



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

INFORMATION ITEMS

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February 2026

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JASON E. MUMPOWER
Comptroller

February 9, 2026

Mr. Decosta Jenkins, Chair
University of Tennessee Audit Committee
400 West Summit Hill Drive
UT Tower
Knoxville, TN 37902

Dear Mr. Jenkins:

We have completed the audit fieldwork for the University of Tennessee for the year ended June 30, 2025. *Government Auditing Standards* issued by the Comptroller General of the United States require us to obtain certain representations in writing from management. Attached is a copy of management's representations for your information.

This information is intended solely for the use of those charged with governance, and is not intended to be, and should not be, used by anyone other than these specified parties.

If you have any questions about these procedures, please contact Mr. Bob Hunter, the manager in charge of the audit.

Sincerely,

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

Attachment

**THE UNIVERSITY OF TENNESSEE SYSTEM****OFFICE OF THE PRESIDENT**

RANDY BOYD
President

February 9, 2026

Ms. Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville, Tennessee 37243-1402

Dear Ms. Stickel:

We are providing this representation letter in connection with your audit of the statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows of the University of Tennessee as of June 30, 2025, and for the year then ended. We understand that the purpose of your audit is to express opinions on whether the financial statements present fairly, in all material respects, the financial position, changes in financial position, and cash flows of the university in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); to report on your consideration of internal control over financial reporting and your tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 25, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.

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2. The financial statements referred to above are fairly presented and/or disclosed in accordance with U.S. GAAP and include all properly classified funds, activities, and other financial information of the primary government and all component units, including related organizations (foundations and joint ventures with an equity interest) required by U.S. GAAP (GASBS 14, as amended; GASBS 54) to be included in the financial reporting entity.
3. We acknowledge our responsibility 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, and for compliance with applicable laws, regulations, and the provisions of contracts and grant agreements applicable to our entity.
4. We are responsible for and have designed, implemented, and maintained programs and internal controls to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions (including revenues, expenses/expenditures, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties) have been appropriately accounted for and disclosed in the financial statements in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment or disclosure in the financial statements.
8. We believe the effects of the uncorrected financial statement misstatements aggregated by the auditor and summarized in the accompanying schedule during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements, and we acknowledge that uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if the uncorrected misstatements are immaterial to the financial statements under audit for each opinion unit.
9. When preparing the financial statements, the effects of all known actual or possible unasserted litigation, claims, and assessments, including other liabilities or gain or loss contingencies, that our lawyer has advised us are probable of assertion and must be accrued and/or disclosed have been accounted for and/or disclosed in accordance with GASB Statement 62 (GASBS 62 ¶96-113).
10. Financial guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.

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Information Provided

11. We have provided you with:
 - a. Access to all information of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records including information obtained from outside of the general and subsidiary ledgers, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing body and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been properly recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud affecting the entity involving: a) management, b) employees who have significant roles in internal control over financial reporting, or c) others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity financial statements received in communications from employees, former employees, analysts, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government-Specific

18. We have made available to you all financial records and related data and all audit

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- or relevant monitoring reports, if any, received from funding sources.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 20. If applicable, we have a process to track the status of audit findings and recommendations.
 21. We have reported to you all previous financial audits, attestation engagements, performance audits, or other studies (including federal audits) that have been performed on our entity and that are related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and implement related recommendations.
 22. We have disclosed all plans or intentions that may materially affect or change the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
 23. We are responsible for compliance with the laws, regulations, and the provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we understand and have complied with, identified, and disclosed the requirements of laws, regulations, and the provisions of contracts and grant agreements that have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
 24. There are no violations or possible violations of laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 25. We have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 26. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 27. We have followed applicable laws and regulations in adopting, approving, and amending the budget.
 28. We have included in the financial statements all related organizations (i.e., component units) that qualify for inclusion and disclosed all joint ventures with an equity interest and other related organizations in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB). All related organizations

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including all foundations that do not qualify for inclusion in the financial statements in conformity with GASB Statement 14, *The Financial Reporting Entity*, as amended by GASBS 39, *Determining Whether Certain Organizations Are Component Units*, and GASBS 61, *The Financial Reporting Entity: Omnibus*, have been disclosed in the notes to the financial statements.

29. Net position components (net investment in capital assets, restricted, and unrestricted) categories are properly classified and, if applicable, approved.
30. Investments and land and other real estate held by endowments are properly valued.
31. Provisions for uncollectible receivables have been properly identified and recorded.
32. Expenses have been appropriately classified in the statements of revenues, expenses, and changes in net position as operating and nonoperating.
33. Revenues are appropriately classified in the statements of revenues, expenses, and changes in net position within operating revenues, nonoperating revenues, and other revenues.
34. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
35. Deposits and investment securities are properly classified as to risk and are properly disclosed.
36. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized.
37. We have appropriately disclosed our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
38. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented in accordance with GASB's prescribed guidelines, and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
39. With respect to the supplementary combining schedule of net position and the supplementary combining schedule of revenues, expenses, and changes in net position:

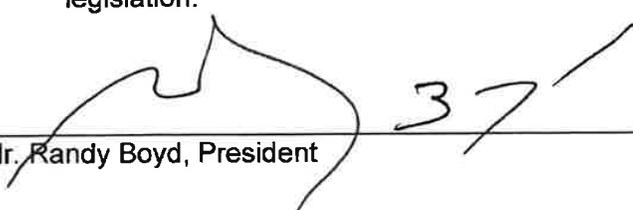
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- a. We acknowledge our responsibility for presenting the supplementary combining schedule of net position and the supplementary combining schedule of revenues, expenses, and changes in net position in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary combining schedule of net position and the supplementary combining schedule of revenues, expenses, and changes in net position, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary combining schedule of net position and the supplementary combining schedule of revenues, expenses, and changes in net position have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary combining schedule of net position and the supplementary combining schedule of revenues, expenses, and changes in net position are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
40. We have taken affirmative action to remind all staff (including internal audit staff and other personnel) of the necessity to formally and promptly inform management of any allegations of fraud, potential fraud, or detected fraud.
41. The following have also been properly identified and recorded or disclosed in the financial statements:
- a. Significant estimates and material contingencies known to management that are required to be disclosed in accordance with GASBS 62.
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line-of-credit, or similar arrangements.
 - c. We have disclosed all utilized bank accounts, including all official and unofficial accounts.
 - d. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
42. Provisions, when material, have been made to reduce excess or obsolete

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inventories to their estimated net realizable value.

