OHSU's long-term mission of addressing healthcare workforce needs across Oregon and the Pacific Northwest.

(Continued)

OHSU also collaborates with Oregon State University, Portland State University, and Oregon Institute of Technology through joint degree and professional programs that expand educational opportunities and strengthen workforce development throughout the state.

Fall Headcount Enrollment [a]
For Programs in the Years Indicated

	2025/2026	2024/2025	2023/2024
School of Dentistry:			
Graduate	$ 27	27	27
Professional	287	286	285
Subtotal	314	313	312
School of Medicine:			
Undergraduate	21	20	19
Graduate	643	695	676
Professional	570	554	549
Subtotal	1,234	1,269	1,244
School of Nursing:			
Undergraduate	902	816	769
Graduate	100	91	70
Professional	225	220	221
Subtotal	1,227	1,127	1,060
School of Public Health:			
Graduate	272	233	261
Total	$ 3,047	2,942	2,877

[a] This table excludes interns, residents, and trainees. This table also excludes students enrolled in the joint Pharm.D. degree program with OSU, the joint programs with OIT and the School of Public Health joint degree students registered by PSU.

Pharmacy and Other Revenue

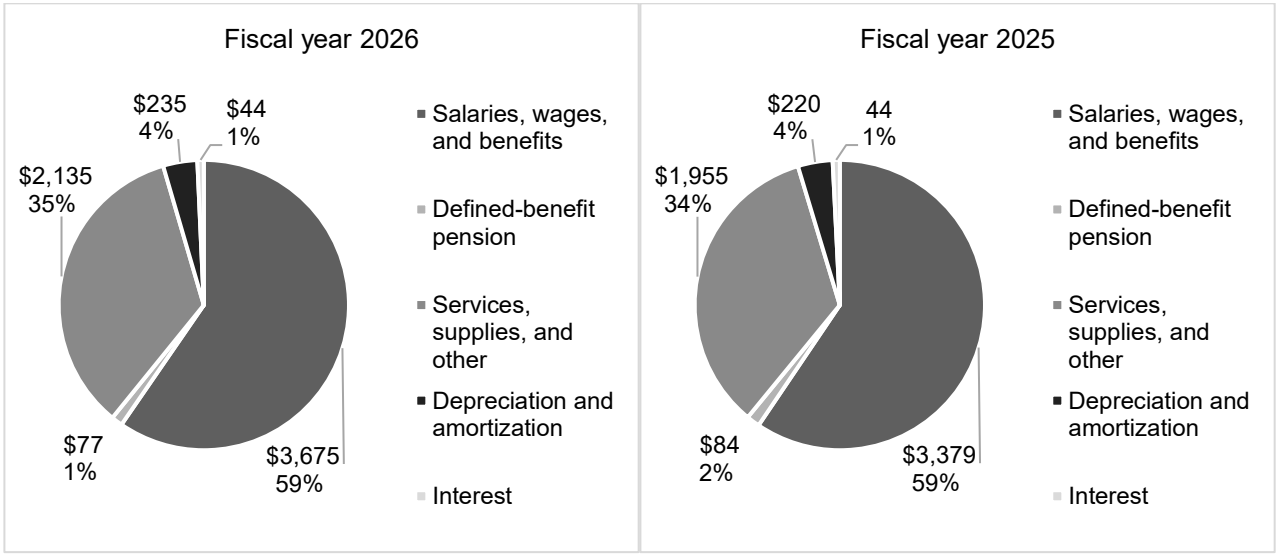
Sales, service, and other revenue totaled $335 million in fiscal year 2026, compared with $344 million in fiscal year 2025 and $322 million in fiscal year 2024. Outpatient and specialty pharmacy operations represent the largest component of this revenue category and have been a key driver of revenue growth over the three-year period. OHSU provides pharmaceutical treatment through retail pharmacy services, specialty pharmacy programs, infusion sites, and home-based medication services that support patients with complex and chronic conditions, including cancer, neuromuscular and autoimmune diseases, and organ transplantation. These services help improve access to specialized therapies and coordinated care for patients across Oregon.

Operating Expenses

Operating expenses increased to $6.2 billion in fiscal year 2026 from $5.7 billion in fiscal year 2025, an increase of $484 million, or 8.5%, following an increase of approximately $351 million, or 6.6%, in fiscal year 2025 compared with fiscal year 2024. Expense growth reflected higher clinical activity, investments in workforce and patient care capacity, inflationary pressures affecting healthcare operations, and continued support of OHSU's academic, research, and outreach missions. While expenses continued to increase during fiscal year 2026, growth remained below the rate of operating revenue growth.

Operating Expenses
Fiscal years 2026 and 2025

(Dollars in millions)



Salaries, wages, and benefits remained OHSU's largest expense category at $3.7 billion, representing 59.6% of total operating expenses in fiscal year 2026, compared with $3.4 billion in fiscal year 2025. Excluding pension expenses, salaries, wages, and benefits increased by $296 million, or 8.8%, reflecting compensation increases, continued staffing investments to support patient care and operational requirements under Oregon's hospital staffing law, and targeted growth in clinical and other mission related activities. This follows an increase of approximately 6.9% in fiscal year 2025 compared with fiscal year 2024, driven by higher wage and benefit costs and continued staffing investments, partially offset by slower hiring and workforce management efforts. These increases were further moderated by ongoing efforts to improve productivity and align workforce growth with operational needs.

Defined benefit pension expense decreased $7 million, or 8.6%, to $77 million in fiscal year 2026 from $84 million in fiscal year 2025, and reflected changes in actuarial assumptions, investment performance, and OHSU's proportionate share of PERS obligations. Pension expense increased in fiscal year 2025 compared

with fiscal year 2024, reflecting the impact of actuarial experience and investment returns below assumed levels in prior periods.

Services, supplies, and other expenses increased $180 million, or 9.2%, to $2.1 billion in fiscal year 2026 from $2.0 billion in fiscal year 2025, primarily reflecting higher patient volumes, increased case complexity, pharmaceutical spending, medical supply costs, and inflationary pressures. Similar factors contributed to expense growth in fiscal year 2025 compared with fiscal year 2024. Overall, expense growth over the three-year period reflects the continued expansion and increasing complexity of OHSU's patient care, research, and educational activities.

Expenses associated with collaboration agreements remained significant at approximately $51 million in fiscal year 2026 compared with $54 million in fiscal year 2025 and included $15 million of support provided to Tuality, doing business as Hillsboro Medical Center, and approximately $22 million of costs associated with the termination of OHSU’s integrated health system affiliation with Adventist Health.

Depreciation and amortization increased $15 million, or 7.0%, to $235 million from $220 million in fiscal year 2025. The increase reflects continued capital investment, including the completion and opening of Vista Pavilion, infrastructure improvements, technology investments, and other capital assets placed into service during the year. This follows a more modest increase in fiscal year 2025 compared with fiscal year 2024, driven by capital improvements, subscription-based technology arrangements, and other assets placed into service. Interest expense remained relatively stable at $44 million, as scheduled debt repayments offset financing costs associated with leases and other long-term obligations.

The functional classification of expenses provides insight into how OHSU deploys resources across its education, research, healthcare, and support missions. Healthcare-related activities remained the largest expense category in fiscal year 2026, reflecting growth in patient activity and specialized clinical services.

Changes in functional expense categories also reflect investments in research, academic support, facilities, infrastructure, workforce, and patient care capacity.

Operating Expenses by Functional Classification
(Dollars in thousands)

	2026	2025	2024
Instruction, research, and public service	$ 708,254	720,977	700,425
Clinical activity	4,383,014	3,918,478	3,520,947
Auxiliary activities	3,974	5,169	5,454
Internal service centers	19,715	19,961	18,381
Student services	40,125	34,993	28,937
Academic support	160,542	167,473	144,824
Institutional support	325,562	292,527	307,623
Operations, maintenance, and other	256,267	231,597	207,108
Direct foundation expenditures	57,650	54,605	44,055
Depreciation and amortization	234,871	219,602	213,898
Defined pension expense (benefit), net of contribution	(24,289)	16,603	12,972
Total operating expenses	$ 6,165,685	5,681,985	5,204,624

Noncapital Subsidies and Nonoperating Activity

Under GASB Statement No. 103, certain resources that support OHSU's missions are reported outside operating revenues and expenses. These resources include state appropriations, scholarship support, Foundation gifts reported as noncapital subsidies, and investment income reported as nonoperating activity. While not reported as operating activity, these resources remain important components of OHSU's overall financial model and help support mission-related activities that are not fully funded through patient care, tuition, research grants, and other operating revenues.

Noncapital subsidies and nonoperating activity contributed $84 million to OHSU's change in net position during fiscal year 2026. The discussion that follows highlights significant changes in state support, philanthropic funding, investment performance, and other nonoperating activities affecting OHSU's financial results.

Noncapital Subsidies

Total noncapital subsidies decreased $24 million, or 10.6%, to $195 million in fiscal year 2026 from $219 million in fiscal year 2025. The decrease was primarily attributable to lower Foundation gift support and scholarship funding, partially offset by higher state appropriations. This follows an increase of approximately $18 million, or 9.0%, in fiscal year 2025 compared with fiscal year 2024, when growth in Foundation gifts and scholarship support more than offset a modest decline in state appropriations.

Noncapital subsidies help fund educational programs, research activities, and other mission-related initiatives that are not fully supported through patient care, tuition, research grants, and operating revenues.

Noncapital Subsidies by Source
Fiscal Years 2026, 2025 and 2024
(Dollars in Thousands)

	2026	2025	2024	% Change 2026	% Change 2025
Gifts	$ 114,232	134,551	117,036	-15.1%	15.0%
Scholarships	7,661	13,712	10,753	-44.1%	27.5%
State Appropriations	73,539	70,396	72,886	4.5%	-3.4%
Total Noncapital Subsidies	$ 195,432	218,659	200,675	-10.6%	9.0%

The impact of these resources is reflected in the new GASB 103 subtotal, operating income (loss) and noncapital subsidies, which improved from a loss of $257 million in fiscal year 2025 to income of $74 million in fiscal year 2026. The improvement reflects stronger operating performance together with continued support from state appropriations, scholarship funding, and philanthropic resources. In fiscal year 2025, operating income (loss) and noncapital subsidies was a loss of $257 million compared with a loss of $254 million in fiscal year 2024, as operating results and noncapital subsidy support remained relatively consistent year over year. While noncapital subsidies were lower in fiscal year 2026 than in fiscal year 2025, support remained a significant component of OHSU's financial model and continued to advance OHSU's education, research, and public service missions.

Investment Income and Nonoperating Activity

Nonoperating activity was driven primarily by investment income and gains in fair value of investments, which totaled $411 million in fiscal year 2026 compared with $288 million in fiscal year 2025. The increase of $122 million primarily reflected favorable market performance and growth in invested assets. Investment income also increased in fiscal year 2025 compared with fiscal year 2024, benefiting from favorable equity market performance and continued growth in invested balances. Investment returns were the largest contributor to activity reported outside operations and contributed significantly to the increase in net position during fiscal year 2026.

Philanthropic and Foundation Support

The Oregon Health & Science University Foundation serves as OHSU’s primary philanthropic partner, securing private support and managing endowment assets that advance OHSU’s education, research, healthcare, and outreach missions. Through fundraising, stewardship, and investment management activities, the Foundation supports student scholarships, faculty programs, research initiatives, capital projects, and other academic and clinical priorities.

During fiscal year 2026, the Foundation provided approximately $144 million in support to OHSU, compared with $166 million in fiscal year 2025. Research support represented the largest category of distributions at $84 million, reflecting continued investment in scientific discovery and innovation. Other academic and mission-related support totaled $54 million, while student support totaled approximately $6 million.

(Continued)

A significant philanthropic milestone occurred during fiscal year 2026 when Phil and Penny Knight announced a commitment intended to provide up to $2 billion to support the Knight Cancer Institute. The commitment is intended to accelerate cancer research, expand access to innovative diagnostics and clinical trials, enhance patient care and support services, and advance OHSU's long-term cancer strategy. OHSU began implementation activities associated with this commitment during fiscal year 2026 and continues to evaluate future organizational, operational, and financial implications related to these initiatives.

Foundation Distributions to OHSU ($ millions)		2026	2025	2024
Research Support	$	84.2	86.1	82.5
Student Support		5.7	4.5	4.5
Capital Support		—	13.3	6.9
Other Academic & Mission Support*		53.6	61.7	55.0
Total Foundation Distributions to OHSU	$	143.5	165.6	148.9

*Includes academic support, instruction, institutional support, public service, and clinical support.

Foundation distributions, together with endowment earnings and other philanthropic resources, continue to play an important role in advancing OHSU's strategic priorities and mission-related activities. Philanthropic support remains an important complement to operating revenues by funding activities that are not fully supported through patient care, tuition, research grants, and other operating resources.

Financial Position, Liquidity and Capital Resources

Changes in OHSU's financial position during fiscal year 2026 reflect the combined effects of improved operating performance, strong investment returns, continued capital investment, and changes in other assets and liabilities. The discussion below focuses on the most significant changes affecting OHSU's financial position, liquidity and capital resources during the year.

Financial Position

OHSU's financial position improved and unrestricted liquidity was stable during fiscal year 2026. Total net position increased $512 million, or 12.0%, to $4.8 billion at June 30, 2026. Total assets and deferred outflows of resources increased $748 million, or 10.3%, driven primarily by growth in investments, patient accounts receivable, and deferred outflows related to pension and other postemployment benefit obligations. Total liabilities and deferred inflows of resources increased $236 million, reflecting changes in accrued obligations, pension-related balances, pending funds, and other long-term liabilities.

As a result of these changes, OHSU ended fiscal year 2026 with increased financial resources and improved financial flexibility to support its education, research and healthcare missions and strategic priorities.

Cash and Investments

Cash and cash equivalents increased $72.5 million, or 50%, to $218.5 million, while long-term investments increased $452.6 million, or 16%, to $3.3 billion. Combined cash and investments totaled $3.5 billion at June 30, 2026, compared with $3.0 billion at June 30, 2025. These increases were primarily attributable to

(Continued)

improved operations and investment performance. During fiscal year 2025, OHSU's combined unrestricted and restricted cash and investments decreased from $3.2 billion to $3.0 billion, primarily attributable to operating activity.

Management closely monitors unrestricted cash and investments because these resources are available to support operating needs, strategic priorities, debt service, and capital investments. Unrestricted cash and investments totaled $2.2 billion at June 30, 2026, compared with $2.0 billion at June 30, 2025. Changes during the year reflected positive investment performance and improved operational performance. As of June 30, 2025, unrestricted cash and investments dropped from $2.2 billion at June 30, 2024 to $2.0 billion. This was driven primarily by operating activity.

One measure of liquidity is days cash on hand, which reflects the number of days OHSU could continue to fund operations using unrestricted cash and investments. Consistent with prior years, OHSU presents this measure excluding the noncash accounting effects of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, because management believes it provides a more meaningful measure of operating liquidity. Excluding the noncash accounting effects of GASB 68, days cash on hand was 139 days at June 30, 2026, 137 days at June 30, 2025, and 170 at June 30, 2024. Unrestricted operating cash and investments decreased by 11.0% from fiscal year end 2024 to 2025 and increased by 12.1% from fiscal year end 2025 to 2026. Adjusted net unrestricted operating expenses increased by 10.3% from fiscal year 2024 to 2025 and increased by 10.3% from fiscal year 2025 to 2026. The following tables present the days unrestricted cash on hand for OHSU as of

fiscal years ended June 30, 2026, 2025, and 2024 calculated with and without the pension adjustments due to the adoption of GASB 68.

Days Unrestricted Cash and Investments on Hand

June 30, 2026 and 2025

(Dollars in thousands)

		2026	2025	2024
OHSU without OHSU Foundation:				
Unrestricted cash and investments	$	1,414,043	1,268,053	1,497,752
Less nonoperating cash and investments		(143,611)	(124,183)	(113,890)
Operating cash and investments	$	1,270,432	1,143,870	1,383,862
Unrestricted operating expenses:				
Total operating expenses	$	5,702,971	5,204,587	4,738,311
Less depreciation and amortization		(233,803)	(218,515)	(212,752)
Net unrestricted operating expenses	$	5,469,168	4,986,072	4,525,559
Daily expense	$	14,984	13,660	12,399
Days cash on hand		85	84	112
OHSU plus OHSU Foundation:				
Unrestricted cash and investments	$	2,249,771	2,002,523	2,223,902
Less nonoperating cash and investments		(143,611)	(124,183)	(113,890)
Operating cash and investments	$	2,106,160	1,878,340	2,110,012
Unrestricted operating expenses:				
Total operating expenses	$	5,735,365	5,243,867	4,766,849
Less depreciation and amortization		(234,871)	(219,602)	(213,898)
Net unrestricted operating expenses	$	5,500,494	5,024,265	4,552,951
Daily expense	$	15,070	13,765	12,474
Days cash on hand		140	136	169

(Continued)

Days Unrestricted Cash and Investments on Hand Pre-GASB 68 Adjustment

(Dollars in thousands)

		2026	2025	2024
OHSU plus OHSU Foundation:				
Operating cash and investments	$	2,106,160	1,878,340	2,110,012
Net unrestricted operating expenses	$	5,500,494	5,024,265	4,552,961
Pension adjustment GASB 68 [1]		24,289	(16,603)	(12,972)
Adjusted net unrestricted operating expenses	$	5,524,783	5,007,662	4,539,989
Daily expense	$	15,136	13,720	12,438
Days cash on hand (pre-GASB 68) [1]		139	137	170

[1] OHSU's proportionate share of the Oregon PERS's adjustment resulted in a net operating gain of $24,289, a net operating loss of $(16,603), and a net operating loss of $(12,972) for fiscal year 2026, 2025, and 2024, respectively. Removing the pension adjustment results in days cash on hand of 139, 137, and 170 on a pre-GASB 68 basis for fiscal years 2026, 2025, and 2024, respectively.

Investment performance contributed significantly to fiscal year 2026 financial results and growth in net position. Long-term investments increased by $452.6 million, reflecting positive realized and unrealized gains, new gifts, reinvested earnings, or other factors. During fiscal year 2025, investment performance was positive, however negative operating activity necessitated investment transfers to support liquidity. OHSU maintains a diversified investment portfolio designed to support operating, capital, research, and philanthropic activities. Working capital is invested primarily in short-duration liquid fixed-income assets, while long-term investment assets,

(Continued)

including endowment funds, are managed through a diversified asset allocation strategy intended to preserve purchasing power and support future distributions.

Consolidated Asset Allocation of Unrestricted and Restricted Cash and Investments

(Dollars in thousands)

	2026	2025	2024
Unrestricted cash and investments:			
Cash and cash equivalents	$ 235,062	151,734	212,654
Fixed income	621,594	557,498	611,855
Public Equity	800,480	701,027	817,176
Private Equity, Marketable Alt., and Other	592,635	592,264	582,217
Subtotal	2,249,771	2,002,523	2,223,902
Restricted cash and investments:			
Cash and cash equivalents	44,312	32,380	32,054
Fixed income	268,375	225,315	174,693
Public Equity	353,292	198,505	240,799
Private Equity, Marketable Alt., and Other	621,782	553,357	529,765
Subtotal	1,287,761	1,009,557	977,311
Total	$ 3,537,532	3,012,080	3,201,213

Significant Capital Asset and Long-Term Financing Activity

Capital investments in education, research, patient care, and outreach are strategically scaled and paced to available funding from operating earnings, philanthropy, and other financing sources. OHSU's approach balances investment in critical infrastructure and long-term strategic priorities while maintaining financial flexibility and managing debt and other long-term obligations.

Capital Assets

Capital assets, net of accumulated depreciation, increased by $83 million and $212 million during fiscal years 2026 and 2025, respectively. The fiscal year 2026 increase reflects the completion of major construction projects, including Vista Pavilion, together with ongoing investments in infrastructure, technology, right-of-use assets, and other strategic capital initiatives. The larger increase of $212 million in fiscal year 2025 reflected significant ongoing investment in the OHSU Hospital Expansion Project, replacement facilities, infrastructure improvements, and technology assets as OHSU continued to expand capacity in support of its clinical, research, and educational missions.

Fiscal year 2026 capital activity included completion of Vista Pavilion, a major milestone in the OHSU Hospital Expansion Project, as well as investments in replacement facilities, infrastructure, right-of-use assets, and capacity expansion. Vista Pavilion opened in April 2026 and began depreciating over its estimated 40-year useful life. The facility increased licensed bed capacity from 576 to 704 beds and expanded OHSU's ability to provide advanced cancer care and other highly specialized services, including stem cell transplantation, CAR-T therapy, cancer intensive care, and complex surgical procedures. In addition to expanding inpatient capacity, the project enabled the reconfiguration of existing clinical space to support future growth in patient demand, patient acuity, and evolving care delivery needs.

OHSU also continued investing in major infrastructure and capacity expansion initiatives, including the emergency department expansion project, which remained under construction as of June 30, 2026. Construction began in July 2025 and is expected to increase emergency care capacity, enhance patient and staff safety, create separate adult and pediatric emergency entrances, and support future growth in patient demand and clinical complexity. The project is expected to be completed in January 2028. Planning activities also continued for future neonatal intensive care capacity expansion and other strategic infrastructure initiatives intended to address long-term capacity constraints and improve access to care.

Included in capital assets are lease and subscription-based information technology assets, net of accumulated depreciation, totaling $108 million and $127 million for fiscal years 2026 and 2025, respectively. Lease and subscription-based information technology assets also increased during fiscal year 2025 compared with fiscal year 2024 as OHSU continued to invest in technology infrastructure and software solutions supporting clinical, academic, research, and administrative operations.

