NEW ISSUE — BOOK-ENTRY ONLY **Ratings: See "RATINGS" herein.**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series V-4/V-5 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series V-4/V-5 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series V-4/V-5 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series V-4/V-5 Bonds. See "TAX MATTERS" herein.

$100,000,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-4

$171,325,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-5

Dated: Date of Delivery **Due: As shown on the inside front cover.**

The $100,000,000 California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-4 (the "Series V-4 Bonds") and the $171,325,000 California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-5 (the "Series V-5 Bonds," and together with the Series V-4 Bonds, the "Series V-4/V-5 Bonds") are being issued by the California Educational Facilities Authority (the "Authority") for the benefit of The Board of Trustees of the Leland Stanford Junior University (the "University") pursuant to the Act (as defined herein) and an Indenture, dated as of April 1, 2019 (as supplemented and amended, the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The University plans to use the proceeds of the Series V-4/V-5 Bonds to finance and/or refinance (and which may include the retirement of certain outstanding commercial paper and the payment of a revolving line of credit of the University) certain capital projects of the University, as further described herein. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS" herein.

The Series V-4/V-5 Bonds are limited obligations of the Authority. The Series V-4 Bonds are payable only out of Series V-4 Revenues and the Series V-5 Bonds are payable only out of Series V-5 Revenues and, in each case, such other amounts held in certain of the funds and accounts as provided under the Indenture. The Series V-4 Revenues and Series V-5 Revenues consist primarily of loan payments to be made under the Loan Agreement (as defined herein) by

STANFORD UNIVERSITY

(the "University"). The obligation of the University to make loan payments under the Loan Agreement is an unsecured general obligation of the University. The University has other unsecured general obligations outstanding. Moreover, the University is not restricted by the Loan Agreement from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to the loan payments due under the Loan Agreement. See "SECURITY FOR THE SERIES V-4/V-5 BONDS" herein.

The Series V-4 Bonds and the Series V-5 Bonds, respectively, will each be issued in an initial Long-Term Mode (an "Initial Long-Term Mode") as Hard Put Long-Term Bonds. The Series V-4/V-5 Bonds will be issued as fully registered bonds, without coupons and, while in the Initial Long-Term Modes, will be delivered in denominations of $5,000 and any integral multiple thereof. The Series V-4/V-5 Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series V-4/V-5 Bonds. Upon receipt of payments of principal (or Purchase Price) and interest, DTC is to remit such principal (or Purchase Price) and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners (as defined in Appendix C) of the Series V-4/V-5 Bonds. For so long as DTC or its nominee, Cede & Co., is the registered owner of the Series V-4/V-5 Bonds, all notices will be mailed only to Cede & Co. See Appendix C – "BOOK-ENTRY ONLY SYSTEM" herein.

During the Initial Long-Term Modes, the Series V-4/V-5 Bonds will accrue interest at the Long-Term Interest Rates set forth on the inside cover page hereof for the Initial Long-Term Modes ending on the dates set forth on the inside cover page hereof and as further described under "THE SERIES V-4/V-5 BONDS" herein. The Series V-4/V-5 Bonds will bear interest from their respective dates of issuance and interest will be payable semiannually on each March 1 and September 1, commencing September 1, 2025, and on the Business Day following the last day of such respective Initial Long-Term Mode, as further described herein under "THE SERIES V-4/V-5 BONDS".

The Series V-4/V-5 Bonds are subject to mandatory tender for purchase on the date succeeding the last day of their respective Initial Long-Term Mode. The Series V-4/V-5 Bonds are not subject to redemption prior to maturity during their Initial Long-Term Modes. See "THE SERIES V-4/V-5 BONDS" herein.

This Official Statement describes the Series V-4/V-5 Bonds only while the Series V-4/V-5 Bonds are in the Initial Long-Term Modes. There are significant differences with respect to the terms of the Series V-4/V-5 Bonds while in any other Modes or during subsequent Long-Term Modes. Investors should not rely upon the information in this Official Statement if the Series V-4/V-5 Bonds are converted to Modes other than the Initial Long-Term Modes. In such circumstances, investors must rely upon the offering document used in connection with such conversions and remarketings.

THE SERIES V-4/V-5 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS THEREFOR PROVIDED. NEITHER THE STATE OF CALIFORNIA NOR THE AUTHORITY SHALL BE OBLIGATED TO PAY THE PRINCIPAL (OR PURCHASE PRICE) OF THE SERIES V-4/V-5 BONDS OR THE INTEREST THEREON EXCEPT FROM THE FUNDS PROVIDED UNDER THE LOAN AGREEMENT AND THE OTHER ASSETS PLEDGED UNDER THE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL (OR PURCHASE PRICE) OF OR THE INTEREST ON THE SERIES V-4/V-5 BONDS. THE ISSUANCE OF THE SERIES V-4/V-5 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain information for general reference and is not a summary of this issue. Capitalized terms used on this cover page not otherwise defined will have the meanings set forth herein.

The Series V-4/V-5 Bonds are offered by the Underwriters when, as and if issued by the Authority and accepted by the Underwriters subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by the Honorable Rob Bonta, Attorney General of the State of California, for the Underwriters by Hawkins Delafield & Wood LLP, and for the University by its General Counsel and Ropes & Gray LLP. It is expected that the Series V-4/V-5 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about March 19, 2025.

HONORABLE FIONA MA
Treasurer of the State of California
As Agent for Sale

Goldman Sachs & Co. LLC

Barclays **Wells Fargo Securities**

Dated: March 4, 2025

MATURITY SCHEDULES

$100,000,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-4

Maturity (March 1)	Principal Amount	Long-Term Interest Rate	Last Day Of Series V-4 Initial Long-Term Mode	Mandatory Purchase Date Following End of Series V-4 Initial Long-Term Mode	Yield	CUSIP†:
2055	$100,000,000	5.000%	February 29, 2032	March 1, 2032	2.580%	130179 XB5

$171,325,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-5

Maturity (March 1)	Principal Amount	Long-Term Interest Rate	Last Day Of Series V-5 Initial Long-Term Mode	Mandatory Purchase Date Following End of Series V-5 Initial Long-Term Mode	Yield	CUSIP†:
2055	$171,325,000	5.000%	February 28, 2035	March 1, 2035	2.810%	130179 XC3

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the University or the Underwriters assume responsibility for the accuracy of such numbers.

This Official Statement does not constitute an offer to sell the Series V-4/V-5 Bonds in any jurisdiction in which or to any person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by the Authority, the University or the Underwriters to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series V-4/V-5 Bonds and, if given or made, such information or representations must not be relied upon.

The information relating to the Authority set forth herein under the captions "THE AUTHORITY" and "REGULATORY MATTERS AND LITIGATION – The Authority" has been furnished by the Authority. The Authority does not warrant the accuracy of the statements contained herein relating to the University, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the University, (2) the sufficiency of the security for the Series V-4/V-5 Bonds or (3) the value or investment quality of the Series V-4/V-5 Bonds. The Authority makes no representations or warranties whatsoever with respect to any information contained herein except for the information under the captions "THE AUTHORITY" and "REGULATORY MATTERS AND LITIGATION – The Authority."

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

Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University since the date hereof. See "CERTAIN INVESTMENT CONSIDERATIONS" herein.

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OFFICIAL STATEMENT

$100,000,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-4

$171,325,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS
(STANFORD UNIVERSITY)
SERIES V-5

INTRODUCTION

This Introduction does not purport to be complete, and reference is made to the remainder of this Official Statement, the Appendices and the documents referred to herein for more complete statements with respect to the matters summarized. Capitalized terms not otherwise defined will have the meanings set forth in Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – DEFINITIONS OF CERTAIN TERMS."

General

This Official Statement, including the cover page and Appendices hereto (this "Official Statement"), provides certain information in connection with the offering of $100,000,000 aggregate principal amount of California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-4 (the "Series V-4 Bonds") and $171,325,000 aggregate principal amount of California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-5 (the "Series V-5 Bonds," and together with the Series V-4 Bonds, the "Series V-4/V-5 Bonds").

The Series V-4/V-5 Bonds will be issued pursuant to the provisions of the California Educational Facilities Authority Act, constituting Chapter 2 (commencing with Section 94100) of Part 59 of Division 10 of Title 3 of the Education Code of the State of California, as amended (the "Act"), and the Indenture (defined below).

The Series V-4/V-5 Bonds will be issued pursuant to and secured by an Indenture, dated as of April 1, 2019 (the "Original Indenture"), as supplemented and amended from time to time, including by the Third Supplemental Indenture, dated as of March 1, 2025 (the "Third Supplemental Indenture), relating to the Series V-4 Bonds, and the Fourth Supplemental Indenture, dated as of March 1, 2025 (the "Fourth Supplemental Indenture"), relating to the Series V-5 Bonds, each by and between the California Educational Facilities Authority (the "Authority") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Original Indenture, as amended and supplemented, is collectively referred to herein as the "Indenture." The Authority will lend the proceeds of the Series V-4 Bonds to The Board of Trustees of the Leland Stanford Junior University (the "University") pursuant to a Loan Agreement, dated as of April 1, 2019 (the "Original Loan Agreement"), as supplemented and amended from time to time, including by the Third Supplemental Loan Agreement, dated as of March 1, 2025, relating to the Series V-4 Bonds, and the Fourth Supplemental Loan Agreement, dated as of March 1, 2025, relating to the Series V-5 Bonds, each by and between the Authority and the University. The Original Loan Agreement, as amended and supplemented, is collectively referred to herein as the Loan Agreement.

Purpose of the Series V-4/V-5 Bonds

The Authority approved the issuance of the Series V-4/V-5 Bonds to finance and/or refinance certain capital projects of the University pursuant to Resolution No. 323, adopted on February 28, 2019, as supplemented by the First Amendment to and Reinstatement of Resolution No. 323, adopted on March 25, 2021, the Second Amendment to and Reinstatement of Resolution No. 323, adopted on April 27, 2023 and the Third Amendment to and Reinstatement of Resolution No. 323, adopted on February 27, 2025 (collectively, the "Series V Resolution").

The Authority will lend the proceeds of the Series V-4/V-5 Bonds to the University pursuant to the Loan Agreement in order to finance and/or refinance (and which may include the retirement of certain outstanding commercial paper and the payment of a revolving line of credit of the University) certain capital projects of the University, as further described herein. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS" herein.

The University

Founded in 1885, The Leland Stanford Junior University is one of a select group of universities that has achieved eminence in both undergraduate and graduate education and in a broad range of academic disciplines. It is internationally recognized for the quality of its teaching and research, its distinguished faculty and its outstanding student body.

For additional information concerning the University, see Appendix A – "STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS)" attached hereto.

The Series V-4/V-5 Bonds

The Series V-4 Bonds will be issued in an initial Long-Term Mode (the "Series V-4 Initial Long-Term Mode") as Hard Put Long-Term Bonds, and the Series V-5 Bonds will be issued in an initial Long-Term Mode (the "Series V-5 Initial Long-Term Mode," and together with the Series V-4 Initial Long-Term Mode, the "Initial Long-Term Modes," and each, an "Initial Long-Term Mode") as Hard Put Long-Term Bonds. The Series V-4/V-5 Bonds are to be dated as of the date of their initial issuance and delivery. The Series V-4/V-5 Bonds are issuable in fully registered, book-entry form, and have interest and payment terms as set forth in the Indenture and as described herein. See "THE SERIES V-4/V-5 BONDS."

The Series V-4/V-5 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Series V-4/V-5 Bonds. Individual purchases of the Series V-4/V-5 Bonds will be made in book-entry form only. Principal (or Purchase Price) of and interest on the Series V-4/V-5 Bonds will be payable by the Trustee directly to DTC, as the registered owner of the Series V-4/V-5 Bonds. Upon receipt of payments of principal (or Purchase Price) and interest, DTC is to remit such principal (or Purchase Price) and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners (as defined in Appendix C) of the Series V-4/V-5 Bonds. Purchasers will not receive certificates representing the Series V-4/V-5 Bonds purchased by them. See Appendix C – "BOOK-ENTRY ONLY SYSTEM."

This Official Statement describes the Series V-4/V-5 Bonds only while the Series V-4/V-5 Bonds are in the Initial Long-Term Modes. There are significant differences with respect to the terms of the Series V-4/V-5 Bonds while in any other Modes or during subsequent Long-Term Modes. Investors should not rely upon the information in this Official Statement if the Series V-

4/V-5 Bonds are converted to Modes other than the Initial Long-Term Modes. In such circumstances, investors must rely upon the offering document used in connection with such conversions and remarketings.

The Series V-4/V-5 Bonds are subject to mandatory tender for purchase on the date succeeding the last day of their respective Initial Long-Term Mode. Failure to pay the applicable Purchase Price on the day next succeeding the last day of such respective Initial Long-Term Modes is an Event of Default under the Indenture.

Security for the Series V-4/V-5 Bonds

The Series V-4/V-5 Bonds are payable from loan payments to be paid by the University to the Trustee pursuant to the Loan Agreement. The obligation of the University to make loan payments under the Loan Agreement is an unsecured general obligation of the University. The University has other unsecured general obligations outstanding. The Loan Agreement contains certain covenants for the protection of the Holders of the Series V-4/V-5 Bonds and the Authority. See Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LOAN AGREEMENT." The Series V-4/V-5 Bonds are not secured by a reserve fund, or a lien on, or security interests in, any funds, revenues or other assets of the University, except to the extent received and held by the Trustee and pledged pursuant to the Indenture as described below. The affiliates of the University described in Appendix A hereto are not obligated with respect to the payment of debt service on the Series V-4/V-5 Bonds and their assets and revenues are not pledged and are not expected to be available to the University or the Series V-4/V-5 Bondholders for such purpose.

The Indenture provides that all Series V-4 Revenues and any other amounts (including proceeds of the sale of Series V-4 Bonds) held in the funds and accounts with respect to the Series V-4 Bonds (the "Series V-4 Funds and Accounts") held by the Trustee and established pursuant to the Indenture (other than the Series V-4 Rebate Account) are to be held in trust and are exclusively and irrevocably pledged for the security and payment of the principal of and interest on the Series V-4 Bonds. "Series V-4 Revenues" include the payments received by the Authority or the Trustee from the University related to the Series V-4 Bonds pursuant to or with respect to the Loan Agreement. The Indenture provides that all Series V-5 Revenues and any other amounts (including proceeds of the sale of Series V-5 Bonds) held in the funds and accounts with respect to the Series V-5 Bonds (the "Series V-5 Funds and Accounts") held by the Trustee and established pursuant to the Indenture (other than the Series V-5 Rebate Account) are to be held in trust and are exclusively and irrevocably pledged for the security and payment of the principal of and interest on the Series V-5 Bonds. "Series V-5 Revenues" include the payments received by the Authority or the Trustee from the University related to the Series V-5 Bonds pursuant to or with respect to the Loan Agreement. See "SECURITY FOR THE SERIES V-4/V-5 BONDS" herein.

For additional information concerning the provisions of the Indenture and the Loan Agreement, see Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Continuing Disclosure

The University will undertake in a Continuing Disclosure Agreement, for the benefit of the Holders of the Series V-4/V-5 Bonds, to provide to the Trustee certain annual information and notices required to be provided by Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). See "CONTINUING DISCLOSURE" and Appendix D – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

University's 2025 Taxable Bonds

The University anticipates that it will issue in March 2025 its Taxable Bonds Series 2025 A (the "2025 Taxable Bonds") to be used for general University purposes. **The 2025 Taxable Bonds are not being offered pursuant to this Official Statement.** The Series V-4/V-5 Bonds and the 2025 Taxable Bonds, if issued, will be separate and independent issues. If issued, the 2025 Taxable Bonds will be unsecured general obligations of the University and will not be issued pursuant to the Series V Resolution or the Indenture. The size, timing and structure of the anticipated 2025 Taxable Bonds transaction remains subject to market conditions and the University reserves the right to modify or cancel its plans as it deems appropriate.

Miscellaneous

Included in this Official Statement and the Appendices hereto are descriptions of the University, the Series V-4/V-5 Bonds, the Indenture and the Loan Agreement. All references herein to the Indenture, the Loan Agreement and other documents relating to the Series V-4/V-5 Bonds are qualified in their entirety by reference to such documents, and the description herein of the Series V-4/V-5 Bonds is qualified in its entirety by reference to the terms thereof and the information regarding the Series V-4/V-5 Bonds included in the Indenture. All descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors' rights. The agreements of the Authority with the Holders of the Series V-4/V-5 Bonds are fully set forth in the Indenture, and neither any advertisement of the Series V-4/V-5 Bonds nor this Official Statement is to be construed as constituting an agreement with the Holders of the Series V-4/V-5 Bonds. Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether expressly so stated, they are intended merely as such and not as representations of fact. The information and expressions of opinion herein speak only as of their date and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the University.

Additional information regarding this Official Statement and copies of the documents referred to herein may be obtained by contacting the Office of the Treasurer, Stanford University at https://treasurer.stanford.edu/ or on-line at http://bondholder-information.stanford.edu. The information on the University's website is not a part of this Official Statement.

THE AUTHORITY

General

The Authority is a public instrumentality of the State of California created pursuant to the provisions of the Act. The Authority is authorized to issue the Series V-4/V-5 Bonds under the Act, to make the loans contemplated by the Loan Agreement, to secure the Series V-4 Bonds by the pledge of the Series V-4 Revenues received by the Authority pursuant to the Loan Agreement and certain other sources of payment as provided in the Indenture, including amounts held in the Series V-4 Funds and Accounts (excluding the Series V-4 Rebate Account), and to secure the Series V-5 Bonds by the pledge of the Series V-5 Revenues received by the Authority pursuant to the Loan Agreement and certain other sources of payment as provided in the Indenture, including amounts held in the Series V-5 Funds and Accounts (excluding the Series V-5 Rebate Account),

Organization and Membership

The membership of the Authority consists of the Treasurer, the Controller and the Director of Finance of the State of California and two members appointed by the Governor of the State of California. Of the two appointed members, one must be affiliated with a public institution of higher education as a governing board member or in an administrative capacity and the other must be affiliated with a private institution of higher education as a governing board member or in an administrative capacity.

Outstanding Indebtedness of the Authority

The Act does not limit the amount of indebtedness the Authority may have outstanding from time to time. As of September 30, 2024, the Authority had outstanding $4,294,558,073 aggregate principal amount of bonds and notes (excluding certain bonds and notes which have been defeased) issued on behalf of various California independent colleges and universities.

PLAN OF FINANCE

The University plans to use the proceeds of the Series V-4/V-5 Bonds to finance and/or refinance (and which may include the retirement of certain outstanding commercial paper and the payment of a revolving line of credit of the University) certain capital projects of the University. These capital projects include certain capital projects of the University approved pursuant to the Series V Resolution.

The Indenture provides that additional series of bonds may be issued after satisfying certain conditions under the Indenture. However, the University is not restricted by the Loan Agreement from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to the loan payments due under the Loan Agreement. See "SECURITY FOR THE SERIES V-4/V-5 BONDS" and Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

SOURCES AND USES OF FUNDS

Estimated sources and uses of funds related to the Series V-4/V-5 Bonds are shown below:

SOURCES:	**Series V-4 Bonds**	**Series V-5 Bonds**	**Total**
Principal amount	$100,000,000.00	$171,325,000.00	$271,325,000.00
Original Issue Premium	15,305,000.00	32,368,432.25	47,673,432.25
University Contribution	434,893.89	745,081.97	1,179,975.86
Total Sources	$115,739,893.89	$204,438,514.22	$320,178,408.11
USES:			
Capital Projects	$115,305,566.68	$203,694,433.32	$319,000,000.00
Costs of Issuance [(1)]	434,327.21	744,080.90	1,178,408.11
Total Uses	$115,739,893.89	$204,438,514.22	$320,178,408.11

(1) Costs of issuance will be paid out of the University's contribution and includes fees of the Authority, the Rating Agencies, the Trustee, Bond Counsel, Counsel to the University and the Underwriters' compensation as well as certain other costs incurred in connection with the issuance and delivery of the Series V-4/V-5 Bonds.

THE SERIES V-4/V-5 BONDS

The Series V-4 Bonds and the Series V-5 Bonds, respectively, will each be issued in an initial Long-Term Mode as Hard Put Long-Term Bonds. The terms of the Series V-4/V-5 Bonds while in their respective Initial Long Term Mode are further described below and in Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

This Official Statement describes the Series V-4/V-5 Bonds only while the Series V-4/V-5 Bonds are in the Initial Long-Term Modes. There are significant differences with respect to the terms of the Series V-4/V-5 Bonds while in any other Modes or during subsequent Long-Term Modes. Investors should not rely upon the information in this Official Statement if the Series V-4/V-5 Bonds are converted to Modes other than the Initial Long-Term Modes. In such circumstances, investors must rely upon the offering document used in connection with such conversions and remarketings.

General

The Series V-4 Bonds will be issued in the Series V-4 Initial Long-Term Mode (i.e., a Long-Term Mode ending on the date set forth on the inside front cover page hereof) as Hard Put Long-Term Bonds. The Series V-5 Bonds will be issued in the Series V-5 Initial Long-Term Mode (i.e., a Long-Term Mode ending on the date set forth on the inside front cover page hereof) as Hard Put Long-Term Bonds). The Series V-4/V-5 Bonds are to be dated as of the date of their initial issuance and delivery and will bear interest from such date at the Long-Term Interest Rates set forth on the inside front cover page hereof. The Series V-4/V-5 Bonds will be issued in book-entry form and, while in the Initial Long-Term Modes, will be delivered in denominations of $5,000 or any integral multiple thereof. The Series V-4/V-5 Bonds are being issued in the aggregate principal amounts on the date set forth on the inside front cover page hereof. While in the Initial Long-Term Modes, the Series V-4/V-5 Bonds will accrue interest at the Long-Term Interest Rates, as further described below and as shown on the inside front cover page hereof, and will bear interest from the date of issuance and be payable as described below.