43. We are responsible for making the fair value measurements and disclosures included in the financial statements. In doing so, we assert the following:
- a. We have made significant fair value assumptions that we believe are reasonable. They appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity where relevant to the use of fair value measurements or disclosures.
 - b. Our measurement methods, including related assumptions used, resulted in a measure of fair value appropriate for financial statement presentation and disclosure purposes, and we have consistently applied these methods.
 - c. Disclosures related to fair values are complete and adequate.
44. As to our alternative investments such as hedge funds and private equity funds:
- a. The measurement methods and consistency in the application of the methods were appropriate.
 - b. The disclosures related to estimated fair value information were complete and accurate.
 - c. No subsequent events requiring adjustment to the estimated fair value measurements and disclosures have occurred.
 - d. The significant assumptions used by the fund managers are reasonable.
 - e. The assumptions appropriately reflect management's intent and ability to carry out specific courses of action.
45. Our ability to continue as a going concern was evaluated and no disclosures in the financial statements under GASB requirements are necessary.
46. We have provided you with a complete schedule of intercollegiate athletics activities (including appropriate note disclosures to the schedule) which has been prepared in conformity with NCAA legislation. In addition, we have provided you with a list of all known affiliated and outside organizations which provide support to our intercollegiate athletics activities. We have also complied with all NCAA legislation.


Mr. Randy Boyd, President

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Mr. David Miller, Chief Financial Officer

Attachment

University of Tennessee
 Addendum to Management Letter - Passed on Adjustments
 FYE 6/30/25

Debit Credit Explanation	Debit	Credit
Known misstatements:		
Depreciation and amortization expense	1,771,196.17	
Capital assets (net)		1,771,196.17
<p>UT did not amortize the implementation costs associated with the DASH SBITA and amortized the implementation costs associated with the Huron SBITA twice, in error.</p>		
Long-term liabilities (compensated absences)	6,410,103.65	
Fringe benefits		6,410,103.65
<p>To correct errors in the university's estimate of its compensated absences liability at 6/30/25.</p>		
Grants and contracts	1,446,090.09	
Accounts, notes, and grant receivables		1,446,090.09
<p><i>Proposed adjusting entry for known errors in our grant receivable sample.</i></p>		
Likely misstatements:		
Grants and contracts	2,046,356.97	
Accounts, notes, and grant receivables		2,046,356.97
<p><i>Proposed adjusting entry for projected error based on our grant receivable sample.</i></p>		

**MEMORANDUM**

TO: Audit and Compliance Committee
Mr. John Compton, Chair of the Board of Trustees
Mr. Decosta Jenkins, Chair, Audit and Compliance Committee
Mr. Bill Rhodes, Chair, Finance and Administration Committee

FROM: Mr. Luke Lybrand *LL*

DATE: January 28, 2026

SUBJECT: Travel Exception Report

The Board of Trustee's policy on travel requires the university to report to the Audit and Compliance Committee any travel exceptions approved on behalf of the President, employees in the President's Office, senior-level administrators, or the Sr. Vice President and Chief Financial Officer. For the two quarters ending December 31, 2025, there were no exceptions requested or approved in accordance with the Board's policy.

If you have any questions, please let me know.

c: Mr. Randy Boyd
Mr. David Miller
Mr. Brian Daniels
Ms. Cindy Moore



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date:	February 26, 2026
Committee:	Education, Research, and Service
Item:	<u>Report on Post Approval Monitoring of Academic Programs</u>
Type:	Information

Background Information

Introduction

The University of Tennessee System and its five campuses remain committed to delivering high quality academic programs that serve students and the workforce needs of the state and nation. Further, as a careful steward of student tuition and fees, and the funding provided by the State of Tennessee, UT monitors the health and sustainability of its academic programs through regular monitoring of enrollments and degree production.

For recently approved programs, the UT system engages in post-approval monitoring (PAM) to track development of those new offerings against targets set during the development of the program. This annual review evaluates the performance of new academic programs by comparing actual enrollment and graduation outcomes against initial projections included during the approval by the UT Board of Trustees (UT BOT) and Tennessee Higher Education Commission (THEC).

Recently, THEC revised its own PAM process to review only programs in their last year of post-approval monitoring and programs that may require an extended monitoring period. The length of the post-approval monitoring period is determined by degree level: five years for bachelor's and master's programs, and seven years for doctoral programs.

In contrast, this report provides a comprehensive overview of new programs—those approved in the past five years—showing performance across all campuses, highlights key trends, and outlines common challenges. Appendix A includes a detailed overview of the program performance by campus.



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Degree Program Overview

Since June 2020, the UT BOT has approved 28 new academic programs which were also subsequently approved by THEC. Currently, all programs are in the monitoring period, except for UT Martin's Master of Science in Social Work program that will be implemented in Fall 2026. Please see Table 1 for details on new programs by campus and degree level.

For each academic program, the corresponding campus was asked to provide enrollment and degree attainment data. These figures were compared with projections that were submitted in the approved New Academic Program Proposal. Context and explanation were provided by the campus for each program which did not reach at least 90% of its projected enrollment or degree attainment.