Other Significant Assets and Liabilities

Other significant changes in OHSU's financial position during fiscal year 2026 primarily reflected changes in receivables, accrued obligations, pension-related balances, and deferred inflows. Patient accounts receivable increased by $172 million, or 20.1%, from $857 million to $1.0 billion, primarily reflecting growth in patient service revenue, higher patient acuity, and increased volumes of complex clinical services. This increase was partially offset by a combined $58.5 million decrease in grant and contract receivables, pledges and estates receivable, and other receivables. In fiscal year 2025, patient accounts receivable increased by $180 million, or 26.6%, compared with fiscal year 2024, primarily reflecting growth in patient service revenue, higher patient acuity, and increased volumes of complex clinical services. This increase was partially offset by decreases in grant and contract receivables and pledges and estates receivable.

Current liabilities increased by $84 million, or 11.2%, during fiscal year 2026. The increase was driven primarily by accrued salaries, wages, and benefits, which increased $30 million, and accounts payable and accrued expenses, which increased $29 million, reflecting increased operating activity, higher accrued compensation and benefit obligations and the timing of vendor payments and other operating accruals. In fiscal year 2025, current liabilities decreased by $117 million, or 13.5%, compared with fiscal year 2024, primarily reflecting lower accrued salaries, wages, and benefits.

Noncurrent liabilities remained relatively stable, decreasing less than 1% from the prior year. Scheduled principal repayments reduced long-term debt and lease obligations by a combined $55 million. These decreases were largely offset by increases in self-funded insurance obligations, pension-related liabilities, and

other long-term operating obligations, resulting in a net decrease of $3 million in total noncurrent liabilities. In fiscal year 2025, noncurrent liabilities increased by $11 million, or 0.6%, compared with fiscal year 2024, primarily due to higher pension and self-funded insurance liabilities, partially offset by reductions in long-term debt.

Deferred inflows increased by $156 million, or 78.9%, primarily due to a $170 million increase in pending funds held by the OHSU Foundation. Pending funds represent donor resources held by the Foundation that may be used to satisfy existing pledge commitments or support future gifts to OHSU at the direction of donors. The increase during fiscal year 2026 primarily reflected growth in these donor-designated balances. In fiscal year 2025, deferred inflows decreased by $13 million, or 6.0%, compared with fiscal year 2024, primarily due to lower pending funds held by the OHSU Foundation, partially offset by higher pension-related deferred inflows. Deferred outflows increased by $29 million, or 12.0%, in fiscal year 2026, primarily reflecting changes in pension-related balances and other postemployment benefit obligations. In fiscal year 2025, deferred outflows increased by $45 million, or 23.1%, compared with fiscal year 2024, largely due to increases in pension-related deferred outflows.

Net Position

Total net position increased $512 million, or 12.0%, to $4.8 billion at June 30, 2026 compared to 2025, reflecting improvements across all net position categories. Unrestricted net position increased $332 million, or 18.3%, strengthening OHSU's flexibility and capacity to support operations and strategic priorities. Net investment in capital assets increased by $130 million, or 9.0%, following the completion and opening of the Vista Pavilion and other capital projects. Restricted net position increased $49 million, or 4.9%, primarily reflecting growth in donor-restricted and endowment-related resources. In fiscal year 2025, total net position increased by $238 million, or 5.9%, compared with fiscal year 2024, primarily reflecting growth in net investment in capital assets and restricted net position.

Debt and Other Long-Term Obligations

Debt Activity

OHSU had total outstanding long-term debt and long-term leases of approximately $1,276 million, $1,323 million, and $1,347 million as of fiscal year end 2026, 2025, and 2024. OHSU had long-term debt of approximately $1,177 million, $1,213 million, and $1,250 million as of fiscal year end 2026, 2025, and 2024, and long-term leases of approximately $99 million, $110 million, and $97 million as of fiscal year end 2026, 2025, and 2024.

Of the total $1,276 million in long-term debt and long-term leases outstanding at the end of 2026, $1,219 million is considered noncurrent and $57 million is considered current and due within one year. Of the total $1,323 million in long-term debt and long-term leases outstanding at the end of 2025, $1,274 million was considered noncurrent and $49 million was considered current and due within one year. Of the total $1,347 million in long-term debt and long-term leases outstanding at the end of 2024, $1,310 million was considered noncurrent and $37 million was considered current and due within one year.

OHSU currently has a Standard & Poor's rating of A+, a Fitch rating of AA-, and a Moody's rating of A1 for its rated bonds. On June 10, 2026, Moody's Ratings downgraded OHSU's issuer and revenue bond ratings from

Aa3 to A1 and the outlook has been revised to stable from negative. In December 2024, S&P Global Ratings lowered its rating on OHSU's outstanding debt to A+ from AA- reflecting ongoing industry and operating pressures facing academic medical centers.

One measure of the degree of leverage on the University's statements of net position is the ratio of total long-term debt and leases to net position, shown below. Leverage, according to this metric, has decreased, calculated as 0.27 in 2026, 0.31 in 2025 and 0.33 in 2024.

		2026	2025	2024
			(Dollars in millions)	
Total long-term debt and leases	$	1,276	1,323	1,347.0
Net position		4,773	4,261	4,023
Total long-term debt and leases to net position	$	0.27	0.31	0.33

Annual Debt Service Coverage.

The annual debt service coverage ratio for an entity represents the amount of cash flow available to meet the annual principal and interest payment on debt. Per bond covenants, OHSU's Credit Group must maintain an annual debt service coverage ratio of 1.10 times or greater in accordance with its Master Trust Indenture. OHSU's direct placement bonds have similar annual debt service coverage ratio requirements that must meet or exceed 1.0 or 1.10. The University continues to exceed these minimum requirements with ratios of 4.64 in fiscal year 2026, 1.67 in fiscal year 2025, and 2.15 in fiscal year 2024. Excluding the noncash accounting

effects of GASB 68 results in ratios of 4.44 in fiscal year 2026, 1.82 in fiscal year 2025, and 2.27 in fiscal year 2024.

Calculation of Annual Debt Service Coverage Ratio – Unrestricted

(Dollars in thousands)

		2026	2025	2024
Total excess of revenues over expenses, before contributions for capital and other	$	484,111	47,985	114,938
Add/subtract restricted net loss/gain		(30,871)	(10,340)	32,153
Unrestricted excess of revenues over expenses		453,240	37,645	147,091
Adjustments:				
Depreciation and amortization	$	234,871	219,602	213,898
Interest expense		44,260	44,749	42,873
Net unrealized (gain) loss in fair value of investments		(181,223)	(101,840)	(167,472)
Loss (gain) on disposal of assets		1,174	(16,079)	3,526
		99,082	146,432	92,825
Income available for debt service	$	552,322	184,077	239,916
Annual debt service [(1)]	$	119,016	110,325	111,406
Annual debt service coverage		4.64	1.67	2.15

[(1)] "Annual debt service" is the aggregate amount of principal and interest scheduled to become due and payable on long-term debt and long-term leases during the fiscal year.

(Continued)

The following table presents the annual debt service coverage ratio for fiscal years 2026, 2025, and 2024 calculated with the removal of pension adjustments due to the adoption of GASB 68.

Calculation of Annual Debt Service Coverage Ratio – Unrestricted
Pre-GASB 68 Adjustment

(Dollars in thousands)

		2026	2025	2024
Income available for debt service	$	552,322	184,077	239,916
Pension adjustment GASB 68		(24,289)	16,603	12,972
Adjusted income available for debt service	$	528,033	200,680	252,888
Annual debt service	$	119,016	110,325	111,406
Annual debt service coverage (pre-GASB 68)[(2)]		4.44	1.82	2.27

(2) OHSU's proportionate share of Oregon PERS's adjustment resulted in a net operating gain of $24,289, a net operating loss of $(16,603), and a net operating loss of $(12,972) for fiscal years 2026, 2025, and 2024, respectively. Removing the pension adjustment results in an annual debt service coverage ratio of 4.44, 1.82, and 2.27 on a pre-GASB 68 basis for fiscal years 2026, 2025, and 2024, respectively.

Currently Known Facts, Decisions, or Conditions

OHSU operates in a dynamic higher education, research, and healthcare environment that continues to be influenced by economic conditions, public policy decisions, workforce challenges, and changes in reimbursement. While OHSU's financial performance improved during fiscal year 2026, management continues to monitor factors that may affect future operating results, financial position, and liquidity.

Workforce availability and the cost of labor remain significant challenges for healthcare providers nationally and throughout Oregon. In addition, continued inflationary pressures affecting wages, pharmaceuticals, medical supplies, and purchased services may place ongoing pressure on operating expenses. OHSU also continues to monitor reimbursement trends and payment policies across its major payors to ensure continued support for the specialized and complex care provided through Oregon's only academic health center.

Changes in federal and state policy may also affect OHSU's future operating environment. During fiscal year 2026, Congress enacted H.R. 1, which includes significant changes affecting Medicaid funding and Federal Title IV student aid programs. Among these changes is the elimination of Graduate PLUS loans for new graduate and professional students effective July 1, 2026. OHSU responded by adjusting selected program start dates to preserve eligibility for affected student cohorts and by evaluating alternative funding mechanisms to support student access and affordability. OHSU continues to evaluate the potential operational and financial implications of these and other legislative and regulatory developments as implementation details become available.

(Continued)

The research environment also continues to evolve. As Oregon's leading academic research institution and largest recipient of National Institutes of Health funding in the state, OHSU closely monitors federal research funding priorities, appropriations, and regulatory requirements. Continued success in securing external research funding remains important to advancing OHSU's scientific and academic missions.

Following the Knight commitment announced during fiscal year 2026, OHSU began implementation activities associated with future cancer-related initiatives, including the incorporation of Knight Cancer Group (KCG). OHSU continues to evaluate and implement organizational, governance, operational, and financial arrangements associated with these initiatives, and management will continue to assess their long-term implications for OHSU's cancer mission.

OHSU continues to invest in facilities and infrastructure needed to support future growth in patient demand, clinical complexity, and access to care. Construction of the emergency department expansion project is ongoing, while additional capital priorities under evaluation include expansion of neonatal intensive care services and other strategic infrastructure investments. Vista Pavilion also includes additional clinical capacity that may be brought online as patient demand, workforce availability, and operational needs evolve, providing flexibility to support future growth while aligning investments with available resources. These initiatives are expected to require significant planning, funding, and operational resources over multiple years.

Management believes fiscal year 2026 demonstrated increased financial stability and operational momentum. While performance improved during the year, OHSU remains focused on strengthening long-term financial resilience. Key priorities include managing workforce growth while improving productivity, securing reimbursement that reflects the complexity and acuity of care delivered, realizing the benefits of a full year of Vista Pavilion operations and the return of backfilled clinical capacity, and maintaining liquidity discipline with the objective of increasing days cash on hand beyond current levels. Through these efforts, OHSU seeks to expand access to care, support future growth, advance discovery, educate future healthcare professionals and serve communities through Oregon.

OREGON HEALTH & SCIENCE UNIVERSITY

(A Component Unit of the State of Oregon)

Statements of Net Position

June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 218,518	146,060
Short-term investments	23,763	23,362
Current portion of funds held by trustee	31,916	31,286
Patients accounts receivable, net of bad debt allowances of $2,388 and $2,720 – in 2026 and 2025, respectively	1,029,347	857,121
Student receivables	23,637	26,706
Grant and contract receivables	70,982	87,672
Current portion of pledges and estates receivable	89,843	121,333
Other receivables, net	66,629	76,969
Inventories, at cost	83,430	76,223
Prepaid expenses	47,457	44,130
Total current assets	1,685,522	1,490,862
Noncurrent assets:		
Capital assets, net of accumulated depreciation	2,721,096	2,637,761
Long-term investments:		
Long-term investments, restricted	1,280,553	999,408
Long-term investments, unrestricted	2,014,699	1,843,250
Total long-term investments	3,295,252	2,842,658
Prepaid financing costs, net	538	700
Pledges and estates receivable, net – less current portion	14,028	26,656
Restricted postemployment benefit asset	12,093	10,690
Other noncurrent assets	1,384	1,042
Total noncurrent assets	6,044,391	5,519,507
Total assets	7,729,913	7,010,369
Deferred outflows:		
Loss on refunding of debt	16,252	18,452
Pension obligation	244,077	215,807
Other postemployment benefits (OPEB) obligation	7,775	5,069
Total deferred outflows	268,104	239,328
Total assets and deferred outflows	$ 7,998,017	7,249,697

(Continued)

OREGON HEALTH & SCIENCE UNIVERSITY

(A Component Unit of the State of Oregon)

Statements of Net Position

June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Liabilities:		
Current liabilities:		
Current portion of long-term debt	$ 14,320	14,237
Current portion of long-term leases	43,192	34,350
Current portion of self-funded insurance programs liability	63,063	56,567
Accounts payable and accrued expenses	248,156	219,328
Accrued salaries, wages, and benefits	326,562	296,102
Unearned revenue	115,406	108,081
Other current liabilities	21,528	19,460
Total current liabilities	832,227	748,125
Noncurrent liabilities:		
Long-term debt – less current portion	1,163,017	1,198,410
Long-term leases – less current portion	56,233	75,864
Liability for self-funded insurance programs – less current portion	63,188	59,245
Liability for life income agreements	27,733	25,888
Pension liability	593,681	574,339
Other noncurrent liabilities	135,851	109,447
Total noncurrent liabilities	2,039,703	2,043,193
Total liabilities	2,871,930	2,791,318
Deferred inflows:		
Deferred lease revenue	1,976	2,337
Gain on refunding of debt	335	480
Life income agreements	31,754	30,416
Pending funds	277,046	107,187
Pension obligation	37,378	52,739
Other postemployment benefits (OPEB) amounts	5,007	4,455
Total deferred inflows	353,496	197,614
Net position:		
Investments in capital assets	1,575,705	1,445,277
Restricted, expendable	634,500	611,045
Restricted, nonexpendable	413,947	388,410
Unrestricted	2,148,439	1,816,033
Total net position	4,772,591	4,260,765
Total liabilities, deferred inflows, and net position	$ 7,998,017	7,249,697

See accompanying notes to consolidated financial statements.

OREGON HEALTH & SCIENCE UNIVERSITY

(A Component Unit of the State of Oregon)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Operating revenues:		
Patient service revenue, net of bad debt adjustments of $6,003 and $13,562 – in 2026 and 2025, respectively	$ 4,892,456	4,095,300
Student tuition and fees, net	87,945	83,986
Grants and contracts	728,542	683,407
Other	335,464	344,128
Total operating revenues	6,044,407	5,206,821
Operating expenses:		
Salaries, wages, and benefits	3,674,880	3,378,574
Defined-benefit pension	77,183	84,433
Services, supplies, and other	2,134,491	1,954,627
Depreciation and amortization	234,871	219,602
Interest	44,260	44,749
Total operating expenses	6,165,685	5,681,985
Operating loss	(121,278)	(475,164)
Noncapital subsidies		
Gifts	114,232	134,551
Scholarships	7,661	13,712
State appropriations	73,539	70,396
Total noncapital subsidies	195,432	218,659
Operating income (loss) and noncapital subsidies	74,154	(256,505)
Nonoperating revenues (expenses)		
Investment income and gain in fair value of investments	410,648	288,407
Contributions for capital and other	2,126	7,036
Nonexpendable donations	25,589	19,135
Other, net	(691)	16,083
Total nonoperating revenues, net	437,672	330,661
Total increase in net position	511,826	74,156
Net position – beginning of year	4,260,765	4,186,609
Net position – end of year	$ 4,772,591	4,260,765

See accompanying notes to consolidated financial statements.

OREGON HEALTH & SCIENCE UNIVERSITY
(A Component Unit of the State of Oregon)

Statements of Cash Flows

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Cash flows from operating activities:		
Receipts for patient services	$ 4,722,298	3,921,202
Receipts from students	91,014	84,517
Receipts of grants, and contracts	857,379	738,509
Other receipts	333,213	348,935
Payments to employees for services	(3,735,453)	(3,450,925)
Payments to suppliers	(2,116,197)	(1,978,489)
Net cash provided by (used in) operating activities	152,254	(336,251)
Cash flows from noncapital financing activities:		
Federal direct loan proceeds	83,108	57,303
Federal direct loan disbursements	(78,588)	(64,309)
State appropriations	73,539	70,396
Other noncapital subsidies	113,945	132,461
FEMA public assistance	—	226
Nonexpendable donations and life income agreements	23,362	33,248
Net cash provided by noncapital financing activities	215,366	229,325
Cash flows from capital and related financing activities:		
Scheduled principal payments on long-term debt	(68,576)	(60,072)
Interest payments on long-term debt	(59,563)	(58,667)
Acquisition of capital assets	(287,239)	(381,664)
Proceeds from sale of capital assets	79	24
Payments on capital leases	5,551	—
Contributions for capital and other	2,126	7,036
Net cash used in capital and related financing activities	(407,622)	(493,343)
Cash flows from investing activities:		
Purchases of investments	(698,583)	(773,370)
Proceeds from sales and maturities of investments	679,936	1,304,581
Interest on investments and cash balances	131,107	3,851
Net cash provided by investing activities	112,460	535,062
Net increase (decrease) in cash and cash equivalents	72,458	(65,207)
Cash and cash equivalents, beginning of year	146,060	211,267
Cash and cash equivalents, end of year	$ 218,518	146,060

(Continued)

OREGON HEALTH & SCIENCE UNIVERSITY

(A Component Unit of the State of Oregon)

Statements of Cash Flows

Years ended June 30, 2026 and 2025

(Dollars in thousands)

		2026	2025
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	$	(121,278)	(475,164)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation and amortization		234,871	219,602
Provision for bad debts		6,003	13,562
Interest expense reported as operating expense		44,260	44,749
Noncash contribution		(20,468)	(1,784)
Defined-benefit pension		(24,289)	16,603
Net changes in assets and liabilities:			
Patient accounts receivable		(178,229)	(193,547)
Student receivables		3,069	531
Grant and contracts receivable		(95,790)	9,623
Pledges and estates receivable		38,133	18,031
Other receivables, assets and deferred outflows		(2,251)	4,807
Inventories		(7,207)	(6,041)
Prepaid expenses		(3,327)	(7,169)
Accounts payable and accrued expenses		28,828	(8,731)
Accrued salaries, wages, and benefits		30,460	3,292
Due to contractual agencies		2,068	5,887
Liability for life income agreements		1,845	1,173
Unearned revenue		7,325	(11,278)
Liability for self-funded insurance programs		10,439	7,989
Other non-current liabilities and deferred inflows		197,792	21,614
Net cash provided by (used in) operating activities	$	152,254	(336,251)
Supplemental schedule of noncash capital and related financing and investing activities:			
Unrealized change in fair value of investments	$	222,941	154,727
Loss on disposal capital assets		(1,200)	(323)
Obligations acquired under lease agreements		32,246	49,870
Acquisition of right-of-use assets		32,246	49,870

See accompanying notes to consolidated financial statements

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Aggregate Discretely Presented Component Units

Balance Sheets

June 30, 2026 and 2025

(Dollars in thousands)

Assets		2026	2025
Current assets:			
Cash and cash equivalents	$	22,920	35,515
Common stocks: mutual funds		19,626	23,311
Short-term investments		6,969	6,910
Patient accounts receivable, net		60,256	46,160
Other receivables		34,726	19,094
Supplies inventory		4,550	5,144
Prepaid expenses and other		3,230	2,565
Current portion of assets whose use is limited		1,645	1,398
Total current assets		153,922	140,097
Assets whose use is limited:			
Board-designated funds		42,028	38,067
Donor-restricted – specific purpose		10,156	8,726
Donor-restricted – endowment		2,759	2,759
Required for current liabilities		(1,645)	(1,398)
Total assets whose use is limited		53,298	48,154
Property and equipment:			
Property and equipment, net of accumulated depreciation and amortization		93,003	92,097
Other assets		23,658	14,021
Total assets	$	323,881	294,369

(Continued)

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Aggregate Discretely Presented Component Units

Balance Sheets

June 30, 2026 and 2025

(Dollars in thousands)

Liabilities and Net Assets		2026	2025
Current liabilities:			
Accounts payable	$	64,118	59,950
Accrued payroll and employee benefits		16,837	15,569
Due to related party		18,873	18,985
Estimated liabilities for Medicare and Medicaid settlements		17,099	5,347
Long-term debt due within one year		1,645	1,025
Operating leases – current liability		3,173	2,683
Finance lease-current		383	373
Accrued bond interest payable		73	57
Total current liabilities		122,201	103,989
Long-term liabilities:			
Long-term debt, net of amount due within one year		6,162	6,820
Operating leases – long-term liability		35,007	37,248
Finance lease-long term		32	476
Liability for pension benefits		1,809	11,404
Other long-term liabilities		41,570	31,640
Total long-term liabilities		84,580	87,588
Total liabilities		206,781	191,577
Net assets:			
Net assets without donor restrictions		104,185	92,481
Net assets with donor restrictions		12,915	10,311
Total net assets		117,100	102,792
Total liabilities and net assets	$	323,881	294,369

See accompanying notes to consolidated financial statements

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Aggregate Discretely Presented Component Units

Statements of Operations

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Net patient service revenue:		
Patient service revenue (net of contractual allowances and discounts)	$ 359,359	316,876
Total net patient service revenue	359,359	316,876
Other revenue		
OHSU support	14,894	15,287
Other revenue	305,480	291,185
Total other revenue	320,374	306,472
Total revenue	679,733	623,348
Operating expenses:		
Salaries and wages	133,425	127,788
Employee benefits	37,231	33,524
Supplies and other expenses	442,388	404,280
Professional fees	63,764	55,432
Depreciation and amortization	7,148	6,929
Interest	770	624
Total operating expenses	684,726	628,577
Loss from operations	(4,993)	(5,229)
Other nonoperating income (loss):		
Realized income on investments whose use is limited by board designation	1,676	2,576
Gain on investments in affiliated companies	786	521
(Loss) gain on disposal of property and equipment	(9)	2
Change in net unrealized gains on investments	2,491	1,292
Other operating revenue (loss)	5,186	(5,821)
Total other income (loss)	10,130	(1,430)
Excess (deficit) of revenue over expenses	5,137	(6,659)
Pension-related changes	7,822	1,070
Increase (decrease) in net assets without donor restrictions	$ 12,959	(5,589)

See accompanying notes to consolidated financial statements

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Aggregate Discretely Presented Component Units

Statements of Changes in Net Assets

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	2026	2025
Net assets without donor restrictions:		
Excess (deficit) of revenue over expenses	$ 5,137	(6,659)
Pension-related changes	7,822	1,070
increase (decrease) in net assets without donor restrictions	12,959	(5,589)
Net assets with donor restrictions:		
Gifts, grants, and bequests	1,672	1,528
Investment income	1,302	1,090
Net assets released from restrictions	(1,625)	(1,536)
Increase in net assets with donor restrictions	1,349	1,082
Change in net assets	14,308	(4,507)
Net assets, beginning of year	102,792	107,299
Net assets, end of year	$ 117,100	102,792

See accompanying notes to consolidated financial statements

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

As the only health sciences university and major academic health center in the state of Oregon (the State), Oregon Health & Science University (OHSU or the University) is dedicated to the education and training of healthcare professionals, research, patient care, outreach, and public service. In addition to the School of Medicine, School of Nursing, School of Dentistry, the joint College of Pharmacy with Oregon State University, and the joint School of Public Health with Portland State University, OHSU comprises several other academic and research units, including the Vollum Institute, the Vaccine and Gene Therapy Institute, Oregon National Primate Research Center, OHSU Brain Institute, Oregon Institute of Occupational Health Science, Oregon Clinical and Translational Research Institute, and the Pacific Northwest Center for Cryo-EM. OHSU also comprises several clinical units, including OHSU Hospital (the Hospital), the OHSU Practice Plan (OPP), and the Institute on Development and Disability (IDD). Doernbecher Children's Hospital is a unit of the Hospital serving pediatric patients. The Knight Cancer Institute is the only National Cancer Institute designated cancer center in the State, and the Knight Cardiovascular Institute provides the State's most comprehensive clinical and heart research program. In addition, OHSU operates a captive insurance company domiciled in Arizona for self-insurance purposes, OHSU Insurance Company (INSCO), which is blended in the accompanying financial statements.