The Series V-4/V-5 Bonds will be issued only in book-entry form and, when issued, will be registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC as nominee of DTC. DTC will act as securities depository for the Series V-4/V-5 Bonds. See Appendix C – "BOOK-ENTRY ONLY SYSTEM." Except as described in Appendix C – "BOOK-ENTRY ONLY SYSTEM," Beneficial Owners of the Series V-4/V-5 Bonds will not receive, or have the right to receive, physical delivery of certificates representing their ownership interests in the Series V-4/V-5 Bonds. For so long as any purchaser is the Beneficial Owner of a Series V-4/V-5 Bond, such purchaser must maintain an account with a broker or dealer who is or acts through a Direct Participant (as defined in Appendix C) to receive payment of the principal (or Purchase Price) and interest on such Series V-4/V-5 Bond.

Pursuant to the Indenture, the Trustee will require the Series V-4/V-5 Bondholder requesting a transfer or exchange of any Series V-4/V-5 Bond to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange, and the Trustee also may require the Series V-4/V-5 Bondholder requesting a transfer or exchange of any Series V-4/V-5 Bond to pay a reasonable sum to cover expenses incurred by the Trustee or the Authority in connection with such transfer or exchange.

Principal and Interest Payment Dates. The principal or Purchase Price of the Series V-4/V-5 Bonds will be payable by check in lawful money of the United States of America at the Designated Office of the Trustee. Interest on the Series V-4/V-5 Bonds will be payable on each Interest Payment Date (as defined below) for the immediately preceding Interest Payment Period. Payment of the interest on each

Interest Payment Date of any Series V-4/V-5 Bond in a Long-Term Mode will be made to the Person whose name appears on the bond registration books of the Trustee as the Holder thereof as of the close of business on the Record Date for such Interest Payment Date, such interest to be paid by check mailed on the applicable Interest Payment Date by first class mail to such Holder at its address as it appears on such registration books, or, upon the written request of any Holder of at least $1,000,000 in aggregate principal amount of such Series V-4/V-5 Bonds, submitted to the Trustee at least one Business Day prior to the Record Date, by wire transfer in immediately available funds to an account within the United States of America designated by such Holder. Notwithstanding the foregoing, as long as Cede & Co. is the Holder of all or part of the Series V-4/V-5 Bonds in Book-Entry Form, said principal and interest payments will be made to Cede & Co. by wire transfer in immediately available funds. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Bondholder on such Record Date and will be paid to the Person in whose name the Series V-4/V-5 Bond is registered at the close of business on a "Special Record Date" for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given by first class mail to the Bondholders not less than ten (10) days prior to such Special Record Date.

"Record Date" means, with respect to the Series V-4/V-5 Bonds in their respective Initial Long-Term Mode, the fifteenth (15^{th}) day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

"Interest Payment Date" means, with respect to the Series V-4/V-5 Bonds in their respective Initial Long-Term Mode, without duplication, (A) each March 1 and September 1, commencing September 1, 2025; and (B) the Business Day following the last day of such Initial Long-Term Mode.

"Interest Payment Period" means, with respect to the Series V-4/V-5 Bonds in their respective Initial Long-Term Mode, the period commencing on the last Interest Payment Date to which interest has been paid (or, if no interest has been paid, from the date of original issuance of the Series V-4/V-5 Bonds) to, but not including, the Interest Payment Date on which interest is to be paid.

Initial Long-Term Mode

The Series V-4/V-5 Bonds in their respective Initial Long-Term Mode will bear interest at the Long-Term Interest Rates set forth on the inside front cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year of twelve 30-day months during their respective Initial Long-Term Mode. The Series V-4/V-5 Bonds in their respective Initial Long-Term Mode will be designated as Hard Put Long-Term Bonds. For the Series V-4/V-5 Bonds during their respective Initial Long-Term Mode, the applicable Long-Term Interest Rate will be in effect for the period from and including the date of issuance, to and including the last day of their respective Initial Long-Term Mode set forth on the inside front cover page of this Official Statement.

The Series V-4/V-5 Bonds are subject to mandatory tender for purchase on the date succeeding the last day of their respective Initial Long-Term Mode. Failure to pay the applicable Purchase Price on the day next succeeding the last day of such respective Initial Long-Term Mode is an Event of Default under the Indenture.

No Redemption

While the Series V-4/V-5 Bonds are in their respective Initial Long-Term Mode, the Series V-4/V-5 Bonds are not subject to redemption prior to maturity.

Mandatory Tender for Purchase

Mandatory Tender for Purchase on Day Next Succeeding Last Day of Series V-4 Initial Long-Term Mode. The Series V-4 Bonds will be subject to mandatory tender for purchase on March 1, 2032 the first day following the last day of the Series V-4 Initial Long-Term Mode, at the Purchase Price in an amount equal to the principal amount thereof, plus accrued interest thereon, if any, to March 1, 2032

Mandatory Tender for Purchase on Day Next Succeeding Last Day of Series V-5 Initial Long-Term Mode. The Series V-5 Bonds will be subject to mandatory tender for purchase on March 1, 2035 the first day following the last day of the Series V-5 Initial Long-Term Mode, at the Purchase Price in an amount equal to the principal amount thereof, plus accrued interest thereon, if any, to March 1, 2035

No Optional Tenders. During the Initial Long-Term Mode, the Series V-4/V-5 Bonds are not subject to optional tender for purchase by the Holders thereof.

Payment of Purchase Price. At or before close of business New York City time on the applicable Purchase Date and upon receipt by the Tender Agent of the applicable aggregate Purchase Price of the such tendered Series V-4/V-5 Bonds, the Tender Agent will pay the applicable Purchase Price of such tendered Series V-4/V-5 Bonds to the Holders by bank wire transfer in immediately available funds.

The Indenture defines "Purchase Price," as applicable to the Series V-4/V-5 Bonds, as an amount equal to the principal amount with respect to any Series V-4/V-5 Bonds purchased on such applicable Mandatory Purchase Date, plus accrued interest thereon, if any, to the applicable Mandatory Purchase Date.

Notice of Mandatory Purchase. The Tender Agent will give notice of mandatory purchase by mail to the Holders of such Series V-4/V-5 Bonds subject to mandatory purchase no less than ten (10) days prior to the applicable Mandatory Purchase Date. The notice will state the applicable Mandatory Purchase Date, the applicable Purchase Price and that interest on Bonds subject to mandatory purchase will cease to accrue from and after the applicable Mandatory Purchase Date. The failure to mail such notice with respect to any Series V-4/V-5 Bond will not affect the validity of the mandatory purchase of any other Bond with respect to which notice was so mailed. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any Holder.

Change in Mode. The Borrower may convert the Series V-4/V-5 Bonds to another Long-Term Mode or a different Mode (a "Mode Change") on the day immediately following the last day of the respective Initial Long-Term Mode (a "Mode Change Date"). Notice will be given to Holders no later than the tenth (10^{th}) day preceding the Mode Change Date. Certain conditions have to be met before the Mode Change can occur and if any of the conditions precedent are not satisfied on or prior to the Mode Change Date, the proposed Mode Change will not occur. However, as a Mode Change can only occur on the day immediately following the last day of the respective Initial Long-Term Mode, the Series V-4/V-5 Bonds will continue to be subject to mandatory tender for purchase whether or not a planned Mode Change occurs.

SECURITY FOR THE SERIES V-4/V-5 BONDS

The Series V-4/V-5 Bonds are payable from loan payments to be paid by the University to the Trustee pursuant to the Loan Agreement. The obligation of the University to make loan payments under the Loan Agreement is an unsecured general obligation of the University. The Loan Agreement contains certain covenants for the protection of the Holders of the Series V-4/V-5 Bonds and the Authority. See

Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – LOAN AGREEMENT." The Series V-4/V-5 Bonds are not secured by a reserve fund, or a lien on, or security interests in, any funds, revenues or other assets of the University, except to the extent pledged pursuant to the Indenture as described below. The affiliates of the University described in Appendix A hereto are not obligated with respect to the payment of debt service on the Series V-4/V-5 Bonds and their assets and revenues are not pledged and are not expected to be available to the University or the Series V-4/V-5 Bondholders for such purpose.

The Indenture provides that all Series V-4 Revenues and any other amounts (including proceeds of the sale of Series V-4 Bonds) held in the Series V-4 Funds and Accounts (other than the Series V-4 Rebate Account) are to be held in trust and are exclusively and irrevocably pledged for the security and payment of the principal of and interest on the Series V-4 Bonds. The Series V-4 Revenues do not include payments received by the Authority or the Trustee from the University pursuant to the Loan Agreement for other Series of Bonds issued pursuant to the Indenture, including the Series V-5 Bonds. Only the Series V-4 Revenues are pledged for the security and payment of the principal of and interest on the Series V-4 Bonds.

The Indenture provides that all Series V-5 Revenues and any other amounts (including proceeds of the sale of Series V-5 Bonds) held in the Series V-5 Funds and Accounts (other than the Series V-5 Rebate Account) are to be held in trust and are exclusively and irrevocably pledged for the security and payment of the principal of and interest on the Series V-5 Bonds. The Series V-5 Revenues do not include payments received by the Authority or the Trustee from the University pursuant to the Loan Agreement for other Series of Bonds issued pursuant to the Indenture, including the Series V-4 Bonds. Only the Series V-5 Revenues are pledged for the security and payment of the principal of and interest on the Series V-5 Bonds.

The Loan Agreement provides that the University will pay debt service on the Series V-4/V-5 Bonds (including the respective Purchase Price due on the Mandatory Purchase Dates following the Initial Long Term Modes). The Loan Agreement does not contain any financial covenants limiting the ability of the University to incur indebtedness or any other similar covenants. Further, the University is not required by the Loan Agreement to produce revenues at any specified level. The Loan Agreement contains certain covenants limiting the ability of the University to encumber or dispose of its Bond-financed property, but it does not contain general financial covenants limiting encumbrance or disposal of University property.

The University has other unsecured general obligations outstanding. See Appendix A – "STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS)." Moreover, the University is not restricted by the Loan Agreement from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to the loan payments due under the Loan Agreement.

For additional information concerning the provisions of the Indenture and the Loan Agreement, see Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

The Series V-4/V-5 Bonds shall not be deemed to constitute a debt or liability of the State of California or of any political subdivision thereof other than the Authority or a pledge of the faith and credit of the State of California or of any political subdivision thereof, but shall be payable solely from the funds therefor provided. Neither the State of California nor the Authority shall be obligated to pay the principal (or Purchase Price) of the Series V-4/V-5 Bonds, or the interest thereon except from Series V-4 Revenues (with respect to the Series V-4 Bonds) or Series V-5 Revenues (with respect to the Series V-5 Bonds), and the other assets pledged under the Indenture and neither the faith and credit nor the taxing

power of the State of California or of any political subdivision thereof is pledged to the payment of the principal (or Purchase Price) of or the interest on the Series V-4/V-5 Bonds. The issuance of the Series V-4/V-5 Bonds shall not directly or indirectly or contingently obligate the State of California or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Authority has no taxing power.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee or the Holders of the Series V-4/V-5 Bonds upon an event of default under the Indenture or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay, and such remedies may not be readily available or may be limited. In particular, the University may become the subject of a case under the United States Bankruptcy Code. In such a bankruptcy case, the Trustee and the Holders of the Series V-4/V-5 Bonds may be prohibited from taking any action to collect any amount from the University or to enforce any obligation of the University, without the bankruptcy court's permission. These restrictions may also prevent the Trustee from making payments to the Holders of the Series V-4/V-5 Bonds from funds in the possession of the Trustee. As part of its plan of reorganization, the University may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Series V-4/V-5 Bonds, the Indenture, the Loan Agreement, and the other related transaction documents, as long as the bankruptcy court determines that the alterations are fair and equitable. Payments previously made to the Holders of the Series V-4/V-5 Bonds during the 90 days (or possibly one year) immediately preceding the commencement of the bankruptcy case may be avoided as preferential payments, so that the Holders would be required to return such payments to the University. Actions could be taken in a bankruptcy of the University that could adversely affect the exclusion of interest on the Series V-4/V-5 Bonds from gross income for federal income tax purposes. There also may be other possible effects of a bankruptcy of the University that could result in delays or reductions in payments on the Series V-4/V-5 Bonds, or other losses on the Series V-4/V-5 Bonds. Moreover, regardless of any specific adverse determinations in any University bankruptcy case, the existence of a University bankruptcy case could have an adverse effect on the liquidity and value of the Series V-4/V-5 Bonds. The various legal opinions to be delivered concurrently with the Series V-4/V-5 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity applied in the exercise of judicial discretion.

CERTAIN INVESTMENT CONSIDERATIONS

The following are certain investment considerations that have been identified by the University and should be carefully considered by prospective purchasers of the Series V-4/V-5 Bonds. The following list should not be considered to be exhaustive. Investors should read the Official Statement in its entirety. Inclusion of certain factors below is not intended to signify that there are no other investment considerations or risks attendant to the Series V-4/V-5 Bonds. See Appendix A – "STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS)" for additional information about the University.

The University's stature in the educational community and its consolidated revenues, expenses, assets and liabilities may be affected by events, developments and conditions relating generally to, among other things, the ability of the University to (a) conduct educational and research activities of the types and quality required to maintain its stature, (b) generate sufficient revenues, while controlling expenses, to fund adequately the cost of these activities, (c) attract faculty, staff and management necessary to

conduct these activities, (d) attract a student body of commensurate quality and (e) build and maintain the facilities necessary to conduct these activities.

Success in these areas depends upon the ability of the University and its management to respond to substantial challenges in a rapidly changing environment. For example:

(i) Volatility and dislocations in the global financial markets and other economic factors may reduce the value of the University's investment portfolio, impact investment returns, increase liabilities associated with investments, reduce investment income distributable from the endowment and other expendable funds for operations, affect the ability of donors to pledge resources or meet their pledge obligations, increase demand for financial aid, and increase interest costs on the University's debt. See Notes 6, 7, 9, 10, 11, and 13 to the consolidated financial statements of the University as of and for the years ended August 31, 2024 and 2023 included in Part II of Appendix A hereto.

(ii) Liquidity constraints may impact the University's ability to fund its commitments for operating expenses, construction, capital calls and possible tenders of variable rate debt.

(iii) The Federal Government may reduce levels of sponsored research funding and reimbursement for administrative overhead and infrastructure, and may take other actions that result in reduced federal funding or other adverse impacts on the University's financial condition (for more information on this topic, see Appendix A – "STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS) – PART I – GENERAL INFORMATION ABOUT STANFORD UNIVERSITY – "Federal Government").

(iv) Health care services revenue flowing from the hospitals to the University may be impacted by the factors affecting the hospitals' financial performance as described below.

(v) Legislation and regulation by governmental authorities may affect the tax-exempt status of, and associated tax benefits accorded to, educational institutions such as the University, impose constraints or mandates on tuition levels and endowment payout, or impose significant new compliance requirements with associated costs.

(vi) Counties or municipalities in which the University operates may constrain additional facility and infrastructure expansion, or impose significant costs.

(vii) The ability to recruit and retain faculty, graduate students, postdoctoral scholars and staff may be impaired by the high regional cost of living and the limited availability of affordable housing within reasonable commuting distance.

The preservation and growth of the University's endowment are affected not only by the factors noted above but by discretionary changes in the annual payout to operations from endowment earnings, transfers of expendable funds and other distributions, all of which are subject to changes in policies and practices made by the Board of Trustees and University management.

In addition to the challenges noted above, a variety of risks, uncertainties and other factors may affect the financial strength and stature of the University. By its nature, the University is an open environment, potentially vulnerable to disruption of operations, injury and damage notwithstanding its security and public safety programs. It is subject to governmental regulations and mandates, investigations and enforcement actions and private litigation, and may incur substantial costs of compliance, defense, sanctions, penalties and reputational harm for violation of applicable laws. The University self-insures for the first $2 million to $3 million of liability claims and carries limited liability

insurance for losses exceeding this amount. In addition, certain types of claims may not be reimbursed by insurance policies.

The University is a large landowner and lessor and as such is subject to numerous environmental laws and regulations; it routinely stores, uses and produces hazardous substances in its operations; it houses thousands of students, faculty and others; it maintains confidential personal information and protected health information, including electronically, subject to information security and privacy laws; it can experience data privacy and security incidents related to such information, which may stem from a variety of causes ranging from deliberate invasions and cyberattacks to inadvertent loss, exposure, or theft of paper or electronic records. The University self-insures the first $1.5 million of property losses per occurrence resulting from fire and other hazards, including terrorism, and carries limited property insurance for losses exceeding this amount. In addition, the University carries limited insurance for damage to facilities sustained from flooding and minimal insurance for damage to facilities due to seismic events. The University is located in a region that is subject to significant seismic activity, as well as significant weather-related events, including wildfires and floods. In the event of a significant seismic event or a significant weather-related event, the University could suffer substantial damage to its facilities and disruption of its operations.

Because the financial results of the University are reported on a consolidated basis with those of its hospital affiliates (the "Hospitals"), these consolidated financial results will be affected by the financial results of the Hospitals. The Hospitals' financial results, in turn, will be affected not only by the factors set forth above but specifically by demand for the medical services they provide, the amounts of third-party payments received, limitations on and inadequate governmental reimbursements for medical services and graduate medical education, increasing costs of providing indigent care, escalating costs of personnel and equipment and inpatient capacity constraints that limit the Hospitals' ability to absorb increased costs through greater volume. In addition, industry trends, adverse legislative and regulatory developments such as changes to state or federal health care programs, state or federal adoption of a single-payor reimbursement system, and government enforcement actions could also negatively impact the Hospitals' results. Among other things, due in part to the Patient Protection and Affordable Care Act (the "ACA") enacted in 2010, the United States health care system has experienced significant changes in recent years affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers and the legal obligations of health insurers, providers, employers and consumers. These changes are ongoing, continue to be challenged in various venues and could have adverse financial impacts on the Hospitals. Legislative and regulatory actions to repeal, postpone and replace elements of the ACA or other components of the United States health care system create unpredictability for the strategic and business planning efforts of health care providers, which creates additional risks. The Hospitals' operations and financial results may be adversely affected by consequences of pandemics or other public health emergencies.

For a discussion of certain financial challenges facing the University, see Appendix A – "STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS) – PART I – GENERAL INFORMATION ABOUT STANFORD UNIVERSITY – Capital Improvement Programs," "– Hospitals," and "– Liquidity," and "– PART II, STANFORD UNIVERSITY'S FY2024 ANNUAL FINANCIAL REPORT – Financial Results" attached hereto.

The events, developments and conditions described above are, or may be, of a magnitude such that they could have a material adverse effect on the financial results and condition of the University.

REGULATORY MATTERS AND LITIGATION

The Authority

To the knowledge of the officers of the Authority, there is no litigation of any nature now pending (with service of process having been accomplished) or threatened against the Authority, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series V-4/V-5 Bonds, or in any way contesting or affecting the validity of the Series V-4/V-5 Bonds, any proceedings of the Authority taken concerning the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the Series V-4/V-5 Bonds, or the existence or powers of the Authority relating to the issuance of the Series V-4/V-5 Bonds.

The University

The University is subject to various suits, audits, investigations and other legal proceedings in the course of its operations. See "Regulatory Matters and Litigation" in Appendix A.

FORWARD-LOOKING STATEMENTS

This Official Statement, which includes all Appendices hereto, contains forward-looking statements that involve risks and uncertainties. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions, future events or performance (often, but not always, through the use of words or phrases such as "will result," "expects to," "will continue," "anticipates," "plans," "intends," "estimated," "projects" and "outlook") are not historical and may be forward-looking. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors, including, but not limited to, the risks described under the heading "CERTAIN INVESTMENT CONSIDERATIONS" which may cause actual results to be materially different from those expressed or implied by such forward-looking statements. Although the University believes that the expectations reflected in the forward-looking statements are reasonable, the University cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither the University nor any other person assumes responsibility for the accuracy or completeness of these statements. Accordingly, investors should not rely on forward-looking statements in this Official Statement. The University undertakes no obligation to publicly update or revise any forward-looking statements in this Official Statement, whether as a result of new information, future events or otherwise.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series V-4/V-5 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series V-4/V-5 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Series V-4/V-5 Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series V-4/V-5 Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix E hereto.

To the extent the issue price of any maturity of the Series V-4/V-5 Bonds is less than the amount to be paid at maturity of such Series V-4/V-5 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series V-4/V-5 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series V-4/V-5 Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series V-4/V-5 Bonds is the first price at which a substantial amount of such maturity of the Series V-4/V-5 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series V-4/V-5 Bonds accrues daily over the term to maturity of such Series V-4/V-5 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series V-4/V-5 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series V-4/V-5 Bonds. Beneficial Owners of the Series V-4/V-5 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series V-4/V-5 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series V-4/V-5 Bonds in the original offering to the public at the first price at which a substantial amount of such Series V-4/V-5 Bonds is sold to the public.