Table 1: New UT academic programs since August 2020

<i>Campus</i>	<i>Bachelor's</i>	<i>Master's</i>	<i>Doctoral</i>	<i>Total</i>
<i>UT Chattanooga</i>	2	1	0	3
<i>UT Health Science Center</i>	1	1	1	3
<i>UT Knoxville</i>	11	3	1	15
<i>UT Martin</i>	3	4	0	7
<i>UT Southern</i>	0	0	0	--
<i>UT System</i>	17	9	2	28

Enrollment and Degree Attainment Outcomes

Upon approval and implementation, new programs are initially measured against enrollment projections. After a period of 2 to 4 years, a program can begin to record graduates and may then be measured against the degree attainment projections. Accordingly, we can divide the list of programs into three groups: nascent, early, and maturing.

1. ***Nascent programs*** – These programs have less than one year of data. They will be included in reports in future years.
2. ***Early programs*** – These programs have at least one year of enrollment data, but they may not yet have any degree attainment data. Only enrollment data is compared against the initial projections.
3. ***Maturing programs*** – These programs have enough enrollment and degree attainment data to be compared against initial projections for both metrics.

Each of these groups is examined below.



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Programs which did not meet enrollment and/or degree attainment targets identified challenges that contributed to the perceived shortfall.

- Limited launch window - Programs like Environmental Engineering, BSENV E at UTK completed all required approvals very close to the start of the academic year in which they launched. Prior, THEC policy prevented nearly all advertising and recruitment for a proposed program until the Commission had given its approval. As future programs are developed, projections should be calibrated to the time permitted for advertising and recruitment ahead of launch.
- Alignment with academic year - Enrollment projections representing a full academic year should not be used when a new program undertakes a launch at the beginning of a spring or summer term. As future programs are developed, projections should account for spring or summer launch periods.
- Faculty recruitment - New program growth may be limited when necessary faculty recruitments are unsuccessful.



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Nascent Programs

Programs in the table below have less than one full academic year of data, and they will be monitored as part of future reporting.

Table 2: *Nascent academic programs, launching since January 2025.*

<i>Degree</i>	<i>Campus</i>	<i>Launch</i>	<i>Enrollment (Target)</i>	<i>Enrollment (Actual)</i>	<i>Notes</i>
<i>Occupational Therapy, OTD</i>	UTHSC	Aug 2025	5	4	Data for Fall 2025 only.
<i>Ag. Leadership, Educ., and Comm., PhD</i>	UTK	Jan 2025	5	6	Data for Fall 2025 only.
<i>Applied Cybersecurity, BSCYBR</i>	UTK	Aug 2025			
<i>Applied Engineering, BSE</i>	UTK	Aug 2025			
<i>Communication & Information, BSCI</i>	UTK	Aug 2025			
<i>Social Work, MSSW</i>	UTM	Aug 2026			

Even at this early stage, the two newest doctoral programs within the UT system – the OTD at UTHSC and the PhD in Agricultural Leadership, Education, and Communication at UTK – are already close to meeting their initial enrollment targets.

Early Programs

The programs below were launched in January 2023 through August 2024, inclusively. Some have degree attainment goals, based on their program structure, while others do not. All data provided here is for enrollment and degree attainment during the last full academic year for which data is available, i.e., the 2024-2025 academic year.



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<i>Degree</i>	<i>Campus</i>	<i>Launch</i>	<i>Enrollment (Target)</i>	<i>Enrollment (Actual)</i>	<i>Degrees (Target)</i>	<i>Degrees (Actual)</i>
<i>IT Cybersecurity, BAS</i>	UTC	Jan 2023	30	27	22	15
<i>Management, MSM</i>	UTC	Jan 2024	15	28	4	8
<i>Pathologists' Assistant, MHS</i>	UTHSC	Jan 2023	10	16	5	7
<i>International Business, BSBA</i>	UTK	Jan 2023	12	24		
<i>Business Cybersecurity, MS</i>	UTK	Jan 2024	46	35		
<i>Applied Artificial Intelligence, BSAAI</i>	UTK	Aug 2024	15	6		
<i>Data Science, BSDS</i>	UTK	Aug 2024	50	34		
<i>Innov. Transdisciplinary Studies, BSITS</i>	UTK	Aug 2024	10	2		
<i>Environmental Engineering, BSENVE</i>	UTK	Aug 2024	50	13		
<i>Music Education, MM</i>	UTM	Aug 2023	13	13	6	5

Many of these programs are above or near their enrollment and degree attainment goals. Notably the Pathologists' Assistant, MHS at UTHSC, the Management, MSM at UTC, and the International Business, BSBA at UTK are well ahead of their projected enrollment targets and some degree attainment targets.

Several UTK programs which launched in 2024 did not meet the first-year enrollment target, but preliminary data shows they will exceed the second-year target.



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Maturing Programs

The programs below were launched between August 2020 and August 2022, inclusively. Each program has enrollment and degree attainment projections for this stage after its launch. All data provided here is for enrollment and degree attainment during the last full academic year for which data is available, i.e., the 2024-2025 academic year.

<i>Degree</i>	<i>Campus</i>	<i>Launch</i>	<i>Enrollment (Target)</i>	<i>Enrollment (Actual)</i>	<i>Degrees (Target)</i>	<i>Degrees (Actual)</i>
<i>Applied Leadership, BAS</i>	UTC	Aug 2021	84	92	12	53
<i>Pharmaceutical Sciences, BSPS</i>	UTHSC	Aug 2020	175	92	170	94
<i>Legal Studies, MLS</i>	UTK	Jun 2021	17	62	15	13
<i>Education, BS</i>	UTK	Aug 2021	30	326	30	99
<i>Geog. Info. Science & Technology, BS</i>	UTK	Aug 2021	60	18	6	3
<i>Marketing, MS</i>	UTK	Jun 2022	25	30	19	27
<i>Public Health, BS</i>	UTK	Aug 2022	115	119	5	20
<i>Veterinary Science and Technology, BS</i>	UTM	Aug 2021	314	344	261	67
<i>Criminal Justice, MS</i>	UTM	Jan 2022	18	19	20	12
<i>Master of Sport Coaching & Perf., MSCP</i>	UTM	Jan 2022	22	10	8	6
<i>Cybersecurity, BS</i>	UTM	Aug 2022	34	34	6	1
<i>Construction Management, BS</i>	UTM	Aug 2022	38	28	5	2

The Applied Leadership, BAS at UTC has met its enrollment target and far exceeded its degree attainment target. The Legal Studies, MLS and Education, BS at UTK are far exceeding their enrollment targets, with the latter also performing very well on degree attainment.