Pursuant to an act of the Oregon Legislature (the Act), on July 1, 1995, OHSU was restructured from one of seven component units of the Oregon University System (OUS) to an independent public corporation. OHSU remains a component unit of the State.

The majority of the real property that constitutes OHSU's main campus on Marquam Hill (and certain off-campus properties) in Portland is owned by the State. Pursuant to the Act, the State retained title of such real property and OHSU was granted exclusive care, custody, and control of such real property. To evidence this condition, the State and OHSU entered into a 99-year lease, dated July 1, 1995 (the State Lease), under which the State leased to OHSU all of the State's leasable interest in such real property. Under the terms of the State Lease, the State may terminate the State Lease if, prior to such termination, the State causes the defeasance or discharge of all then-outstanding obligations of OHSU that were issued to finance improvements on the property subject to the State Lease or to refinance obligations of OHSU to the State. Under the State Lease, improvements include completed and partially completed buildings, fixtures, structures, and other improvements constructed on the property subject to the State Lease. In addition, OHSU was granted ownership of all personal property of the University, as it existed prior to the enactment of the Act.

Oregon Health & Science University Foundation (the Foundation) is a separately incorporated nonprofit Foundation affiliated with OHSU. The primary purpose of the Foundation is to raise money for OHSU research, scientific, charitable, and educational purposes and to promote support for Doernbecher Children's Hospital. Consequently, the financial position and the changes in financial position of the Foundation is blended in the accompanying financial statements.

On February 1, 2016, OHSU affiliated with Tuality Healthcare and subsidiaries (Tuality), doing business as Hillsboro Medical Center, through the execution of a management agreement (the Tuality Agreement) between the organizations. Tuality owns and operates Tuality Community Hospital, a 215-licensed-bed acute care hospital located in Hillsboro, Oregon. Under the Tuality Agreement, OHSU agrees to oversee the unified and integrated clinical enterprises of OHSU and Tuality as a single, integrated economic unit. OHSU and Tuality remain as separate legal entities, own their own assets, and continue to be the licensed operators of their respective facilities. Tuality is a component unit of OHSU as OHSU approves Tuality's annual operating budget. Since Tuality has a separate board of directors and they do not provide services exclusively to OHSU, they are presented as a discretely presented component unit of OHSU.

On January 1, 2020, OHSU partnered with ODS Community Health, Inc. to form OHSU Health IDS, LLC (OHI). OHI is owned 60% by OHSU and 40% by ODS Community Health, Inc. OHI operates as an Integrated Delivery System (IDS) under Health Share of Oregon, a Coordinated Care Organization (CCO) certified by the Oregon Health Authority (OHA) to serve OHP (Medicaid) enrollees in the Portland-metro area. OHI remains a separate legal entity, owns its own assets, and maintains its own direct contract with Health Share of Oregon. OHI is a component unit of OHSU as OHSU approves OHI's annual operating budget. Since OHI has a separate board of directors and they do not provide services exclusively to OHSU, they are presented as a discretely presented component unit of OHSU.

(b) Accounting Standards

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting. OHSU's financial statements and note disclosures are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements and interpretations. OHSU uses proprietary fund accounting.

OHSU prepares and presents its financial information in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34), known as the "Reporting Model" statement. GASB 34 established the requirements and reporting model for annual financial statements. GASB 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the reporting entity in the form of "management's discussion and analysis." This reporting model also requires the use of a direct-method cash flow statement.

OHSU has also adopted GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. This statement establishes accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB 34.

(c) Prior Period Adjustment

OHSU applies GASB Statement No. 101, *Compensated Absences*, which establishes the recognition and measurement of compensated absence liabilities. During fiscal year 2026, OHSU refined the

utilization-rate methodology used to estimate the compensated absence liability to better reflect historical leave utilization patterns and the requirements of GASB 101.

As a result, OHSU adjusted amounts in comparative financial statements as of and for the year ended June 30, 2025. The table below reconciles balances as previously reported at June 30, 2025, to the adjusted amounts shown.

	As previously reported	Adjustment for GASB 101	As restated
Current liabilities	$ 860,459	(112,334)	748,125
Noncurrent liabilities	2,110,281	(67,088)	2,043,193
Total liabilities	2,970,740	(179,422)	2,791,318
Net position - unrestricted	1,636,611	179,422	1,816,033
Salaries, wages and benefits	3,394,376	(15,802)	3,378,574
Net position, beginning of period	4,022,989	163,620	4,186,609

(d) Adoption of New Accounting Standards

During fiscal year ending June 30, 2026, OHSU implemented the provisions of GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103) on a retrospective basis. GASB 103 updates certain components of the governmental financial reporting model, including aspects of management's discussion and analysis, the presentation of unusual or infrequent items, and the classification of operating and nonoperating revenues and expenses for proprietary funds. Particularly, OHSU presents nonoperating revenues and expenses in two separate sections of the Statement of Revenues, Expenses, and Changes in Net Position, namely noncapital subsidies and non-operating revenues. OHSU noncapital subsidies include gifts, scholarships and state appropriations. Prior to adoption of this standard, gifts and scholarships were presented as operating revenues. Nonoperating revenues and expenses include investment income and gain (loss) in fair value of investments and other.

The requirements of GASB 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. GASB 103 was issued to achieve greater consistency in the presentation of the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), and in particular the distinction between operating and non-operating activities within the SRECNP.

In September 2024, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). GASB 104 provides users of government financial statements with essential information concerning two types of capital assets: (1) capital assets associated with leases and other intangible assets and (2) capital assets held for sale. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025. GASB 104 requires certain types of capital assets to be presented separately within the capital asset note disclosures required by Statement 34. Lease assets recorded under Statement 87, and intangible right-to-use assets recorded under Statement 94 for public-private and public-public partnerships

arrangements should be presented separately by major class of the underlying assets. Subscription assets recorded under Statement 96 should also be presented separately. It also requires any other intangible assets other than those three categories be presented separately by major class. Management evaluated the impacts of this standard and determined that disclosures as provided conform to the requirements of the standard.

(e) Financial Reporting Entity

As defined by generally accepted accounting principles, the financial reporting entity consists of OHSU as the primary government and its component units, which are legally separate organizations for which the primary government is financially accountable. Financial accountability is defined as a) appointment of the voting majority of the component units' board, and either (1) the ability to impose will by the primary government or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (b) the component unit is financially dependent on and there is potential for the component unit to provide specific financial benefits to, or impose specific burdens on, the primary government.

Component units are reported as part of the reporting entity under the blended or discrete method of presentation. Blending involves merging the component unit data with the primary government. There are three situations when blending is allowed: (1) when the board of the component unit is substantially the same as that of the primary government, and there is a financial benefit or burden relationship between the primary government, and the component unit or management of the primary government has operational responsibility for the component unit, (2) when the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it, or (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. The Foundation and INSCO are considered to be blended component units as they serve the primary government exclusively. All transactions between OHSU and its blended component units are eliminated upon consolidation. Tuality and OHI are presented discretely since they have a separate board of directors and they do not provide services exclusively to OHSU. They are both considered nonmajor component units as there are no significant transactions with OHSU and there is not a significant financial benefit/burden relationship with OHSU.

Financial reports for INSCO and the Foundation that include financial statements and required supplementary information are publicly available. These reports, and those of Tuality and OHI are, may be obtained by contacting the management of OHSU.

(f) Basis of Accounting

Basis of accounting refers to the timing of when revenues and expenses are recognized in the accounts and reported in the financial statements. OHSU reports as a proprietary fund within the governmental model. OHSU's financial statements have been prepared using the accrual basis of accounting with the economic resources measurement focus. Under this method of accounting, revenue is recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

(g) Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in OHSU's financial statements include patient accounts receivable allowances, liabilities related to self-insurance programs, and valuation of pension liabilities.

(h) Cash and Cash Equivalents

OHSU held $218,518 of cash equivalents within cash and cash equivalents at June 30, 2026 and held $146,060 at June 30, 2025.

(i) Investments

Investments are carried at fair value. The fair value of all debt and equity securities with a readily determinable fair value is based on quotations obtained from national securities exchanges. Investments in joint ventures are recorded using the equity method of accounting. Alternative investments, which are not readily marketable and lack publicly available market values, are carried at estimated fair value as provided by the investment managers. OHSU reviews and evaluates the values provided by its investment managers and considers the valuation methods and assumptions used in determining the fair value of the alternative investments to be reasonable. Those estimated fair values may differ significantly from the values that would have been used had a ready market for those securities existed. These investments may contain elements of both credit and market risk.

Net unrealized gains and losses are included in the net unrealized gain (loss) in fair value of investments in nonoperating revenues in the statements of revenues, expenses, and changes in net position. Interest, dividends, and realized gains and losses on investments are included in nonoperating revenues as investment income when earned.

(j) Inventories

Inventories consist primarily of supplies and pharmaceutical supplies in organized stores at various locations across the campus and in the Hospital. Inventories are recorded using several different methodologies dependent upon the operational use of the supplies and system capabilities. OHSU utilizes standard-cost and average-cost methodologies to record and report inventory value.

(k) Capital Assets

Capital asset acquisitions (excluding intangible right-to-use lease and subscription IT assets) are stated at cost. Donated items are recorded on the basis of fair market value at the date of donation. OHSU capitalizes equipment additions greater than $5 and capital projects greater than $25. Maintenance, repairs, and minor replacements are expensed as incurred. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recorded as other in nonoperating revenue.

The provision for depreciation is determined by the straight-line method at rates calculated to amortize the cost of assets over the shorter of their estimated useful lives or the related lease term as follows: buildings and other improvements, 10 to 40 years; and equipment, 3 to 20 years.

(l) Net Position Classifications

Net position is classified into four net asset categories, in accordance with donor-imposed restrictions:

- Net investment in capital assets represents the depreciated value of capital purchases, net of related debt.
- Net position restricted, expendable, carries externally imposed time or purpose restrictions that expire in the future.
- Net position restricted, nonexpendable, carries externally imposed restrictions that never expire.
- Net position unrestricted carries no externally imposed restrictions.

Investment income earned on donor-restricted endowment funds in excess of the annual spending distribution is accounted for in the expendable restricted net position category.

OHSU first applies restricted resources to an expense where an expense is incurred for a purpose for which both restricted and unrestricted funds are available.

A summary of restricted funds by restriction category for fiscal years ended June 30, 2026 and 2025 is as follows:

		2026	2025
Restricted expendable:			
Research	$	235,889	266,553
Academic support		133,956	105,001
Instruction		83,939	67,087
Capital projects and planning		16,874	15,817
Student aid		78,163	71,603
Clinical support		26,722	24,506
Institutional support		7,591	6,509
Defined-benefit OPEB		12,093	10,690
Other		39,273	43,279
	$	634,500	611,045
Restricted nonexpendable:			
Research	$	54,937	52,640
Instruction		103,440	95,032
Academic support		142,169	134,106
Student aid		59,734	58,095
Other		53,667	48,537
	$	413,947	388,410

(m) Endowments

The endowment corpus is accounted for in the restricted, nonexpendable net position category and reported on the statements of net position as restricted long-term investments. The Foundation's spending policy for endowment funds is determined by the Executive Committee of the Board of Trustees (Executive Committee) and is calculated using a weighted average methodology comprised of an eight quarter moving average of the fair value of the endowment fund adjusted for inflation, and of the previous year's actual spending distribution adjusted for inflation. The resulting effective spending rate payout is then banded to be between 4.0% and 5.5% each year. The Executive Committee authorized a 4.5% distribution rate to calculate the effective spending rate for the years ended June 30, 2026 and 2025.

The Foundation's management and investment of donor-restricted endowment funds are subject to the provisions of the Uniform Prudent Management of Institutional Funds Act enacted by the State in January 2008.

(Continued)

The fund investment pool (endowment fund) held by the Foundation is the repository for funds from restricted, nonexpendable contributions where the principal amount cannot be used, but a spending distribution, described below, can be used for the designated purpose. The endowment fund also holds quasi-endowment funds, which have been designated as endowment by the Foundation's board of trustees. All interest, dividends, and changes in fair value on the endowment fund are allocated to the appropriate unrestricted or restricted net position classification as specified by the donor at the time of receipt. Endowment accounts receive spending distributions subject to the Foundation's board of trustees' approved spending policy, which provides a predetermined amount of total return that can be spent for purposes designated by the donor. All expendable income restricted by the donor is carried as restricted, expendable net position until such time as the restriction has been met. At June 30, 2026 and 2025, the fair value of investments in the endowment fund was $1,200,000. and $1,000,000, respectively. The fair value of the unspent portion of endowments in excess of corpus at June 30, 2026 and 2025 was $163,400 and $123,800, respectively.

At June 30, 2026 and 2025, accumulated loss of $0.2 million and $0.1 million, respectively, related to endowment accounts with market value below corpus was reflected in nonexpendable restricted net position.

(n) Federal Income Taxes

OHSU, as a division of the State, is not subject to federal income taxes of the Internal Revenue Code, except for unrelated business income.

(o) State Appropriations

The Oregon State Legislature makes an appropriation to OHSU on a biennial basis. The appropriation is recognized as noncapital subsidies over the related appropriation period as applicable eligibility requirements are met.

(p) Research Activity

Restricted grants receivable represent receivables for grant activities on which OHSU has met all applicable eligibility requirements and on which the funds are available from the granting agency. As of June 30, 2026 and 2025, the restricted grants receivable balance was $26,584 and $32,223, respectively, and was included in grant and contract receivables in the accompanying statements of net position. The unearned revenue balance at year-end reflects amounts advanced under grant agreements where certain conditions, such as incurring reimbursable costs, have not yet been met. As of June 30, 2026 and 2025, the grants unearned revenue balance was $52,465 and $49,492, respectively.

(q) Operating Revenues

OHSU includes patient service revenue, student tuition and fees, gifts, grants and contracts, and other income from sales and services in operating revenues. These revenues are key components of the operations of OHSU.

(r) Net Patient Service Revenue

A summary of patient service revenues during the years ended June 30, 2026 and 2025 is as follows:

		2026	2025
Gross patient charges	$	12,696,399	10,767,069
Contractual discounts		(7,797,940)	(6,658,207)
Bad debt adjustments		(6,003)	(13,562)
Net patient service revenues	$	4,892,456	4,095,300

OHSU has agreements with third-party payors that provide for payments at amounts different from established rates. Payment arrangements include prospectively determined rates per discharge, outpatient case rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts due and determined to be collectible from patients, third-party payors, and others for services rendered and includes estimates for potential retroactive revenue adjustments under reimbursement agreements with third-party payors. Such estimates are adjusted in future periods as final settlements are determined.

A significant portion of OHSU's services are provided to Medicare, Medicaid, and Oregon Health Plan (OHP) patients under contractual arrangements. Inpatient acute care services rendered by OHSU to Medicare, Medicaid, and OHP program beneficiaries are generally reimbursed at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors (i.e., Medicare severity diagnosis related groups or MS DRGs). Such payments include a capital cost component and may be greater or less than the actual charges for services. Most outpatient services related to Medicare beneficiaries are reimbursed prospectively under the ambulatory payment classifications methodology. Home health services related to Medicare beneficiaries are reimbursed under a prospective payment system methodology. OHSU is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after audits of OHSU's annual cost reports by the Medicare Administrative Contractor and Medicaid.

In 2017, OHSU worked with the state legislature and the Oregon Health Authority to build a program that leverages federal funds for the state's Medicaid program, maintains historical principles of support for OHSU's missions, and simplifies the complexity of prior funding programs between OHSU and the State. The legislature approved the program in the Oregon Health Authority's 2017-2019 budget and Oregon's OHSU Intergovernmental Transfer (IGT) Program was approved by the US Centers for Medicare and Medicaid Services (CMS) and implemented on January 1, 2018, with the corresponding funding payments between entities beginning in March 2018. Under this IGT program, OHSU no longer pays the provider tax paid by other hospitals in Oregon. Instead, because OHSU is an Oregon public corporation, it transfers funds directly to the state to be used for Oregon's Medicaid program. The federal government matches funds used in the Medicaid program on approximately a three to one basis.

(Continued)

Oregon's Medicaid coordinated care organizations (CCOs) pay OHSU an additional amount per clinical service provided to patients as Quality and Access payments. These additional payments have been approved by CMS and are funded through a combination of OHSU's IGT and federal dollars. The purpose of these funds is to maintain access to the high-quality unique academic health center services OHSU provides to Medicaid patients.

During fiscal years 2026 and 2025, respectively, OHSU made IGT payments of $490,715 and $595,794 to the State of Oregon. The State of Oregon used these dollars, and the corresponding federal match, for payment of Medicaid services throughout Oregon. Oregon's Medicaid CCO's paid OHSU $918,282 and $817,840, in fiscal years 2026 and 2025, respectively, through Quality and Access payments. The Quality and Access Payments and the IGT are included as a net reduction in the contractual discounts and represents a portion of the Medicaid payment for patient care services. A net benefit of the program, including funding from other sources, allows the University to have resources available to support OHSU's missions.

The laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that estimated third-party payor settlements payable, net will change by a material amount in the near term. For the years ended June 30, 2026 and 2025, OHSU recognized adjustments for third-party settlements of $19,834 and $9,820, respectively, as a result of final settlements of prior years' cost reports and revisions of estimates for prior years cost report settlements.

OHSU has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations to provide medical services to subscribing participants. The basis for payment to OHSU under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined fee schedules, and certain capitated per member per month payment arrangements.

Significant concentrations of net patient accounts receivable as of June 30, 2026 and 2025 were approximately as follows:

	2026	2025
Medicare and Medicare managed care contracts	24 %	21 %
Medicaid and Medicaid coordinated care organization (CCO)	16	14
Commercial and managed care insurance	59	65
Non-sponsored	1	—
	100 %	100 %

(Continued)

(s) Student Tuition and Fees Revenues

A summary of student tuition and fees revenues during the years ended June 30, 2026 and 2025 is as follows.

		2026	2025
Gross student tuition	$	109,507	105,389
Tuition discounts		(21,562)	(21,403)
Student tuition and fees revenues, net	$	87,945	83,986

(t) Charity Care

OHSU provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its published rates. Because OHSU does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

OHSU maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy. Charity care provided measured as charges forgone and based on established rates was $69,855 and $116,328 in 2026 and 2025, respectively.

(u) Pledges and Estates Receivable

Pledges and estates receivable are recorded as receivables and revenues when all eligibility criteria are met in the appropriate net asset category based upon donor-imposed restrictions and are reported at fair value at the date the promise is received. Pledges are generally received within 5 to 10 years of the date of original commitment. The majority of estates are received within one year. Pledges and estates receivable, less reserves for estimated uncollectible amounts, are discounted to their present value using rates that range from 0.14% to 4.88%.