Series V-4/V-5 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Series V-4/V-5 Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Series V-4/V-5 Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Series V-4/V-5 Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series V-4/V-5 Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series V-4/V-5 Bonds. The Authority and the University have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series V-4/V-5 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series V-4/V-5 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series V-4/V-5 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series V-4/V-5 Bonds may adversely affect the value of, or the tax status of interest on, the Series V-4/V-5 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied, among other things, on the opinion of the University's General Counsel regarding the current qualification of the University as an organization described in Section 501(c)(3) of the Code. Such opinion is subject to a number of qualifications and limitations. Bond Counsel has also relied upon representations of the University concerning the University's "unrelated trade or business" activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor Counsel to the University has given any opinion or assurance concerning Section 513(a) of the Code and neither Bond Counsel nor Counsel to the University can give or has given any opinion or assurance about the

future activities of the University, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service ("IRS"). Failure of the University to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series V-4/V-5 Bonds in a manner that is substantially related to the University's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series V-4/V-5 Bonds being included in federal gross income, possibly from the date of the original issuance of the Series V-4/V-5 Bonds.

Although Bond Counsel is of the opinion that interest on the Series V-4/V-5 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series V-4/V-5 Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series V-4/V-5 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series V-4/V-5 Bonds. Prospective purchasers of the Series V-4/V-5 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series V-4/V-5 Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the University or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the University have covenanted, however, to comply with the requirements of the Code, although the Authority's obligation to comply with the requirements of the Code is dependent in part upon actions of the University and is contingent upon indemnification of the Authority's expenses therefor.

Bond Counsel's engagement with respect to the Series V-4/V-5 Bonds ends with the issuance of the Series V-4/V-5 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the University or the Beneficial Owners regarding the tax-exempt status of the Series V-4/V-5 Bonds in the event of an audit examination by the IRS. In addition, successful defense of an audit examination by the IRS will require participation by the Authority, and the Authority is not obligated to incur expenses to defend an audit examination unless its expenses are paid or reimbursed by the University. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the University legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series V-4/V-5 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series V-4/V-5 Bonds, and may cause the Authority, the University or the Beneficial Owners to incur significant expense.

Payments on the Series V-4/V-5 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Series V-4/V-5 Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Series V-4/V-5 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series V-4/V-5 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Series V-4/V-5 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Certain legal matters will be passed upon for the Underwriters by Hawkins Delafield & Wood LLP, for the Authority by the Attorney General of the State of California and for the University by its General Counsel and Ropes & Gray LLP. None of the counsel mentioned above undertakes any responsibility for the accuracy, completeness or fairness of this Official Statement.

UNDERWRITING

The Treasurer, with the approval of the Authority and the University, has entered into a Bond Purchase Agreement with Goldman Sachs & Co. LLC, on behalf of itself and as representative of Barclays Capital Inc. and Wells Fargo Bank, National Association, as the underwriters of the Series V-4/V-5 Bonds (collectively, the "Underwriters"), pursuant to which and subject to certain conditions, the Underwriters have agreed to purchase the Series V-4/V-5 Bonds from the Authority at an aggregate purchase price of $318,998,432.25 (consisting of the sum of (i) the principal amount of the Series V-4 Bonds, plus original issue premium of $15,305,000.00, and (ii) the principal amount of the Series V-5 Bonds, plus original issue premium of $32,368,432.25). The Underwriters' compensation is $652,644.35, which will be paid by the University from its own funds on the date of issuance of the Series V-4/V-5 Bonds. The Series V-4/V-5 Bonds may be offered and sold by the Underwriters to certain dealers and others at prices lower than the public offering prices, and the public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, lending, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the University and to persons and entities with relationships with the University, for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the University and its affiliates in connection with such activities.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the University (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the University. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Series V-4/V-5 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Series V-4/V-5 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series V-4/V-5 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series V-4/V-5 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

CERTAIN RELATIONSHIPS

Amit Sinha, Partner, Chief Investment Officer and Global Head of Life Sciences Investing at Goldman Sachs Asset Management, is a member of the University's Board of Trustees. The University believes that the participation of Goldman Sachs & Co. LLC in this offering is on terms no less favorable than could be obtained from other parties.

INDEPENDENT AUDITORS

The consolidated financial statements as of August 31, 2024 and 2023 and for each of the two years in the period ended August 31, 2024, included in Part II of Appendix A of this Official Statement, have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report appearing herein.

RATINGS

The Series V-4/V-5 Bonds have been given an "Aaa" rating by Moody's Investors Service, Inc. ("Moody's"), an "AAA" rating by Fitch Ratings, Inc. ("Fitch"), and an "AAA" rating by S&P Global Ratings ("S&P"). An explanation of the significance of the ratings given can be obtained from Moody's

at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, from Fitch at 33 Whitehall Street, New York, New York, 10004 and from S&P at 55 Water Street, New York, New York 10041. Such ratings reflect only the views of Moody's, Fitch and S&P, respectively, and there is no assurance that any of the ratings, if received, will continue for any given period of time or that such ratings will not be lowered or withdrawn entirely if, in the judgment of Moody's, Fitch or S&P, circumstances so warrant. Any such change in, or withdrawal of, the ratings received could have an adverse effect on the market price of the Series V-4/V-5 Bonds.

CONTINUING DISCLOSURE

Because the Series V-4/V-5 Bonds are limited obligations of the Authority, payable solely from amounts received from the University and other sources described in the Indenture, any financial or operating data concerning the Authority is not material to an evaluation of the offering of the Series V-4/V-5 Bonds or to any decision to purchase, hold or sell the Series V-4/V-5 Bonds. Accordingly, the Authority has not provided any such information. The University has undertaken all responsibilities for any continuing disclosure to Holders of the Series V-4/V-5 Bonds as described below, and the Authority shall have no liability to the Holders of the Series V-4/V-5 Bonds or any other person with respect to the Rule.

In order to assist the Underwriters in complying with the Rule, the University has agreed to enter into a Continuing Disclosure Agreement between the University and the Trustee, for the benefit of Holders of the Series V-4/V-5 Bonds, to provide to the Trustee certain annual information and notices of certain listed events required to be provided by the Rule. The proposed form of the Continuing Disclosure Agreement is set forth in Appendix D hereto. The Continuing Disclosure Agreement may be amended or modified without the consent of the Holders of the Series V-4/V-5 Bonds under certain circumstances set forth therein.

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MISCELLANEOUS

Information relating to DTC and the book-entry system described in Appendix C – "BOOK-ENTRY ONLY SYSTEM" is based upon information obtained from sources believed to be reliable, but none of the Authority, the University or the Underwriters makes any representations or warranties whatsoever with respect to such information.

All of the Appendices hereto are incorporated as an integral part of this Official Statement. The Authority makes no representations or warranties whatsoever with respect to the information contained in Appendices A through E.

The Authority furnished only the information contained under the "THE AUTHORITY" and "REGULATORY MATTERS AND LITIGATION – The Authority" and, except for such information, makes no representation as to the adequacy, completeness or accuracy of this Official Statement or the information contained herein.

This Official Statement has been delivered by the Authority and approved by the University. This Official Statement is not to be construed as a contract or agreement among any of the Authority, the University and the purchasers or Holders of the Series V-4/V-5 Bonds.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

March 4, 2025

/s/ Carolyn Aboubechara
Interim Executive Director

Appendix A has been reviewed and approved by the Treasurer of the University.

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

March 4, 2025

/s/ Karen L. Kearney
Treasurer

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APPENDIX A

STANFORD UNIVERSITY (INCLUDING FINANCIAL STATEMENTS AND DISCUSSION OF FINANCIAL RESULTS)

Part I of this Appendix A contains general information with respect to The Leland Stanford Junior University ("Stanford", the "University" or "Stanford University"). Part II consists of Stanford's FY2024 Annual Financial Report for the fiscal years ended August 31, 2024 and 2023 ("Stanford's FY2024 Annual Financial Report"), which includes management's financial overview on the fiscal year results, selected financial and other data, the report of independent auditors, and Stanford's consolidated financial statements as of and for the years ended August 31, 2024 and 2023 ("Stanford's FY2024 Audited Financial Statements"). Financial information presented in Part I of this Appendix A with respect to the University relates solely to the University; financial information regarding the University and its affiliates is stated both separately and on a consolidated basis in Stanford's FY2024 Audited Financial Statements.

PART I

GENERAL INFORMATION ABOUT STANFORD UNIVERSITY

Founded in 1885, Stanford University is one of a select group of universities that has achieved eminence in both undergraduate and graduate education and in a broad range of academic disciplines. It is internationally recognized for the quality of its teaching and research, its distinguished faculty, and its outstanding student body.

Academic and Research Programs

Stanford is a major research and teaching university offering a wide range of undergraduate, graduate, and professional degree programs. The School of Engineering, the School of Humanities and Sciences (which includes the core humanities, fine arts, languages and literature, the social sciences, mathematics, and the natural sciences), and the Stanford Doerr School of Sustainability offer undergraduate and graduate degree programs. The Schools of Business, Education, Law and Medicine offer graduate and professional degree programs. Undergraduate students have access to a wide variety of undergraduate majors and to classes and research opportunities in all seven Schools. Degree programs are offered by departments and through interdepartmental programs involving multiple departments in one or more Schools. The University, its Schools and its academic programs hold appropriate accreditations.

Stanford's research enterprise extends throughout the University. Multidisciplinary research is conducted in the Schools, independent laboratories, institutes and research centers, which engage faculty and students from across the University. The SLAC National Accelerator Laboratory operates advanced X-ray facilities and conducts research in materials, energy, structural biology and particle physics. Extensive library and archival resources are available through the Stanford University Libraries and the Hoover Institution on War, Revolution and Peace.

Governance and Management

Board of Trustees. Stanford is a trust with corporate powers under the laws of the State of California. The Internal Revenue Service has determined the University to be a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Under the provisions of the founding grant of Senator Leland Stanford and Jane Lathrop Stanford and related organizational documents of the University (the "Founding Grant"), the Board of Trustees (the "Board") is custodian of the endowment and all the properties of the University. The Board administers the invested funds and has the ultimate authority over the annual budget and policies for operation and control of the University. The powers and duties of the Board of Trustees derive from a combination of the Founding Grant, amendments to the Founding Grant, and legislation and court decrees specific to Stanford. In addition, the Board operates under its own bylaws and a series of resolutions on major policy. The Board conducts its business through standing committees, currently consisting of the Committees on Audit, Compliance and Risk; Development; Finance; Land and Buildings; Engagement and Advancement of the Institution; Academic and Student Affairs; and Trusteeship. The Board consists of a minimum of 25 and a maximum of 38 Trustees, including the President of the University as a Trustee *ex officio* and with vote.

The following table lists the members of the Board of Trustees as of February 1, 2025.

Jerry Yang* *(Chair)*
Felix J. Baker
Richard N. Barton
Aneel Bhusri
Roelof F. Botha
Amy M. Brooks
Stacy Brown-Philpot
Marisa D. Brutoco
DeAngela J. Burns-Wallace
Michael C. Camuñez
James G. Coulter
Roberta B. Denning
Katherine B. Duhamel
José E. Feliciano
Henry A. Fernandez
Angela S. Filo
Sakurako D. Fisher
Marc E. Jones
Sarah H. Ketterer
John Kleinheinz
Jane A. Lauder
Jonathan Levin (*ex officio*)
Marc S. Lipchultz
Carrie W. Penner
Nadia N. Rawlinson
Peter Salovey
Lily Sarafan
Amit Sinha
Clara Wu Tsai
Elizabeth H. Weatherman
Maurice C. Werdegar
Charles D. Young
Giuseppe P. Zocco

* Current term as chair concludes June 30, 2025. Lily Sarafan has been elected Chair commencing July 1, 2025.

Administration. The Founding Grant prescribes that the Board of Trustees appoints the President of the University. The Board of Trustees delegates the responsibility to the President to prescribe the duties of professors and teachers, to set the course of study and the mode and manner of teaching and to exercise all other necessary powers relating to the educational, research, financial and business affairs of the University, including the operation of the physical plant. The President appoints, subject to confirmation by the Board, the Provost and the other Officers of the

University. The Stanford Management Company is the operating division of the University responsible for the management of the University's endowment and other investment assets.

The following table sets forth in summary form certain members of the principal administration of the University as of February 1, 2025.

University Officers

Jonathan Levin
President

Jenny Martinez
Provost

Ryan Adesnik
Vice President for Government Affairs

Deborah Cullinan
Vice President for the Arts

Jon Denney
Vice President for Development

Farnaz Khadem
Vice President for Communications

Randall Livingston[1]
Vice President for Business Affairs, Chief Financial Officer and University Liaison for Stanford Medicine

Lloyd Minor
Dean, School of Medicine; Vice President, Medical Affairs

Kathryn Moler
Vice President, SLAC National Accelerator Laboratory

Megan Pierson
Vice President for University Affairs; Secretary of the Board of Trustees

Robert Reidy
Vice President for Land, Buildings and Real Estate

Martin Shell
Vice President and Chief External Relations Officer

Robert Wallace
Chief Executive Officer, Stanford Management Company

University Executive Cabinet

Jonathan Levin
President

Jenny Martinez
Provost

Stacey Bent[2]
Vice Provost for Graduate Education and Postdoctoral Affairs

Peter DeMarzo[3]
Interim Dean, Graduate School of Business

Jay Hamilton
Vice Provost for Undergraduate Education

Arun Majumdar
Dean, Stanford Doerr School of Sustainability

Lloyd Minor
Dean, School of Medicine; Vice President, Medical Affairs

Condoleezza Rice
Director, Hoover Institution on War, Revolution and Peace

John Sarrao
Director, SLAC

Debra Satz
Dean, School of Humanities and Sciences

Daniel Schwartz
Dean, Graduate School of Education

David Studdert
Vice Provost and Dean of Research

George Triantis
Dean, School of Law

[1] Randall Livingston has announced his intention to retire, and a search for his replacement is underway.
[2] Stacey Bent has announced her intention to step down from her position in 2025, following the naming of her replacement. A search for her replacement is underway.
[3] Sarah Soule, Professor of Organizational Behavior at the University, has been named as Dean, Graduate School of Business effective June 16, 2025.

Howard Wolf
Vice President for Alumni Affairs
and President, Stanford Alumni Association

Elizabeth Zacharias
Vice President for Human Resources

Debra Zumwalt
Vice President and General Counsel

Jennifer Widom
Dean, School of Engineering

Faculty and Staff

For the 2024 fall quarter, the Stanford professoriate had 2,345 members. Of those, 54% hold tenure, and 99% hold the highest degrees in their respective fields. The Academic Council comprises the main body of the faculty. Of its 1,738 members, 1,584 are tenure-line faculty, and 154 are non-tenure-line faculty, such as Senior Fellows and those holding teaching, research, clinical or performance titles. The student-Academic Council ratio (including only matriculated undergraduate and graduate students) is approximately 10 to 1.

As of August 31, 2024, the University, including the SLAC National Accelerator Laboratory, employed 19,705 non-academic staff members. Of these employees, 1,389 were represented by the Service Employees International Union, and 16 were police officers represented by the Stanford Deputy Sheriffs' Association. The University's agreement with the Service Employees International Union (SEIU) will expire in 2028. The University's agreement with the Stanford Deputy Sheriffs' Association will expire in 2026.

Students

For the 2024 fall quarter, the University enrolled 7,554 undergraduate and 9,933 graduate students. During academic year 2023-24, 1,903 bachelor's degrees and 3,648 advanced degrees were conferred. The following table provides a summary for the last five academic years of undergraduate and graduate applications, admissions and enrollment.

Academic	Undergraduate[1][2]			Graduate[2]		
Year	Applications	Admissions	Enrollment	Applications	Admissions	Enrollment
2020-21[3]	47,443	2,435	1,675	48,150	3,612	2,135
2021-22[3]	58,736	2,245	2,191	59,224	4,057	2,760
2022-23	59,519	2,132	1,783	49,238	4,167	2,769
2023-24	57,024	2,172	1,763	51,510	4,283	2,758
2024-25	61,446	2,132	1,763	58,766	4,303	2,863

[1] Includes both freshman and transfer students.
[2] Fall only.
[3] Enrollment numbers for Academic Years 2020-21 and 2021-22 were impacted by COVID-19 with a high number of students deferring admission for Academic Year 2020-21 to enroll in Academic Year 2021-2022.

Tuition, Fees and Financial Aid

Stanford is committed to providing a need-based financial aid program that makes it financially possible for admitted students to attend Stanford. Stanford's admission program is "need-blind," for eligible U.S. citizens and permanent resident undergraduate students, meaning financial status does not affect the admission decision for all but some international applicants.

Stanford meets the full need for admitted students without expecting to borrow student loans. In addition to institutional scholarships, eligible Stanford undergraduates may also receive other financial aid in the form of government and private scholarships and grants, student employment, and low-interest student loans. The following table summarizes Stanford's undergraduate tuition, average room and board expenses, average need-based Stanford scholarships, and average total aid package (inclusive of athletic aid) for the academic years 2020-21 through 2024-25.

Academic Year	Tuition	Room and Board	Total[(1)]	Average Financial Aid	Average Financial Aid + Athletic Aid[(2)]
2020-21[(3)]	$55,473	$17,255	$73,424	$23,457	$ 27,218
2021-22[(3)]	55,473	17,860	74,029	28,094	31,851
2022-23	57,693	18,619	77,035	28,908	32,739
2023-24	61,731	19,922	82,406	30,616	34,784
2024-25	65,127	21,315	87,225	N/A[(4)]	N/A[(4)]

[(1)] Inclusive of mandatory campus health fee in addition to tuition and room and board.
[(2)] Stanford's athletic aid is not need-based.
[(3)] There was a decrease in the total and average need-based undergraduate financial aid for the 2020-21 academic year. This decrease was due to decreases in enrollment of need-based financial aid recipients for the 2020-21 academic year, which attributable to the COVID-19 pandemic. In 2021-22, Stanford had higher than usual enrollment because of prior year deferring students enrolling.
[(4)] Not available until the completion of the 2024-25 academic year.

Institutional graduate student support is awarded based on academic merit and the availability of funds and consists of fellowships, stipends, and trainee/assistantships. Stanford also provides a gift-funded institutional loan program for some students in certain academic programs. Student loans receivable, including receivables for the loans issued under the federal Perkins Loan Program, net of allowances for doubtful accounts, were $33.7 million and $37.5 million as of August 31, 2024 and 2023, respectively.

The Stanford Campus and Other Real Property

Stanford's main campus consists of 8,352 acres of land owned by the University near Palo Alto, California, much of which was given to the University under the Founding Grant on the condition that the lands subject to the grant may not be sold. The campus includes land located in seven different municipalities. In addition to the lands utilized for educational, research, athletics, patient care and related purposes, a portion of Stanford lands are leased to third parties operating commercial, residential, agriculture and other developments that provide rental income as part of the University's investment portfolio. Much of the University's other land remains undeveloped.

Stanford also owns real property elsewhere. Some of this property has been acquired for expansion or relocation of academic programs and administrative functions, including approximately 28 acres in Redwood City, California. The University also owns facilities for use in study programs in Pacific Grove, California; the District of Columbia; and Berlin, Germany.

Capital Improvement Programs

Stanford University makes a significant investment in its facilities for teaching, research and related activities. Stanford's Capital Budget and three-year Capital Plan are based on projections of the major capital projects that the University plans to pursue in support of its academic mission. The fiscal year 2025 Capital Budget approved by the Board of Trustees is $687.2 million and represents the anticipated capital expenditures in the first year of the rolling three-year Capital Plan. The fiscal year 2025-27 Capital Plan includes projects with estimated total costs of $3.6 billion. Anticipated funding sources for projects under the current Capital Plan consist of $1.4 billion in debt, $1.2 billion in gifts, $763.7 million in reserves, and $255.8 million in other funds to be identified in the course of annual capital planning. Additional debt will be required to bridge timing differences between project expenditures and the receipt of gifts. The Capital Budget and the Capital Plan are both subject to change based on funding availability, budget affordability and university priorities.

The use and development of Stanford University land within the County of Santa Clara ("Santa Clara County") are governed by a General Use Permit and the related Stanford University Community Plan (together, the "2000 GUP"), which have been in force since they were approved in 2000 by the Santa Clara County Board of Supervisors. The 2000 GUP permits Stanford University to develop 2,035,000 square feet of net new academic facilities and 4,468 new housing units for students, faculty and staff. Although the 2000 GUP limits the amount of new development, it does not restrict removal, renovation or rehabilitation of existing facilities. Through August 31, 2024, projects using approximately 1,871,000 of net new gross square feet were completed or under construction and approximately 4,428 housing beds/units have been added. Stanford University continues to address academic space and housing needs by, for example, making use of the remaining allotments under the 2000 GUP, renovating and optimizing existing facilities in the main campus land in Santa Clara County, and developing facilities on the University land in other jurisdictions, including the University's campus in Redwood City.

Hospitals

The University is the sole member of Stanford Health Care ("SHC") and Lucile Salter Packard Children's Hospital at Stanford ("LPCH") (collectively, the "Hospitals"). SHC and LPCH are each separate not-for-profit public benefit corporations operating the adult and pediatric hospitals and clinics, respectively, which together with the University's School of Medicine and its clinical faculty, comprise and are known in the marketplace as Stanford Medicine. Each Hospital corporation has its own management with responsibility for its own financial reporting. Management of each Hospital reports to the chief executive officer of that Hospital, and the chief executive officer reports to the board of directors appointed for that Hospital. Management of the Hospitals does not report to management of the University. Each Hospital has its own separate liabilities, including bond debt obligations. The University and the Hospitals are not obligated to pay the debt of each other, and the debt of the University and the Hospitals receive separate credit ratings from the rating agencies.