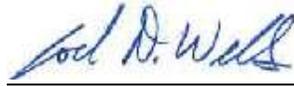
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The Pharmaceutical Sciences, BSPS program at UTHSC is embedded within the Doctor of Pharmacy, PharmD program. Students earn the BSPS upon successful completion of the first two years of the PharmD program. A broad, secular decline in interest in Pharmacy programs has driven a decline in the PharmD program at UTHSC and, consequently, a decline in the BPSP program.

Registrar’s Certification Regarding Satisfaction of Degree Requirements

I hereby certify that all University of Tennessee, Chattanooga students upon whom degrees have been conferred on *December 13, 2025* have satisfied all degree requirements. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:



Signature

Joel D. Wells
Name

University Registrar
Title

1/16/2026
Date

Bursar's Certification Regarding Satisfaction of University Debts and Obligations

I hereby certify that all University of Tennessee, Chattanooga students upon whom degrees have been conferred on *December 13, 2025* have satisfied all debts and obligations owed to the University in accordance with requirements of state law. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:
Saïce Cosy
Signature
Saïce Cosy
Name
Bursar
Title
11/6/26
Date

Registrar's Certification Regarding Satisfaction of Degree Requirements

I hereby certify that all University of Tennessee Health Science Center students upon whom degrees have been conferred from *July 1, 2025* through *December 13, 2025* have satisfied all degree requirements. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:



Signature

Scott Summers

Name

University Registrar

Title

2/2/2026

Date

Bursar's Certification Regarding Satisfaction of University Debts and Obligations

I hereby certify that all University of Tennessee Health Science Center students upon whom degrees have been conferred from *July 1, 2025* through *December 13, 2025* have satisfied all debts and obligations owed to the University in accordance with requirements of state law. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:



Signature

Byron T Porter

Name

Bursar

Title

01/28/2026

Date

Registrar’s Certification Regarding Satisfaction of Degree Requirements

I hereby certify that all University of Tennessee, Knoxville students upon whom degrees have been conferred on December 13, 2025 have satisfied all degree requirements. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:

Brian M Coldren
UNIVERSITY REGISTRAR

Signature

Brian Coldren
Name

AVP & University Registrar
Title

01/21/2026
Date



Bursar’s Certification Regarding Satisfaction of University Debts and Obligations

I hereby certify that all University of Tennessee, Knoxville students upon whom degrees have been conferred on December 13, 2025, have satisfied all debts and obligations owed to the University in accordance with requirements of state law. A complete and accurate list of those students and degrees conferred has been filed with the Office of the Board of Trustees.

Certified:

Kevin Rushing

 Signature

Kevin Rushing

 Name

Bursar

 Title

January 22, 2026

 Date



Registrar's Certification to the Chancellor

I hereby certify that all *University of Tennessee at Martin* students upon whom degrees have been conferred on *December 13, 2025* have satisfied all degree requirements. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:

Martha M. Barnett
Signature

Martha M. Barnett
Name

Registrar
Title

01/15/2026
Date



Bursar's Certification to the Chancellor
Regarding Satisfaction of Debts and Obligations Owed to the University

I hereby certify that all *University of Tennessee at Martin* students with degrees conferred on *December 13, 2025* on the attached list have satisfied all financial debts and obligations owed to the University in accordance with requirements of state law.

Certified:

Stacey Jackson
Signature

Stacey Jackson
Name

Bursar
Title

1/14/2026
Date



Registrar’s Certification Regarding Satisfaction of Degree Requirements

I hereby certify that all University of Tennessee Southern students upon whom degrees have been conferred on December 15, 2025, have satisfied all degree requirements. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:

Andrew Peters
Signature

Andrew Peters
Name

Registrar
Title

02/04/2026
Date



Bursar's Certification Regarding Satisfaction of University Debts and Obligations

I hereby certify that all University of Tennessee Southern students upon whom degrees have been conferred on December 15, 2025, have satisfied all debts and obligations owed to the University in accordance with requirements of state law. A complete and accurate list of those students and the degrees conferred has been filed with the Office of the Board of Trustees.

Certified:

Rhonda Clinard

Signature

Rhonda Clinard

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THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: February 26, 2026

Committee: Finance and Administration

Item: **Report on Capital Projects Approvals**

Type: Information

Background Information

In accordance with Board policy, and subject to state approvals as may otherwise be applicable, the authority to approve or act on certain types of transactions and projects is delegated to the President. The Administration is responsible for preparing periodic reports for the Finance and Administration Committee with respect to these projects and transactions.

Reporting

Project(s) approved under this authorization with details in attached documentation.