(v) Life Income Agreements

The Foundation has been named as remainder beneficiary for various life income agreements. Life income agreements provide for contractual payments to designated beneficiaries for a specific period, after which the remaining principal and interest revert to the Foundation. Contributions received under life income agreements are included in long-term investments, restricted, with the corresponding commitment to the beneficiary included in liability for life income agreements in the accompanying statements of net position. The Foundation has investments with a fair value of $59,500 and $56,400 as at June 30, 2026 and 2025, respectively, related to its individually managed life income agreements.

(Continued)

(w) Leases (Lessee) and Similar Subscription-Based Information Technology (IT) Arrangements

OHSU is a lessee for various noncancelable leases of buildings and equipment. OHSU also has noncancelable subscription IT arrangements (similar to a lease) for the right-to-use information technology hardware and software (subscription IT arrangements).

Short-term Leases and Subscription IT arrangements

For leases and subscription IT arrangements with a maximum possible term of 12 months or less at commencement, OHSU recognizes expense based on the provisions of the lease contract or subscription IT arrangement, respectively.

Leases and Subscription IT arrangements other than short term

For all other leases and subscription IT arrangements (i.e., those that are not short term) whose total discounted minimum payment obligation are greater than $100, OHSU recognizes a lease or subscription IT liability, respectively, and an intangible right-to-use lease asset or subscription IT asset, respectively.

Measurement of Lease Amounts

At lease commencement, OHSU initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the lease term.

Measurement of Subscription IT Amounts

At subscription commencement, OHSU initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into depreciation expense on a straight-line basis over the subscription term.

Key Estimates and Judgments

Key estimates and judgments include how OHSU determines (1) the discount rate it uses to calculate the present value of the expected lease and subscription payments, (2) lease and subscription term, and (3) lease and subscription payments.

- OHSU generally uses its estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate that the lessor/vendor charges is known. OHSU obtains its current incremental borrowing rate from its primary banking institution on a periodic basis. OHSU's incremental borrowing rate for leases and subscription IT arrangements is based on

the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments, respectively, under similar terms at the commencement or remeasurement date.

- The lease or subscription term includes the noncancelable period of the lease or subscription IT arrangement, respectively, plus any additional periods covered by either an OHSU or lessor unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both OHSU and the lessor/vendor have an option to terminate (or if both parties have to agree to extend) are excluded from the lease or subscription term.

Remeasurement of Lease and Subscription Amounts

OHSU monitors changes in circumstances that may require remeasurement of a lease or subscription IT arrangement. When certain changes occur that are expected to significantly affect the amount of the lease or subscription IT liability, the liability is remeasured and a corresponding adjustment is made to the lease or subscription IT asset, respectively.

Presentation in Statements of Net Position

Lease and subscription IT assets are reported with capital assets and lease and subscription IT liabilities are reported with long-term leases in the statements of net position.

(2) Cash and Investments

OHSU holds substantially all of its cash, cash equivalents, and investment balances at financial institutions. OHSU's cash is insured by the Federal Deposit Insurance Corporation subject to standard limits. Additionally, a portion of cash and cash equivalents are collateralized deposits as required under the Oregon Revised Statutes (ORS).

OHSU's investment policies are approved by the board of directors and are accounted for as prescribed by GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in the fair value of investments are included in nonoperating revenues. The composition of investments at fair value at June 30, 2026 and 2025 is as follows:

	2026	2025
Short-term investments:		
US government securities	$ 23,763	23,362
	23,763	23,362
Funds held by trustee, current portion:		
Cash and cash equivalents	31,916	31,286
	31,916	31,286
Long-term investments – less current portion:		
Cash and cash equivalents	76,122	54,122
US government securities	228,205	206,128
US agency securities	85,773	105,057
Corporate obligations	194,958	169,603
Fixed income	302,812	218,625
Equities	1,318,056	1,052,365
Alternative investments	356,433	302,643
Venture Capital and private equity	653,406	670,897
Real estate investments and other	79,487	63,218
	3,295,252	2,842,658
Total investments, all categories	$ 3,350,931	2,897,306

The methods used to determine the fair value of financial instruments reflect market participant objectives and are based on the application of a valuation hierarchy that prioritizes observable market inputs over unobservable inputs. The hierarchy is based on the reliability of inputs as follows:

- Level 1 – Valuation is based on quoted prices for identical financial instruments in active markets. OHSU does not adjust the quoted price for Level 1 financial instruments.
- Level 2 – Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and independent pricing models or other model-based valuation techniques using observable inputs.
- Level 3 – Certain types of financial instruments are classified as Level 3 within the valuation hierarchy because these financial instruments trade infrequently and, therefore, have little or no price transparency.

(Continued)

The following table presents a categorization, based on the foregoing valuation hierarchy, of OHSU's financial instruments measured at fair value as of June 30, 2026:

	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	$ 64,952	43,086	—	108,038
US government securities	—	251,968	—	251,968
US agency securities	—	85,773	—	85,773
Domestic equity securities	242,158	—	134	242,292
International equity securities	118,669	—	—	118,669
US corporate securities	—	168,083	—	168,083
Non-US corporate securities	—	26,875	—	26,875
Asset-backed securities	—	134,762	—	134,762
Venture capital and private equity	—	—	36,196	36,196
Mutual funds – fixed income only	146,735	—	—	146,735
Municipal bonds	—	21,038	—	21,038
Other fixed income	—	384	—	384
Alternative Investments	—	—	594	594
Real estate investments and other	1,378	955	14,333	16,666
	$ 573,892	732,924	51,257	1,358,073
Investments measured using NAV per share or its equivalent:				
Domestic equity securities				447,433
International equity securities				366,328
Venture capital and private equity				617,210
Alternative investments				373,843
Real estate investments and other				44,433
Equity method investments				143,611
Total assets				$ 3,350,931

(Continued)

The following table presents a categorization, based on the foregoing valuation hierarchy, of OHSU's financial instruments measured at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	$ —	44,536	—	44,536
US government securities	—	229,491	—	229,491
US agency securities	—	105,057	—	105,057
Domestic equity securities	131,688	—	134	131,822
International equity securities	47,607	—	—	47,607
US corporate securities	—	145,414	—	145,414
Non-US corporate securities	—	24,189	—	24,189
Asset-backed securities	—	59,343	—	59,343
Venture capital and private equity	—	—	26,169	26,169
Mutual funds – fixed income only	195,909	219	—	196,128
Municipal bonds	—	3,878	—	3,878
Other fixed income	—	146	—	146
Alternative Investments	—	—	648	648
Real estate investments and other	808	1,003	13,032	14,843
	$ 376,012	613,276	39,983	1,029,271
Investments measured using NAV per share or its equivalent:				
Domestic equity securities				401,306
International equity securities				347,719
Venture capital and private equity				629,099
Alternative investments				317,625
Real estate investments and other				48,103
Equity method investments				124,183
Total assets				$ 2,897,306

There were no transfers of financial instruments between Level 1 or Level 2 classifications either in 2026 or 2025. Changes in Level 3 financial instruments are as follows:

	2026	2025
Balance at beginning of year	$ 39,983	40,472
Contributions	2,706	110
Net realized (losses)	(172)	(56)
Net unrealized gains (losses)	(133)	79
Purchases	36,794	26,820
Sales	(1,105)	(529)
Transfer from (to) NAV per share, or its equivalent, classification from sales	(26,816)	(26,913)
Balance at end of year	$ 51,257	39,983

(Continued)

OHSU uses a practical expedient for the estimation of the fair value of investments in funds for which the investment does not have a readily determinable fair value. The practical expedient used by OHSU for certain financial instruments is the NAV per share. Valuations provided by fund administrators for these financial instruments consider variables such as the financial performance of underlying investments, recent sales prices, and other pertinent information. The valuation is adjusted when changes to inputs and assumptions are corroborated by evidence, such as completed or pending third party transactions in the underlying security and changes in financial results, data or cash flows. Management or its discretionary investment partner reviews the valuations and assumptions provided by fund administrators for reasonableness and believes that the carrying amounts of these financial instruments are reasonable estimates of fair value.

The following table presents information for investments where either the NAV per share or its equivalent was used to value the investments as of June 30, 2026 and 2025:

	Redemption frequency	Redemption notice period
Domestic equities	Weekly to every two years	3–180 days
Non-U.S. equities	Weekly to every three years	3–180 days
Global equities	Monthly to every two years	3–180 days
Venture capital/private equity	Event-driven	N/A
Marketable alternative investments – nonfixed income	Monthly to every three years	5–180 days
Marketable alternative investments – fixed income only	Monthly	15–35 days
Real estate investments and contracts	Event-driven	N/A

Domestic Equities, Non U.S. Equities, Global Equities, and Natural Resources funds represent investments in equities, both U.S. and international, and may include investments in developed and emerging markets.

Alternative investments are defined under U.S. generally accepted accounting principles as those investments without readily determinable fair values. These investment vehicles differ by fund and can be in the form of limited partnerships, limited liability corporations, investment trusts, institutional funds, and offshore investment funds and are included primarily in the venture capital/private equity, real estate investments and contracts, and marketable alternative investment categories in the tables above. Alternative investment funds can contain certain types of financial instruments, including, among others, derivatives, futures, forward contracts, options, swaps, and securities sold not yet purchased, intended to hedge against changes in the fair value of investments or enhance potential risk adjusted returns. The investment styles employed by the underlying managers include, but are not limited to, private equity,

(Continued)

venture capital, buyout, absolute return, diversified arbitrage, merger arbitrage, event driven, commodities, real estate, energy, domestic long/short, global long/short, market neutral, and distressed.

These financial instruments involve varying degrees of risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of full portfolio composition. Because some of these investments are not readily marketable, their estimated values are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

Alternative investments can be less liquid than other investments. When liquidity limitations are imposed on these alternative investments, the types of restrictions can include, but are not limited to, lockup provisions whereby OHSU is unable to redeem shares or invested capital of an investment for a period of time, usually one year or more after the initial investment for marketable alternative funds and ten to twelve years for private equity and venture capital funds, notice provisions whereby OHSU is required to give notice, ranging up to 180 days, to transact a redemption of an investment after the expiration of any lockup provisions, and the establishment of gates that further limit the timing and amount of a requested fund distribution beyond the specified lockup provisions.

OHSU's university investment policy seeks to maximize total return on a risk-adjusted basis with the goal of maintaining a level of financial assets sufficient to support the organization's strategic initiatives, capital expenditures, and maintenance of a stable credit profile.

The Foundation investment policies are established based on the investment objectives of the portfolio. The Foundation investments are held in four portfolios: the current fund, the endowment fund, the charitable gift annuity pool, and charitable trusts. The objective for the current fund is to provide a reliable source of liquidity to meet short term working capital needs. The current fund may invest in cash, cash equivalents, fixed income securities, equity mutual funds and ETFs. The duration of the current fund shall be within a range of 75% to 125% of the Bloomberg 1–5 Year Government/Credit Bond Index. The objective for the endowment fund is to produce a predictable and stable payout stream that increases over time, while achieving growth of corpus. The endowment fund may invest in cash and cash equivalents, fixed income securities, U.S. and non U.S. equity securities, and other alternative investments. The charitable gift annuity pool seeks to produce a relatively predictable and stable payout stream that will satisfy the fund's distribution obligations while achieving long term capital appreciation of the overall fund balance. The charitable gift annuity pool may invest in cash and cash equivalents, U.S. and non U.S. equities, fixed income, and real estate. Charitable trusts are managed to provide for the distribution of a stated income payment while attempting to achieve reasonable expected total returns. Charitable trust investment objectives and asset allocation guidelines are determined based on the individual circumstances of each trust account. Allowable investments for charitable trusts include cash and cash equivalents, U.S. and non U.S. equites, fixed income, real estate, and commodities.

(3) Investments and Related Policies

(a) Interest Rate Risk

As of June 30, 2026 and 2025, OHSU had the following investments and maturities at fair value:

	2026 Maturity				
	Less than 1 year	1–5 Years	6–10 Years	More than 10 years or none	Total
Cash and cash equivalents	$ 107,806	—	—	232	108,038
US government securities	5,552	170,709	41,967	33,740	251,968
US agency securities	988	4,779	12,716	67,290	85,773
Domestic equity securities	—	—	—	836,673	836,673
International equity securities	—	—	—	481,383	481,383
US corporate securities	8,348	98,853	38,076	22,806	168,083
Non-US corporate securities	292	13,623	8,030	4,930	26,875
Asset-backed securities	525	23,758	5,765	104,713	134,761
Venture capital and private equity	—	—	—	653,406	653,406
Mutual funds – fixed income only	35,945	101,489	9,562	17	147,013
Municipal bonds	570	4,552	6,428	9,488	21,038
Other fixed income	—	158	226	—	384
Alternative Investments	—	—	—	356,433	356,433
Real estate investments and other	—	—	—	79,103	79,103
	$ 160,026	417,921	122,770	2,650,214	3,350,931

	2025 Maturity				
	Less than 1 year	1–5 Years	6–10 Years	More than 10 years or none	Total
Cash and cash equivalents	$ 44,313	—	—	223	44,536
US government securities	5,108	147,987	47,315	29,080	229,490
US agency securities	478	6,861	12,418	85,300	105,057
Domestic equity securities	—	—	—	661,082	661,082
International equity securities	—	—	—	391,283	391,283
US corporate securities	4,499	85,312	31,134	24,469	145,414
Non-US corporate securities	1,515	11,366	7,365	3,943	24,189
Asset-backed securities	3,265	20,738	7,629	27,710	59,342
Venture capital and private equity	—	—	—	670,897	670,897
Mutual funds – fixed income only	75,462	45,003	54,818	20,847	196,130
Municipal bonds	194	1,448	1,177	1,060	3,879
Other fixed income	—	128	18	—	146
Alternative Investments	—	—	—	302,643	302,643
Real estate investments and other	—	—	—	63,218	63,218
	$ 134,834	318,843	161,874	2,281,755	2,897,306

(Continued)

OHSU held $134,761 and $59,342 of asset backed securities collateralized primarily by auto loans, credit card receivables, and collateralized mortgage obligations as of June 30, 2026 and 2025, respectively. These securities are valued at their estimated fair values. The valuation of these securities is sensitive to principal prepayments, which may result from a decline in interest rates, and they are sensitive to an increase in average maturity, which may result from interest rate increases that lead to decreasing prepayments.

(b) Credit Risk

University fixed income assets must be of high quality and have credit ratings from a nationally recognized statistical rating organization ("NRSRO"). NRSROs include Standard and Poor's Moody's and Fitch. At the time of purchase, securities must be rated by at least 2 of the 3 rating agencies. If the security is rated by all three agencies, the "middle" rating will apply. If only two ratings are available, then the lower rating will be used. Purchases are generally limited to issues rated at time of purchase as Baa3, BBB-, or BBB- (generically BBB-) or better.

The investment policy of the current fund requires minimum ratings or better from Standard & Poor's, Moody's, or Fitch as follows:

	Minimum Standard & Poor's rating	**Minimum Moody's rating**	**Minimum Fitch rating**
US and foreign corporate indebtedness	BBB- or A-2	Baa3 or P-2	BBB- or F-2
Certificates of deposit	BBB- or A-2	Baa3 or P-2	BBB- or F-2
Foreign government, foreign agency, or supranational organization debt	A or A-1	A2 or P-1	A or F-1
Agency mortgage-backed securities	AAA	Aaa	AAA
Commercial mortgage-backed securities	AAA	Aaa	AAA
Asset-backed securities	AAA	Aaa	AAA
Municipal bonds	A	A2	A

At the time of purchase, securities must be rated by at least two of the three rating agencies. If the security is rated by all three agencies, the middle rating will apply. If only two ratings are available, then the lower rating will be used.

If the credit quality of a holding in the current fund declines so that it is below the level required as stated above, a decision will be made by the Investment Committee to hold or sell the security.

Investments in the charitable gift annuity pool shall have a minimum credit quality rating of Baa/BBB or an average credit rating of Baa/BBB for mutual funds or pooled funds and a minimum rating of A-1/P-1 for investments in commercial paper. The charitable trust investments generally have a minimum credit quality rating in investment-grade Baa/BBB bond investments and a minimum rating of A-1/P-1 for investments in commercial paper. However, an individual trust may hold up to 9% of the portfolio in below-investment-grade investments.

(Continued)

As of June 30, 2026 and 2025, OHSU had the following investments with credit rating at fair value:

Investment type	Credit rating S&P or equivalent	Total 2026	Total 2025
Cash and money market funds	AAA	$ 32,739	37,089
	AA	64,952	—
	Not Rated	10,347	7,447
US government securities	AAA	49,824	41,256
	AA+	152,419	185,471
	AA	43,449	2,764
	Not rated	6,276	—
US agency securities	AAA	24,728	23,202
	AA+	61,045	81,855
US corporate securities	AAA	40	1,194
	AA+	1,254	2,157
	AA	4,363	4,702
	AA-	5,322	6,728
	A+	7,944	5,922
	A	46,931	33,962
	A-	13,582	19,184
	BBB+	8,530	14,085
	BBB	54,783	38,378
	BBB-	6,942	12,010
	BB+	466	—
	BB	7,979	1,717
	B	3,723	2,515
	Below B	544	154
	Not rated	5,680	2,706
Non-U.S. Corporate Securities	AAA	2,029	2,554
	AA+	187	—
	AA	—	622
	AA-	1,251	599
	A+	2,545	2,545
	A	2,236	1,306
	A-	4,929	4,505
	BBB+	5,984	6,158
	BBB	3,938	3,072
	BBB-	3,563	2,243
	Not Rated	213	585

(Continued)

Investment type	Credit rating S&P or equivalent		Total 2026	Total 2025
Asset-backed securities	AAA	$	39,147	25,492
	AA		47,833	16,098
	AA-		758	—
	A+		—	154
	A		4,901	1,552
	A-		50	61
	BBB		3,712	2,413
	BB		1,071	756
	BB-		490	—
	B		580	358
	Below B		2,340	1,619
	Not rated		33,880	10,839
Mutual funds – fixed income only	AAA		103,690	50,137
	AA		8,004	79,505
	A		15,993	22,024
	BBB		16,622	23,828
	BB		321	6,544
	B		125	4,374
	Below B		108	6,603
	Not rated		2,149	3,114
Municipal bonds	AAA		1,003	808
	AA		3,397	2,732
	A		1,618	312
	BBB		3,040	—
	BB		4,542	27
	B		4,598	—
	Below B		1,842	—
	Not rated		998	—
Other fixed income	BBB		—	1
	BB		—	36
	B		384	89
	Below B		—	15
	Not rated		—	5
Venture capital and private equity	NA		653,406	670,897
Alternative investments	NA		356,433	302,643
Real estate investments and other	NA		79,103	63,218
Domestic equity securities	NA		836,673	661,082
International equity securities	NA		481,383	391,283
		$	3,350,931	2,897,306

(Continued)

(c) Concentration of Credit Risk

The investment policy of the current fund limits investments in any issue or issuer as follows:

	Maximum concentration
U.S. and foreign corporate indebtedness	No more than 3% per issuer
Certificates of deposit	No more than 5% per issuer
Foreign government, foreign agency or supranational organization debt	No more than 5% per issuer
Agency mortgage-backed securities	No more than 15% per cusip
Commercial mortgage-backed securities	No more than 5% per cusip
Asset-backed securities	No more than 5% per cusip
Municipal bonds	No more than 5% per cusip

The investment policy relating to the charitable gift annuity pool limit investments in any one issue to a maximum of 5%, except for issues of the U.S. government and its agencies or diversified mutual funds, which may be held without limitation. The investment policy for charitable trusts limits investments in any one issue to a maximum of 5%, except for issues of the U.S. government and its agencies or diversified mutual funds.

As of June 30, 2026, OHSU held no individual investments or investments with an issuer that have balances in excess of the limits described above.