Regulatory Matters and Litigation

The University is subject to various suits, audits, investigations, and other legal proceedings in the course of its operations. The University's ultimate liability, if any, for these legal proceedings is not determinable at present. However, no proceedings are pending or threatened that, in management's opinion, would be likely to have a material adverse effect on the University's financial position.

Federal Government

Stanford continues to monitor developments involving the federal government. Actions at the federal level may have the direct or indirect effect of reducing federal support for Stanford's research or other operations, reducing Stanford's fundraising or other revenue sources, and increasing taxes or other costs borne by Stanford. The National Institutes of Health ("NIH") issued a notice on February 7, 2025 announcing that institutions of higher education and other organizations will be subject to a new limit on indirect cost recovery rate with regard to NIH grants. If implemented in current or similar form, this limit may result in a substantial reduction in federal funding for Stanford's costs associated with its research facilities and administration. In addition, the U.S. Department of Education has indicated that it views as unlawful a wide variety of actions that may be taken by colleges and universities to increase diversity, and that such actions may result in the loss of federal funding. While the immediate financial impact on Stanford is not material at this time, these and other developments involving the federal government may, directly or indirectly, have a material adverse effect on the financial profile and operating performance of Stanford.

Liquidity

Stanford closely monitors its liquidity requirements and structures its financial assets to meet its projected short- and long-term needs and contractual commitments. To meet these needs, Stanford holds investments in various pools or in specific assets with varying degrees of liquidity, as well as having an authorized short-term commercial paper program. Stanford also has access to additional short-term financing facilities such as revolving lines of credit that can be available for liquidity needs. The University has significant contractual commitments outstanding to limited partnership and other investment vehicles and major construction projects (see discussion under the caption "Capital Improvement Programs" above and in Note 6, "Investments," and Note 19, "Commitments and Contingencies," to Stanford's FY2024 Audited Financial Statements included in Part II of this Appendix A).

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PART II

STANFORD UNIVERSITY'S FY2024 ANNUAL FINANCIAL REPORT

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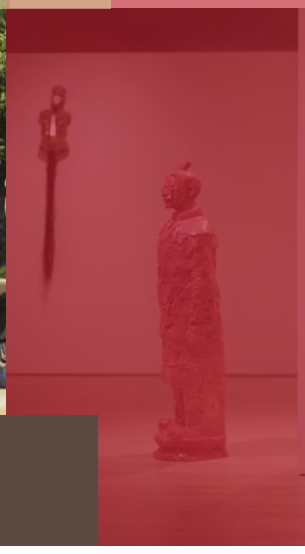
Stanford

Annual Financial Report

August 31, 2024 and 2023



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Excellence in Research, Teaching and Medical Care

Stanford was founded almost 150 years ago on a bedrock of societal purpose. Its mission is to contribute to the world by **educating students for lives of leadership** and contribution with integrity; advancing fundamental knowledge and cultivating creativity; **leading in pioneering research** for effective clinical therapies; and **accelerating solutions** and amplifying their impact.

Financial Results

Introduction

At the start of the fiscal year, Richard Saller, a renowned academic leader, classics scholar, and former dean of the School of Humanities and Sciences assumed his interim role as the university's twelfth president. In April 2024, the university announced that Jonathan D. Levin would be the thirteenth president effective August 1, 2024. Jenny Martinez succeeded Persis Drell as provost, the university's chief academic officer and budgetary officer.

This year posed significant challenges to the Stanford community, driven by global issues that sparked activism and advocacy. The university's athletics program faced upheaval, with the dissolution of the Pac-12 Athletic Conference last summer and ongoing NCAA-related antitrust lawsuits along with new athlete compensation arrangements. Nevertheless, Stanford's community upheld their values of excellence and integrity, continuing to advance Stanford's core mission.

Stanford's financial results reflect a careful balance of growth and stability, supported by strategic financial stewardship. The following sections highlight key financial metrics, milestones, and strategic decisions that have shaped Stanford's progress and future direction.

Stanford's thirteenth president

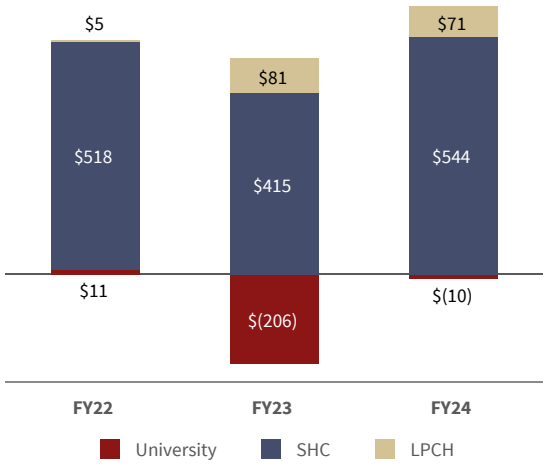
Stanford's thirteenth president is **Jonathan D. Levin**, a distinguished economist, Stanford alumnus, and dean of Stanford's Graduate School of Business for eight years.

"I am grateful and humbled to be asked to lead Stanford – a university that has meant so much to me for more than three decades. When I was an undergraduate, Stanford opened my mind, nurtured my love for math and literature, and inspired me to pursue an academic career. In the years since, it has given me opportunities to pursue ideas in collaboration with brilliant colleagues, teach exceptional students, and bring people together to achieve ambitious collective goals around the university." - President Levin

Operating Results

Stanford's consolidated financial results include the university, Stanford Health Care (SHC) and the Lucile Salter Packard Children's Hospital at Stanford (LPCH[1]), and their respective affiliates.

Operating Surplus/(Deficit) (in millions)



In fiscal year 2024, the consolidated operating surplus rose to $605 million, a 109% increase as compared to fiscal year 2023, primarily driven by SHC's surplus.

The university reported an operating deficit of $10 million in fiscal year 2024, improving by $196 million from a $206 million deficit in the previous year. SHC and LPCH had operating surpluses of $544 million and $71 million, respectively. While SHC's operating surplus increased by $129 million, LPCH's operating surplus decreased by $9 million year over year.

Consolidated operating revenues increased 12% to $18.3 billion driven by increases in health care services, sponsored support, and investment income distributed for operations.

Both SHC and LPCH's operating revenues rose due to higher patient volumes and provider fee revenue. In addition, SHC received settlements from the Center for Medicare and Medicaid Services (CMS).

Consolidated operating expenses grew 10% to $17.7 billion primarily due to a 10% rise in salaries and benefits and an 11% increase in other operating expenses driven by expanded research activities, competitive compensation, enhanced financial aid programs, and inflation.

Operating Revenues

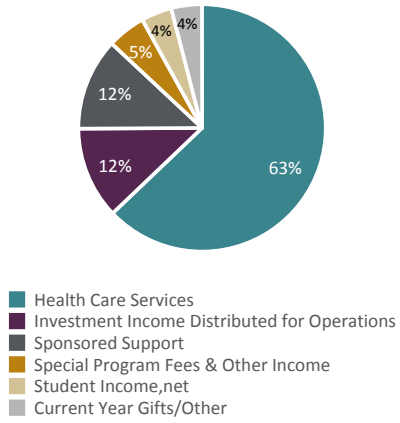
Total consolidated operating revenues increased by $2.0 billion or 12% to $18.3 billion. Health care services increased by $1.4 billion or 14% to $11.5 billion, making up 63% of total consolidated revenues.

Sponsored support increased by 10% to $2.2 billion including funding from the U.S. Department of Energy (DOE) for SLAC National Accelerator Laboratory (SLAC, a federally funded research and development center). The increase in sponsored support was primarily driven by revenues from the Department of Health and Human Services (DHHS), DOE, Federal Emergency Management Agency (FEMA) for reimbursement of COVID-related expenses, and non-Federal sponsors, as further described in the "Research" section below.

Investment income distributed for operations increased by 18% to $2.2 billion. The drivers for this increase are further described in the "Investment Income Distributed for Operations" section below.

Student income increased by 6% to $802 million due to increases in tuition and room and board revenues offset by student financial aid as further described in the "Teaching and Education" section below.

Consolidated Operating Revenues | $18.3B



Consolidated special program fees and other income decreased by $3 million or 0.4% in fiscal year 2024. The university alone saw an increase in special program fees and other income of $43 million or 7%. Nearly half of the increase was driven by higher enrollments and fees for executive education programs and increased rental income from university-owned housing for faculty and staff.

Both SHC and LPCH experienced decreases in special program fees and other income. LPCH decreased by $10 million or 8% while SHC decreased by $35 million or 14%, due to COVID-related relief funding received in prior years.

[1] Known in the marketplace as Stanford Medicine Children's Health

Operating Expenses

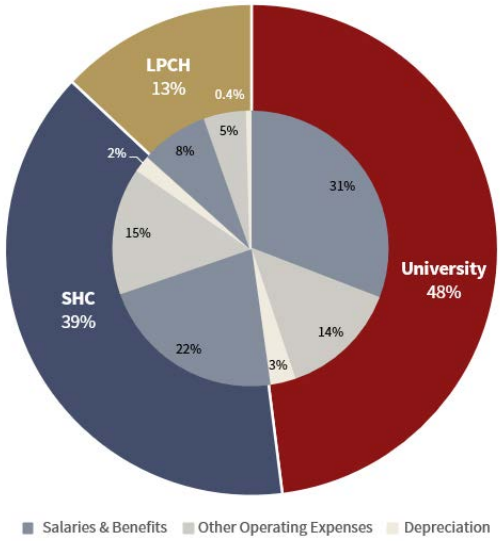
Total consolidated operating expenses increased by $1.7 billion or 10% to $17.7 billion, with salaries and benefits making up over 60% of consolidated expenses.

Consolidated salaries and benefits increased by 10% to $10.8 billion, driven by competitive pay, and increased employee headcount primarily, at the School of Medicine (SoM). Both SHC and LPCH also experienced increased employee headcount to support growing patient volumes.

Consolidated other operating expenses increased by 11% to $6.0 billion, primarily due to inflation and growth in operational activities. The university experienced an increase of 7% or $153 million resulting from growth in operational and research activities, coupled with sustained inflationary pressures.

SHC's other operating expenses increased by $583 million or 16% to $4.2 billion. LPCH's other operating expenses increased by $146 million or 12% to $1.3 billion. These increases were largely due to increases in purchased physician services, costs of medical, surgical and pharmaceutical supplies, and other patient care expenses due to increased patient volume.

Consolidated Operating Expenses: $17.7B

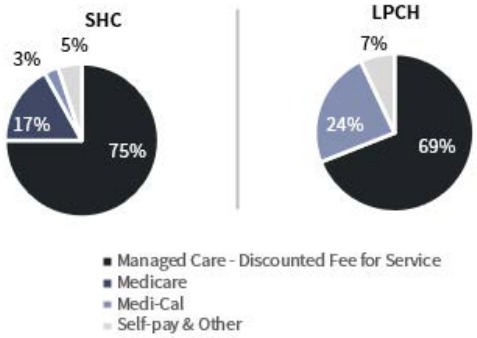


Health Care

Stanford Medicine, comprised of the university's SoM, SHC and LPCH, is an integrated academic health system that combines the research capabilities of the university with SHC's and LPCH's network of care facilities for adults and children, respectively.

The university's health care services revenue grew by $274 million or 17% to $1.9 billion, with 97% derived from SHC's and LPCH's purchase of physician services. The growth was driven by rising patient care needs and expanded clinical programs.

Net Patient Service Revenue



SHC's net patient service revenue rose by $1.2 billion or 15% to $8.7 billion, fueled by increased patient volume, provider fee revenue, CMS settlements from prior audits and a one-time settlement for the 340B drug program. Patient day volume increased by 4%, total surgical cases by 8% (largely due to increased outpatient surgeries), and emergency department visits by 5%. Inpatient and outpatient volumes, represented 40% and 60% of net patient revenues, grew across multiple areas, including surgery, pharmacy, imaging and lab services.

LPCH's net patient service revenue increased by $224 million or 9% to $2.7 billion, primarily due to higher patient volumes in inpatient visits, clinic visits, surgeries, and other procedures along with provider fee revenue.

Human-centered, digitally-driven health care

This year, Stanford continued its pursuit and application of health care that is human-centered and digitally driven. For example, a team of Stanford Medicine doctors and biomedical engineers are among the first to integrate Apple Vision Pro, a new augmented reality tool into surgical practice. The headset enables the user to navigate their surroundings using real-time visual data in combination with virtual elements.

"The novel use of augmented reality in the operating room exemplifies Stanford Medicine's mission of serving patients in a digitally driven, human-centered care environment," said Lloyd Minor, dean of the School of Medicine and vice president of medical affairs at Stanford University.

Research

University sponsored support from federal and non-federal sources increased by $229 million or 12%, compared to fiscal year 2023. The largest sources of funding, including for SLAC, is from the DHHS and DOE.

95% of the support for SLAC is provided by DOE. SLAC's overall funding increased by $64 million, or 11%, due to increased operational costs for the Linac Coherent Light Source (LCLS) user facility and project costs related to the LCLS II High Energy Project.

Excluding SLAC, the university's sponsored support revenue rose by $165 million, or 12%, largely due to support from DHHS for the SoM. This fiscal year, the university was also awarded a $51 million public assistance grant from the Federal Emergency Management Agency (FEMA) provided through the California Office of Emergency Services for reimbursement of COVID-19 testing costs incurred in prior fiscal years.

Taking the next molecular step: LCLS II

The Linac Coherent Light Source (LCLS) takes X-ray snapshots of atoms and molecules at work, providing atomic resolution detail on ultrafast timescales to reveal fundamental processes in materials, technology and living things. Its snapshots can be strung together into "molecular movies" that show chemical reactions as they happen.

LCLS-II will build from the success of LCLS to assist the U.S. in maintaining a world-leading capability for advanced research in chemistry, materials, biology and energy. LCLS-II will add a superconducting accelerator, occupying one-third of SLAC's original 2-mile-long linear accelerator tunnel, which will generate an almost continuous X-ray laser beam. The unique capabilities of LCLS-II have the potential to yield a host of discoveries to advance technology, new energy solutions and our quality of life.

Philanthropy | Gifts & Pledges

The university benefits from a community of engaged donors whose contributions provide crucial funding for current operations, capital projects and new endowments. Most gifts and pledges are designated for specific purposes such as student financial aid, academic programs, and new facilities for research and clinical care.

The university recorded total net gifts and pledges of approximately $1.2 billion in fiscal year 2024, a decrease of $594 million or 34% compared to the prior year. This includes $260 million in current year gifts in support of operations and $895 million in the non-operating section of the statement of activities. Excluding the $1.0 billion John and Ann Doerr gift for the Doerr Stanford School of Sustainability that was recorded in fiscal year 2023, net gifts and pledges increased by $224 million, or 25%, indicating strong philanthropic support . Gifts and pledges are recorded in the consolidated financial statements, on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), thereby excluding payments received for prior year pledges.

Overall, total gifts, including pledged payments received, reported by the Office of Development were $1.6 billion in fiscal year 2024, reflecting contributions received in cash or property, including $14 million for SHC and $78 million for LPCH.

Transforming global economies through SEED

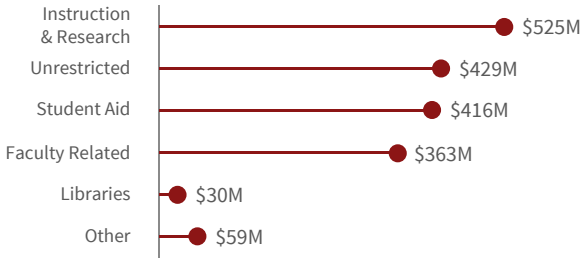
The Graduate School of Business has made significant strides with Stanford Seed, which educates entrepreneurial leaders in the developing world. Stanford Seed recently launched the Seed Transformation Program to identify growth opportunities and formulate plans to revolutionize businesses in developing countries. To date worldwide, 75% of participants report increased revenue, 39% engage in business with fellow participants, and 34% have expanded into new markets.

Investment Income Distributed for Operations

University investment income distributed for operations totaled $2.2 billion with $1.8 billion distributed from the endowment and $389 million from the expendable funds pool and other investment income. The 18% increase in investment income distributed for operations was driven by improved investment market performance and additional capital investments.

The Board of Trustees approves endowment payouts, balancing the university's current and future needs. The payout strategy aims to provide consistent monthly support, which funded 22% of fiscal year 2024 operating expenses. The endowment value at the end of fiscal year 2024 increased by $1.1 billion, or 3%, to $37.6 billion, after distributions to support current operations, including vital academic programs and financial aid.

University Endowment Payout by Purpose



As shown in the figure above, over 75% of the endowment payout is restricted by purpose. Endowment payout is primarily used for instruction and research activities, student aid and faculty salaries and support. Unrestricted endowment is also used to support these activities in addition to other critical strategic priorities of the university.

Teaching & Education

Student income, which includes tuition and room and board revenues less student financial aid, rose by 6% or $42 million to $802 million. Tuition revenue increased by $57 million, due to higher undergraduate and graduate enrollment combined with an increase in tuition rates. Room and board revenue grew by $19 million from rate increases and higher occupancy. The university continues to prioritize affordability to all students, with nearly 50% of undergraduate students awarded need-based financial aid, and over 80% of graduate students receiving financial support.

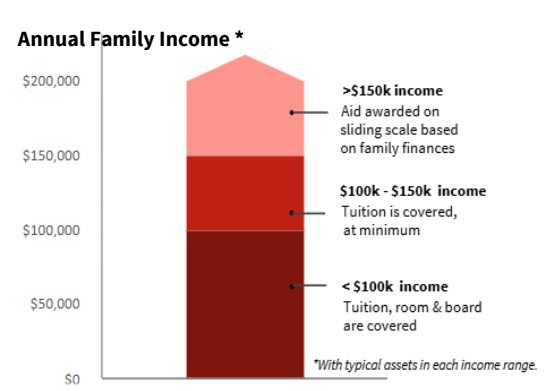
Student financial aid increased by $33 million to $459 million aligned with the increase in tuition and room and board rates and enrollment growth. The university expanded financial aid programs, raising the income threshold for no tuition or room and board fees from a family income of $75,000 to $100,000 while families earning below $150,000 pay no tuition.

The university also provides support in the form of stipends, teaching and research assistantships and related allowances for tuition, totaling $436 million in fiscal year 2024.

The $895 million in total student financial aid and graduate support comes from approximately $413 million in endowment payouts and expendable restricted gifts, $342 million from unrestricted university funds, and $140 million from grants and contracts.

Increasing access to Stanford

In July, Stanford joined a consortium of colleges and universities, known as the STARS College Network, that are working to bring more students from rural areas and small towns to their campuses. As a member of the STARS College Network, the university seeks to increase its focus on high school students from small communities and supporting them after they enroll.



To support access, Stanford has built and continues to enhance a robust financial aid program.

“Stanford is committed, with intent, to reaching out across the country to attract young people from rural and small town communities, and to encourage these students to consider the possibilities here,” says Richard H. Shaw, dean of undergraduate admission.

Statements of Financial Position

In fiscal year 2024, total consolidated assets rose by $3.0 billion to $80.1 billion while total consolidated liabilities increased by $581 million to $16.6 billion. Net assets increased $2.4 billion to end the year at $63.5 billion.

University Investments

As of August 31, 2024, university's investments totaled $48.0 billion, an increase of $1.1 billion from the prior fiscal year driven by investment returns and new investment capital, offset by income distributed for operations.

The majority of the university's investments, $38.5 billion, are part of a diversified portfolio aimed at long-term growth. In addition, $6.7 billion of the university's investments are real estate located on a portion of Stanford's 8,271 acres designated by the Board of Trustees for income production. These lands have been developed for various uses including research, medical and commercial offices, hotels, and retail properties.

In fiscal year 2024, the real estate portfolio's value declined by $702 million from fiscal year 2023 due to challenges in the real estate industry particularly in the office sector. Office market fundamentals continued to decline resulting in bearish leasing projections (lower market rents, higher vacancies, and increased concessions), and higher return requirements, all leading to decreased market values.

Capital Projects

Stanford invested over $1 billion in fiscal year 2024 in physical facilities, funded by philanthropy, debt and reserves. These investments are aimed to further Stanford's mission, by replacing and renovating aging facilities while increasing access to housing and flexible work spaces for the university community. Significant projects completed include the construction of 560 Fremont Road, Hoover Institution's George P. Shultz Building revitalization and lab renovations and new medical spaces at 3174 Porter Drive. As of the end of fiscal year 2024, significant projects are underway to provide state-of-the art facilities that support research, teaching and collaboration, including the construction of the Data Science and Computation Complex, and renovations to the Graduate School of Education.

Both SHC and LPCH also continue to invest in facilities and systems to provide care to the communities they serve. In fiscal year 2024, the majority of SHC's and LPCH's spending was for hospital renovations, new clinic buildings, equipment upgrade and replacement, enterprise resource planning system transition, and information technology infrastructure enhancements.

Building a sustainable home for the GSE

The new home for the Graduate School of Education (GSE), scheduled to be completed by fall 2025, includes the preservation and restoration of the education building and the Barnum Center; the construction of a new south building adjacent to Barnum Center; and a new 13,500 square foot courtyard connecting the three structures.

These buildings will house a combined 150,000 square feet of research, teaching, convening, and community spaces. It is a comprehensive approach to sustainability that considers history and people, as well as the planet.