UT Approved Projects:

1. UTK - Phillip Fulmer Way Staircase - \$120,000
2. UTK - Regal Soccer Stadium Improvements - \$3,000,000
3. UTK - Senter Hall Systems Upgrades - \$250,000

UT Approved, with Additional SBC Approval:

1. UTK - Campus Ice Storage System - \$1,980,000
2. UTK - Cherokee Mills Upgrades - \$7,735,000
3. UTK - Classroom Upgrades - \$1,325,000
4. UTK - Dougherty Lab Upgrades - \$1,325,000
5. UTK - University Commons Buildout - \$1,750,000

UT Approved - Revenue/Institutionally Funded Projects: FY 2025-2026

	Unit	Project	Project Description	Project Cost	Funding Source						
					TSSBA	Gifts	Auxiliary	Gift In Place	Grant	Plant Funds	Other
1	UTK	Phillip Fulmer Way Staircase	Construction of a temporary staircase connecting Parking Lot S30 to Phillip Fulmer Way. The project includes all related work.	\$ 120,000			\$ 120,000				
2	UTK	Regal Soccer Stadium Improvements	Construction of new staff offices, workspaces, and storage areas at the Regal Soccer Stadium. The project includes all related work to complete the project.	\$ 3,000,000			\$ 3,000,000				
3	UTK	Senter Hall Systems Upgrades	Upgrades to the existing building controls systems and all related work to complete the project.	\$ 250,000						\$ 250,000	
Totals				\$ 3,370,000	\$ -	\$ -	\$ 3,120,000	\$ -	\$ -	\$ 250,000	\$ -

UT Approved, with Additional SBC Approval - Revenue/Institutionally Funded Projects: FY 2025-2026

	Unit	Project	Project Description	Project Cost	Funding Source						
					TSSBA	Gifts	Auxiliary	Gift In Place	Grant	Plant Funds	Other
1	UTK	Campus Ice Storage System	Replacement of the existing chilled water system with a water-cooled chiller and cooling tower incorporating ice storage serving multiple campus buildings. The project includes all related work to complete the project.	\$ 1,980,000						\$ 1,980,000	
2	UTK	Cherokee Mills Upgrades	Renovations to the Cherokee Mills complex and all related work to complete the project.	\$ 7,735,000						\$ 7,735,000	
3	UTK	Classroom Upgrades	Upgrade classrooms in the multiple buildings including new fixtures, finishes, building systems, safety improvements, and all related work to complete the project.	\$ 1,325,000						\$ 1,325,000	
4	UTK	Dougherty Lab Upgrades	Upgrades to an existing lab in the Dougherty Engineering Building to accommodate a new Hypersonics and Propulsion (ArcJet) Lab. The project includes all related work.	\$ 1,835,000						\$ 1,835,000	
5	UTK	University Commons Buildout	Renovation of leased space to include a student recreation and fitness center, office space, and warehousing. The work will upgrade layout, building systems, finishes, and includes all related work to complete the project.	\$ 1,750,000			\$ 1,750,000				
Totals				\$ 14,625,000	\$ -	\$ -	\$ 1,750,000	\$ -	\$ -	\$ 12,875,000	\$ -



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date: February 26, 2026

Committee: Finance and Administration

Item: **CY 2025 Report on Endowment Investment Report**

Type: Information

Background Information

Investment of the University endowment is under the jurisdiction of the Finance and Administration Committee of the Board of Trustees, which makes recommendations to the Board on matters requiring Board action. Prior to each regularly scheduled Board meeting, the Finance and Administration Committee receives for review an investment report provided by the Treasurer and recommends to the Board any actions deemed necessary. At each regularly scheduled Board meeting, the Committee reports its findings and recommendations, if any, to the Board for such actions as the Board deems appropriate.

The Endowment Investment Report for the quarter ended December 31, 2025, is included in the meeting materials.

The following table and accompanying appendix provide a summary of endowment distributions by support and business areas. Monies are distributed quarterly as cash transfers to the benefiting unit or department to be used according to their designated purpose. The amounts provided include only those from endowments invested in the Consolidated Investment Pool.

Investment Summary as of December 2025

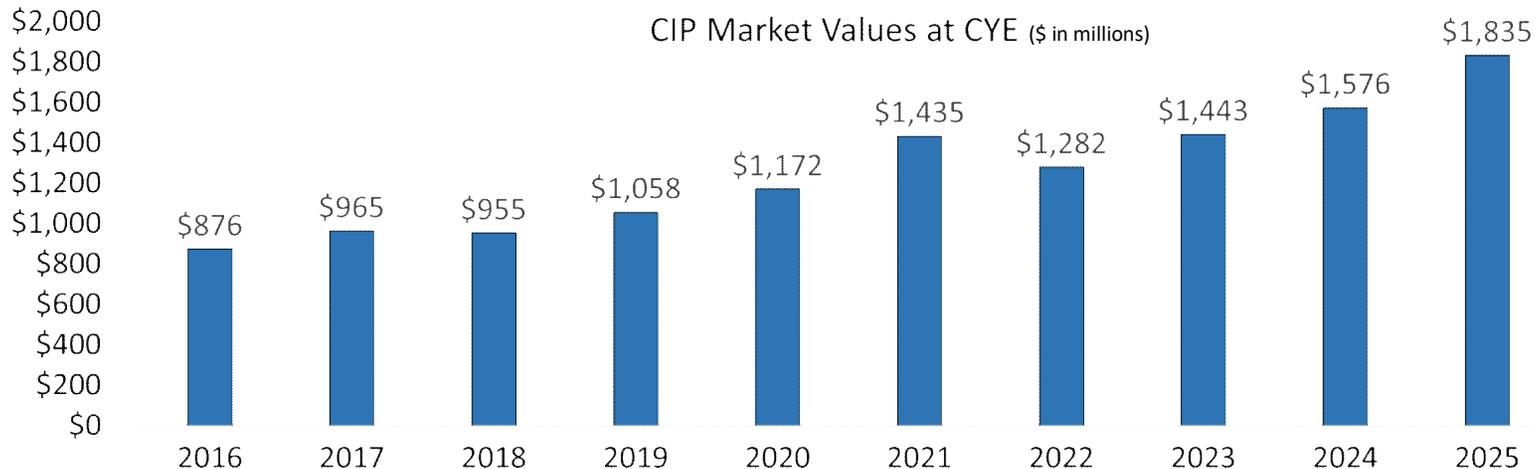
Consolidated Investment Pool (CIP) Cash-flow Activity for 12-month Period:

- \$110 million in New Gifts
- \$66 million in Spending Plan Distributions
- \$14 million in Institutional Support

Consolidated Investment Pool (CIP)* and Benchmark 1-year Returns:

- Underperformed the Broad Policy B-mark (60/40 stock & bond mix): +13.5% vs +16.4%
- Underperformed the Actual Allocation B-mark (Multi-asset benchmark): +13.5% vs +16.8%
- Outperformed CPI+5.5% (Inflation + Spend): +13.5% vs. +8.2%

*CIP returns are estimates.