(d) Foreign Currency Risk

The investment policies permit investments in international equity and other asset classes, which can include foreign currency exposure. The endowment fund allows for investments in international equities and in non-U.S. dollar-denominated bonds. The current fund allows up to 20% of the portfolio to be invested in non-U.S. sovereign or supranational issues. The charitable gift annuity pool investment policy allows up to 30% of the portfolio to be invested in international equities. The charitable trust investment policy allows up to 32% of the portfolio to be invested in international equities, based on the

individual circumstances of each trust account. The following table details the fair value of foreign-denominated securities by currency type as of June 30, 2026 and 2025:

Foreign currency	Value (US dollar) 2026	2025
Euro	$ 8,371	13,772
British sterling pound	8,371	11,748
Canadian dollar	93	99
Danish Krone	2,274	2,144
Japanese Yen	37	—
Total	$ 19,146	27,763

(4) Due from/to Contractual Agencies

Due from contractual agencies, reflected in patient accounts receivable under current assets in the statements of net position, represents amounts receivable from the State Medicaid Program (Medicaid), the Federal Medicare Program (Medicare), and other contractual agencies. Due to contractual agencies, reflected in other current liabilities in the statements of net position, represents amounts payable to Medicaid, Medicare, and other contractual agencies. A summary of the balances as of June 30, 2026 and 2025 is as follows:

	Due from contractual agencies		Due to contractual agencies		Net, due from (to)	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Medicaid	$ 142,099	122,420	—	—	142,099	122,420
IGT	35,480	98,031	(2,609)	(1,731)	32,871	96,300
Medicare	—	3,608	(3,367)	—	(3,367)	3,608
Other contractual agencies	2,523	—	—	(1,082)	2,523	(1,082)
	$ 180,102	224,059	(5,976)	(2,813)	174,126	221,246

(Continued)

(5) Capital Assets

Capital assets for fiscal years ended June 30, 2026 and 2025 are listed by category below:

	2026	2025
Land and land improvements	$ 89,201	89,201
Buildings and other improvements	3,892,470	3,159,225
Equipment	1,174,105	1,180,299
Construction in progress	185,364	714,640
Accumulated depreciation	(2,735,967)	(2,632,912)
Total capital assets, net excluding lease and subscription IT assets	2,605,173	2,510,453
Lease and subscription IT assets, net (note 13(g))	115,923	127,308
Total capital assets, net as reported in the statement of net position	$ 2,721,096	2,637,761

The following is a summary of capital assets for the fiscal years ended June 30, 2026 and 2025:

	Balance June 30, 2025	Increases	Decreases	Balance June 30, 2026
Capital assets not depreciated:				
Land and land improvements	$ 89,201	—	—	89,201
Construction in progress	714,640	209,560	(738,836)	185,364
Total capital assets not depreciated	803,841	209,560	(738,836)	274,565
Other capital assets:				
Buildings and other improvements	3,159,225	733,245	—	3,892,470
Equipment	1,180,299	83,270	(89,464)	1,174,105
Total other capital assets	$ 4,339,524	816,515	(89,464)	5,066,575

(Continued)

	Balance June 30, 2025	Increases	Decreases	Balance June 30, 2026
Less accumulated depreciation:				
Buildings and other improvements	$ (1,670,669)	(117,495)	—	(1,788,164)
Equipment	(962,243)	(73,165)	87,605	(947,803)
Total accumulated depreciation	(2,632,912)	(190,660)	87,605	(2,735,967)
Other capital assets, net	1,706,612	625,855	(1,859)	2,330,608
Total capital assets, net	$ 2,510,453	835,415	(740,695)	2,605,173
Lease and subscription IT assets, net (note 13(g))				115,923
Total capital assets, net as reported in the statement of net position				$ 2,721,096

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets not depreciated:				
Land and land improvements	$ 89,201	—	—	89,201
Construction in progress	425,538	357,699	(68,597)	714,640
Total capital assets not depreciated	514,739	357,699	(68,597)	803,841
Other capital assets:				
Buildings and other improvements	3,110,759	49,707	(1,241)	3,159,225
Equipment	1,150,242	42,855	(12,798)	1,180,299
Total other capital assets	4,261,001	92,562	(14,039)	4,339,524
Less accumulated depreciation:				
Buildings and other improvements	(1,562,129)	(109,258)	718	(1,670,669)
Equipment	(900,748)	(74,500)	13,005	(962,243)
Total accumulated depreciation	(2,462,877)	(183,758)	13,723	(2,632,912)
Other capital assets, net	1,798,124	(91,196)	(316)	1,706,612
Total capital assets, net	$ 2,312,863	266,503	(68,913)	2,510,453
Lease and subscription IT assets, net (note 13(g))				127,308
Total capital assets, net as reported in the statement of net position				$ 2,637,761

(Continued)

(6) Compensated Absences Payable

Vacation pay for classified employees is generally earned at 8 to 24 hours per month, depending on the length of service and classification, with a maximum accrual of up to 364 hours per employee and a maximum payment upon separation of up to 364 hours. A maximum of 96 to 288 hours of vacation can be earned per year, depending on the length of service and classification. Vacation/Paid-time-off (PTO) pay for unclassified employees is earned at 14.67 to 17.33 hours per month, with a maximum accrual of 256 hours. The maximum payment of unused vacation/PTO hours for unclassified employees at termination is 80 hours at a 50% payment rate. There are a few exceptions, such as that the previous Management Service employees who transitioned to Unclassified Administrative on July 8, 1996 will be paid up to 250 hours unused accrued vacation at 100% pay rate. Eligible employees may have the opportunity to cash-out unused accrued vacation hours, up to 100 hours per year based on their representational group. Employees under the House Officers representation group are granted front-loaded vacation banks.

Sick leave for employees is generally earned at the rate of 8 hours per month and a maximum of 96 hours per year, with no restrictions on maximum hours accrued. Employees in the following groups earn sick leave at the rate of 1 hour for 30 hours worked: resource, flex, temporary, unclassified below 0.5FTE, OHSU student, non-OHSU student, and graduate assistant.

There are two representational groups setup with time off accruals based on the academic year: Graduate Researchers United (GRU) and House Officers Union (HOU). PTO for GRU represented employees is earned at the rate of 13.33 hours per month, with a maximum of 160 hours per year. These hours can be used for time off and sick leave. No cash-out of unused PTO GRU is available. GRU represented employees can carryover 10 days from one academic year to another. House Officers are granted 160 hours of vacation and 120 hours sick leave, front-loaded at the beginning of the academic year. Sick leave hours unused by the HOU represented employees during the academic year will carry over to the following appointment year. Vacation cash-out is not allowed for HOU represented employees and sick leave hours are not paid at separation.

(7) Retirement Plans

The University, excluding blended component units, offers various pension plans to all qualified employees: the State's Public Employees Retirement System (PERS), which includes a cost-sharing, defined-benefit plan, and defined-contribution plans (individual account plan – IAP), the University Pension Plan (UPP), and the Clinical Retirement Plan (CRP).

(a) Defined-Benefit Pension Plan Descriptions

PERS is a cost-sharing, multiemployer retirement system available to units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. As of the June 30, 2025 measurement date, there were 907 participating employers.

PERS is administered in accordance with ORS Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The State's legislature has delegated authority to the Public Employees

Retirement Board (PERS Board) to administer the system. The PERS Board is composed of five trustees who administer retirement (service and disability), death, and retiree health insurance benefits. All members of the PERS Board are appointed by the governor and confirmed by the state senate. The governor designates the chairperson. Statute specifies PERS Board membership must be three people with experience in business management, pension management, or investing who are not members of the PERS system; one person who is either an employee of the state in a management position or a person who holds an elective office in the governing body of a participating public employer other than the state; and one person representing public employees and retirees.

The State's PERS issues a publicly available financial report that includes financial statements and required supplementary information, including a 10-year historical trend information showing the accumulation of sufficient assets to pay benefits when due. Copies of the State's PERS's Annual Comprehensive Financial Report (ACFR) and Actuarial Valuations may be obtained from the PERS website at *https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx.*

PERS comprises three separate defined-benefit groups: PERS Tier 1, PERS Tier 2, and Oregon Public Service Retirement Plan (OPSRP).

(i) Benefits Provided

The following describes the benefits provided through the PERS plan:

(1) PERS Tier 1/PERS Tier 2

(a) The Tier 1/Tier 2 plans are closed to new members hired on or after August 29, 2003.

(b) Members are provided retirement, disability, and death benefits.

(c) Vesting occurs if either of the following conditions are met, unless the account is withdrawn:

1. An active member in each of 5 calendar years

2. Reached at least 55 years of age while working in a qualifying position (age 50 for police and fire members).

(d) The retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds.

(e) The basic benefit is based on years of service and final average salary. A percentage (2.00% for police and fire employees, 1.67% for general employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

(f) Normal retirement age for general members is age 58 for Tier 1 and age 60 for Tier 2, or any age with 30 years or more of retirement credit. Normal retirement age for police and fire members is age 55, or age 50 with 25 years or more of retirement credit. Benefits are reduced if normal retirement age is not attained.

(g) Annual Cost of Living Adjustments (COLA) of up to 2% annually for service time accrued before October 1, 2013; COLA for service time after that date uses a lower rate. Service time accrued in both periods is "blended."

(2) PERS OPSRP

(a) The OPSRP plan is open to members hired on or after August 29, 2003.

(b) Members are provided retirement, disability, and death benefits.

(c) Vesting occurs if either of the following conditions are met, unless the account is withdrawn:

1. Completion of at least 600 hours of service in each of five calendar years

2. Reached normal retirement age as an active member on that date.

(d) The retirement allowance is payable monthly for life.

(e) The basic benefit is based on years of service and final average salary. A percentage (1.8% for police and fire employees, 1.5% for general employees) is multiplied by the number of years of service and the final average salary.

(f) Normal retirement age for general members is age 65, or age 58 with 30 years or more of retirement credit. Normal retirement age for police and fire members is age 60, or age 53 with 25 years or more of retirement credit. Benefits are reduced if normal retirement age is not attained.

(g) Annual COLA of up to 2% annually for service time accrued before October 1, 2013; COLA for service time after that date uses a lower rate. Service time accrued in both periods is "blended."

(ii) Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS defined-benefit plan and the other postemployment benefits (OPEB) plans.

The employer contribution rate for active employees is established by the PERS Board based upon actuarial valuations, which are performed once every two years to determine the level of employer

contributions. Employer contribution rates during the period were based on the December 31, 2023 actuarial valuation. The rates were based on a percentage of payroll and first became effective July 1, 2024. The employer contribution rate for PERS Tier 1 and Tier 2 was 23.39% from July 1, 2025 to June 30, 2026. The employer contribution rate for OPSRP was 20.16% (OPSRP Police and Fire, 25.43%) from July 1, 2025 to June 30, 2026.

All members contribute 6.0% of their salary to the Individual Account Program (IAP), an individual account-based program under the PERS tax-qualified governmental plan for all PERS members, established in 2004. Beginning July 1, 2020, Senate Bill 1049 required a portion of most members' contributions to their IAP accounts to be redirected to their new Employee Pension Stability Account (EPSA) to help fund the cost of their future pension benefits. For Oregon Public Service Retirement Plan (OPSRP) members, the redirected amount is 0.75% of their IAP contribution, and for Tier One and Tier Two members, the redirected amount is 2.5% of their IAP contribution. In 2025, only members who earned more than $3,777 a month were subject to a portion of their IAP contributions being redirected to the EPSA.

Amounts contributed post measurement date are recorded as deferred outflows in the amount of $98,809 and $68,931, for the years ended June 30, 2026 and 2025, respectively.

The defined-benefit pension plan contributions can be found in the required supplementary information.

(iii) Net Pension Liability

OHSU's proportionate share of the net pension liability for PERS as of June 30, 2026 and 2025 is $593,681 and $574,339, respectively, utilizing a June 30, 2025 and 2024 measurement date, respectively. The net pension liability for the June 30, 2026 and 2025 fiscal year-end was determined based on the results of the December 31, 2023 and 2022 actuarial valuation rolled forward to the respective measurement dates using standard actuarial procedures.

The basis for OHSU's proportion is actuarially determined by comparing OHSU's projected long-term contribution effort to the PERS cost-sharing, multiple-employer defined-benefit pension plan with the total projected long-term contribution effort of all participating employers. OHSU's proportionate share was 2.66% for the June 30, 2025 measurement date and 2.58% for the June 30, 2024 measurement date.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of PERS, and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(iv) Proportionate Share of Pension Expense and Deferrals Related to Pensions

OHSU's pension expense for the years ended June 30, 2026 and 2025 was $77,183 and $84,433, respectively. The pension expense, which is considered period interest cost, service cost, amortization of deferred outflows and inflows, and changes in benefit terms, has decreased since prior year and is included in salaries, wages, and benefits in the statements of revenues, expenses, and changes in net position.

In July 2021, the assumed rate of return on investments was reduced from 7.20% to 6.90%. The new assumed rate was also used in the actuarial valuation, which established the employer contribution rates for the 2025-27 biennium.

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of the fiscal years ended June 30, 2026 and 2025:

	Deferred outflow of resources		Deferred inflow of resources	
	2026	2025	2026	2025
Differences between expected and actual experience	$ 37,870	34,024	(846)	(1,371)
Changes of assumptions	34,502	57,744	—	(74)
Net difference between projected and actual earnings on pension plan investments	50,016	36,487	—	—
	21,859	16,432	—	—
Changes in proportionate share	—	—	(17,304)	(28,838)
Differences between contributions and OHSU's proportionate share of system contributions	1,022	2,189	(19,228)	(22,456)
Total (prior to post-MD contributions)	145,269	146,876	(37,378)	(52,739)
Contributions subsequent to the measurement date	98,808	68,931	—	—
Gross deferred outflow (inflow) of resources	$ 244,077	215,807	(37,378)	(52,739)

The contributions made subsequent to the measurement date of $98,809 will be recognized as a reduction in the net pension liability during the year ending June 30, 2026.

(Continued)

Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending		Deferred outflow (inflow) of resources
2027	$	59,999
2028		30,519
2029		13,609
2030		1,988
2031		1,776
Total	$	107,891

(v) Actuarial Methods and Assumptions

The following methods and assumptions were used in developing total pension liability reported as of June 30, 2026 and 2025:

Actuarial methods and Assumptions	2026	2025
Valuation date	December 31, 2023	December 31, 2022
Measurement date	June 30, 2025	June 30, 2024
Experience study report	2022, published July 2023 Based on data for the experience period January 1, 2017 to December 31, 2022	2022, published July 2023 Based on data for the experience period January 1, 2017 to December 31, 2022
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Inflation rate	2.40%	2.40%
Long-term expected rate of return	6.90	6.90
Discount rate	6.90	6.90
Projected salary increases	3.40	3.40
Cost of Living Adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with *Moro* case decision; blend based on service	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* case decision; blend based on service

(Continued)

Actuarial methods and Assumptions	2026	2025
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy annuitant, sex-distinct, generational with Unsex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation ***Active members:*** Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation ***Disabled retirees:*** Pub-2010 Disabled retirees, sex-distinct, generational with Unsex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	***Healthy retirees and beneficiaries:*** Pub-2010 Healthy annuitant, sex-distinct, generational with Unsex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation ***Active members:*** Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation ***Disabled retirees:*** Pub-2010 Disabled retirees, sex-distinct, generational with Unsex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The 2022 experience study, used in developing total pension liability measured as of June 30, 2025, was based on the data for the experience period January 1, 2017 to December 31, 2022.

(Continued)

(vi) Discount Rate

The discount rate used to measure the total pension liability for the fiscal years ended June 30, 2026 and 2025 was 6.90% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for PERS was applied to all periods of projected benefit payments to determine the total pension liability. The impact of a 1.00% decrease and increase in the discount rate on the net pension liability is as follows:

Discount Rate Sensitivity – Net Pension Liability

(Dollars in thousands)

OHSU's proportionate share	1% Decrease	Current discount rate	1% Increase
June 30, 2026	$ 946,834	593,681	297,976
June 30, 2025	905,996	574,339	296,560

(vii) Investments

The Oregon State Treasury is the investment officer for the State. Investment standards are established in ORS 293.726 and require funds to be managed as a prudent investor would do. The Oregon Investment Council (OIC) establishes policies for the investment and reinvestment of moneys in the Oregon Public Employees Retirement Fund (OPERF).

ORS 293.701 defines the investment funds over which OIC has responsibility. Included is the OPERF, which comprises the defined-benefit pension plan, the individual account program, and the other postemployment benefit plans. OIC establishes policies for the investment and reinvestment of moneys in the investment funds as well as the acquisition, retention, management, and disposition of investments in the investment funds. OIC is also responsible for providing an examination of the effectiveness of the investment program.

(1) Assumed Asset Allocation

The following table illustrates both the assumed and actual asset allocation as of the measurement date June 30, 2025:

OIC Target and Actual Investment Allocation as of June 30, 2025

Asset class/strategy	OIC policy low range	OIC policy high range	OIC target allocation	Asset class/strategy	Actual allocation
Debt securities	20.0 %	30.0 %	25.0 %	Debt securities	19.0 %
Public equity	22.5	32.5	27.5	Public equity	25.2
Real estate	7.5	17.5	12.5	Real estate	13.3
Private equity	15.0	27.5	20.0	Private equity	24.9
Real assets	2.5	10.0	7.5	Real Assets	10.2
Diversifying strategies	2.5	10.0	7.5	Diversifying Strategies	4.8
Opportunity portfolio[1]	—	5.0	—	Opportunity portfolio[1]	2.6
Total			100.0 %	Total	100.0 %

[1] Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

The following table illustrates both the assumed and actual asset allocation as of the measurement date June 30, 2024:

OIC Target and Actual Investment Allocation as of June 30, 2024

Asset class/strategy	OIC policy low range	OIC policy high range	OIC target allocation	Asset class/strategy	Actual allocation
Debt securities	20.0 %	30.0 %	25.0 %	Debt securities	19.1 %
Public equity	22.5	32.5	27.5	Public equity	23.0
Real estate	9.0	16.5	12.5	Real estate	13.2
Private equity	17.5	27.5	20.0	Private equity	26.9
Real assets	2.5	10.0	7.5	Real Assets	10.1
Diversifying strategies	2.5	10.0	7.5	Diversifying Strategies	5.0
Opportunity portfolio[1]	—	5.0	—	Opportunity portfolio[1]	2.7
Total			100.0 %	Total	100.0 %

[1] Opportunity Portfolio is an investment strategy. Up to 5% of total Fund assets may be invested in it.

(2) Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, the PERS Board reviews long-term assumptions developed by the consulting

(Continued)

actuary's capital market assumptions team and the OIC investment advisers. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns but instead are based on a forward-looking capital market economic model.

Asset class	2026 Target allocation[1]	2026 Compound annual return (Geometric)[2]	Asset class	2025 Target allocation[1]	2025 Compound annual return (Geometric)[2]
Global Equity	27.50 %	8.18 %	Global Equity	27.50 %	7.07 %
Private Equity	25.50	12.46	Private Equity	25.50	8.83
Core Fixed Income	25.00	4.70	Core Fixed Income	25.00	4.50
Real Estate	12.25	8.00	Real Estate	12.25	5.83
Master Limited Partnerships	0.75	8.89	Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	8.13	Infrastructure	1.50	6.51
Hedge Fund of Funds – Multistrategy	1.25	6.36	Hedge Fund of Funds – Multistrategy	1.25	6.27
Hedge Funds Equity – Hedge	0.63	6.87	Hedge Funds Equity – Hedge	0.63	6.48
Hedge Funds – Macro	5.63	5.78	Hedge Funds – Macro	5.62	4.83
Assumed Inflation – Mean	—	2.31	Assumed Inflation – Mean	—	2.35
	100.0 %			100.0 %	

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of January 25, 2023.

[2] The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean , which the Board uses in setting the discount rate.

(b) Other Retirement Plans

In addition to the PERS defined-benefit retirement plan, OHSU has two defined-contribution plans – the University Pension Plan (UPP) and Clinical Retirement Plan (CRP). OHSU also offers employees the opportunity to supplement their retirement income through pre-tax and/or post-tax Roth contributions to the Voluntary Retirement Savings Plans.

(i) University Pension Plan (UPP)

Effective July 1, 1996, OHSU established the UPP. The UPP is a defined-contribution plan, which is available as an alternate to PERS for employees who are not eligible for the CRP. Employees become fully vested in employer contributions after working three years or upon reaching age 50 while still employed (depending on collective bargaining agreements) or upon reaching age 50.

(Continued)

Contribution levels are determined by the collective bargaining agreements for union represented employees and the board of directors of OHSU for noncollective bargaining employees.

401(a) UPP contributions are made at 6% for AFSCME represented, Research and Unclassified Administrative employees. For ONA-represented employees contribution begins at 5%, increasing to 6% contribution after three years. Non-Clinical Faculty contributions are made at 12%, half of which is vested immediately.

The 403(b) Matching Plan is offered to eligible employees enrolled in the 401(a) University Pension Plan (UPP), with contributions stopping once the annual IRS elective contribution limit is reached each year. ONA employees enrolled into the UPP are automatically defaulted into the 403b for a 6% pre-tax deduction. 403(b) match contributions are always 100% vested.

457(b) is available for House Officers and Postdoctoral Scholars. Eligible participants receive an annual retirement plan contribution from OHSU, currently at 3%, which is fully vested immediately. This contribution reduces the employee elective deferral limit for the 457(b) voluntary retirement savings plan.

(ii) Clinical Retirement Plan (CRP)

For employees who are members of OHSU Practice Plan (OPP) who work in a qualifying position, OHSU offers participation in the CRP. The CRP is an employer-paid, defined-contribution plan, and contributions to this plan are fully vested at the time of the contribution. A variable contribution rate is used for employees enrolled prior to January 1, 2009. After January 1, 2009, a 12% contribution

(Continued)

rate is used, with an annual earning cap. Contributions to the plans were as follows for the years ended June 30:

		2026	2025
UPP:			
Employer contribution	$	87,388	81,575
Employee contribution [1]		25,501	26,452
	$	112,889	108,027
CRP:			
Employer contribution	$	55,496	49,704
	$	55,496	49,704
Other:			
Employer contribution	$	16,946	13,669
	$	16,946	13,669

[1] Of the employees' share, the employer paid $25,501 and $26,452 related to noncollective bargaining employees and ONA-represented employees in fiscal years 2026 and 2025, respectively.

(iii) Voluntary Savings Plans

OHSU offers all eligible employees, full and part time, an option to participate in one of two tax-deferred savings plans through the University Voluntary Savings Program. The 403(b) Plan is often referred to as a tax-deferred investment plan while the 457(b) Plan is referred to as a deferred compensation plan. Both plans offer a variety of investment options. The contribution and investment earnings under these plans are tax deferred, which may be accumulated by the employee for distribution at a future date. ONA-represented, research and unclassified administrative employees hired July 1, 2017 or later, and enrolled in the UPP, are eligible for a 403(b) match paid by the employer, otherwise, all other contributions to these plans are made by the employee and are fully vested at the time of the contribution. The IRS sets the contribution limit for the voluntary retirement plans each year.

The Foundation has defined-contribution plans available for substantially all employees. The plans are funded through the purchase of a group annuity contract with an insurance company at a discretionary amount equal to 12% of eligible compensation. Contributions are fully vested after five years. The Foundation contributed $1,700 for the purchase of retirement annuities during the fiscal years ended June 30, 2026 and 2025.

(Continued)

(8) Postemployment Benefits Other than Pensions (OPEB)

OHSU administers a single-employer, defined-benefit healthcare plan for qualified employees and postemployment healthcare for retiring employees eligible to receive medical coverage. Additionally, for eligible PERS members, PERS administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined-benefit OPEB plan.