One of the important ways that the project's ecological impact has been reduced is by preserving the exterior of the historic north building (also known as the education building), which was originally designed in the 1930s. The building was effectively gutted and kept intact to make room for interior renovations.

"The idea was to enhance what was already good about the buildings, while making the space relevant for the future," said Sapna Marfatia, Stanford's director of architecture, who specializes in historic preservation.

In addition to avoiding physical waste, teams involved in the GSE construction project are seeking to ensure that it is energy efficient.

Debt

During fiscal year 2024, total consolidated debt rose by $293 million to $8.8 billion.

University debt remained relatively flat at $5.5 billion, increasing $37 million year-over-year. The university's taxable commercial paper increased by $163 million, with $150 million used for refinancing taxable bonds. Additionally, the university's tax-exempt commercial paper increased by $50 million. The university continued to maintain the highest available long and short-term credit ratings by Moody's Investor Service (Moody's), S&P Global Ratings (S&P) and Fitch Ratings (Fitch).

In September 2023, the California Health Facilities Financing Authority (CHFFA), on behalf of SHC, issued fixed rate revenue bonds in the aggregate par amount of $261 million. Proceeds of the 2023 bonds were used to reimburse expenditures related to the redesign, remodel and renovation of SHC's original hospital facility. SHC's ratings were affirmed by Moody's, S&P, and Fitch.

In June 2024, CHFFA completed, on behalf of LPCH, two series refunding revenue bonds in the aggregate par amount of $180 million. Proceeds of the 2024 bonds were used for legal defeasance and redemption of the 2014 bonds and payments of costs of issuance. LPCH's ratings were affirmed by Moody's, S&P, and Fitch.

In Closing

Stanford's fiscal year financial results reflect effective stewardship of critical financial resources that advance its mission of teaching, research and medical care, bolstered by donor generosity.

Despite ongoing economic challenges, leadership remains committed to fostering excellence and resilience, ready to advance Stanford's core values in the upcoming year.

SELECTED FINANCIAL AND OTHER DATA

Fiscal Years Ended August 31

	2024	2023	2022	2021	2020
			(dollars in millions)		
CONSOLIDATED STATEMENTS OF ACTIVITIES HIGHLIGHTS:					
Total operating revenues	$ 18,314	$ 16,343	$ 15,132	$ 13,939	$ 12,455
Student income	802	761	715	508	610
Sponsored support	2,208	2,013	1,812	1,681	1,622
Health care services	11,476	10,101	9,232	8,302	7,137
Investment income distributed for operations	2,226	1,894	1,752	1,751	1,661
Total operating expenses	17,709	16,053	14,597	13,094	12,348
Change in net assets from operating activities	605	290	535	845	107
Other changes in net assets	1,832	1,320	(434)	11,377	1,877
Net change in total net assets	$ 2,437	$ 1,610	$ 101	$ 12,222	$ 1,984
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION HIGHLIGHTS:					
Investments at fair value	$ 55,197	$ 52,826	$ 52,180	$ 54,040	$ 40,929
Plant facilities, net of accumulated depreciation	14,512	14,184	13,377	13,079	13,173
Notes and bonds payable	8,844	8,551	8,271	8,383	8,226
Total assets	80,144	77,126	75,084	75,144	62,970
Total liabilities	16,601	16,020	15,588	15,749	15,797
Total net assets	63,543	61,106	59,496	59,394	47,173
UNIVERSITY STATEMENTS OF FINANCIAL POSITION HIGHLIGHTS:					
Investments at fair value	$ 47,954	$ 46,856	$ 46,474	$ 48,001	$ 37,575
Plant facilities, net of accumulated depreciation	8,691	8,559	7,904	7,683	7,686
Notes and bonds payable	5,507	5,470	5,154	5,144	5,004
Total assets	63,332	61,811	60,498	60,495	49,934
Total liabilities	10,865	10,573	10,091	9,879	9,628
Total net assets	52,468	51,238	50,407	50,616	40,306
FINANCIAL DATA AND METRICS:					
University endowment at year-end	$ 37,631	$ 36,495	$ 36,339	$ 37,788	$ 28,948
University endowment payout in support of operations	1,822	1,736	1,466	1,330	1,355
As a % of beginning of year University endowment	5.0 %	4.8 %	3.9 %	4.6 %	4.9 %
As a % of University total expenses	21.7 %	22.7 %	21.4 %	21.5 %	22.3 %
Total gifts as reported by the Office of Development (A)	1,632	1,531	1,624	1,393	1,363
STUDENTS:					
ENROLLMENT: (B)					
Undergraduate	7,554	7,841	7,761	7,645	6,366
Graduate	9,933	9,688	9,565	9,292	8,791
DEGREES CONFERRED:					
Bachelor degrees	1,903	1,654	1,699	1,511	1,771
Advanced degrees	3,648	3,583	3,533	3,310	3,422
FACULTY:					
Total Professoriate (B)	2,345	2,323	2,304	2,288	2,279
ANNUAL UNDERGRADUATE TUITION RATE (IN DOLLARS)	$ 61,731	$ 57,693	$ 55,473	$ 55,473	$ 52,857

(A) Includes University, SHC and LPCH gifts.

(B) Fall quarter immediately following fiscal year-end.

Report of Independent Auditors

To The Board of Trustees of the Leland Stanford Junior University

Opinion

We have audited the accompanying consolidated financial statements of The Leland Stanford Junior University and its subsidiaries ("Stanford"), which comprise the consolidated statements of financial position as of August 31, 2024 and 2023, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Stanford as of August 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Stanford 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 opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the August 31, 2024 Stanford Annual Financial Report, but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

PricewaterhouseCoopers LLP

San Francisco, California
December 10, 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At August 31, 2024 and 2023 (in thousands of dollars)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 1,726,991	$ 1,738,944
Accounts receivable, net	2,509,955	2,176,591
Prepaid expenses and other assets	629,794	566,158
Pledges receivable, net	2,669,437	2,781,116
Student loans receivable, net	33,652	37,527
Faculty and staff mortgages and other loans receivable, net	1,209,048	1,098,851
Assets limited as to use	559,644	651,980
Investments at fair value	55,196,789	52,826,274
Right-of-use assets	1,096,495	1,064,424
Plant facilities, net of accumulated depreciation	14,512,311	14,184,041
Works of art and special collections	—	—
TOTAL ASSETS	**$ 80,144,116**	**$ 77,125,906**
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 2,993,288	$ 2,855,495
Liabilities associated with investments	889,360	878,955
Lease liabilities	1,183,291	1,133,933
Deferred income and other obligations	2,062,692	2,018,011
Accrued pension and postretirement benefit obligations	628,306	582,483
Notes and bonds payable	8,844,450	8,551,143
TOTAL LIABILITIES	**16,601,387**	**16,020,020**
NET ASSETS:		
Without donor restrictions	37,101,011	36,083,147
With donor restrictions	26,441,718	25,022,739
TOTAL NET ASSETS	**63,542,729**	**61,105,886**
TOTAL LIABILITIES AND NET ASSETS	**$ 80,144,116**	**$ 77,125,906**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended August 31, 2024 and 2023 (in thousands of dollars)

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUES:		
TOTAL STUDENT INCOME, NET	**$ 802,484**	**$ 760,534**
Sponsored support:		
Direct costs - University	1,201,900	1,094,064
Direct costs - SLAC National Accelerator Laboratory	635,865	571,654
Indirect costs	369,828	347,576
TOTAL SPONSORED SUPPORT	**2,207,593**	**2,013,294**
TOTAL HEALTH CARE SERVICES, primarily net patient service revenue	**11,475,577**	**10,100,570**
TOTAL CURRENT YEAR GIFTS IN SUPPORT OF OPERATIONS	**265,368**	**275,630**
Net assets released from restrictions:		
Payments received on pledges	267,185	226,717
Prior year gifts released from donor restrictions	149,303	148,404
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**416,488**	**375,121**
Investment income distributed for operations:		
Endowment	1,836,108	1,749,583
Expendable funds pools and other investment income	389,989	144,784
TOTAL INVESTMENT INCOME DISTRIBUTED FOR OPERATIONS	**2,226,097**	**1,894,367**
TOTAL SPECIAL PROGRAM FEES AND OTHER INCOME	**920,533**	**923,811**
TOTAL OPERATING REVENUES	**18,314,140**	**16,343,327**
OPERATING EXPENSES:		
Salaries and benefits	10,757,678	9,761,082
Depreciation	907,913	853,821
Other operating expenses	6,043,399	5,438,459
TOTAL OPERATING EXPENSES	**17,708,990**	**16,053,362**
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ 605,150**	**$ 289,965**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES, Continued

For the years ended August 31, 2024 and 2023 (in thousands of dollars)

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)		
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ 605,150**	**$ 289,965**
NON-OPERATING ACTIVITIES:		
Increase in reinvested gains	525,346	268,816
Donor advised funds, net	(64,292)	(41,846)
Current year gifts not included in operations	911	822
Capital and other gifts released from restrictions	73,773	48,799
Pension and other postemployment benefit related changes other than service cost	(47,089)	(9,096)
Transfer to net assets with donor restrictions, net	(69,381)	(57,781)
Swap interest and change in value of swap agreements	(4,768)	63,609
Other	(1,786)	565
NET CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	**1,017,864**	**563,853**
NET ASSETS WITH DONOR RESTRICTIONS		
Gifts and pledges, net	1,053,616	1,636,548
Increase (decrease) in reinvested gains	751,646	(229,519)
Change in value of split-interest agreements, net	60,539	31,158
Net assets released to operations	(437,011)	(397,520)
Capital and other gifts released to net assets without donor restrictions	(73,773)	(48,799)
Transfer from net assets without donor restrictions, net	69,381	57,781
Other	(5,419)	(3,085)
NET CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	**1,418,979**	**1,046,564**
NET CHANGE IN TOTAL NET ASSETS	**2,436,843**	**1,610,417**
Total net assets, beginning of year	61,105,886	59,495,469
TOTAL NET ASSETS, END OF YEAR	**$63,542,729**	**$61,105,886**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended August 31, 2024 and 2023 (in thousands of dollars)

	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,436,843	$ 1,610,417
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	910,570	853,821
Amortization of bond premiums, discounts and other	12,088	18,317
Accretion of discounts on bond investments	(89,050)	(630)
Net gains on investments	(2,772,756)	(1,420,202)
Change in fair value of interest rate swaps	3,914	(68,761)
Change in split-interest agreements	66,732	15,999
Gifts restricted for long-term investments	(601,162)	(1,007,624)
Gifts of securities, properties and interest in trusts	(45,850)	(5,423)
Other	16,781	72,167
Premiums received from bond issuance	39,460	58,451
Changes in operating assets and liabilities:		
Accounts receivable	(331,960)	(172,667)
Pledges receivable, net	16,623	(120,354)
Prepaid expenses and other assets	(51,313)	(76,402)
Accounts payable and accrued expenses	196,963	85,535
Accrued pension and postretirement benefit obligations	45,823	19,987
Lease liabilities	(24,626)	46,411
Deferred income and other obligations	24,494	11,053
NET CASH USED FOR OPERATING ACTIVITIES	**(146,426)**	**(79,905)**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to plant facilities, net	(1,323,454)	(1,621,683)
Faculty, student and other loans: new loans made	(185,630)	(157,369)
Faculty, student and other loans: principal collected	84,276	63,341
Purchases of investments	(18,853,940)	(15,391,722)
Sales and maturities of investments	19,160,586	16,186,356
Change associated with short term investments	63,854	(130,304)
Swap settlement payments, net	(776)	(5,095)
NET CASH USED FOR INVESTING ACTIVITIES	**(1,055,084)**	**(1,056,476)**
CASH FLOW FROM FINANCING ACTIVITIES		
Gifts and reinvested income for long-term purposes	690,894	563,640
Proceeds from borrowing	1,543,610	768,114
Repayment of notes and bonds payable	(1,220,317)	(592,440)
Contributions received for split-interest agreements	19,657	9,791
Payments made under split-interest agreements	(55,697)	(57,454)
Commercial paper and variable rate debt proceeds (repayments), net	(22,505)	(12,299)
Securities lending collateral sold, net	—	(2,151)
Other	(11,879)	(13,500)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**943,763**	**663,701**
DECREASE IN CASH AND CASH EQUIVALENTS	**(257,747)**	**(472,680)**
Cash and cash equivalents, beginning of year	2,147,215	2,619,895
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 1,889,468**	**$ 2,147,215**
SUPPLEMENTAL DATA:		
Cash and cash equivalents as shown in the *Statements of Financial Position*	$ 1,726,991	$ 1,738,944
Restricted cash and cash equivalents included in assets limited as to use	61,603	269,202
Restricted cash included in other assets	15,673	16,725
Cash and restricted cash included in investments	85,201	122,344
TOTAL CASH AND CASH EQUIVALENTS AS SHOWN ON THE STATEMENTS OF CASH FLOWS	**$ 1,889,468**	**$ 2,147,215**
Interest paid, net of capitalized interest	$ 323,192	$ 300,243
Change in payables for plant facilities	$ (59,864)	$ 49,228
Right-of-use assets obtained in exchange for lease liabilities	$ 169,772	$ 178,329

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Significant Accounting Policies

BASIS OF PRESENTATION

The *Consolidated Financial Statements* include the accounts of The Leland Stanford Junior University ("Stanford University" or the "University"), Stanford Health Care (SHC), Lucile Salter Packard Children's Hospital at Stanford (LPCH) and other majority-owned or controlled entities of the University, SHC and LPCH. Collectively, all of these entities are referred to as "Stanford". LPCH and its controlled entities comprise and are known in the marketplace as Stanford Medicine Children's Health. All significant inter-entity transactions and balances have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no impact on total net assets or the change in total net assets.

University

The University is a private, not-for-profit educational institution, founded in 1885 by Senator Leland and Mrs. Jane Stanford in memory of their son, Leland Stanford Jr. A Board of Trustees (the "Board") governs the University. The University information presented in the *Consolidated Financial Statements* comprises all of the accounts of the University, including its institutes and research centers, and the Stanford Management Company.

SLAC National Accelerator Laboratory (SLAC) is a federally funded research and development center owned by the U.S. Department of Energy (DOE). The University manages and operates SLAC for the DOE under a management and operating contract; accordingly, the revenues and expenditures of SLAC are included in the *Consolidated Statements of Activities*, but SLAC's DOE funded assets and liabilities are not included in the *Consolidated Statements of Financial Position*. SLAC employees are University employees and participate in the University's employee benefit programs. The University holds some receivables from the DOE substantially related to reimbursement for employee compensation and benefits.

Hospitals

SHC and LPCH (the "Hospitals") are California not-for-profit public benefit corporations, each governed by a separate Board of Directors. The University is the sole member of each of these entities. SHC and LPCH support the mission of medical education and clinical research of the University's School of Medicine (SOM). Collectively, the SOM and Hospitals comprise Stanford Medicine. SHC and LPCH operate two licensed acute care and specialty hospitals on the Stanford campus, a leading community acute care hospital, and numerous physician clinics on the campus, in community settings and in association with regional hospitals in the San Francisco Bay Area and elsewhere in California. The University has partnered with SHC and LPCH, respectively, to establish physician medical foundations to support Stanford Medicine's mission of delivering quality care to the community and conducting research and education.

TAX STATUS

The University, SHC and LPCH are exempt from federal and state income taxes to the extent provided by Section 501(c)(3) of the Internal Revenue Code and equivalent state provisions, except with regard to unrelated business income which is taxable at corporate income tax rates.

Management regularly evaluates its tax positions and does not believe the University, SHC or LPCH have any uncertain tax positions that require disclosure in or adjustment to the *Consolidated Financial Statements*. The University, SHC and LPCH are subject to routine audits by taxing jurisdictions. Management of each of the consolidated entities believes they are no longer subject to income tax examinations for fiscal years prior to August 31, 2020.

BASIS OF ACCOUNTING

The *Consolidated Financial Statements* are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These principles require management to make estimates and assumptions that affect the reported amounts

of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the *Consolidated Financial Statements* and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

For financial reporting purposes, net assets and revenues, expenses, gains and losses are classified into one of two categories - net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of legal or donor-imposed restrictions (see *Note 10*).

Net assets without donor restrictions are expendable resources which are not subject to donor-imposed restrictions. These net assets may be designated by Stanford for specific purposes under internal operating and administrative arrangements or be subject to contractual agreements with external parties (see *Note 10*).

Net assets with donor restrictions include gifts, pledges and split-interest agreements (a) which by donor stipulation must be made available in perpetuity for investment or specific purposes, or (b) for which legal or donor-imposed restrictions have not yet been met. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, time restrictions imposed by donors, or appreciation and income on certain donor-restricted endowment funds that have not yet been appropriated for spending (see *Note 11*).

Gifts and pledges subject to donor-imposed restrictions for specific purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions upon expiration of time and purpose restrictions. Donor-restricted resources intended for capital projects are initially recorded as "Net assets with donor restrictions" and then released and reclassified as "Net assets without donor restrictions" when the asset is placed in service. Contributions with donor restrictions that are received and expended or deemed expended, based on the nature of donors' restrictions, in the same fiscal year are recorded as "Net assets without donor restrictions".

Transfers from net assets without donor restrictions to net assets with donor restrictions are primarily the result of donor redesignations or matching funds that are added to donor gift funds which then take on the same restrictions as the donor gift.

The operating activities of Stanford include the revenues earned and expenses incurred in the current year to support education, research, and health care. The non-operating activities of Stanford include increases in reinvested gains, current year gifts not included in operations, capital and other gifts released from restrictions, pension and other postemployment benefit related changes other than service cost, and certain other non-operating activities. All expenses are recorded as a reduction of net assets without donor restrictions with the exception of investment expenses that are required to be netted against investment returns.

CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" included in the *Consolidated Statements of Financial Position* primarily consist of U.S. Treasury bills, certificates of deposit, repurchase agreements, money market funds and all other short-term investments available for current operations with original maturities of 90 days or less at the time of purchase. These amounts are carried at amortized cost, which approximates fair value. Cash and cash equivalents that are held for investment purposes are classified as investments (see *Note 6*). The University has elected the policy to treat cash equivalents held for investment as short-term investments, and are therefore excluded from "Cash and cash equivalents" on the *Consolidated Statements of Cash Flows.*

ASSETS LIMITED AS TO USE

Assets limited as to use consist of deferred compensation plan assets and tax-exempt bond proceeds as described below.

Deferred compensation plan assets

The University's custodians hold 457(b) non-qualified deferred compensation plan assets under a grantor trust which requires that they be used to satisfy plan obligations to participants and beneficiaries unless the University becomes insolvent. The funds are primarily invested in mutual funds, at the participants' discretion, which are valued based on quoted market prices (and exchange rates, if applicable) on the last trading date of the principal market on or before August 31.

Tax-exempt bond proceeds

The proceeds of tax-exempt bonds issued for the benefit of the University and trustee-held accounts holding proceeds of tax-exempt bonds issued for the benefit of SHC and LPCH are limited by the terms of indentures to use for qualified capital projects. The assets consist of cash and cash equivalents, recorded at amortized cost, which approximates fair value.

ACCOUNTS AND LOANS RECEIVABLE

Accounts and loans receivable are carried at cost, less an allowance for credit losses.

PREPAID EXPENSES

Prepaid expenses consist of amounts paid in advance for goods or services that will be received after the end of the fiscal year.

PLEDGES RECEIVABLE

Unconditional promises to give are included in the *Consolidated Financial Statements* as "Pledges receivable, net" and are classified as net assets with donor restrictions. Pledges recognized on or after September 1, 2009 are recorded at an applicable risk-adjusted discount rate commensurate with the duration of the donor's payment plan. Pledges recognized in periods prior to September 1, 2009 were recorded at a discount based on the U.S. Treasury rate. Conditional promises to give are not recorded until specified obligations or barriers, such as milestones or performance targets, are met.

INVESTMENTS

Investments are recorded at fair value. Gains and losses (realized and unrealized) on investments are recognized in the *Consolidated Statements of Activities* (see *Note 6*).

PLANT FACILITIES

Plant facilities are recorded at cost or, for donated assets, at fair value at the date of donation, except for land and improvements previously reported as "Investments" and reclassified as "Plant facilities". Such land and improvements are reported at fair value as of the date of reclassification in accordance with interpreted accounting guidance. Interest expense for construction financing, net of income earned on unspent proceeds, is capitalized as a cost of construction. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The useful lives used in calculating depreciation for the years ended August 31, 2024 and 2023 are as follows:

Land improvements	5-25 years
Buildings and building improvements	3-50 years
Furniture, fixtures and equipment	3-20 years
Utilities	5-40 years

WORKS OF ART AND SPECIAL COLLECTIONS

Works of art, historical treasures, literary works and artifacts, which are preserved and protected for educational, research and public exhibition purposes, are not capitalized. Donations of such collections are not recorded for financial statement purposes. Purchases of collection items are recorded as operating expenses in the period in which they are acquired. Proceeds from sales of such items are used to acquire other items for the collections.

DONATED ASSETS

Donated assets, other than works of art and special collections, are recorded at fair value at the date of donation. Undeveloped land, including land acquired under the original endowment to the University from Senator Leland and Mrs. Jane Stanford, is reported at fair value as of the date of acquisition. Under the terms of the original founding grant, a significant portion of University land may not be sold.