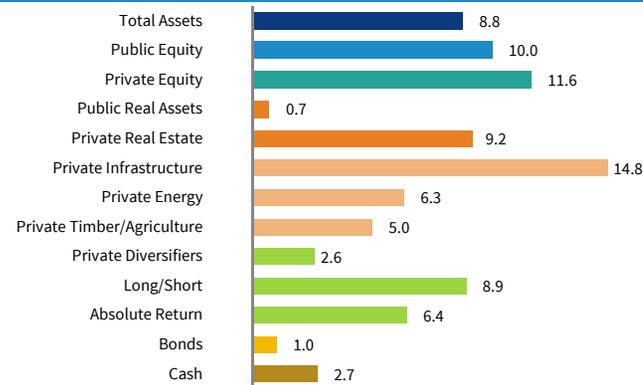
University of Tennessee Performance Dashboard

| As of December 31, 2025

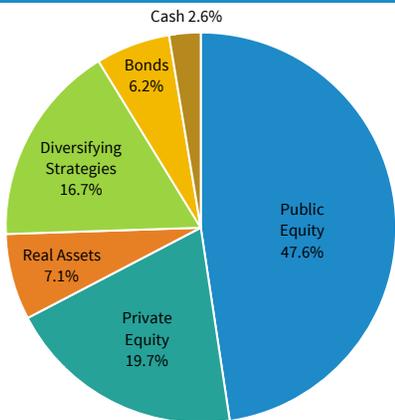
Preliminary CIP Performance (%)

CIP	Cumulative Trailing 1-Year	Annualized Trailing 3-Year	Annualized Trailing 5-Year	Annualized Trailing 10-Year	Annualized Since Inception
CIP	13.5	12.6	8.8	8.2	8.2
Global Market Benchmark	16.4	13.4	5.6	7.5	7.2
<i>Value Add</i>	-2.9	-0.8	3.2	0.7	1.0
Actual Allocation Benchmark	16.8	15.2	9.6	8.6	8.3
<i>Value Add</i>	-3.3	-2.6	-0.9	-0.4	-0.1
CPI + 5.5%	8.2	8.5	10.0	8.6	8.0
<i>Value Add</i>	5.3	4.1	-1.2	-0.4	0.2

Trailing 5Y Performance by CIP Asset Class (%)



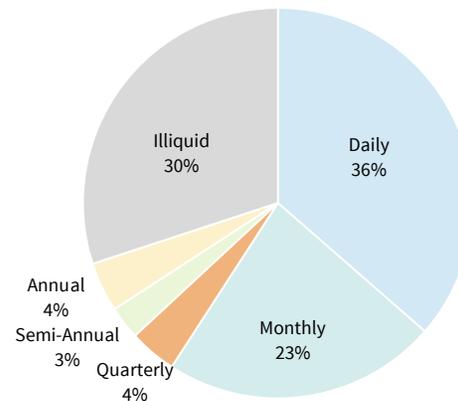
Actual and Long-Term Target Allocation



Public Equity
 Private Equity
 Real Assets
 Diversifying Strategies
 Bonds
 Cash

	Actual Allocation	Long-Term Target Allocation
Public Equity	47.6%	45%
Private Equity	19.7%	27%
Real Assets	7.1%	5%
Diversifying Strategies	16.7%	15%
Bonds	6.2%	8%
Cash	2.6%	

Portfolio Liquidity



Index & Benchmark Summary:

Global Market Benchmark: 60.0% MSCI ACWI IMI Index
 39.0% Bloomberg Barclays Global Aggregate Bond Index
 1.0% U.S. 91-Day Treasury Bills

This benchmark is intended to assess the overall asset allocation and risk profile of the portfolio. The **Bloomberg Barclays Global Aggregate Bond Index** consists of a wide range of global investment grade bonds, including sovereigns, corporate bonds, and various asset-backed securities. **MSCI ACWI IMI Index** includes large, mid, and small-cap stock market exposure across both Developed and Emerging Markets.

Actual Allocation Benchmark:

This benchmark is comprised of multiple public and private indices which represent the various asset classes in which the CIP invests. These include equity, real estate, natural resources, bonds, and cash. The weightings of the underlying indices are dynamic and rebalanced periodically to align with those of the CIP at the beginning of a measurement period.

CPI + 5.5%:

This is the 1-year inflation-measuring Consumer Price Index + 5.5%.

Cambridge Associates (CA) Notes:

Performance is preliminary as of December 31, 2025. Totals may not sum due to rounding. 100% of Private investment performance is as of September 30, 2025. Private investment market values have been updated with capital calls and distributions through the current month. Returns provided by FEG through October 31, 2018.

Please note that CA uses CPI – All Urban Consumers as a measure of inflation. The primary data source for information is the investment manager and/or fund administrator, therefore data may not match custodial or other client records due to differences in data sourcing, methodology, valuation practices, etc. Estimated values may include prior quarter end data adjusted by a proxy benchmark or by subsequent cash flows. CA makes no representations that data reported by unaffiliated parties is accurate.