(a) Single-Employer, Defined-Benefit Plan

(i) Plan Description

OHSU provides retiree health program coverage to current and future retirees of OHSU who qualify for retirement. Members who terminate prior to retirement eligibility or are not participating in the plan at retirement are not eligible to participate in the program. The employee must be actively enrolled in an OHSU medical plan at the time of separation from OHSU.

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

(ii) Employees Covered by Benefit Terms

The plan provides access for retiring employees to OHSU's employee medical plans at the same premium rates assessed to active employees. As of the measurement date of October 1, 2025, the following employees were covered by the benefit terms.

	October 1	
	2025	**2024**
Active employees	20,025	18,644
Retired members and others, receiving benefits	90	106
Total participants	20,115	18,750

(iii) Benefit Payments

Benefit payments made for the fiscal years ended June 30, 2026 and 2025 were $890 and $776, respectively.

(iv) Total OPEB Liability

The total OPEB liability as of the reporting date June 30, 2026 and 2025 is $29,732 and $24,582, respectively. The total OPEB liability was determined by an actuarial valuation as of October 1, 2025, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. The liability is included in other noncurrent liabilities in the accompanying statements of net position.

(Continued)

(v) Actuarial Assumptions and Other Inputs

The following methods and assumptions were used in developing the total OPEB liability.

Fiscal year ended	June 30, 2026	June 30, 2025
Valuation date	October 1, 2025	October 1, 2023
Measurement date	October 1, 2025	October 1, 2024
Reporting date	June 30, 2026	June 30, 2025
Experience study report	2024 Oregon PERS Experience Study Based on January 1, 2017 to December 31, 2024	2022 Oregon PERS Experience Study Based on January 1, 2017 to December 31, 2022
Inflation	2.40 %	2.40 %
Discount rate*	4.90 %	3.81 %

* The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

(vi) Expense and Deferred (Inflows)/Outflows of Resources Related to OPEB

The OPEB expense, which is considered concurrent period interest cost, service cost, amortization of deferred outflows and inflows, and effect of plan changes, was $3,779 and $3,440 for the fiscal year ended June 30, 2026 and 2025, respectively.

As of June 30, 2026 and 2025, the deferred inflows and outflows of resources were as follows:

	Deferred outflow of resources		Deferred inflow of resources	
	2026	2025	2026	2025
Differences between expected and actual experience	$ 5,785	1,624	—	—
Changes of assumptions	612	1,749	(4,728)	(4,110)
Total (prior to post-MD contributions)	6,397	3,373	(4,728)	(4,110)
Contributions subsequent to the measurement date	890	776	—	—
Gross deferred outflow (inflow) of resources	$ 7,287	4,149	(4,728)	(4,110)

The contributions made subsequent to the measurement date of $890 will be recognized as a reduction in the total OPEB liability during the year ending June 30, 2026.

(Continued)

(b) Cost-Sharing, Multiple-Employer Defined-Benefit Plan

(i) Plan Description

ORS 238.420 established the RHIA. RHIA is a cost-sharing, multiple-employer OPEB plan for 904 participating employers. The plan was closed to new entrants hired on or after August 29, 2003.

The State's PERS issues a publicly available financial report that includes financial statements and required supplementary information, including a 10-year historical trend information showing the accumulation of sufficient assets to pay benefits when due. Copies of the Oregon Public Employees Retirement System's Comprehensive Annual Financial Report and Actuarial Valuation may be obtained from the PERS Web site at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

(ii) Benefits Provided

The plan authorizes a payment of up to sixty dollars from RHIA toward the monthly cost of health insurance for eligible PERS members.

(iii) Contributions

Contributions are advance-funded on an actuarially determined basis. The contractually required contributions for retiree healthcare liabilities for the period July 1, 2024 through June 30, 2026 are 0.04% for Tier One and Tier Two member-covered salaries to amortize the unfunded actuarial accrued liability. A (0.04)% unfunded actuarial liability (UAL) rate was assigned for the RHIA program as it was funded over 100% as of December 31, 2021. Consequently, PERS employers had an effective contribution rate of 0.00% for the RHIA program.

Contributions to the OPEB plan from OHSU were $2 for the years ended June 30, 2026 and 2025, respectively. Employees are not required to contribute to the OPEB plan.

(iv) *OPEB Asset, OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

At fiscal years ended June 30, 2026 and 2025, OHSU reported an asset of $12,093 and $10,690 for its proportionate share of the net OPEB asset, respectively. The net OPEB asset was measured as of June 30, 2025 and 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023 and 2022, respectively. OHSU's proportion of the net OPEB asset was based on a projection of OHSU's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. At the June 30, 2025 and 2024 measurement date, OHSU's proportionate share was 2.70% and 2.65%, respectively.

The OPEB expense (income), which is considered concurrent period interest cost, service cost, amortization of deferred outflows and inflows, and effect of plan changes, was ($1,036) and ($492),

for the years ended June 30, 2026 and 2025, respectively. As of June 30, 2026 and 2025, the deferred inflows and outflows of resources were as follows:

	Deferred outflow of resources		Deferred inflow of resources	
	2026	2025	2026	2025
Differences between expected and actual experience	$ —	—	(156)	(209)
Changes of assumptions	—	—	(13)	(135)
Net difference between projected and actual earnings on investments	487	302	—	—
Changes in proportionate share	—	616	(110)	—
Total (prior to post-MD contributions)	487	918	(279)	(344)
Contributions subsequent to the measurement date	2	2	—	—
Gross deferred outflow (inflow) of resources	$ 489	920	(279)	(344)

The contributions made subsequent to the measurement date of $2 will be recognized as a reduction in the total OPEB liability during the year ending June 30, 2026.

(v) Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement.

Fiscal year ended	June 30, 2026	June 30, 2025
Valuation date	December 31, 2023	December 31, 2022
Measurement date	June 30, 2025	June 30, 2024
Reporting date	June 30, 2026	June 30, 2025
Experience study report	2022, published July 24, 2023 Based on data for the experience period January 1, 2017 to December 31, 2022	2022, published July 24, 2023 Based on data for the experience period January 1, 2017 to December 31, 2022

Fiscal year ended	June 30, 2026	June 30, 2025
Actuarial assumptions:		
Actuarial cost method	Entry age normal	Entry age normal
Inflation rate	2.40%	2.40%
Long-term expected rate of return	6.90%	6.90%
Discount rate	6.90%	6.90%

(9) Long-Term Debt, Bonds, and Right-to-Use Lease Liabilities

Long-term debt and long-term leases at June 30, 2026 and 2025 is as follows:

	2026	2025
Revenue bonds:		
Series 2015C	$ 100,000	100,000
Series 2016B	199,835	199,835
Series 2017A	65,460	65,460
Series 2019A	93,510	102,275
Series 2019C	59,255	61,120
Series 2021A	338,380	338,380
Series 2021B-1	45,990	45,990
Series 2021B-2	45,970	45,970
Series 2021C	11,585	11,585
Direct placement and direct purchase revenue bonds:		
Series 2017B	50,000	50,000
Series 2019D	44,070	45,445
Series 2022A	14,280	24,970
Other debt:		
State of Oregon DSPA and TIC Agreements	21,590	22,530
City of Portland local improvement district agreements	2,121	3,976
Unamortized bond premiums and discounts	85,291	94,304
Financed purchases	—	807
Long-term leases*	99,425	110,214
	1,276,762	1,322,861
Less: Current portion of long-term debt and long-term leases	(57,512)	(48,587)
Noncurrent long-term debt and long-term leases	$ 1,219,250	1,274,274

* The Foundation's portion of long-term lease liabilities were $9,418 and $10,045 as of June 30, 2026 and 2025, respectively.

(Continued)

(a) Revenue Bonds

2015C Revenue Bonds

OHSU Series 2015C Revenue Bonds (2015C Bonds) are taxable fixed rate bonds with an outstanding principal amount of $100,000 as of June 30, 2026 and 2025. The 2015C Bonds have a maturity date of July 1, 2045, and require semiannual interest payments at a coupon rate of 5.0%. Proceeds from the 2015C Bonds were used for general public corporation or other public purposes, including, but not limited to, financing capital expenses, noncapital expenses, and costs related to the issuance of the bonds. The 2015C Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2015C Bonds are not general obligation bonds and are payable solely from revenue pledged.

2016B Revenue Bonds

OHSU Series 2016B Revenue Bonds (2016B Bonds) are tax-exempt fixed rate bonds with an outstanding principal amount of $199,835 as of June 30, 2026 and 2025. The 2016B Bonds have maturities due beginning July 1, 2028 through July 1, 2046 requiring semiannual interest payments with coupon rates ranging from 2.5% to 5.0%. The 2016B Bonds were issued to advance refund the Series 2009A Bonds and for capital improvements related to the construction of an ambulatory care tower and as a prerequisite to the receipt of state matching grant funds for the construction of a new Knight Cancer Research Building. The 2016B Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2016B Bonds are not general obligation bonds and are payable solely from revenue pledged.

2017A Revenue Bonds

OHSU Series 2017A Revenue Bonds (2017A Bonds) are tax-exempt fixed rate bonds with an outstanding principal amount of $65,460 as of June 30, 2026 and 2025. The 2017A Bonds have maturities due beginning July 1, 2033 through July 1, 2046 requiring semiannual interest payments with coupon rates ranging from 3.5% to 5.0%. The Series 2017A Bonds were issued for capital improvements related to the construction of an ambulatory care tower and as a prerequisite to the receipt of State matching grant funds for the construction of a new Knight Cancer Research Building. The 2017A Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2017A Bonds are not general obligation bonds and are payable solely from revenue pledged.

2019A Revenue Bonds

OHSU Series 2019A Revenue Bonds (2019A Bonds) are tax-exempt fixed rate bonds with an outstanding principal amount of $93,510 and $102,275 as of June 30, 2026 and 2025. The 2019A Bonds have remaining maturities due July 1, 2026 through July 1, 2049, requiring semiannual interest payments with coupon rates ranging from 3.0% to 5.0%. The 2019A Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University, and to pay for costs of issuance for the bonds. The 2019A Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2019A Bonds are not general obligation bonds and are payable solely from revenue pledged.

(Continued)

2019C Revenue Bonds

OHSU Series 2019C Revenue Bonds (2019C Bonds) are taxable fixed rate bonds with an outstanding principal amount of $59,255 and $61,120 as of June 30, 2026 and 2025. The 2019C Bonds have remaining maturities due July 1, 2026 through July 1, 2032, and require semiannual interest payments with coupon rates ranging from 2.5% to 3.0%. The 2019C Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University, and to pay for costs of issuance for the bonds. The 2019C Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2019C Bonds are not general obligation bonds and are payable solely from revenue pledged.

2021A Revenue Bonds

OHSU Series 2021A Revenue Bonds (2021A Bonds) are tax-exempt fixed rate bonds with an outstanding principal amount of $338,380 as of June 30, 2026 and 2025. The 2021A Bonds have maturities due beginning July 1, 2033 through July 1, 2051, and require semiannual interest payments with coupon rates ranging from 3.0% to 5.0%. The 2021A Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University including acquisition of an office building, and to pay for costs of issuance for the bonds. The 2021A Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2021A Bonds are not general obligation bonds and are payable solely from revenue pledged.

2021B-1 Revenue Bonds

OHSU Series 2021B-1 Revenue Bonds (2021B-1 Bonds) are tax-exempt long-term rate bonds with an outstanding principal amount of $45,990 as of June 30, 2026 and 2025. The 2021B-1 Bonds have maturities due beginning July 1, 2040 through July 1, 2046, and require semiannual interest payments with coupon rates of 5.0%. The 2021B-1 Bonds have a first optional redemption date of November 1, 2029, and an initial long-term rate mandatory purchase date of February 1, 2030. The 2021B-1 Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University including acquisition of an office building, and to pay for costs of issuance for the bonds. The 2021B-1 Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2021B-1 Bonds are not general obligation bonds and are payable solely from revenue pledged.

2021B-2 Revenue Bonds

OHSU Series 2021B-2 Revenue Bonds (2021B-2 Bonds) are tax-exempt long-term rate bonds with an outstanding principal amount of $45,970 as of June 30, 2026 and 2025. The 2021B-2 Bonds have maturities due beginning July 1, 2040 through July 1, 2046, and require semiannual interest payments with coupon rates of 5.0%. The 2021B-2 Bonds have a first optional redemption date of November 1, 2031, and an initial long-term rate mandatory purchase date of February 1, 2032. The 2021B-2 Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University including acquisition of an office building, and to pay for costs of issuance for the bonds. The 2021B-2 Bonds are limited obligations of OHSU and are secured by

(Continued)

OHSU's gross revenues. The 2021B-2 Bonds are not general obligation bonds and are payable solely from revenue pledged.

2021C Revenue Bonds

OHSU Series 2021C Revenue Bonds (2021C Bonds) are tax-exempt long-term rate bonds with an outstanding principal amount of $11,585 as of June 30, 2026 and 2025. The 2021C Bonds have maturities due beginning July 1, 2040 through July 1, 2042, and require semiannual interest payments with coupon rates of 4.0%. The 2021C Bonds have a first optional redemption date of November 1, 2028, and an initial long-term rate mandatory purchase date of February 1, 2029. The 2021C Bonds were issued as part of a financing transaction used to refund several prior bond series, to pay for capital improvements for the University including acquisition of an office building, and to pay for costs of issuance for the bonds. The 2021C Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2021C Bonds are not general obligation bonds and are payable solely from revenue pledged.

(b) Direct Placement and Direct Purchase Bonds

2017B Revenue Bonds

OHSU Series 2017B Revenue Bonds (2017B Bonds) are tax-exempt fixed rate direct placement bonds with an outstanding principal amount of $50,000 as of June 30, 2026 and 2025. The 2017B Bonds were issued for capital improvements related to the construction of an ambulatory care tower and as a prerequisite to the receipt of state matching grant funds for the construction of a new Knight Cancer Research Building. The 2017B Bonds are subject to event of default provisions that may cause the full outstanding amount to become immediately due and payable at the discretion of the bondholder representative. Event of default provisions are extensive with certain provisions subjective in nature based on materiality. Some notable event of default provisions included, but not limited to, are if the University fails to pay principal or interest on any bond when due, if the University makes any material misrepresentation in connection to the agreement, and if the University fails to meet the debt covenants requiring financial disclosures. The 2017B Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2017B Bonds are not general obligation bonds and are payable solely from revenue pledged.

2019D Revenue Refunding Bonds

OHSU Series 2019D Revenue Bonds (2019D Bonds) were converted to tax-exempt fixed rate direct purchase rate bonds from taxable fixed rate direct purchase rate bonds on April 5, 2022. The 2019D Bonds have an outstanding principal amount of $44,070 and $45,445 as of June 30, 2026 and 2025. The 2019D Bonds were originally issued to refund a portion of the OHSU Series 2012E Revenue Bonds on an advance refunding basis. The 2019D Bonds are subject to event of default provisions that may cause the full outstanding amount to become immediately due and payable at the discretion of the bondholder representative. Event of default provisions are extensive with certain provisions subjective in nature based on materiality. Some notable event of default provisions included, but not limited to, are if the University fails to pay principal or interest on any bond when due, if the University makes any material misrepresentation in connection to the agreement, and if the University fails to meet the debt

covenants requiring financial disclosures. The 2019D Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2019D Bonds are not general obligation bonds and are payable solely from revenue pledged.

2022A Revenue Refunding Bonds

OHSU Series 2022A Revenue Bonds (2022A Bonds) were issued on April 5, 2022 as tax-exempt direct purchase rate bonds with a par amount of $56,495. The 2022A Bonds have an outstanding principal amount of $14,280 and $24,970 as of June 30, 2026 and 2025. The 2022A Bonds were issued to refund on a current basis a portion of the OHSU Series 2012A Revenue Bonds. The 2022A Bonds are subject to event of default provisions that may cause the full outstanding amount to become immediately due and payable at the discretion of the bondholder representative. Event of default provisions are extensive with certain provisions subjective in nature based on materiality. Some notable event of default provisions included, but not limited to, are if the University fails to pay principal or interest on any bond when due, if the University makes any material misrepresentation in connection to the agreement, and if the University fails to meet the debt covenants requiring financial disclosures. The 2022A Bonds are limited obligations of OHSU and are secured by OHSU's gross revenues. The 2022A Bonds are not general obligation bonds and are payable solely from revenue pledged.

(c) Other Debt

OHSU Portion of State of Oregon Article XI-F(1) Debt (Pursuant to DSPA and TIC Agreements)

OHSU has agreements with the Oregon State Board of Higher Education (on behalf of the State of Oregon) pursuant to which OHSU makes semiannual payments to the State in amounts sufficient to pay, when due, principal, interest, and other charges with respect to debt incurred by the State for the benefit of OHSU. This debt is commonly referred to as Article XI-F(1) debt and the agreements between OHSU and the State are commonly referred to as the Debt Service Payment Agreement (DSPA) and the Tenancy in Common Agreement (TIC).

In 1995, OHSU became an independent public corporation pursuant to an act of the Oregon Legislative Assembly (the Act). Pursuant to the Act, OHSU assumed liability for outstanding indebtedness of the State previously incurred for the benefit of OHSU. To evidence this obligation, OHSU and the Oregon State Board of Higher Education (on behalf of the State of Oregon) entered into the DSPA.

In 2011, OHSU entered into a joint construction project with the Oregon State Board of Higher Education to build the Robertson Life Sciences Building (previously referred to as the Collaborative Life Sciences Building) on OHSU's Schnitzer Campus located in Portland's South Waterfront to be jointly owned, developed, and operated collaboratively with Portland State University and Oregon State University. As partial consideration for OHSU's receipt of 50% undivided percentage interest in the tenancy in common of the Robertson Life Sciences Building, OHSU entered into the TIC in which OHSU agreed to pay to the State for a portion of the debt issued by the State to fund the construction of the project.

Pursuant to the DSPA and TIC, OHSU has an obligation to the State, and the State is the bond issuer. From time to time, the State has refinanced its bonds, some of which has affected the underlying bonds

(Continued)

that were assigned to the DSPA and TIC. The total amount outstanding for the State of Oregon Article XI-F(1) debt assigned to OHSU under the DSPA and TIC as of June 30, 2026 and 2025 are $21,590 and $22,530. These balances are included in long-term debt in the statements of net position. Payments under the terms of the DSPA and TIC by OHSU represents full satisfaction of any legal obligation related to such outstanding indebtedness.

City of Portland Local Improvement District Agreements

OHSU initially entered into various local improvement district agreements (LIDs) with the City of Portland, Oregon during fiscal years 2007 and 2008 for real improvements to Portland's South Waterfront District. During fiscal year 2012, OHSU entered into additional LIDs with the City of Portland for real improvements to the same Portland South Waterfront District. All outstanding LIDs debt is scheduled to be repaid in semiannual installments, with maturities through fiscal year 2029 and interest rates ranging between 4.19% and 4.71%. The total outstanding amount of principal as of June 30, 2026 and 2025 are $2,121 and $3,976, respectively, and have been included in long-term debt in the statements of net position.

(d) Line of Credit

OHSU has a single line of credit available with U.S. Bank National Association for an aggregate principal amount not to exceed $100,000. Interest is payable on a monthly basis and interest rates are variable based on the monthly SOFR rate and an applicable margin. As of June 30, 2026, OHSU has not drawn on its line of credit.

Pursuant to the Sixth Amendment to Credit Agreement (Sixth Amendment) dated as of April 29, 2026, the Sixth Amendment made changes, including, without limitation, extending the Maturity Date of the Line of Credit to April 28, 2027.

The line of credit is subject to event of default provisions that would cause the full outstanding amount to become immediately due and payable. Event of default provisions are extensive with certain provisions subjective in nature based on materiality. Some notable event of default provisions included, but not limited to, are if the University fails to pay principal or interest on the loan when due, if the University makes any material misrepresentation in connection to the agreement, and if the University fails to meet the debt covenants requiring financial disclosures.

(e) Unamortized Bond Premiums and Discounts

OHSU has issued bonds at a premium and bonds at a discount. The premium and discount are amortized over the original life of the bond or through the bond mandatory tender date as applicable. The unamortized balances are included in long-term debt in the statements of net position. The unamortized net premium balances as of June 30, 2026 and 2025 are $85,291 and $94,304, respectively.