DONOR ADVISED FUNDS

The University receives gifts from donors under donor advised fund (DAF) agreements. These funds are owned and controlled by the University and are separately identified by donor. A significant portion of the gift must be designated to the University. At August 31, 2024 and 2023, $679.9 million and $703.7 million, respectively, of DAFs may be used to support other approved charities; the donors have advisory privileges with respect to the distribution of these funds.

Current year gifts under the DAF agreements are included in the *Consolidated Statements of Activities* as "Donor advised funds, net" at the full amount of the gift. Transfers of funds to other charitable organizations are included in the *Consolidated Statements of Activities* as a reduction to "Donor advised funds, net" at the time the transfer is made.

SPLIT-INTEREST AGREEMENTS

Split-interest agreements consist of arrangements with donors where Stanford has an interest in the assets and receives benefits that are shared with other beneficiaries. Stanford's split-interest agreements with donors, for which Stanford serves as trustee, consist primarily of irrevocable charitable remainder trusts, charitable gift annuities, pooled income funds, perpetual trusts and charitable lead trusts. Assets are invested and payments are made to donors or other beneficiaries in accordance with the respective agreements. Contribution revenues are recognized at the date the agreements are established. The fair value of the estimated future payments to beneficiaries under these agreements is recorded as a liability.

The assets held under split-interest agreements, where the University is the trustee, were $1.1 billion and $1.0 billion at August 31, 2024 and 2023, respectively, and were recorded in specific investment categories. The assets held under split-interest agreements, where LPCH is the trustee, were $13.1 million and $11.4 million at August 31, 2024 and 2023, respectively, and were recorded in specific investment categories. Liabilities for the discounted present value of any income beneficiary interest are reported in "Liabilities associated with investments" in the *Consolidated Statements of Financial Position*, and were $664.5 million and $632.7 million at August 31, 2024 and 2023, respectively, and were classified as Level 2 in the Fair Value Hierarchy (see *Note 6*). At August 31, 2024 and 2023, the University and LPCH used discount rates of 5.2% and 5.0%, respectively, based on the Charitable Federal Midterm Rate.

For irrevocable split-interest agreements whose assets are held in trusts not administered by the University, Stanford recognizes the estimated fair value of its beneficial interest in the trust assets and the associated gift revenue when reported to Stanford. These split-interest agreements are recorded in the "Assets held by other trustees" category of "Investments" in the *Consolidated Statements of Financial Position* as described in *Note 6*.

During fiscal years 2024 and 2023, the discounted present value of new University gifts subject to split-interest agreements, net of any income beneficiary share, was $53.5 million and $6.4 million, respectively, and was included in net assets with donor restrictions as "Gifts and pledges, net" in the *Consolidated Statements of Activities*. Actuarial gains or losses were included in "Change in value of split-interest agreements, net" in the *Consolidated Statements of Activities*.

DEFERRED INCOME AND OTHER OBLIGATIONS

Deferred income and other obligations consist of advance payments of rental income, student tuition, student room and board, sponsored support, and support of other operating programs, as well as obligations for deferred compensation, repurchases, and asset retirement. Revenue is recognized as it is earned or as the associated conditions are satisfied. In addition, the University records other deferred income and obligations as described below.

Deferred rental income

As part of its investment portfolio, the University holds certain investment properties that it leases to third parties under non-cancellable leases. In some lease transactions with properties in the Stanford Research Park and other properties, including the Stanford Shopping Center, prepaid rent is received, recorded as deferred rental income and amortized over the term of the lease (see also the *Future Minimum Rental Income* section in *Note 6*). As of August 31, 2024 and 2023, deferred rental income was $875.5 million and $898.1 million, respectively.

457(b) deferred compensation plan

The University offers a non-qualified deferred compensation plan under Internal Revenue Code 457(b) to a select group of highly compensated employees. The University does not make any contribution to the plan. The University has recorded both an asset and a liability related to the plan of $498.0 million and $382.8 million as of August 31, 2024 and 2023, respectively; the assets are included in "Assets limited as to use" in the *Consolidated Statements of Financial Position*.

Repurchase obligations

In an effort to provide affordable housing, certain residential units are offered to eligible faculty and staff under long-term restricted ground leases. These units are located on or in close proximity to Stanford's campus. The cost of the units that are constructed or purchased by the University is included in "Plant facilities, net of accumulated depreciation" in the *Consolidated Statements of Financial Position*.

The University has the obligation to repurchase certain residential units when specified triggering events occur. As of August 31, 2024 and 2023, Stanford has recognized a net repurchase obligation of $177.3 million and $158.0 million, respectively, to repurchase its

interests in these residential units, net of home mortgage financing assistance provided by the University of $246.3 million and $233.9 million, respectively (see *Note 5*). The change in the repurchase obligation and the original purchase price is recorded as interest accretion and is reflected in "Other operating expenses" in the *Consolidated Statements of Activities*. For the years ended August 31, 2024 and 2023, interest accretion was $18.0 million and $16.3 million, respectively.

Asset retirement obligations

Asset retirement obligations are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized at the same amount as the liability. Asset retirement costs are subsequently amortized over the useful lives of the related assets and the obligations are increased based on an appropriate discount rate. As of August 31, 2024 and 2023, the University had asset retirement obligations of $12.0 million and $11.7 million, respectively. SHC had asset retirement obligations of $117.1 million and $114.4 million, respectively.

SELF-INSURANCE

The University self-insures at varying levels for unemployment, disability, workers' compensation, property losses, certain health care plans and general, auto, and professional liability losses. SHC and LPCH self-insure at varying levels for general and cyber liability risks, postretirement medical benefits, health care plans, workers' compensation and, through their captive insurance company, for professional liability losses. In some cases, third-party insurance is purchased to cover liabilities in excess of self-insured retentions. Estimates of retained self-insured losses are reserved and accrued.

INTEREST RATE EXCHANGE AGREEMENTS

The University and SHC have entered into several interest rate exchange agreements to reduce the effect of interest rate fluctuation on their variable rate revenue bonds and notes. Accounting guidance for derivatives and hedges requires entities to recognize all derivative instruments at fair value. The University and SHC do not designate and qualify their derivatives for hedge accounting; accordingly, any changes in the fair value (i.e. gains or losses) flow directly to the *Consolidated Statements of Activities* as a non-operating activity in "Swap interest and change in value of swap agreements." The settlements (net cash payments less receipts) under the interest rate exchange agreements are also recorded in the *Consolidated Statements of Activities* in "Swap interest and change in value of swap agreements."

The University has also entered into interest rate exchange agreements to reduce the effect of interest rate fluctuations of certain investment positions (see *Note 7*).

REVENUE

Student income and financial aid

"Student income, net" reported in the *Consolidated Statements of Activities* consists of tuition, room and board, and other student fees from undergraduate and graduate students which are recognized as revenue ratably during the fiscal year in which the academic services are rendered. The University also provides financial aid in the form of scholarship and fellowship grants that cover a portion of tuition, room and board, and other student fees; this financial assistance is reflected as a reduction of student income. Student payments are due at the beginning of each academic term. Payments received for future academic terms are recorded as deferred income and totaled $30.7 million and $32.7 million for the years ended August 31, 2024 and 2023, respectively. These payments are recognized in the subsequent fiscal year. The following table presents student income, net of financial aid, for the years ended August 31, in thousands of dollars:

	2024	2023
Student income:		
Undergraduate programs	$ 502,286	$ 469,415
Graduate programs	455,772	431,993
Room and board	303,069	284,542
Student financial aid	(458,643)	(425,416)
TOTAL STUDENT INCOME, NET	**$ 802,484**	**$ 760,534**

In addition to student financial aid, the University also provided other graduate support in the form of stipends, teaching and research assistantships, and related allowances for tuition. These amounts are reflected in operating expenses.

Sponsored support

The University conducts substantial research pursuant to contracts and grants from the federal government, state and local governments, corporations, foundations and others. Sponsored support earned from the federal government (including SLAC) is the largest segment of sponsored support. For the years ended August 31, 2024 and 2023, federal sponsored support was $1.8 billion and $1.6 billion, respectively. The Office of Naval Research is the University's cognizant federal agency for determining indirect cost rates charged to federally sponsored agreements. It is supported by the Defense Contract Audit Agency, which has the responsibility for auditing direct and indirect charges under those agreements.

The majority of sponsored support is considered contribution revenue and is recognized when any sponsor-imposed conditions have been met, typically when qualifying expenditures are incurred. Sponsored contribution revenue for the years ended August 31, 2024 and 2023 was $1.4 billion and $1.3 billion, respectively.

Other sponsored arrangements are considered exchange transactions and revenue is recognized in accordance with the terms of each contract or grant which are primarily based on costs incurred, completion of milestones, or other obligations as specified in the contracts. For the years ended August 31, 2024 and 2023, the University recognized $165.1 million and $147.5 million in revenue from exchange contracts, respectively.

SLAC is managed and operated by the University for the DOE under a management and operating contract, which is considered to be an exchange transaction. The University operates SLAC, and the DOE is obligated to pay for allowable operating costs. The University recognizes revenue from the DOE as costs are incurred in the management and operation of SLAC per the terms of the contract. Revenue of $635.9 million and $571.7 million was recognized for the years ended August 31, 2024 and 2023, respectively.

Deferred income of $188.7 million and $222.6 million was recorded at August 31, 2024 and 2023, respectively, for payments received from sponsors that have not been earned. During the years ended August 31, 2024 and 2023, $165.7 million and $153.7 million of revenue was recognized that was included in the prior year deferred income balance, respectively. In addition, as of August 31, 2024 and 2023, the University had been awarded $1.3 billion and $1.4 billion, respectively, in sponsored support for which the conditions to recognize revenue have not been met. These are conditional contributions and are not recorded in the *Consolidated Financial Statements*.

Health Care Services

"Total health care services" is reported in the *Consolidated Statements of Activities* at the estimated net realizable amounts from patients, third-party payers, and others for services rendered (collectively, "Patient care revenue"). Estimated net realizable amounts represent amounts due, net of price concessions. Price concessions are based on management's assessment of expected net collections considering economic conditions, historical experience, trends in health care coverage and other collection indicators. SHC and LPCH derive a majority of patient care revenues from contractual agreements with Medicare, Medi-Cal and other third-party payers. Payments under these agreements and programs are based on a variety of payment models (see *Note 12*). Health care revenue is recognized as services are rendered either at a point in time or, for inpatient acute care services, over time generally from admission to discharge. Generally, patients and third-party payers are billed several days after services are performed or shortly after discharge. Substantially all health care revenue relates to contracts with customers with a duration of less than one year. SHC and LPCH report accounts receivable net of estimated pricing concessions and any allowance for credit losses. The process for estimating the ultimate collectibility of receivables involves historical collection experience, changes in contracts with payors, aging behaviors of receivables, and future market and economic conditions.

The University has entered into various operating agreements with SHC and LPCH for the professional services of School of Medicine faculty members, and for non-physician services such as telecommunications, facilities, and other services. The payments by the Hospitals to the University for professional and other services are eliminated in consolidation.

SHC and LPCH provide care to patients who meet certain criteria under their charity care policies without charge or at amounts less than their established rates. The Hospitals do not record revenue for amounts determined to qualify as charity care (see *Note 12*).

Gifts

Gifts are contributions primarily received from donors such as alumni and other private individuals, trusts, and foundations. Gifts may be designated by donors for specific purposes; accordingly, they are recognized in the period received and in the appropriate net asset category based on the presence or absence of donor restrictions on their use. Contributions designated for the acquisition of plant facilities and long-term investments are initially reported in net assets with donor restrictions.

Gifts are considered conditional if the terms of the agreement include both a requirement for Stanford to meet certain specified obligations, or barriers, such as milestones or performance targets, and a refund of amounts paid (or a release from obligation to make future payments). Conditional gifts are not recorded until the obligations or barriers are met.

Special Program Fees and Other Income

Special program fees and other income consists of several streams of income from exchange contracts including instruction fees for professional education programs, membership affiliation fees, rental income, travel and camp programs, distributions from athletic conferences, and various other types of income. Depending on the program, revenue is recognized at a point in time or over time as obligations are met.

RECENT ACCOUNTING PRONOUNCEMENTS

Periodically, the Financial Accounting Standards Board (FASB) issues updates to the Accounting Standards Codification (ASC) which impact Stanford's financial reporting and related disclosures. The following paragraph summarizes relevant updates.

Current expected credit losses

ASU 2016-13 and 2020-02, FASB Issue Date: June 2016 and February 2020, Effective Date: Fiscal Year 2024

ASU 2016-13 introduces an expected loss approach to estimate the allowance for credit losses over the life of certain types of financial assets. It replaces multiple impairment models and stipulates that allowance for credit losses shall be based on an expected loss model rather than an incurred loss model. The allowances will be determined by evaluating historical, current, and future economic factors. ASU 2020-02 provides useful information for the application and reporting requirements of the current expected credit losses standard. The accounting and disclosure requirements of these updates were adopted in fiscal year 2024 and did not have a material impact on the *Consolidated Financial Statements*.

2. Financial Assets and Liquid Resources

OVERVIEW

Stanford closely monitors its liquidity requirements and structures its financial assets to meet its short and long-term needs and contractual commitments. To meet these needs, Stanford holds investments in various pools or in specific assets with varying degrees of liquidity, as well as having an authorized short-term commercial paper program. Stanford also has access to additional short-term financing facilities such as revolving lines of credit that can be available for unexpected liquidity needs (see *Note 9*).

OPERATIONS

The University, SHC and LPCH each manage their own operating cash through short-term investment pools. The primary investment objective for these funds is to preserve the principal value of the portfolio while meeting the liquidity needs of each of the entities. Cash flows vary seasonably during the year due to a variety of factors including timing of donor contributions, the University's academic calendar and the Hospitals' patient admission cycles. For working capital purposes, cash is managed by matching the timing of inflows and outflows as closely as possible, combined with active use of cash forecasting models to manage investment timing. Operating liquidity is tracked daily and reported weekly to provide management visibility. As noted above, back up borrowing facilities are also available to meet working capital needs.

MERGED POOL

The Merged Pool (MP) is the primary investment pool for endowment and other long-term funds for the University and the Hospitals. Approximately 14% of the MP consists of liquid investments, with the balance representing investments which are generally subject to constraints which either limit Stanford's ability to withdraw such capital or limit the amounts available for withdrawal at given redemption dates. The MP further maintains sufficient liquidity to distribute the monthly endowment payout in support of University

operating expenditures, and to meet unfunded commitments associated with certain alternative investments. It is not the intention of the University to utilize its financial assets without donor restrictions - including board designated endowment funds - that are invested for the long-term for unplanned operating commitments; however, amounts could be made available from these sources if necessary, except for those underlying investments with lock-up provisions (see *Note 6)*.

Financial assets and liquid resources available within one year of the balance sheet date at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Financial assets:				
Cash and cash equivalents	$ 886,227	$ 446,748	$ 394,016	$ 1,726,991
Assets limited as to use available for current use	53,311	—	—	53,311
Accounts receivable, net	353,683	1,197,687	777,650	2,329,020
Pledges receivable available for operations	363,723	—	28,084	391,807
Investments available for current use	595,208	2,909,160	752,551	4,256,919
Endowment payout in support of operations	1,902,700	—	84,862	1,987,562
Financial assets available to meet cash needs for general expenditure within one year	4,154,852	4,553,595	2,037,163	10,745,610
Liquid resources available for use:				
Taxable commercial paper	276,585	150,000	—	426,585
Tax-exempt commercial paper	242,500	200,000	—	442,500
Revolving credit facilities	466,317	100,000	200,000	766,317
TOTAL FINANCIAL ASSETS AND LIQUID RESOURCES AVAILABLE WITHIN ONE YEAR	**$ 5,140,254**	**$ 5,003,595**	**$ 2,237,163**	**$ 12,381,012**
2023				
Financial assets:				
Cash and cash equivalents	$ 745,015	$ 611,592	$ 382,337	$ 1,738,944
Assets limited as to use available for current use	193,732	—	—	193,732
Accounts receivable, net	270,383	1,042,786	695,849	2,009,018
Pledges receivable available for operations	288,527	—	31,942	320,469
Investments available for current use	496,267	2,163,730	698,875	3,358,872
Endowment payout in support of operations	1,809,400	—	83,878	1,893,278
Financial assets available to meet cash needs for general expenditure within one year	3,803,324	3,818,108	1,892,881	9,514,313
Liquid resources available for use:				
Taxable commercial paper	439,544	150,000	—	589,544
Tax-exempt commercial paper	292,700	—	—	292,700
Revolving credit facilities	421,114	100,000	200,000	721,114
TOTAL FINANCIAL ASSETS AND LIQUID RESOURCES AVAILABLE WITHIN ONE YEAR	**$ 4,956,682**	**$ 4,068,108**	**$ 2,092,881**	**$ 11,117,671**

3. Accounts Receivable

Accounts receivable, net of allowance for credit losses, at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
U.S. government sponsors	$ 187,150	$ 3,065	$ 2,921	$ 193,136
Non-federal sponsors and programs	66,049	5,308	52,051	123,408
Accrued interest on investments	22,073	—	—	22,073
Student	12,658	—	—	12,658
Patient and third-party payers	—	1,197,687	711,310	1,908,997
Other	95,675	149,762	11,368	256,805
	383,605	1,355,822	777,650	2,517,077
Less allowance for credit losses	(7,122)	—	—	(7,122)
ACCOUNTS RECEIVABLE, NET	**$ 376,483**	**$ 1,355,822**	**$ 777,650**	**$ 2,509,955**
2023				
U.S. government sponsors	$ 137,320	$ 33,750	$ 2,573	$ 173,643
Non-federal sponsors and programs	66,916	3,974	—	70,890
Accrued interest on investments	25,286	—	—	25,286
Student	15,034	—	—	15,034
Patient and third-party payers	—	1,042,786	682,349	1,725,135
Other	60,405	103,797	10,927	175,129
	304,961	1,184,307	695,849	2,185,117
Less allowance for credit losses	(8,526)	—	—	(8,526)
ACCOUNTS RECEIVABLE, NET	**$ 296,435**	**$ 1,184,307**	**$ 695,849**	**$ 2,176,591**

4. Pledges Receivable

Pledges are recorded at discounted rates ranging from 1.0% to 5.4%. At August 31, 2024 and 2023, pledges receivable, net of discounts and allowances, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
One year or less	$ 781,129	$ 19,734	$ 73,300	$ (34,556)	$ 839,607
Between one year and five years	1,567,081	19,573	54,172	(19,653)	1,621,173
More than five years	468,720	1,000	25,011	—	494,731
	2,816,930	40,307	152,483	(54,209)	2,955,511
Less discounts and allowances	(273,308)	(4,551)	(8,215)	—	(286,074)
PLEDGES RECEIVABLE, NET	**$ 2,543,622**	**$ 35,756**	**$ 144,268**	**$ (54,209)**	**$ 2,669,437**
2023					
One year or less	$ 611,158	$ 19,883	$ 61,434	$ (57,964)	$ 634,511
Between one year and five years	1,713,800	29,352	98,459	(10,895)	1,830,716
More than five years	619,837	1,250	25,014	—	646,101
	2,944,795	50,485	184,907	(68,859)	3,111,328
Less discounts and allowances	(313,839)	(5,303)	(11,070)	—	(330,212)
PLEDGES RECEIVABLE, NET	**$ 2,630,956**	**$ 45,182**	**$ 173,837**	**$ (68,859)**	**$ 2,781,116**

The University had total conditional pledges of $14.6 million and $16.3 million at August 31, 2024 and 2023, respectively, which are subject to specified future events. LPCH had conditional pledges of $5.4 million and $100 thousand at August 31, 2024 and 2023. SHC had no conditional pledges at August 31, 2024 and 2023.

Lucile Packard Foundation for Children's Health (LPFCH) is the primary community fundraising agent for LPCH and the pediatric faculty and programs at the University's SOM. Pledges received by LPFCH on behalf of the University are recorded by the University as beneficial interest in LPFCH. At August 31, 2024 and 2023 the University held $54.2 million and $68.9 million, respectively, of beneficial interest in LPFCH, which is included in "Pledges receivable, net", and eliminated in consolidation.

5. Loans Receivable

Loans receivable consist primarily of University student loans receivable and faculty and staff mortgages. University management regularly assesses the adequacy of the allowance for expected credit losses of its loans by performing ongoing evaluations considering the differing economic risks associated with each loan category, the financial condition of specific borrowers, the current and reasonable forecasts of future economic conditions in which the borrowers operate, the level of delinquent loans and the value of any collateral.

STUDENT LOANS RECEIVABLE

Student loans receivable consist of institutional and federally-sponsored loans due from both current and former students. Student loans and allowance for student loan losses at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	2024	2023
Institutional loans	$ 30,732	$ 31,405
Federally-sponsored loans	5,551	7,718
	36,283	39,123
Less allowance for student loan losses	(2,631)	(1,596)
STUDENT LOANS RECEIVABLE, NET	**$ 33,652**	**$ 37,527**

Institutional loans are funded by donor funds restricted for student loan purposes and University funds made available to meet demand for student loan borrowing in specific situations. Federally-sponsored loans are funded by advances to the University primarily under the Federal Perkins Loan Program.

FACULTY AND STAFF MORTGAGES

In a program to attract and retain excellent faculty and senior staff, the University provides home mortgage financing assistance, primarily in the form of subordinated loans. The loans and mortgages are collateralized by deeds of trust on properties concentrated in the region surrounding the University. Notes receivable amounting to $1.2 billion and $1.1 billion at August 31, 2024 and 2023, respectively, from University faculty and staff are included in “Faculty and staff mortgages and other loans receivable, net” in the *Consolidated Statements of Financial Position*. Management has determined that there are not any substantial risks or non payment factors that would warrant an allowance for credit losses.