THE UNIVERSITY OF TENNESSEE BOARD OF TRUSTEES

AGENDA ITEM SUMMARY

Meeting Date:	February 26, 2026
Committee:	Finance and Administration
Item:	<u>Composite Financial Index Report for FY 2024-2025</u>
Type:	Information

The Composite Financial Index (CFI) developed by Prager, Sealy & Co., and KPMG, utilizes four strategic ratios which are weighted and combined to form a single-digit score. The CFI provides an overall picture of an institution's financial health and can also be used in shorter term planning and budgeting.

The CFI facilitates comparison to peers using easy measures for stakeholders. The industry standard for the appropriate zone for each ratio is recommended in Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks (Seventh Edition), by KPMG LLP; Prager, Sealy & Co., LLC; Attain LLC.

Analysis for Fiscal Year 2024-25

To allow monitoring of trends in these ratios, each annual report includes three years of CFI analysis. This report provides each of the four ratios and the weighted CFI for UT Chattanooga, UT Knoxville, UT Martin, UT Southern, UT Health Science Center, and the UT System as a whole. Benchmarks and watch indicators are also provided. The CFI was developed for academic campuses therefore the measures do not translate well to System Administration and the Institute for Public Service. However, those units are included in the total University metrics.

- The aggregate CFI score should be greater than 1. A score of above 3 is financially healthy but may indicate underutilized capital.
- Two of the ratios are each weighted at 35% comprising 70% of the CFI (primary reserve and viability). Both depend heavily on unrestricted net assets.
- The University System's overall CFI reflects a financially healthy institution with four of five campuses in the "benchmark" zone or better. UT overall has a very strong CFI of 4.74
- UT Southern slipped below the CFI threshold of 1 because of a decrease in net assets. UT Southern received new recurring state funding of \$1.9 million on July 1, 2025 which will improve net assets going forward.
- UT Martin had slightly negative operating revenue and fell into the watch zone at -0.01.

Background Information about the Composite Financial Index (CFI)

The four ratios that comprise the CFI are the primary reserve, net operating revenue, return on net assets, and viability.

Primary Reserve Ratio

The primary reserve ratio measures the financial strength and sufficiency of resources of the institution by comparing expendable net assets to total expenses.

$$\frac{\text{Expendable Net Assets}}{\text{Total Expenses}}$$

Expendable net assets represent those funds an institution can access quickly and spend to satisfy its obligations. This ratio indicates how long an institution could function by using expendable assets without additional operating revenue which provides a measure of financial strength and flexibility. It is recommended this ratio be 40%. However, a lower ratio of approximately 25% for public institutions is acceptable.

Net Operating Revenue Ratio

The net operating revenues ratio indicates whether total operating activities resulted in a surplus or deficit.

$$\frac{\text{Operating Surplus or Deficit}}{\text{Operating Revenues}}$$

This ratio is an indicator of whether an institution is living within available resources. A surplus or deficit impacts the funds an institution adds to, or subtracts from, net assets. This activity also affects the other ratios. Large surpluses may indicate strong financial performance but may indicate under-spending on investments. An operating loss for the year results in a negative ratio and may be unimportant if the institution is financially strong. Like the return on net assets ratio, volatility should be measured over a two to three-year average. A recommended zone is 2% to 4% over the long term.

Return on Net Assets Ratio

The return on net assets ratio indicates an institution's financial strength compared to previous years by measuring total economic return.

$$\frac{\text{Change in Net Assets}}{\text{Beginning Total Net Assets}}$$

The ratio may reasonably be volatile from year-to-year due to several factors. The ratio may temporarily decline if it reflects a strategy to better fulfill the institution's mission. However, an increasing trend may be the result of planned savings for future planned expansion; therefore, better applied over an extended period. The recommendation is the zone be 3% above the consumer price index (CPI) over the long term; the metric for triggering a watch is the CPI.

Viability Ratio

The viability ratio is fundamental to measuring financial health because it reveals the capacity to repay total debt through available funds.

$$\frac{\text{Expendable Net Assets}}{\text{Long-term Debt}}$$

A ratio of 1:1 or greater indicates that an institution has sufficient expendable net assets to satisfy debt obligations, however this is insufficient for long-term strategic management. There is no absolute threshold that will indicate whether the institution is financially viable. As the viability ratio falls below 1:1, the institution's ability to respond to adverse conditions from internal resources diminishes, as does its ability to attract capital from external sources and its flexibility to fund new objectives. The recommendation is the ratio be at least 1.25:1.

University of Tennessee Composite Financial Index Fiscal Year 2025

1	PRIMARY RESERVE	Weight 35%	Knoxville	Chattanooga	Martin	Southern	Health Science Ctr	Total University*	Benchmark	Watch	
			Total expendable net assets	1,465,634,441	114,017,431	93,015,467	3,917,649	293,624,182	2,182,996,111		
	Total expenses		1,959,978,134	267,791,876	145,431,912	22,023,741	677,769,703	3,237,100,587			
		RATIO =	0.75	0.43	0.64	0.18	0.43	0.67	0.40	0.13	
2	NET OPERATING REVENUE	Weight 10%									
			Operating surplus or deficit	159,364,745	2,349,996	(817,496)	0	54,421,062	266,233,853		
			Total revenues	2,119,342,879	270,141,872	144,614,416	19,685,503	732,190,765	3,503,334,440	.02 to .04	0.00
			RATIO =	0.08	0.01	-0.01	0.00	0.07	0.08		
3	RETURN ON NET ASSETS	Weight 20%									
			Change in net assets	223,492,674	18,921,124	9,093,249	(2,050,904)	78,160,308	387,863,098		
			Total net assets (beg. of year)	3,225,514,117	385,796,896	257,115,013	19,592,848	628,090,222	4,811,999,290	CPI + 3%	CPI
			RATIO =	0.07	0.05	0.04	-0.10	0.12	0.08	0.057	0.027
4	VIABILITY	Weight 35%									
			Expendable net assets	1,465,634,442	114,017,431	93,015,467	3,917,649	293,624,182	2,182,996,111		
			Long-term debt	914,856,253	123,288,407	45,481,392	0	77,477,771	1,162,693,867		
			RATIO =	1.60	0.92	2.05	1	3.79	1.88	1.25X	0.40X