(f) Summary of Principal and Interest Payments

Principal and interest payments under the outstanding long-term debt and long-term lease obligations are as follows:

	Principal	Interest	Total
Year(s) ending June 30:			
2027	$ 57,512	47,561	105,073
2028	47,023	45,716	92,739
2029	38,884	43,784	82,668
2030	37,398	42,330	79,728
2031	36,794	40,959	77,753
2032–2036	167,692	184,947	352,639
2037–2041	184,344	146,019	330,363
2042–2046	274,274	99,715	373,989
2047–2051	284,705	35,593	320,298
2052–2056	62,845	1,152	63,997
	$ 1,191,471	687,776	1,879,247

(g) Changes in Long-Term Liabilities

Changes in OHSU's total long-term liabilities during the fiscal years ended June 30, 2026 and 2025 are summarized below:

	June 30, 2025 balance	Increases	Decreases	June 30, 2026 Current portion	June 30, 2026 Noncurrent portion	Total
Liability for self-funded insurance programs	$ 115,812	43,626	(33,187)	63,063	63,188	126,251
Liability for life income agreements	25,888	3,823	(1,978)	—	27,733	27,733
Long-term debt	1,211,840	—	(34,503)	14,320	1,163,017	1,177,337
Long-term financed purchase	807	—	(807)	—	—	—
ROU lease liability	110,214	29,279	(40,068)	43,192	56,233	99,425
Compensated absences	212,678	22,737	(889)	134,959	99,567	234,526
Other noncurrent liabilities	31,062	5,362	(140)	—	36,284	36,284
Pension liability	574,339	275,190	(255,848)	—	593,681	593,681
	$ 2,282,640	380,017	(367,420)	255,534	2,039,703	2,295,237

(Continued)

	June 30, 2024 balance	Increases	Decreases	June 30, 2025 Current portion	June 30, 2025 Noncurrent portion	Total
Liability for self-funded insurance programs	$ 107,823	47,861	(39,872)	56,567	59,245	115,812
Liability for life income agreements	24,715	4,259	(3,086)	—	25,888	25,888
Long-term debt	1,247,028	—	(35,188)	13,425	1,198,415	1,211,840
Long-term financed purchase	2,477	—	(1,670)	812	(5)	807
ROU lease liability	97,483	37,092	(24,361)	34,350	75,864	110,214
Compensated absences	354,006	39,872	(181,200)	134,293	78,385	212,678
Other noncurrent liabilities	30,950	2,264	(2,152)	—	31,062	31,062
Pension liability	512,611	280,932	(219,204)	—	574,339	574,339
	$ 2,377,093	412,280	(506,733)	239,447	2,043,193	2,282,640

(10) Life Income Fund – Annuities

Assets contributed as life income agreements are recorded at their fair value. The present value of estimated future payments to beneficiaries of annuity agreements is recorded as a liability. The present values of these estimated payments were determined on the basis of published actuarial factors for the ages of the respective annuity beneficiaries. Differences between the assets contributed and the expected payments to be made to beneficiaries have been recorded as donations in the year established.

Life income contributions, including gifts, grants, and contracts in the accompanying statements of revenues, expenses, and changes in net position, are as follows for the fiscal years ended June 30, 2026 and 2025:

	2026 Agreements	2026 Asset	2026 Liability
Charitable remainder unitrusts	4	$ 606	103
Charitable gift annuities	7	443	257
Total	11	$ 1,049	360

(Continued)

	2025		
	Agreements	**Asset**	**Liability**
Charitable gift annuities	10	$ 1,421	783
Total	10	$ 1,421	783

The assets and corresponding liabilities related to life income agreements are included in long-term investments, restricted, and the liability for life income agreements in the accompanying statements of net position.

Total life income instruments held at June 30, 2026 and 2025 are as follows:

	2026		
	Agreements	**Asset**	**Liability**
Charitable remainder unitrusts	30	$ 15,356	4,963
Charitable lead unitrusts	2	25,182	13,621
Charitable gift annuities	167	17,827	8,354
Life estate agreements	3	1,659	795
Total	202	$ 60,024	27,733

	2025		
	Agreements	**Asset**	**Liability**
Charitable remainder unitrusts	28	$ 14,559	4,603
Charitable lead unitrusts	2	23,888	11,893
Charitable gift annuities	168	16,574	8,578
Life estate agreements	3	1,655	814
Total	201	$ 56,676	25,888

10 charitable gift annuities, included above, with a total gift value of $3.0 million, have been reinsured with insurance carriers in order to reduce liability exposure. Under the reinsurance contracts, the insurance carrier pays the future beneficiary payments. To the extent, the insurance carriers are unable to perform under the contract, the foundation would be responsible for payment.

(11) Funds Held in Trust by Others

OHSU, via the Foundation, is the named beneficiary 38 trusts held by outside trustees as of June 30, 2026, and 2025, respectively. The reported fair market value of trust assets held by others was $64,700 and $58,800 for the years ended June 30, 2026 and 2025, respectively. The Foundation records

contributions as trust distributions occur. Trust distributions of $2,000 and $2,100 were recorded as contributions during the fiscal years ended June 30, 2026 and 2025, respectively.

(12) Pledges and Estates Receivables

OHSU, via the Foundation, had the following pledges and estates receivable as of June 30, 2026 and 2025:

		2026	2025
Pledges maturing within 1 year	$	83,815	115,429
Pledges maturing within 2–10 years		11,979	25,855
		95,794	141,284
Less allowance for uncollectible pledges		(495)	(707)
		95,299	140,577
Less discount for net present value (rates of 0.16% to 4.72%)		(1,103)	(2,062)
Total net pledges receivable		94,196	138,515
Estates receivable		10,358	10,269
Less allowance for uncollectible estates		(12)	(7)
Less discount for net present value (rates of 0.98% to 4.88%)		(671)	(788)
Total net estates receivable		9,675	9,474
Total pledges and estates receivable	$	103,871	147,989

(13) Commitments and Contingencies

(a) Liability for Self-Funded Insurance Programs

Coverage for professional liability, patient general liability, and automobile liability is provided through OHSU's solely owned captive insurance company, OHSU Insurance Company. Current coverage limits are $5,200 per claim with an annual aggregate of $22,000 for professional liability and $3,000 per claim for general liabilities.

Coverage for the directors' and officers' liability and employment practices liability deductible is also provided through OHSU Insurance Company. Current coverage limits for D&O claims are $1,000, $2,000 for claims brought by a Physician or Medical Director and $5,000 for anti-trust claims. Current coverage limits for EPLI claims are $1,250 or $2,000 for Mass/Class Action Claims and claims brought by a Physician or Medical Director.

Coverage for the cyber liability deductible is also provided through OHSU Insurance Company. The coverage limit for cyber liability is $1,000 for each and every claim.

(Continued)

Excess coverage and reinsurance is provided by a variety of insurers for claims that may exceed these limits. Coverage is written on a claims-made basis.

OHSU has contracted with independent actuaries to estimate the ultimate costs of settlement related to the coverage provided by OHSU Insurance Company. The liabilities are discounted at 3.5% in 2026 and 2025 and, in management's opinion, provide an adequate reserve for loss contingencies.

In December 2007, the Oregon Supreme Court found unconstitutional certain provisions of the Oregon Tort Claims Act (OTCA) that limited OHSU's liability for the acts of its employees and agents in large damages cases.

Effective July 1, 2009, the OTCA was amended by Senate Bill 311 for events occurring on or after December 28, 2007. The new OTCA limits are as follows:

Date of event	New OTCA limit (per claim)	Occurrence aggregate
12/28/2007-06/30/2010	$ 1,500	3,000
07/01/2010–06/30/2011	1,600	3,200
07/01/2011–06/30/2012	1,700	3,400
07/01/2012–06/30/2013	1,800	3,600
07/01/2013–06/30/2014	1,900	3,800
07/01/2014–06/30/2015	2,000	4,000
07/01/2015–06/30/2016	2,048	4,096
07/01/2016–06/30/2017	2,075	4,147
07/01/2017–06/30/2018	2,118	4,236
07/01/2018–06/30/2019	2,182	4,363
07/01/2019–06/30/2020	2,247	4,494
07/01/2020–06/30/2021	2,308	4,615
07/01/2021–06/30/2022	2,348	4,695
07/01/2022–06/30/2023	2,418	4,836
07/01/2023–06/30/2024	2,491	4,981
07/01/2024–06/30/2025	2,565	5,131
07/01/2025–06/30/2026	2,638	5,275

The impact of the OTCA has been included in the liability for self-funded insurance programs in the accompanying financial statements.

In September 2013, a judgment was awarded against OHSU in a professional liability case that was in excess of the OTCA, which limits OHSU's and other Oregon public body's liability for the acts of its employees and agents. OHSU disbursed the sum of $3,000 the amount of the tort cap in place at the date of the event. In May 2016, the Oregon Supreme Court affirmed the OTCA in this case.

(Continued)

(b) Unemployment Compensation

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to Oregon Revised Statutes. The estimated amount of future benefits payments to claimants and the resulting liability to OHSU have been reflected as accrued salaries, wages, and benefits in the accompanying statements of net position.

(c) Employee Health Programs

OHSU is self-insured for its risk of loss related to costs to insure its employees for medical, dental, and vision coverage. OHSU has utilized a third-party actuary to assist in the estimation of its liability for the employee health programs related to claims payable and those claims incurred but not yet paid or reported of approximately $45,991 and $39,682 as of June 30, 2026 and 2025, respectively. These amounts are included in current portion of self-funded insurance program liabilities in the accompanying statements of net position.

(d) Labor Organizations

As of fiscal year-end June 30, 2025, approximately 64.1% of OHSU's employees were represented by labor organizations as follows:

Union Represented Employees	Percentage	Contract Expiration
AFSCME Local 328	39.0%	June 30, 2028
Oregon Nurses Association	18.0%	June 30, 2026
AFSCME Graduate Researchers United	2.0%	June 30, 2027
AFSCME House Officers Union	5.0%	June 30, 2027
OHSU Police Association	.1%	June 30, 2027

Oregon Nurses Association (ONA) collective bargaining agreement expired on June 30, 2026; negotiations for successor agreements are ongoing as of the issuance of these financial statements.

(e) Construction Contracts

OHSU had outstanding commitments on unexpended construction contracts totaling approximately $7,657 and $19,182 at June 30, 2026 and 2025, respectively. These commitments will be primarily funded from gifts, grants, funds held by trustee, and other investment accounts.

(f) Legal Proceedings

The healthcare industry and academic medical centers are subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, laws and regulations related to licensure, accreditation, government health program participation,

reimbursement for patient services, Medicare and Medicaid fraud and abuse, and laws and regulations governing the conduct of federally funded research, research involving human and animal subjects, and other facets of research. Government monitoring and enforcement activity continues with respect to possible violations of fraud and abuse laws and regulations and other laws and regulations applicable to healthcare providers and healthcare institutions, including academic medical centers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties and repayments for patient services previously billed. Management believes OHSU is in compliance with applicable fraud and abuse laws and regulations, as well as other applicable government laws and regulations.

OHSU's compliance with the referenced laws and regulations may be subject to current or future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

OHSU is involved in litigation and is periodically the subject of regulatory inquiries in the normal course of its business. OHSU has been subject to several federal healthcare audits as a part of national initiatives targeting large numbers of hospitals and academic medical centers and was the subject of government-issued subpoenas and post payment reviews concerning specific OHSU billing practices. OHSU responds to these audits, subpoenas, and reviews as required by law, and these matters were resolved or are expected to be resolved without material adverse effect on OHSU's financial position, changes in financial position, or liquidity.

(g) Leases (lessee) and Similar Subscription Based Information Technology Arrangements

As discussed in note 1(w), OHSU is a lessee for various noncancelable leases of buildings and equipment. OHSU also has noncancelable subscription arrangements (similar to a lease) for the right-to-use various information technology hardware and software (subscription IT arrangements).

Intangible right-to-use lease and subscription IT assets

A summary of lease and subscription IT asset activity during the year ended June 30, 2026 is as follows:

	Balance June 30, 2025	Additions	Remeasurements	Deductions	Balance June 30, 2026
Lease assets:					
Buildings and equipment	$ 124,940	1,465	3,879	—	130,284
Less accumulated amortization:					
Buildings and equipment	(60,239)	(17,072)	(727)	—	(78,038)
Total lease assets, net	64,701	(15,607)	3,152	—	52,246
Subscription IT assets	125,832	18,276	8,664	(37)	152,735
Less accumulated amortization:					
Subscription IT assets	(63,225)	(26,123)	(64)	354	(89,058)
Subscription IT assets, net	62,607	(7,847)	8,600	317	63,677
Total lease and subscription IT assets, net	$ 127,308	(23,454)	11,752	317	115,923

(Continued)

A summary of lease and subscription IT asset activity during the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Remeasurements	Deductions	Balance June 30, 2025
Lease assets:					
Buildings and equipment	$ 118,952	3,691	2,297	—	124,940
Less accumulated amortization:					
Buildings and equipment	(48,549)	(8,974)	(2,716)	—	(60,239)
Total lease assets, net	70,403	(5,283)	(419)	—	64,701
Subscription IT assets	85,598	36,635	7,247	(3,648)	125,832
Less accumulated amortization:					
Subscription IT assets	(42,688)	(31,073)	7,332	3,204	(63,225)
Subscription IT assets, net	42,910	5,562	14,579	(444)	62,607
Total lease and subscription IT assets, net	$ 113,313	279	14,160	(444)	127,308

Lease and subscription IT liabilities

A summary of changes in the related lease and subscription IT liabilities during the year ended June 30, 2026 is as follows:

	Balance June 30, 2025	Additions	Remeasurements	Deductions	Balance June 30, 2026	Amounts Due within one year
Lease liabilities and subscription IT liabilities	$ 110,214	24,675	4,605	(40,069)	99,425	43,192

A summary of changes in the related lease and subscription IT liabilities during the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Remeasurements	Deductions	Balance June 30, 2025	Amounts Due within one year
Lease liabilities and subscription IT liabilities	$ 97,483	37,092	7,897	(32,258)	110,214	34,350

(Continued)

Future annual lease payments are as follows:

		Principal amount	Interest amount	Total
Year ending June 30:				
2027	$	17,310	2,128	19,438
2028		8,156	1,645	9,801
2029		6,748	1,110	7,858
2030		4,341	814	5,155
2031–2035		10,817	1,581	12,398
2036–2040		3,334	239	3,573
2041–2045		212	24	236
2046–2050		58	1	59
2051–2055		—	—	—
	$	50,976	7,542	58,518

Future annual subscription IT payments are as follows:

		Principal amount	Interest amount	Total
Year ending June 30:				
2027	$	25,882	1,977	27,859
2028		13,360	789	14,149
2029		5,607	297	5,904
2030		1,766	183	1,949
2031		887	107	994
2032–2036		947	47	994
	$	48,449	3,400	51,849

Variable Lease and Subscription Payments

Variable lease and subscription payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease and subscription IT liability. Such amounts are recognized as lease expense or subscription expense, respectively, in the period in which the obligation for those payments is incurred.

OHSU makes variable lease payments related to maintenance, support, utility, and insurance costs to its lessors. The amounts recognized as outflows (expense) for variable lease payments not included in the measurement of the lease liabilities were $5,162 and $2,617 during the years ended June 30, 2026 and 2025, respectively.

(Continued)

Lease and Subscription Commitments

As of June 30, 2026, OHSU had committed to one IT subscription not yet commenced with payments due, on an undiscounted basis, of $6,804 over the respective lease term. The lease will commence in 2027 with a term of 3 years.

(h) Tuality Health Affiliation

On February 1, 2016, OHSU affiliated with Tuality Healthcare (Tuality) through the execution of a management agreement (the Tuality Agreement) between the organizations. Under the Tuality Agreement, OHSU agrees to oversee the unified and integrated clinical enterprises of OHSU and Tuality as a single, integrated economic unit. OHSU and Tuality remain as separate entities, own their own assets, and continue to be the licensed operators of their own facilities. Per the agreement, OHSU has guaranteed Tuality's operating income and will provide operating cash flow support. The initial term of the Tuality Agreement is 20 years and it may be renewed or extended by written agreement of the parties. The Tuality Agreement is subject to termination in the event of material breaches of the agreement or for certain other reasons specified in the Tuality Agreement.

After February 1, 2016, OHSU guarantees operating income support in the following manner: to the extent Tuality incurs an operating loss for any fiscal year, OHSU will provide operating support in the form of a cash payment to Tuality in an amount equal to the operating loss, which will result in Tuality's operating income being equal to zero. OHSU may recoup prior payments for operating support from Tuality's positive operating cash flow generated in future fiscal years as specified in the Tuality Agreement. For fiscal years 2026 and 2025, operating income support amounted to $15,182 and $15,287, respectively.

During the first five years of the agreement, if Tuality's operating cash flow, defined in the Tuality Agreement as operating income plus depreciation less regular principal payments on long-term debt and less capital spending, was negative, OHSU provided Tuality a capital advance in the form of a cash payment to bring Tuality's operating cash flow to a balance of zero. The capital advance was recorded on Tuality's financial statements as a payable to OHSU, and on OHSU's financial statements as a receivable from Tuality, subject to any required reserves for estimates of collectability. Such capital advances do not bear interest and are repayable by Tuality to OHSU from positive operating cash flow generated in future fiscal years under general guidelines specified in the Tuality Agreement. The total note receivable as of June 30, 2026 was $19,591. In light of uncertain operating income, in the near term and the likelihood that cash flow available for repayment will be deferred into future years, OHSU has recorded a valuation reserve of $19,591 against the note receivable under other noncurrent assets as of June 30, 2026.

(Continued)

(i) Adventist Health

On November 7, 2025, OHSU and Adventist Health executed a Health System Termination Agreement that terminated their integrated health system affiliation effective June 30, 2025. Following the termination, OHSU and Adventist Health resumed independent operation and oversight of their respective clinical enterprises and no longer operate as a unified health system. OHSU-AH, LLC, the joint entity established in connection with the affiliation, was amended to provide for its orderly wind-down and dissolution and no longer oversees clinical operations.

The parties continue certain collaborative activities through separate agreements, including academic affiliation, professional services, and electronic health record transition arrangements. As consideration for the termination of the affiliation and related agreements, OHSU agreed to make payments to Adventist Health totaling $23.0 million, payable in two installments of $11.5 million due on June 30, 2026, and June 30, 2027.

(14) Subsequent Events

On August 14, 2025, Phil and Penny Knight announced a $2 billion gift to OHSU to support OHSU's Knight Cancer Institute. The funds will be used to expand and accelerate diagnostics, ensure access to innovative clinical trials informed by Knight research, and simplify the experience for patients and families. Every patient will have access to a full range of much-needed support resources, including support resources for nutrition, mental health, insurance guidance, and symptom management, along with survivorship care and other complementary therapies. All conditions have been met for the first $5 million of the gift and therefore this portion has been recognized as revenue in the year ended June 30, 2026. The Foundation will record the remainder of the Knights' gift when the gift agreement is fully executed and remaining conditions are met, which as of the date of this report remains outstanding.

(15) Blended Component Units

Condensed combining statements for OHSU and its blended component units are shown below:

	2026				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Assets:					
Current assets	$ 1,606,158	24,391	140,548	(85,575)	1,685,522
Noncurrent assets:					
Capital assets, net of accumulated depreciation	2,711,131	—	9,965	—	2,721,096
Other noncurrent assets	1,201,826	109,854	2,011,615	—	3,323,295
Total noncurrent assets	3,912,957	109,854	2,021,580	—	6,044,391
Total assets	5,519,115	134,245	2,162,128	(85,575)	7,729,913
Deferred outflows	268,104	—	—	—	268,104
Total assets and deferred outflows	$ 5,787,219	134,245	2,162,128	(85,575)	7,998,017
Liabilities:					
Current liabilities	$ 825,784	804	91,214	(85,575)	832,227
Noncurrent liabilities	1,943,543	58,558	37,602	—	2,039,703
Total liabilities	2,769,327	59,362	128,816	(85,575)	2,871,930
Deferred inflows	44,696	—	308,800	—	353,496
Net position:					
Net investment in capital assets	1,575,159	—	546	—	1,575,705
Restricted, expendable	—	—	634,500	—	634,500
Restricted, nonexpendable	—	—	413,947	—	413,947
Unrestricted	1,398,037	74,883	675,519	—	2,148,439
Total net position	2,973,196	74,883	1,724,512	—	4,772,591
Total liabilities, deferred inflows, and net position	$ 5,787,219	134,245	2,162,128	(85,575)	7,998,017

(Continued)

	2025				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Assets:					
Current assets	$ 1,386,121	23,935	159,137	(78,331)	1,490,862
Noncurrent assets:					
Capital assets, net of accumulated depreciation	2,626,806	—	10,955	—	2,637,761
Other noncurrent assets	1,110,074	100,800	1,670,872	—	2,881,746
Total noncurrent assets	3,736,880	100,800	1,681,827	—	5,519,507
Total assets	5,123,001	124,735	1,840,964	(78,331)	7,010,369
Deferred outflows	239,328	—	—	—	239,328
Total assets and deferred outflows	$ 5,362,329	124,735	1,840,964	(78,331)	7,249,697
Liabilities:					
Current liabilities	$ 734,766	597	91,093	(78,331)	748,125
Noncurrent liabilities	1,949,571	57,485	36,137	—	2,043,193
Total liabilities	2,684,337	58,082	127,230	(78,331)	2,791,318
Deferred inflows	60,011	—	137,603	—	197,614
Net position:					
Net investment in capital assets	1,444,367	—	910	—	1,445,277
Restricted, expendable	—	—	611,045	—	611,045
Restricted, nonexpendable	—	—	388,410	—	388,410
Unrestricted	1,173,614	66,653	575,766	—	1,816,033
Total net position	2,617,981	66,653	1,576,131	—	4,260,765
Total liabilities, deferred inflows, and net position	$ 5,362,329	124,735	1,840,964	(78,331)	7,249,697

(Continued)

Condensed combining information related to revenues, expenses, and changes in net position for the years ended June 30, 2026 and 2025 is as follows:

	2026				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Operating revenues:					
Patient service revenue	$ 4,892,456	—	—	—	4,892,456
Student tuition and fees, net	87,945	—	—	—	87,945
State support - appropriations	73,539	—	—	(73,539)	—
Gifts, grants, and contracts	906,158	—	91,541	(269,157)	728,542
Other revenue	332,653	24,021	2,703	(23,913)	335,464
Total operating revenues	6,292,751	24,021	94,244	(366,609)	6,044,407
Operating expenses:					
Salaries, wages, and benefits	3,651,196	—	23,684	—	3,674,880
Defined-benefit pension	77,183	—	—	—	77,183
Services, supplies, and other	2,130,952	19,937	154,779	(171,177)	2,134,491
Depreciation and amortization	233,803	—	1,068	—	234,871
Interest	43,942	—	318	—	44,260
Total operating expenses	6,137,076	19,937	179,849	(171,177)	6,165,685
Operating income (loss)	155,675	4,084	(85,605)	(195,432)	(121,278)
Noncapital subsidies					
Gifts	—	—	—	114,232	114,232
Scholarships	—	—	—	7,661	7,661
State appropriations	—	—	—	73,539	73,539
Total noncapital subsidies	—	—	—	195,432	195,432
Operating income (loss) and noncapital subsidies	155,675	4,084	(85,605)	—	74,154
Nonoperating revenues (expenses):					
Investment income and change in fair value of investments	198,561	4,146	207,941	—	410,648
Contributions for capital and other	2,126	—	—	—	2,126
Nonexpendable donations	—	—	25,589	—	25,589
Other	(1,147)	—	456	—	(691)
Total nonoperating revenues, net	199,540	4,146	233,986	—	437,672
Net income before other changes in net position	355,215	8,230	148,381	—	511,826
Total increase in net position	355,215	8,230	148,381	—	511,826
Net position – beginning of year	2,617,981	66,653	1,576,131	—	4,260,765
Net position – end of year	$ 2,973,196	74,883	1,724,512	—	4,772,591

(Continued)

	2025				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Operating revenues:					
Patient service revenue	$ 4,095,300	—	—	—	4,095,300
Student tuition and fees, net	83,986	—	—	—	83,986
State support - appropriations	70,396	—	—	(70,396)	—
Gifts, grants, and contracts	912,873	—	79,261	(308,727)	683,407
Other revenue	346,337	22,912	2,652	(27,773)	344,128
Total operating revenues	5,508,892	22,912	81,913	(406,896)	5,206,821
Operating expenses:					
Salaries, wages, and benefits	3,356,146	—	22,428	—	3,378,574
Defined-benefit pension	84,433	—	—	—	84,433
Services, supplies, and other	1,949,002	18,971	174,891	(188,237)	1,954,627
Depreciation and amortization	218,515	—	1,087	—	219,602
Interest	44,749	—	—	—	44,749
Total operating expenses	5,652,845	18,971	198,406	(188,237)	5,681,985
Operating income (loss)	(143,953)	3,941	(116,493)	(218,659)	(475,164)
Noncapital subsidies					
Gifts	—	—	—	134,551	134,551
Scholarships	—	—	—	13,712	13,712
State appropriations	—	—	—	70,396	70,396
Total noncapital subsidies	—	—	—	218,659	218,659
Operating income (loss) and noncapital subsidies	(143,953)	3,941	(116,493)	—	(256,505)
Nonoperating revenues (expenses):					
Investment income and change in fair value of investments	153,059	7,244	128,104	—	288,407
Contributions for capital and other	7,036	—	—	—	7,036
Nonexpendable donations	—	—	19,135	—	19,135
Other	16,305	—	(222)	—	16,083
Total nonoperating revenues, net	176,400	7,244	147,017	—	330,661
Net income	32,447	11,185	30,524	—	74,156
Total increase in net position	32,447	11,185	30,524	—	74,156
Net position – beginning of year	2,585,534	55,468	1,545,607	—	4,186,609
Net position – end of year	$ 2,617,981	66,653	1,576,131	—	4,260,765

(Continued)

Condensed combining information related to cash flows for the years ended June 30, 2026 and 2025 is as follows:

	2026				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Net cash provided by (used in) operating activities	$ 230,366	16,785	(94,897)	—	152,254
Net cash provided by noncapital financing activities	197,709	—	17,657	—	215,366
Net cash used in capital and related financing activities	(406,866)	—	(756)	—	(407,622)
Net cash provided by (used in) investing activities	22,157	(6,278)	96,581	—	112,460
Net change in cash and cash equivalents	43,366	10,507	18,585	—	72,458
Cash and cash equivalents, beginning of year	99,372	11,991	34,697	—	146,060
Cash and cash equivalents, end of year	$ 142,738	22,498	53,282	—	218,518

	2025				
	University	INSCO	OHSU Foundation	Eliminations/ reclassifications	Total combined
Net cash provided by (used in) operating activities	$ (227,506)	16,785	(94,897)	—	(305,618)
Net cash provided by noncapital financing activities	181,035	—	17,657	—	198,692
Net cash used in capital and related financing activities	(492,587)	—	(756)	—	(493,343)
Net cash provided by (used in) investing activities	444,759	(6,278)	96,581	—	535,062
Net change in cash and cash equivalents	(94,299)	10,507	18,585	—	(65,207)
Cash and cash equivalents, beginning of year	193,671	1,484	16,112	—	211,267
Cash and cash equivalents, end of year	$ 99,372	11,991	34,697	—	146,060

OREGON HEALTH & SCIENCE UNIVERSITY
(A Component Unit of the State of Oregon)
Required Supplementary Information
June 30, 2026 and 2025
(Dollars in thousands)

Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios

(Dollar amounts in thousands)

Defined-benefit pension plan	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
OHSU's proportion of the net pension liability (rounded)	2.66 %	2.58 %	2.74 %	2.59 %	2.56 %	2.73 %	2.91 %	3.01 %	3.15 %	3.51 %
OHSU's proportionate share of the net pension liability	$ 593,681	574,339	512,611	396,378	305,955	595,311	503,720	456,006	424,000	526,200
Covered payroll	457,144	416,454	369,176	346,723	330,673	340,369	330,868	323,343	337,473	326,959
OHSU's proportionate share of the net pension liability as a percentage of covered payroll	129.87 %	137.91 %	138.85 %	114.32 %	92.52 %	174.90 %	152.24 %	141.03 %	125.64 %	160.94 %
Plan fiduciary net position as a percentage of the total pension liability	79.30 %	81.70 %	84.50 %	87.60 %	75.80 %	80.20 %	82.10 %	83.10 %	80.50 %	91.90 %

Required Supplementary Information (Unaudited)
Schedule of Defined-Benefit Pension Plan Contributions

(Dollars in thousands)

Year ended June 30	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contributions	$ 98,809	68,931	61,583	53,913	53,754	48,333	50,841	37,919	37,087	30,809
Contributions in relation to the contractually required contributions	98,809	68,931	61,583	63,913	63,754	58,333	60,841	47,919	47,087	30,809
Contribution excess	$ —	—	—	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	—
OHSU's covered payroll	$ 492,388	457,144	416,454	369,176	346,723	330,673	340,369	330,868	323,343	337,473
Contributions as a percentage of covered payroll	20.07 %	15.08 %	14.79 %	17.31 %	18.39 %	17.64 %	17.88 %	14.48 %	14.56 %	9.13 %

See accompanying independent auditors' report.

Schedule 1

OREGON HEALTH & SCIENCE UNIVERSITY

Combining Schedules of Net Position

June 30, 2026 with comparative totals for June 30, 2025

(Dollars in thousands)

Assets	Hospital	Other University	Total University	Foundation	Eliminations/ Reclassifications	2026	2025
Current assets:							
Cash and cash equivalents	$ 154,728	16,069	170,797	47,721	—	218,518	146,060
Short-term Investments	—	23,721	23,721	42	—	23,763	23,362
Current portion of funds held by trustee	23,344	8,572	31,916	—	—	31,916	31,286
Patients accounts receivable, net of bad debt allowances of $2,388 and $2,720 – in 2026 and 2025, respectively	1,024,042	5,305	1,029,347	—	—	1,029,347	857,121
Student receivables	—	23,637	23,637	—	—	23,637	26,706
Grant and contract receivable	—	70,982	70,982	—	—	70,982	87,672
Current portion of pledges and estates receivable	—	—	—	89,843	—	89,843	121,333
Other receivables, net	44,768	104,535	149,303	1,734	(84,408)	66,629	76,969
Inventories, at cost	80,584	2,846	83,430	—	—	83,430	76,223
Prepaid expenses	21,986	24,263	46,249	1,208	—	47,457	44,130
Total current assets	1,349,452	279,930	1,629,382	140,548	(84,408)	1,685,522	1,490,862
Noncurrent assets:							
Capital assets, net of accumulated depreciation	1,703,862	1,007,269	2,711,131	9,965	—	2,721,096	2,637,761
Long-term investments:							
Long-term investments, restricted	—	72,356	72,356	1,208,197	—	1,280,553	999,408
Long-term investments, unrestricted	1,017,535	209,158	1,226,693	788,006	—	2,014,699	1,843,250
Total long-term investments	1,017,535	281,514	1,299,049	1,996,203	—	3,295,252	2,842,658
Prepaid financing costs, net	387	151	538	—	—	538	700
Pledges and estates receivable – less current portion	—	—	—	14,028	—	14,028	26,656
Restricted postemployment benefit asset	—	12,093	12,093	—	—	12,093	10,690
Other noncurrent assets	—	—	—	1,384	—	1,384	1,042
Interest in the Foundations	—	1,724,512	1,724,512	—	(1,724,512)	—	—
Total noncurrent assets	2,721,784	3,025,539	5,747,323	2,021,580	(1,724,512)	6,044,391	5,519,507
Total assets	4,071,236	3,305,469	7,376,705	2,162,128	(1,808,920)	7,729,913	7,010,369
Deferred outflows:							
Loss on refunding of debt	14,399	1,853	16,252	—	—	16,252	18,452
Pension obligation	—	244,077	244,077	—	—	244,077	215,807
Other postemployment benefits (OPEB) obligation	—	7,775	7,775	—	—	7,775	5,069
Total deferred outflows	14,399	253,705	268,104	—	—	268,104	239,328
Total assets and deferred outflows	$ 4,085,635	3,559,174	7,644,809	2,162,128	(1,808,920)	7,998,017	7,249,697

(Continued)

Schedule 1

OREGON HEALTH & SCIENCE UNIVERSITY

Combining Schedules of Net Position

June 30, 2026 with comparative totals for June 30, 2025

(Dollars in thousands)

Liabilities	Hospital	Other University	Total University	Foundation	Eliminations/ Reclassifications	2026	2025
Current liabilities:							
Current portion of long-term debt	$ 7,795	6,525	14,320	—	—	14,320	14,237
Current portion of long-term leases	25,627	16,942	42,569	623	—	43,192	34,350
Current portion of self-funded insurance programs liability	—	63,063	63,063	—	—	63,063	56,567
Accounts payable and accrued expenses	178,073	64,115	242,188	5,968	—	248,156	219,328
Accrued salaries, wages, and benefits	142,529	184,033	326,562	—	—	326,562	296,102
Unearned revenue	10,823	104,583	115,406	—	—	115,406	108,081
Other current liabilities	20,201	1,113	21,314	84,622	(84,408)	21,528	19,460
Total current liabilities	385,048	440,374	825,422	91,213	(84,408)	832,227	748,125
Noncurrent liabilities:							
Long-term debt – less current portion	911,750	251,267	1,163,017	—	—	1,163,017	1,198,410
Long-term leases – less current portion	26,603	20,834	47,437	8,796	—	56,233	75,864
Liability for self-funded insurance programs – less current portion	—	63,188	63,188	—	—	63,188	59,245
Liability for life income agreements	—	—	—	27,733	—	27,733	25,888
Pension liability	—	593,681	593,681	—	—	593,681	574,339
Other noncurrent liabilities	51,149	83,628	134,777	1,074	—	135,851	109,447
Total noncurrent liabilities	989,502	1,012,598	2,002,100	37,603	—	2,039,703	2,043,193
Total liabilities	1,374,550	1,452,972	2,827,522	128,816	(84,408)	2,871,930	2,791,318
Deferred inflows:							
Deferred lease revenue	1,884	92	1,976	—		1,976	2,337
Gain on refunding of debt	205	130	335	—	—	335	480
Life income agreements	—	—	—	31,754	—	31,754	30,416
Pending funds	—	—	—	277,046	—	277,046	107,187
Pension obligation	—	37,378	37,378	—	—	37,378	52,739
Other postemployment benefits (OPEB) obligation	—	5,007	5,007	—	—	5,007	4,455
Total deferred inflows	2,089	42,607	44,696	308,800	—	353,496	197,614
Net position:							
Investments in capital assets	770,398	805,307	1,575,705	—	—	1,575,705	1,445,277
Restricted, expendable	—	634,500	634,500	559,344	(559,344)	634,500	611,045
Restricted, nonexpendable	—	413,947	413,947	413,947	(413,947)	413,947	388,410
Unrestricted	1,938,598	209,841	2,148,439	751,221	(751,221)	2,148,439	1,816,033
Total net position	2,708,996	2,063,595	4,772,591	1,724,512	(1,724,512)	4,772,591	4,260,765
Total liabilities, deferred inflows, and net position	$ 4,085,635	3,559,174	7,644,809	2,162,128	(1,808,920)	7,998,017	7,249,697

See accompanying independent auditors' report.

Schedule 2

OREGON HEALTH & SCIENCE UNIVERSITY

Consolidated Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	Hospital	Other University	Total University	Foundation	Eliminations/ Reclassifications	2026	2025
Operating revenues:							
Patient service revenue, net of bad debt adjustments of $6,003 and $13,562 – in 2026 and 2025, respectively	$ 4,190,522	701,934	4,892,456	—	—	4,892,456	4,095,300
Student tuition and fees, net	—	87,945	87,945	—	—	87,945	83,986
Grants, and contracts	51,497	854,661	906,158	91,541	(269,157)	728,542	683,407
Sales, service, and other	278,958	53,995	332,953	2,703	(192)	335,464	344,128
State support – appropriations	4,286	69,253	73,539	—	(73,539)	—	—
State support – directed payment, net of OHSU transfer	(340,000)	340,000	—	—	—	—	—
Total operating revenues	4,185,263	2,107,788	6,293,051	94,244	(342,888)	6,044,407	5,206,821
Operating expenses:							
Salaries, wages, and benefits	1,878,632	1,772,564	3,651,196	23,684	—	3,674,880	3,378,574
Defined-benefit pension	—	77,183	77,183	—	—	77,183	84,433
Services, supplies, and other	2,186,469	(59,301)	2,127,168	154,779	(147,456)	2,134,491	1,954,627
Depreciation and amortization	125,497	108,306	233,803	1,068	—	234,871	219,602
Interest	33,169	10,773	43,942	318	—	44,260	44,749
Total operating expenses	4,223,767	1,909,525	6,133,292	179,849	(147,456)	6,165,685	5,681,985
Operating income (loss)	(38,504)	198,263	159,759	(85,605)	(195,432)	(121,278)	(475,164)
Noncapital subsidies							
Gifts	—	—	—	—	114,232	114,232	134,551
Scholarships	—	—	—	—	7,661	7,661	13,712
State appropriations	—	—	—	—	73,539	73,539	70,396
Total noncapital subsidies	—	—	—	—	195,432	195,432	218,659
Operating income (loss) and noncapital subsidies	(38,504)	198,263	159,759	(85,605)	—	74,154	(256,505)
Nonoperating revenues							
Investment income and gain in fair value of investments	178,011	24,696	202,707	207,941	—	410,648	288,407
Contributions for capital and other	(8,547)	10,673	2,126	—	—	2,126	7,036
Nonexpendable donations	—	—	—	25,589	—	25,589	19,135
Other	(585)	(562)	(1,147)	456	—	(691)	16,083
Total nonoperating revenues, net	168,879	34,807	203,686	233,986	—	437,672	330,661
Net income	130,375	233,070	363,445	148,381	—	511,826	74,156
Other changes in net position:							
Change in interest in the Foundations	—	148,381	148,381	—	(148,381)	—	—
Total other changes in net position	—	148,381	148,381	—	(148,381)	—	—
Total increase (decrease) in net position	130,375	381,451	511,826	148,381	(148,381)	511,826	74,156
Net position – beginning of year, as adjusted *	2,578,621	1,682,144	4,260,765	1,576,131	(1,576,131)	4,260,765	4,186,609
Net position – end of year	$ 2,708,996	2,063,595	4,772,591	1,724,512	(1,724,512)	4,772,591	4,260,765

See accompanying independent auditors' report.

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Discretely Presented Component Units

Consolidating Balance Sheets

June 30, 2026 and 2025

(Dollars in thousands)

Assets	Tuality Healthcare and Subsidiaries	OHSU Health IDS	Combined 2026	Combined 2025
Current assets:				
Cash and cash equivalents	$ 16,200	6,720	22,920	35,515
Common stocks: mutual funds	—	19,626	19,626	23,311
Short-term investments	—	6,969	6,969	6,910
Patient accounts receivable, net	60,256	—	60,256	46,160
Other receivables	15,022	19,704	34,726	19,094
Supplies inventory	4,550	—	4,550	5,144
Prepaid expenses and other	3,230	—	3,230	2,565
Current portion of assets whose use is limited	1,645	—	1,645	1,398
Total current assets	100,903	53,019	153,922	140,097
Assets whose use is limited:				
Board-designated funds	42,028	—	42,028	38,067
Donor-restricted – specific purpose	10,156	—	10,156	8,726
Donor-restricted – endowment	2,759	—	2,759	2,759
Required for current liabilities	(1,645)	—	(1,645)	(1,398)
Total assets whose use is limited	53,298	—	53,298	48,154
Property and equipment:				
Property and equipment, net of accumulated depreciation and amortization	93,003	—	93,003	92,097
Other assets	23,603	55	23,658	14,021
Total assets	$ 270,807	53,074	323,881	294,369

(Continued)

Schedule 3

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Discretely Presented Component Units

Consolidating Balance Sheets

June 30, 2026 and 2025

(Dollars in thousands)

Liabilities and Net Assets		Tuality Healthcare and Subsidiaries	OHSU Health IDS	Combined 2026	Combined 2025
Current liabilities:					
Accounts payable	$	20,354	43,764	64,118	59,950
Accrued payroll and employee benefits		16,837	—	16,837	15,569
Due to related party		17,678	1,195	18,873	18,985
Estimated liabilities for Medicare and Medicaid settlements		17,099	—	17,099	5,347
Long-term debt due within one year		1,645	—	1,645	1,025
Operating leases – current liability		3,173	—	3,173	2,683
Finance lease-current		383	—	383	373
Accrued bond interest payable		73	—	73	57
Total current liabilities		77,242	44,959	122,201	103,989
Long-term liabilities:					
Long-term debt, net of amount due within one year		6,162	—	6,162	6,820
Finance lease-long term		32	—	32	476
Operating leases – long-term liability		35,007	—	35,007	37,248
Liability for pension benefits		1,809	—	1,809	11,404
Other long-term liabilities		41,570	—	41,570	31,640
Total long-term liabilities		84,580	—	84,580	87,588
Total liabilities		161,822	44,959	206,781	191,577
Net assets:					
Net assets without donor restrictions		96,070	8,115	104,185	92,481
Net assets with donor restrictions		12,915	—	12,915	10,311
Total net assets		108,985	8,115	117,100	102,792
Total liabilities and net assets	$	270,807	53,074	323,881	294,369

See accompanying independent auditors' report.

Schedule 4

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Discretely Presented Component Units

Consolidating Statements of Operations

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	Tuality Healthcare and Subsidiaries	OHSU Health IDS	Combined 2026	Combined 2025
Patient service revenue	$ 359,359	—	359,359	316,876
Other revenue:				
OHSU support	14,894	—	14,894	15,287
Other revenue	6,449	299,031	305,480	291,185
Total other revenue	21,343	299,031	320,374	306,472
Total revenue	380,702	299,031	679,733	623,348
Operating expenses:				
Salaries and wages	133,425	—	133,425	127,788
Employee benefits	37,231	—	37,231	33,524
Supplies and other expenses	138,487	303,901	442,388	404,280
Professional fees	63,764	—	63,764	55,432
Depreciation and amortization	7,148	—	7,148	6,929
Interest	770	—	770	624
Total operating expenses	380,825	303,901	684,726	628,577
Income from operations	(123)	(4,870)	(4,993)	(5,229)
Other nonoperating income (loss):				
Realized income on investments whose use is limited by board designation	1,676	—	1,676	2,576
Gain on investments in affiliated companies	786	—	786	521
(Loss) gain on disposal of property and equipment	(9)	—	(9)	2
Change in net unrealized gains on investments	2,491	—	2,491	1,292
Other operating (loss) revenue	—	5,186	5,186	(5,821)
Total other income (loss)	4,944	5,186	10,130	(1,430)
Excess (deficit) of revenue over expenses	4,821	316	5,137	(6,659)
Pension-related changes	7,822	—	7,822	1,070
Increase (decrease) in net assets without donor restrictions	$ 12,643	316	12,959	(5,589)

See accompanying independent auditors' report.

Schedule 5

OREGON HEALTH & SCIENCE UNIVERSITY

Nongovernmental Discretely Presented Component Units

Consolidating Statements of Changes in Net Assets

Years ended June 30, 2026 and 2025

(Dollars in thousands)

	Tuality Healthcare and Subsidiaries	OHSU Health IDS	Combined 2026	Combined 2025
Net assets without donor restrictions:				
Excess of revenue over expenses	$ 4,821	316	5,137	(6,659)
Contributions for property and equipment acquisition	—	—	—	—
Pension-related changes	7,822	—	7,822	1,070
Increase (decrease) in net assets without donor restrictions	12,643	316	12,959	(5,589)
Net assets with donor restrictions:				
Gifts, grants, and bequests	1,672	—	1,672	1,528
Investment income	1,302	—	1,302	1,090
Net assets released from restrictions	(1,625)	—	(1,625)	(1,536)
Increase in net assets with donor restrictions	1,349	—	1,349	1,082
Change in net assets	13,992	316	14,308	(4,507)
Net assets, beginning of year	94,993	7,799	102,792	107,299
Net assets, end of year	$ 108,985	8,115	117,100	102,792

See accompanying independent auditors' report.