The August 31, 2024 and 2023 amounts are net of the University’s recorded obligation to repurchase certain residential units sold under long-term restricted ground leases of $246.3 million and $233.9 million, respectively. See the *Repurchase Obligations* section of *Note 1*.

6. Investments

Investments are measured and recorded at fair value. The valuation methodology, investment categories, fair value hierarchy, certain investment activities and related commitments for fiscal years 2024 and 2023 are presented below. Investments held by Stanford at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
Investment assets:					
Cash and short-term investments	$ 1,033,901	$ 104,370	$ 5,823	$ —	$ 1,144,094
Public equities	9,854,591	1,629,163	58,982	—	11,542,736
Derivatives	(5,873)	—	—	—	(5,873)
Fixed income	3,292,482	1,046,482	108,328	—	4,447,292
Real estate	9,295,318	—	6,499	—	9,301,817
Natural resources	1,633,403	—	6,929	—	1,640,332
Private equities	18,124,626	—	36,660	—	18,161,286
Absolute return	7,808,048	—	21,919	—	7,829,967
Assets held by other trustees	178,870	—	19,183	—	198,053
Other	901,535	35,550	—	—	937,085
Total	52,116,901	2,815,565	264,323	—	55,196,789
Hospitals' funds invested in the University's investment pools	(4,162,630)	3,012,367	1,142,094	8,169	—
INVESTMENTS AT FAIR VALUE	**$47,954,271**	**$ 5,827,932**	**$ 1,406,417**	**$ 8,169**	**$ 55,196,789**

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2023					
Investment assets:					
Cash and short-term investments	$ 1,082,013	$ 55,905	$ 4,160	$ —	$ 1,142,078
Public equities	9,843,988	1,206,842	58,091	—	11,108,921
Derivatives	5,936	—	—	—	5,936
Fixed income	3,087,938	777,229	103,764	—	3,968,931
Real estate	9,954,369	—	5,887	—	9,960,256
Natural resources	1,369,379	—	6,931	—	1,376,310
Private equities	16,896,296	—	37,629	—	16,933,925
Absolute return	7,064,050	—	23,406	—	7,087,456
Assets held by other trustees	123,659	—	17,153	—	140,812
Other	1,073,699	27,950	—	—	1,101,649
Total	50,501,327	2,067,926	257,021	—	52,826,274
Hospitals' funds invested in the University's investment pools	(3,645,241)	2,580,599	1,056,898	7,744	—
INVESTMENTS AT FAIR VALUE	**$46,856,086**	**$ 4,648,525**	**$ 1,313,919**	**$ 7,744**	**$ 52,826,274**

VALUATION METHODOLOGY

To the extent available, Stanford's investments are recorded at fair value based on quoted prices in active markets on a trade-date basis. Stanford's investments that are listed on any U.S. or non-U.S. recognized exchanges are valued based on readily available market quotations. When such inputs do not exist, fair value measurements are based on the best available information and usually require a degree of judgment. For alternative investments, which are principally interests in limited partnerships or similar investments in private equity, real estate, natural resources, public equities and absolute return funds, the value is primarily based on the Net Asset Value (NAV) of the underlying investments as a practical expedient. The NAV is reported by external investment managers in accordance with their policies as described in their respective financial statements and offering memoranda. The most recent NAV reported is adjusted for any investment-related transactions such as capital calls or distributions and significant known valuation changes of its related portfolio through August 31, 2024 and 2023, respectively. These investments are generally less liquid

than other investments, and the values reported may differ from those that would have been reported had a readily available market existed for these investments.

The University exercises due diligence in assessing the policies, procedures, and controls implemented by its external investment managers and believes its proportionate share of the carrying amount of these alternative investments is a reasonable estimate of fair value. Such due diligence procedures include, but are not limited to, ongoing communication, on-site visits, and review of information from external investment managers as well as review of performance. In conjunction with these procedures, estimated fair value is determined by consideration of a range of factors, such as market conditions, redemption terms and restrictions, and risks inherent in the inputs of the external investment managers' valuations.

For certain alternative investments which are direct investments, Stanford considers various factors to estimate fair value, such as, but not limited to, the timing of the transaction, the market in which the company operates, comparable transactions, company performance and projections, as well as discounted cash flow analysis. The selection of an appropriate valuation technique may be affected by the availability and general reliability of relevant inputs. In some cases, one valuation technique may provide the best indication of fair value while in other circumstances, multiple valuation techniques may be appropriate. Furthermore, Stanford may review the investment's underlying portfolio as well as engage external appraisers, depending on the circumstances and the nature of the investment.

The investment portfolio may be exposed to various risks, including, but not limited to, interest rate, market, sovereign, geographic, counterparty, liquidity and credit risk. Stanford management regularly assesses these risks through established policies and procedures. Fair value reporting requires management to make estimates and assumptions about the effects of matters that are inherently uncertain. Actual results could differ from these estimates and such differences could have a material impact on the *Consolidated Financial Statements*.

INVESTMENT CATEGORIES

Investments are categorized by asset class and valued as described below:

Cash and short-term investments include cash, cash equivalents, mutual funds, and fixed income investments with original maturities of less than one year (see also *Note 1*). Cash equivalents such as money market funds and overnight repurchase agreements are carried at cost. Fixed income investments such as short-term U.S. Treasury bills are carried at amortized cost. Due to the short-term nature and liquidity of these financial instruments, the carrying values of these assets approximates fair value. Cash may include collateral provided to or received from counterparties associated with investment-related derivative contracts (see *Note 7*).

Collateral held for securities loaned is generally received in the form of cash and cash equivalents and is reinvested for income in cash equivalent vehicles. These investments are recorded at fair value.

Public equities are investments valued based on quoted market prices (and exchange rates, if applicable) on the last trading date of the principal market on or before August 31. They include investments that are directly held as well as commingled funds which invest in publicly traded equities. The fair values of public equities held through alternative investments are reported by the respective external investment managers using NAV as described in the *Valuation Methodology* section above.

Derivatives are used by Stanford to manage its exposure to certain risks relating to ongoing business and investment operations. Derivatives may include swaps and forward currency contracts which are reflected at fair value by using quantitative models that utilize multiple market inputs. The market inputs are actively quoted and can be validated through external sources, including market transactions, brokers and third party pricing sources.

Fixed income investments are valued by independent pricing sources, broker dealers or pricing models that factor in, where applicable, recently executed transactions, interest rates, bond or credit default spreads and volatility. They primarily include investments that are actively traded fixed income securities or mutual funds.

Real estate represents directly owned real estate, mutual funds, interests in long-term ground leases and other real estate interests held through limited partnerships. A significant portion of the fair value of real estate directly owned by Stanford and subject to long-term ground leases, including the Stanford Shopping Center and the Stanford Research Park, is based on independent appraisals that use discounted cash flows and market data, if available. The fair value of alternative investments in real estate held through limited

partnerships is based on the NAV reported by the external investment managers and is adjusted as described in the *Valuation Methodology* section above. The fair value of real estate held through commingled and mutual funds are based on quoted market prices.

Natural resources represent commodity and energy related investments held through both public and non-public investments. Public securities are valued based on quoted market prices (and exchange rates, if applicable) on the last trading day of the principal market on or before August 31. The fair value of direct non-public investments is based on a combination of models, including appraisals, discounted cash flows and commodity price factors. The fair value of natural resources held as alternative investments is based on the NAV reported by the external investment managers and is adjusted as described in the *Valuation Methodology* section above.

Private equities are investments primarily in venture capital, growth equity, and leveraged buyout strategies. Distributions from these investments are received in the form of either cash or distributed shares, which are typically valued using quoted market prices. The fair value of alternative investments is based on the NAV reported by the external investment managers and is adjusted as described in the *Valuation Methodology* section above.

Absolute return investments are typically commingled funds that employ multiple strategies to produce positive returns which may be uncorrelated to financial market activities. The fair value of these types of alternative investments is valued based on the NAV reported by the external investment managers and is adjusted as described in the *Valuation Methodology* section above.

Assets held by other trustees generally represent Stanford's residual (or beneficial) interest in split-interest agreements where the University, SHC or LPCH is not the trustee. The residual interest represents the present value of the future distributions expected to be received over the term of the agreement, which approximates fair value.

Other investments are typically non-public investments such as preferred stocks, convertible notes and mineral rights. The fair value of these types of direct investments is determined as described in the *Valuation Methodology* section above.

FAIR VALUE HIERARCHY

U.S. GAAP defines fair value as the price received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants. Current guidance establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, liquidity statistics, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques used under U.S. GAAP must maximize the use of observable inputs to the extent available.

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

Level 1 - Investments whose values are based on quoted market prices in active markets for identical assets or liabilities are classified as Level 1. Level 1 investments include active listed equities and certain short-term fixed income securities. Such investments are valued based upon the closing price quoted on the last trading date on or before the reporting date on the principal market, without adjustment.

Level 2 - Investments that trade in markets that are not actively traded, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources for similar assets or liabilities are classified as Level 2. These investments include certain U.S. government and sovereign obligations, government agency obligations, investment grade corporate bonds and certain limited marketable securities.

Privately negotiated over-the-counter (OTC) derivatives such as forward currency contracts, total return swaps, and interest rate swaps are typically classified as Level 2 (see *Note 7*). In instances where quotations received from counterparties or valuation models are used, the value of an OTC derivative depends upon the contractual terms of the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, or credit curves.

Level 3 - Investments classified as Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The inputs into the determination of fair value of these investments are based upon the best information available and may require significant management judgment. These investments primarily consist of Stanford's direct real estate and directly held private investments.

The following tables summarize Stanford's investment assets and liabilities within the fair value hierarchy and asset categories at August 31, 2024 and 2023, in thousands of dollars:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2024				
Investment assets:				
Cash and short-term investments	$ 187,117	$ 949,161	$ —	$ 1,136,278
Public equities	4,393,891	4,909	—	4,398,800
Derivatives	—	(5,873)	—	(5,873)
Fixed income	675,394	3,765,888	—	4,441,282
Real estate	80,353	—	6,786,747	6,867,100
Natural resources	156,560	—	60,859	217,419
Private equities	39,809	—	96,409	136,218
Absolute return	—	—	20,203	20,203
Assets held by other trustees	—	—	198,053	198,053
Other	41,402	10,998	877,254	929,654
INVESTMENTS SUBJECT TO FAIR VALUE LEVELING	**$ 5,574,526**	**$ 4,725,083**	**$ 8,039,525**	**18,339,134**
Investments measured using Net Asset Value[1]				36,857,655
TOTAL CONSOLIDATED INVESTMENT ASSETS				**$ 55,196,789**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
2023				
Investment assets:				
Cash and short-term investments	$ 174,863	$ 959,966	$ —	$ 1,134,829
Public equities	3,618,065	5,034	—	3,623,099
Derivatives	—	5,936	—	5,936
Fixed income	562,576	3,399,733	—	3,962,309
Real estate	210,227	—	7,490,481	7,700,708
Natural resources	5,268	—	57,260	62,528
Private equities	66,075	—	1,731	67,806
Absolute return	—	—	23,736	23,736
Assets held by other trustees	—	—	140,812	140,812
Other	14,346	5,438	1,069,494	1,089,278
INVESTMENTS SUBJECT TO FAIR VALUE LEVELING	**$ 4,651,420**	**$ 4,376,107**	**$ 8,783,514**	**17,811,041**
Investments measured using Net Asset Value[1]				35,015,233
TOTAL CONSOLIDATED INVESTMENT ASSETS				**$ 52,826,274**

[1] *Entities may estimate the fair value of certain investments by using NAV as a practical expedient as of the measurement date. Investments measured under this method are not categorized in the fair value hierarchy. The fair value amounts of such investments are presented for reconciliation purposes.*

SUMMARY OF LEVEL 3 INVESTMENT ACTIVITIES AND TRANSFERS

The following tables present the activities for Level 3 investments for the years ended August 31, 2024 and 2023, in thousands of dollars:

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	BEGINNING BALANCE AS OF SEPTEMBER 1, 2023	PURCHASES AND ADDITIONS	SALES AND MATURITIES	NET REALIZED AND UNREALIZED GAINS (LOSSES)	TRANSFERS IN*	TRANSFERS OUT*	ENDING BALANCE AS OF AUGUST 31, 2024
Real estate	$ 7,490,481	$ 83,850	$ (10,505)	$ (805,916)	$ 28,837	$ —	$ 6,786,747
Natural resources	57,260	—	(1,839)	5,288	150	—	60,859
Private equities	1,731	94,950	(14)	(258)	—	—	96,409
Absolute return	23,736	—	(1,858)	(1,675)	—	—	20,203
Assets held by other trustees	140,812	46,040	(2,451)	13,652	—	—	198,053
Other	1,069,494	46,839	(9,477)	(229,602)	—	—	877,254
TOTAL	**$8,783,514**	**$ 271,679**	**$ (26,144)**	**$(1,018,511)**	**$ 28,987**	**$ —**	**$ 8,039,525**

FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	BEGINNING BALANCE AS OF SEPTEMBER 1, 2022	PURCHASES AND ADDITIONS	SALES AND MATURITIES	NET REALIZED AND UNREALIZED GAINS (LOSSES)	TRANSFERS IN*	TRANSFERS OUT*	ENDING BALANCE AS OF AUGUST 31, 2023
Real estate	$ 7,721,395	$ 22,143	$ (16,487)	$ (236,570)	$ —	$ —	$ 7,490,481
Natural resources	67,375	—	(3,390)	(6,725)	—	—	57,260
Private equities	12,852	—	(67)	(11,054)	—	—	1,731
Absolute return	24,616	—	(3,901)	3,021	—	—	23,736
Assets held by other trustees	142,936	518	(10,826)	7,236	948	—	140,812
Other	958,390	50,214	(26,077)	86,967	—	—	1,069,494
TOTAL	**$8,927,564**	**$ 72,875**	**$ (60,748)**	**$ (157,125)**	**$ 948**	**$ —**	**$ 8,783,514**

**Transfers in (out) are primarily due to reclassification of investments between asset classes and changes in the fair value hierarchy.*

Net realized and unrealized gains (losses) in the tables above are included in the *Consolidated Statements of Activities* primarily as increases or decreases in reinvested gains by level of restriction. For the years ended August 31, 2024 and 2023, the change in unrealized losses for Level 3 investments still held at August 31, 2024 and 2023 was $982.9 million and $101.1 million, respectively.

LEVEL 3 INVESTMENT VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table summarizes the significant unobservable inputs and valuation methodologies for Level 3 investments as of August 31, 2024 and 2023, in thousands of dollars.

For each investment category and respective valuation technique, the range of the significant unobservable input is dependent on the nature and characteristics of the investment and may vary at each balance sheet date.

INVESTMENT CATEGORIES	FAIR VALUE[1]	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE		WEIGHTED AVERAGE	IMPACT TO VALUATION FROM AN INCREASE IN INPUT[2]
				MIN	MAX		
2024							
Real estate	$ 5,896,000	Discounted cash flow	Discount rate	7.0%	20.0%	7.8%	Decrease
			Capitalization rate	5.5%	8.8%	7.0%	Decrease
Assets held by other trustees	198,053	Net present value	Discount rate	5.2%	5.2%	N/A	Decrease
TOTAL AMOUNT WITH SIGNIFICANT UNOBSERVABLE INPUTS	**$6,094,053**						
2023							
Real estate	$ 6,599,473	Discounted cash flow	Discount rate	5.9%	20.0%	7.5%	Decrease
			Capitalization rate	6.0%	8.5%	6.6%	Decrease
Assets held by other trustees	140,812	Net present value	Discount rate	5.0%	5.0%	N/A	Decrease
TOTAL AMOUNT WITH SIGNIFICANT UNOBSERVABLE INPUTS	**$6,740,285**						

[1] *Level 3 investments of $1.9 billion and $2.0 billion at August 31, 2024 and 2023, respectively, are valued using third-party valuations, other market comparables or recent transactions as an approximation of fair value.*

[2] *Unless otherwise noted, this column represents the directional change in the fair value of the Level 3 investments that would have resulted from an increase to the corresponding unobservable input. A decrease to the unobservable input would have the opposite effect. Significant increases and decreases in these unobservable inputs in isolation would result in significantly higher or lower fair value measurements.*

LIABILITIES ASSOCIATED WITH INVESTMENTS

Income beneficiary share of split interest agreements - See the *Split–Interest Agreements* section of *Note 1*.

Net investment income excise tax - Under the Tax Cuts and Jobs Act, the University is subject to a 1.4% excise tax on its net investment income as defined under the Internal Revenue Code which, among other things, includes net investment income of certain related entities such as the Hospitals. The University has recorded current and deferred tax liabilities based on reasonable estimates.

Securities lending - The University has a collateralized borrowing program in which it receives short-term U.S. government obligations or cash and cash equivalents in exchange for transferring securities as collateral to the counterparty and recognizes an obligation to reacquire the securities for cash at the transaction's maturity. It is the University's policy to require receipt of collateral equal to a minimum of 102% of the fair market value of these collateralized borrowings. In the event the counterparty was to default on its obligations, the University has the right to repurchase the securities in the open market using the collateral received.

Under the securities lending agreement, securities loaned are primarily public equities, corporate bonds or U.S. Treasury bills and the agreement continues until the security is delivered back to the University.

Securities sold, not yet purchased are obligations to acquire and deliver to the lenders the publicly traded securities identical to the ones borrowed. A realized gain or loss is recognized for the difference between the proceeds and the cost of such securities at that time.

Accrued management fees are obligations related to management and performance fees due quarterly or annually to external investment managers in accordance with agreed-upon terms.

Pending trades of securities are obligations arising from trades of securities purchased but not settled. These are usually settled three business days after the trade date.

INVESTMENT-RELATED COMMITMENTS

The University is obligated under certain alternative investment agreements to advance additional funding up to specified levels over a period of several years. The following table presents significant terms of such agreements including redemption terms, notice periods, and remaining life for all related alternative investments at August 31, 2024, in thousands of dollars:

ASSET CLASS	FAIR VALUE	UNFUNDED COMMITMENT	REMAINING LIFE (YEARS)	REDEMPTION TERMS
Public equities	$ 7,104,539	$ 108,304	0 to 5	Generally, lock-up provisions ranging from 0 to 3 years. After initial lock up expires, redemptions are available on a rolling basis and require 30 to 90 days prior notification.
Real estate	2,465,372	1,261,851	0 to 9	Not eligible for redemption
Natural resources	1,457,698	715,992	0 to 9	Not eligible for redemption
Private equities	18,079,813	5,731,642	0 to 20	Not eligible for redemption
Absolute return	7,808,049	535,978	0 to 3	Generally, lock-up provisions ranging from 0 to 3 years. After initial lock up expires, redemptions are available on a rolling basis and require 30 to 90 days prior notification.
TOTAL	**$36,915,471**	**$ 8,353,767**		

OFFSETS TO INVESTMENT-RELATED ASSETS AND LIABILITIES

Financial instruments with off-balance sheet risk such as derivatives, securities lending agreements, securities sold, not yet purchased and repurchase agreements are subject to counterparty credit risk. The University seeks to control this risk in various ways, such as entering into transactions with counterparties with high creditworthiness, establishing and monitoring credit limits, and requiring collateral in certain situations.

The University generally maintains master netting agreements and collateral agreements with its counterparties. These agreements provide the University the right to net a counterparty's rights and obligations under the agreement and to liquidate and offset collateral against any net amount owed by the counterparty, in the event of default by the counterparty, such as bankruptcy or a failure to pay or perform. For certain derivatives, a master netting arrangement allows the counterparty to net any of its applicable liabilities or payment obligations to the University against any collateral previously provided or received (see *Note 7*).

The University may enter into repurchase and reverse repurchase agreements to sell or purchase securities to or from the counterparty with an agreement to repurchase or sell the same securities from or to the counterparty at a predetermined price.