	Knoxville	Chattanooga	Martin	Southern	Health Science Ctr	Total University*
STRENGTHS AND WEIGHTS WORKSHEET	CFI SCORE	CFI SCORE				
Primary Reserve	1.97	1.12	1.68	0.47	1.14	1.77
Net Operating Revenue	0.58	0.07	(0.04)	0.00	0.57	0.58
Return on Net Assets	0.69	0.49	0.35	-1.05	1.24	0.81
Viability	1.34	0.78	1.72	0.84	3.18	1.58
CFI SCORE	4.58	2.45	3.71	0.26	6.14	4.74

*Includes System Administration and IPS

1 to 3 < 1

University of Tennessee Composite Financial Index Fiscal Year 2024

		Knoxville 2024	Chattanooga 2024	Martin 2024	Southern 2024	Health Science Ctr 2024	Total University* 2024	Benchmark	Watch
1	PRIMARY RESERVE								
	Weight 35%								
	Total expendable net assets	1,410,431,966	115,100,274	91,814,897	6,380,638	250,433,215	2,071,524,986		
	Total expenses	1,798,917,240	252,861,841	140,538,767	17,840,008	681,270,851	3,043,846,060		
	RATIO =	0.78	0.46	0.65	0.36	0.37	0.68	0.40	0.13
2	NET OPERATING REVENUE								
	Weight 10%								
	Operating surplus or deficit	156,614,571	9,707,067	(1,348,882)	1,945,174	26,373,411	250,092,471		
	Total revenues	1,955,531,810	262,568,908	139,189,885	19,785,182	707,644,262	3,293,938,530		
	RATIO =	0.08	0.04	-0.01	0.10	0.04	0.08	.02 to .04	0.00
3	RETURN ON NET ASSETS								
	Weight 20%								
	Change in net assets	259,407,765	14,176,738	11,089,307	2,019,105	36,957,771	383,276,149		
	Total net assets (beg. of year)	3,021,720,234	379,278,961	250,669,355	17,892,795	622,878,697	4,538,772,511	CPI + 3%	CPI
	RATIO =	0.09	0.04	0.04	0.11	0.06	0.08	0.06	0.03
4	VIABILITY								
	Weight 35%								
	Expendable net assets	1,410,431,966	115,100,274	91,814,897	6,380,638	250,433,215	2,071,524,986		
	Long-term debt	803,978,785	128,506,148	49,187,295	0	82,265,184	1,066,889,306		
	RATIO =	1.75	0.90	1.87	1	3.04	1.94	1.25X	0.40X

	Knoxville 2024	Chattanooga 2024	Martin 2024	Southern 2024	Health Science Ctr 2024	Total University* 2024
STRENGTHS AND WEIGHTS WORKSHEET	CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE
Primary Reserve	2.06	1.20	1.72	0.94	0.97	1.79
Net Operating Revenue	0.62	0.28	(0.07)	0.76	0.29	0.58
Return on Net Assets	0.86	0.37	0.44	1.13	0.59	0.84
Viability	1.47	0.75	1.57	0.84	2.56	1.63
CFI SCORE	5.01	2.61	3.65	3.67	4.40	4.85

*Includes System Administration and IDC

1 to 3 < 1

University of Tennessee Composite Financial Index 2023

		Knoxville 2023	Chattanooga 2023	Martin 2023	Southern 2023	Health Science Ctr 2023	Total University * 2023	Benchmark	Watch
1	PRIMARY RESERVE Weight 35%								
	Total expendable net assets	1,287,456,102	96,651,727	82,957,410	3,224,684	217,042,697	1,859,597,103		
	Total expenses	1,602,359,213	241,202,804	125,693,361	20,302,137	635,470,122	2,760,919,268		
	RATIO =	0.80	0.40	0.66	0.16	0.34	0.67	0.40	0.13
2	NET OPERATING REVENUE Weight 10%								
	Operating surplus or deficit	159,506,408	12,617,573	6,616,325	(2,763,917)	19,619,495	314,598,040		
	Total revenues	1,761,865,621.06	253,820,377.72	132,309,685.65	17,538,220.54	655,089,617.64	3,075,517,307.81		
	RATIO =	0.09	0.05	0.05	-0.16	0.03	0.10	.02 to .04	0.00
3	RETURN ON NET ASSETS Weight 20%								
	Change in net assets	230,881,915	16,280,917	15,932,346	(2,761,533)	37,446,057	419,394,890		
	Total net assets (beginning of year)	2,790,777,347	362,998,043	234,737,009	13,673,565	585,493,614	4,119,377,621	CPI + 3%	CPI
	RATIO =	0.08	0.04	0.07	-0.20	0.06	0.10	0.062	0.032
4	VIABILITY Weight 35%								
	Expendable net assets	1,287,456,102	96,651,727	82,957,410	3,224,684	217,042,697	1,859,597,103		
	Long-term debt	804,245,943	118,524,730	52,696,470	6,956,769	86,272,301	1,065,948,499		
	RATIO =	1.60	0.82	1.57	0.46	2.52	1.74	1.25X	0.40X
STRENGTHS AND WEIGHTS WORKSHEET		CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE	CFI SCORE	*Includes System Administration and IPS	
Primary Reserve		2.11	1.05	1.74	0.42	0.90	1.77		
Net Operating Revenue		0.70	0.38	0.38	-1.21	0.23	0.79		
Return on Net Assets		0.83	0.45	0.68	-2.02	0.64	1.02		
Viability		1.34	0.68	1.32	0.39	2.11	1.46		
CFI SCORE		4.98	2.57	4.12	-2.42	3.88	5.04	1 to 3	< 1