The following table presents information about the gross amounts of assets and liabilities, the offset of these instruments and the related collateral amounts as of August 31, 2024 and 2023, in thousands of dollars:

	GROSS AMOUNTS OF ASSETS AND LIABILITIES	OFFSET AMOUNTS	NET AMOUNTS	COLLATERAL RECEIVED (PLEDGED)[2]	NET EXPOSURE
2024					
Assets:					
Derivatives[1]	$ 10,319	$ (16,192)	$ (5,873)	$ (5,873)	$ —
Repurchase agreements[3]	531,219	—	531,219	531,219	—
TOTAL	**541,538**	**(16,192)**	**525,346**	**525,346**	**—**
Liabilities:					
Derivatives[1]	16,192	(16,192)	—	—	—
TOTAL	**$ 16,192**	**$ (16,192)**	**$ —**	**$ —**	**$ —**
2023					
Assets:					
Derivatives[1]	$ 9,003	$ (3,067)	$ 5,936	$ 5,936	$ —
Repurchase agreements[3]	430,947	—	430,947	430,947	—
TOTAL	**439,950**	**(3,067)**	**436,883**	**436,883**	**—**
Liabilities:					
Derivatives[1]	3,067	(3,067)	—	—	—
TOTAL	**$ 3,067**	**$ (3,067)**	**$ —**	**$ —**	**$ —**

[1] *Gross derivative assets less gross derivative liabilities are presented as derivatives in the investment assets table.*

[2] *These collateral amounts received (pledged) are limited to the asset balance and accordingly, do not include any excess collateral received.*

[3] *Repurchase agreements are included in cash and short-term investments in the investment assets table.*

INVESTMENT RETURNS

Total investment returns for the years ended August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Investment income	$ 567,494	$ 37,543	$ 3,067	$ 608,104
Net realized and unrealized gains	2,346,570	532,327	144,437	3,023,334
TOTAL INVESTMENT RETURNS, NET	**$ 2,914,064**	**$ 569,870**	**$ 147,504**	**$ 3,631,438**
Reconciliation to *Statements of Activities:*				
Total investment income distributed for operations	$ 2,211,063	$ 1,851	$ 13,183	$ 2,226,097
Increase (decrease) in reinvested gains:				
Without donor restrictions	(127,035)	562,033	90,348	525,346
With donor restrictions	704,556	5,986	41,104	751,646
Change in value of split-interest agreements, net	57,670	—	2,869	60,539
Adjustments for actuarial re-evaluations and maturities of split-interest agreements	67,810	—	—	67,810
TOTAL INVESTMENT RETURNS, NET	**$ 2,914,064**	**$ 569,870**	**$ 147,504**	**$ 3,631,438**
2023				
Investment income	$ 500,053	$ 125,657	$ 18,390	$ 644,100
Net realized and unrealized gains	1,078,952	208,298	53,215	1,340,465
TOTAL INVESTMENT RETURNS, NET	**$ 1,579,005**	**$ 333,955**	**$ 71,605**	**$ 1,984,565**
Reconciliation to *Statements of Activities:*				
Total investment income distributed for operations	$ 1,878,501	$ 3,691	$ 12,174	$ 1,894,366
Increase (decrease) in reinvested gains:				
Without donor restrictions	(96,173)	326,565	38,424	268,816
With donor restrictions	(252,663)	3,699	19,445	(229,519)
Change in value of split-interest agreements, net	29,596	—	1,562	31,158
Adjustments for actuarial re-evaluations and maturities of split-interest agreements	19,744	—	—	19,744
TOTAL INVESTMENT RETURNS, NET	**$ 1,579,005**	**$ 333,955**	**$ 71,605**	**$ 1,984,565**

Investment returns are net of investment management expenses, including both external management fees and internal University investment-related salaries, benefits and operating expenses.

FUTURE MINIMUM RENTAL INCOME

As part of its investment portfolio, Stanford holds certain investment properties that it leases to third parties. Future minimum rental income due from the Stanford Shopping Center, the Stanford Research Park and other properties under non-cancellable leases in effect with tenants at August 31, 2024, in thousands of dollars, is as follows:

	FUTURE MINIMUM RENTAL INCOME			
YEAR ENDING AUGUST 31	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2025	$ 181,188	$ 3,307	$ 1,049	$ 185,544
2026	172,195	2,415	816	175,426
2027	153,638	1,995	747	156,380
2028	156,174	1,335	393	157,902
2029	152,138	314	322	152,774
Thereafter	2,698,855	8,240	27	2,707,122
TOTAL	**$ 3,514,188**	**$ 17,606**	**$ 3,354**	**$ 3,535,148**

7. Derivatives

Stanford, directly or through external investment managers on Stanford's behalf, utilizes various strategies to reduce investment and credit risks, to serve as a temporary surrogate for investment in stocks and bonds, to manage interest rate exposure on debt, and/or to manage specific exposure to foreign currencies. Futures, options and other derivative instruments are used to adjust elements of investment exposures to various securities, sectors, markets and currencies without actually taking a position in the underlying asset or basket of assets. Interest rate swaps are used to manage interest rate risk. With respect to foreign currencies, Stanford utilizes forward contracts and foreign currency options to manage exchange rate risk.

INVESTMENT-RELATED DERIVATIVES

The following table presents amounts for investment-related derivatives, including the notional amount, the fair values at August 31, 2024 and 2023, and gains and losses for the years ended August 31, 2024 and 2023, in thousands of dollars:

	NOTIONAL AMOUNT[1]	GROSS DERIVATIVE ASSETS[2]	GROSS DERIVATIVE LIABILITIES[2]	REALIZED AND UNREALIZED GAINS (LOSSES)[3]
				YEAR ENDED
2024		AS OF AUGUST 31		AUGUST 31
Foreign exchange contracts	$ 14,607	$ 325	$ —	$ (578)
Equity contracts	813,347	9,994	16,192	1,675
TOTAL	**$ 827,954**	**$ 10,319**	**$ 16,192**	**$ 1,097**
2023				
Foreign exchange contracts	$ 13,426	$ —	$ 275	$ (27)
Equity contracts	715,867	9,003	2,792	(34,093)
TOTAL	**$ 729,293**	**$ 9,003**	**$ 3,067**	**$ (34,120)**

[1] *The notional amount is representative of the volume and activity of the respective derivative type during the years ended August 31, 2024 and 2023.*

[2] *Gross derivative assets less gross derivative liabilities of $(5.9) million and $5.9 million as of August 31, 2024 and 2023, respectively, are presented as derivatives on the investment table in Note 6.*

[3] *Gains and losses on derivatives are included in the Statements of Activities line "Increase (decrease) in reinvested gains" in "Non-operating activities."*

DEBT-RELATED DERIVATIVES

The University and SHC use interest rate exchange agreements to manage the interest rate exposure of their debt portfolios. Under the terms of the current agreements, the entities pay a fixed interest rate, determined at inception, and receive a variable rate on the underlying notional principal amount. Generally, the exchange agreements require mutual posting of collateral by the University and SHC and the counterparties if the termination values exceed a predetermined threshold dollar amount.

At August 31, 2024, the University had interest rate exchange agreements related to $97.0 million of the outstanding balance of the CEFA Series S bonds in variable rate mode (see *Note 9*). The agreements, which have a weighted average interest rate of 3.68%, expire November 1, 2039. The notional amount and the fair value of the exchange agreements are included in the table below. Collateral posted with various counterparties was $3.4 million and $6.1 million at August 31, 2024 and 2023, respectively, and is included in the *Consolidated Statements of Financial Position*. In addition, the University issued an irrevocable standby letter of credit of $15.0 million to support collateral requirements at August 31, 2024 and 2023 (see *Note 9*).

At August 31, 2024, SHC had interest rate exchange agreements expiring through November 2051 (see *Note 9*). The agreements require SHC to pay fixed interest rates to the counterparties varying from 3.69% to 4.08% in exchange for variable rate payments from the counterparties based on a percentage of the Secured Overnight Financing Rate (SOFR) plus an applicable 1-Month spread. In November 2023, SHC terminated four of its nine outstanding swaps at a termination cost of $18.5 million. The terminated swaps had a notional amount of $234.6 million and were not classified as hedging instruments. The notional amount and the fair value of the remaining exchange agreements are included in the table below. There was no cash collateral posted with counterparties at August 31, 2024 and 2023.

The following table presents amounts for debt-related derivatives including the notional amount, the fair values at August 31, 2024 and 2023, and gains and losses for the years ended August 31, 2024 and 2023, in thousands of dollars:

	AS OF AUGUST 31, 2024		YEAR ENDED AUGUST 31, 2024	AS OF AUGUST 31, 2023		YEAR ENDED AUGUST 31, 2023
	NOTIONAL AMOUNT[1]	GROSS DERIVATIVE LIABILITIES[2]	UNREALIZED LOSSES[3]	NOTIONAL AMOUNT[1]	GROSS DERIVATIVE LIABILITIES[2]	UNREALIZED GAINS[3]
Debt-related interest-rate contracts:						
University	$ 97,000	$ 14,276	$ (1,843)	$ 97,000	$ 12,433	$ 9,117
SHC	337,925	77,506	(2,072)	573,050	86,262	59,644
TOTAL	**$ 434,925**	**$ 91,782**	**$ (3,915)**	**$ 670,050**	**$ 98,695**	**$ 68,761**

[1] *The notional amount is representative of the volume and activity of the respective derivative type during the years ended August 31, 2024 and 2023.*

[2] *Fair value is measured using Level 2 inputs as defined in Note 6. Amounts are included in the Statements of Financial Position in "Accounts payable and accrued expenses" and discussed more fully in Note 9.*

[3] *Gains (losses) on derivatives are included in the Statements of Activities as "Swap interest and change in value of swap agreements" in "Non-operating activities".*

8. Plant Facilities

Plant facilities, net of accumulated depreciation, at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Land and improvements	$ 917,373	$ 202,878	$ 120,605	$ 1,240,856
Buildings and building improvements	11,018,876	4,481,863	1,992,567	17,493,306
Furniture, fixtures and equipment	2,410,954	1,788,457	524,636	4,724,047
Utilities	1,117,039	—	—	1,117,039
Construction in progress	577,367	426,930	203,548	1,207,845
	16,041,609	6,900,128	2,841,356	25,783,093
Less accumulated depreciation	(7,350,841)	(2,900,612)	(1,019,329)	(11,270,782)
PLANT FACILITIES, NET OF ACCUMULATED DEPRECIATION	**$ 8,690,768**	**$ 3,999,516**	**$ 1,822,027**	**$ 14,512,311**
2023				
Land and improvements	$ 901,483	$ 156,441	$ 120,605	$ 1,178,529
Buildings and building improvements	10,601,370	4,242,155	1,974,474	16,817,999
Furniture, fixtures and equipment	2,294,268	1,828,646	512,912	4,635,826
Utilities	1,085,835	—	—	1,085,835
Construction in progress	553,721	419,997	108,845	1,082,563
	15,436,677	6,647,239	2,716,836	24,800,752
Less accumulated depreciation	(6,877,840)	(2,771,562)	(967,309)	(10,616,711)
PLANT FACILITIES, NET OF ACCUMULATED DEPRECIATION	**$ 8,558,837**	**$ 3,875,677**	**$ 1,749,527**	**$ 14,184,041**

9. Notes and Bonds Payable

The University borrows at tax-exempt interest rates through the California Educational Facilities Authority (CEFA), a conduit issuer. The University also issues taxable debt directly in the bond markets. Both taxable and tax-exempt debt are general unsecured obligations of the University, and the University is responsible for the repayment of all its debt. SHC and LPCH borrow at tax-exempt interest rates through the California Health Facilities Financing Authority (CHFFA), a conduit issuer. CHFFA debt is a general obligation of each of the hospitals. Payments of principal and interest on SHC's bonds are collateralized by a gross receivables pledge. LPCH's bonds are collateralized by a pledge of their revenues. SHC also issues taxable debt directly in the bond markets. Each hospital is responsible for the repayment of its respective debt.

Notes and bonds payable for the University, SHC, and LPCH at August 31, 2024 and 2023, in thousands of dollars, are presented in the table below. The University is not an obligor or guarantor with respect to any obligations of SHC or LPCH, nor are SHC or LPCH obligors or guarantors with respect to obligations of the University or each other.

	YEAR OF MATURITY	EFFECTIVE INTEREST RATE * 2024/2023	OUTSTANDING PRINCIPAL 2024	2023
UNIVERSITY:				
Tax-exempt:				
CEFA Fixed Rate Revenue Bonds:				
Series S	2040	3.18%	$ 30,210	$ 30,210
Series T	2026-2039	4.28%-4.30%	137,135	137,135
Series U	2033-2046	2.71%-4.25%	1,043,090	1,043,090
Series V	2029-2051	1.83%-3.12%	983,775	983,775
CEFA Variable Rate Revenue Bonds and Notes:				
Series S	2040-2051	3.10%-3.48%/3.10%	141,200	141,200
Commercial Paper	2025	3.10%-3.58%/3.05%	57,500	7,300
Taxable:				
Fixed Rate Notes and Bonds:				
Stanford University Bonds	2024	6.88%	—	150,000
Medium Term Note	2026	7.65%	50,000	50,000
Stanford University Series 2012	2042	4.01%	143,235	143,235
Stanford University Series 2013	2044	3.56%	150,115	150,115
Stanford University Series 2014	2054	4.25%	150,000	150,000
Stanford University Series 2015	2047	3.46%	250,000	250,000
Stanford University Series 2017	2048	3.65%	750,000	750,000
Stanford University Series 2019	2029	3.09%	121,000	121,000
Stanford University Series 2020	2027-2050	1.29%-2.41%	750,000	750,000
Other	2036	3.37%	79,964	85,717
Commercial Paper	2025	5.20%-5.35%/5.40%-5.50%	223,415	60,456
Revolving Credit Facilities	2025-2027	5.74%/5.71%	8,683	3,886
University notes and bonds payable			5,069,322	5,007,119
Unamortized issuance costs, premiums, and discounts, net			438,057	463,376
UNIVERSITY TOTAL			**$ 5,507,379**	**$ 5,470,495**
SHC:				
CHFFA Fixed Rate Revenue Bonds:				
2015 Series A	2052-2054	4.10%	$ 100,000	$ 100,000
2017 Series A	2025-2041	2.91%/2.89%	423,965	437,440
2020 Series A	2050	2.70%	170,120	170,120
2021 Series A	2025	0.42%	157,715	157,715
2023 Series A	2033	3.20%	260,545	—
2018 Series Taxable Bonds	2049	3.80%	500,000	500,000
2020 Series Taxable Bonds	2030	3.31%	300,000	300,000
2021 Series Taxable Bonds	2051	3.03%	365,100	365,100
CHFFA Variable Rate Revenue Bonds:				
2008 Series B	2042-2046	2.78%/2.94%	168,200	168,200
SHC notes and bonds payable			2,445,645	2,198,575
Unamortized issuance costs, premiums, and discounts, net			97,880	71,870
SHC TOTAL			**$ 2,543,525**	**$ 2,270,445**
LPCH:				
CHFFA Fixed Rate Revenue Bonds:				
2014 Series A	2025-2043	3.84%	$ —	$ 100,000
2016 Series A	2016-2033	2.57%/2.54%	50,505	50,505
2016 Series B	2052-2055	3.34%	100,000	100,000
2017 Series A	2019-2057	3.17%/3.14%	184,745	188,175
2022 Series A	2023-2051	2.55%/2.49%	197,620	203,760
2024 Series A	2024-2043	3.55%	91,035	—
2024 Series B	2024-2034	3.50%	89,280	—
CHFFA Variable Rate Revenue Bonds:				
2014 Series B	2034-2043	4.09%	—	100,000
LPCH notes and bonds payable			713,185	742,440
Unamortized issuance costs, premiums, and discounts, net			80,361	67,763
LPCH TOTAL			**$ 793,546**	**$ 810,203**
CONSOLIDATED TOTAL			**$ 8,844,450**	**$ 8,551,143**

**Exclusive of interest rate exchange agreements (see Note 7).*

The University's long-term ratings of AAA/AAA/Aaa were affirmed in August 2024 by S&P Global Ratings (S&P), and in May 2023 by Fitch Ratings (Fitch) and Moody's Investors Service (Moody's), respectively. In fiscal year 2022, Moody's additionally rated the University as part of their updated Environmental, Social and Governance methodology which introduced ESG Issuer Profile (IPS) and Credit Impact Scores (CIS) for rated entities. The new scores are part of Moody's incorporation of material ESG issues into credit ratings. The scoring range is from 1 (positive) to 5 (very highly negative). The University was rated as a 2 on each of the environmental, governance and social dimensions, respectively, of the Issuer Profile score; and 2 on the Credit Impact Score. The score of 2 correlates to a "neutral-to-low" credit impact of ESG considerations. In April and May 2024, SHC's long-term ratings were affirmed by S&P, Moody's, and Fitch at AA-/Aa3/AA, respectively, with S&P and Moody's changing SHC's outlook to positive. In June 2024, LPCH's long-term ratings of A+/A1/AA- were affirmed by S&P, Moody's, and Fitch, respectively.

SHC is party to a separate master trust indenture that includes provisions that limit property liens and requires the maintenance of certain financial ratios. LPCH is party to a separate master trust indenture that includes, among other requirements, limitations on the incurrence of additional indebtedness, liens on property, restrictions on disposition or transfer of assets and compliance with certain financial ratios. Subject to applicable no-call provisions, SHC and LPCH may cause the redemption of the bonds, in whole or in part, prior to the stated maturities.

UNIVERSITY

Debt issuances and repayment activity

In February 2024, taxable Stanford University Bonds in the amount of $150.0 million matured and were refinanced by taxable commercial paper.

In June 2023, CEFA, on behalf of the University, issued its tax-exempt Series V-3 bonds in the amount of $241.5 million plus an original issue premium of $58.5 million, maturing on June 1, 2033. The series has a coupon rate of 5.00% and has a yield of 2.28% and will be used to finance or refinance certain capital projects of the university.

In March 2023, CEFA Series T-5 tax-exempt bonds in the amount of $51.8 million matured and were refunded with a portion of the proceeds of CEFA Series V-3 bonds.

In October 2022, CEFA Series L-6 and L-7 tax-exempt bonds in the amounts of $17.8 million and $18.4 million, respectively, matured and were repaid.

The University has two unsecured revolving credit facilities. One credit facility has a capacity of $300.0 million and maturity date of August 30, 2027 and the other has a capacity of $175.0 million and maturity date of December 30, 2024. Funds drawn on the revolving credit facilities bear interest at the applicable SOFR plus a specified margin. The amount outstanding on these credit facilities was $8.7 million and $3.9 million at August 31, 2024 and 2023, respectively.

Variable rate debt subject to remarketing or tender

The University had $141.2 million of revenue bonds in variable rate mode outstanding at August 31, 2024. CEFA Series S bonds bear interest at a commercial paper municipal rate for various interest periods of 270 days or less. In the event the University receives notice of any optional tender of these bonds, or if the bonds become subject to mandatory tender, the purchase price of the bonds will be paid from the remarketing of such bonds. However, if the remarketing proceeds are insufficient, the University will have a current obligation to purchase the bonds tendered. The University has identified several sources of funding including cash, money market funds, U.S. Treasury securities and agencies' discount notes to provide for the full and timely purchase price of any bonds tendered in the event of a failed remarketing.

The University's taxable and tax-exempt commercial paper authorized borrowing capacity was $500.0 million and $300.0 million, respectively, at both August 31, 2024 and 2023. Taxable commercial paper of $223.4 million and $60.5 million was outstanding at August 31, 2024 and 2023, respectively. Tax-exempt commercial paper of $57.5 million and $7.3 million was outstanding at August 31, 2024 and 2023, respectively.

SHC

Debt activity

In September 2023, CHFFA, on behalf of SHC, issued fixed rate 2023 Series A Revenue Bonds ("2023 Series A") in the aggregate principal amount of $260.5 million plus an original issue premium of $39.5 million. Proceeds of the 2023 Series A bonds were used to reimburse expenditures related to the re-design, remodel, and renovation of SHC's original hospital facility.

In September 2023, CHFFA, on behalf of SHC, established a $200.0 million tax-exempt commercial paper facility to be used for bridge financing of certain capital expenditures. No amounts were outstanding as of August 31, 2024.

SHC also has a $150.0 million taxable commercial paper facility for general corporate purposes. There were no amounts outstanding as of August 31, 2024 and 2023.

SHC has a revolving line of credit facility, which has a maturity date of November 2027, for general corporate purposes. Drawdowns from the facility bear interest at the SOFR plus an applicable spread. The size of the facility is $150.0 million, of which $50.0 million is earmarked for the issuance of stand-by letters of credit. There were no amounts drawn on this credit facility as of August 31, 2024 and 2023.

Variable rate debt

At August 31, 2024, SHC had $168.2 million of revenue bonds in variable rate mode outstanding. The 2008 Series B bonds are supported by SHC's self-liquidity. In the event SHC receives a tender notice of any of the 2008 Series B bonds, the purchase price of the bonds will be paid from the remarketing of such bonds. However, if the remarketing proceeds are insufficient, SHC has an obligation to purchase any remaining bonds. SHC maintains sufficient liquidity to provide for the full and timely purchase price of any bonds tendered in the event of a failed remarketing.

LPCH

Debt activity

In June 2024, CHFFA issued, on behalf of LPCH, two series refunding revenue bonds in the aggregate par amount of $180.3 million, with a premium of $20.8 million (collectively, “2024 Bonds"). Proceeds of the 2024 Bonds were used for the legal defeasance and redemption of the 2014 Series A and B bonds and payments of costs of issuance. The coupon interest rates for the 2024 Bonds is 5.0% over the life of the bonds. The defeasance of 2014 Bonds resulted in an accounting gain of $4.4 million recognized in "other changes in net assets without donor restrictions" in the *Consolidated Statements of Activities*. The 2024 Series B bonds include a bullet maturity feature resulting in a required refinancing in 2034.

In June 2022, LPCH extended its $200.0 million revolving credit facility until June 2025. Drawdowns from the facility bear interest at the SOFR plus an applicable spread. There were no amounts drawn on the line of credit as of August 31, 2024 and 2023.

LETTERS OF CREDIT

In December 2010, the University entered into a credit agreement and established a letter of credit facility under which the bank agreed to issue standby letters of credit in a principal amount not to exceed $50.0 million. In June 2018, the facility was raised to $75.0 million and in June 2020, the University decreased the facility to $65.0 million. In August 2024, the University consolidated the letter of credit facility and revolving credit facility into a single amended and restated credit agreement, under which up to $65.0 million is available for letters of credit and $300.0 million for revolving credit. Irrevocable standby letters of credit outstanding as of August 31, 2024, in thousands of dollars, is as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Security for workers compensation insurance	$ 12,820	$ 29,267	$ 11,590	$ 53,677
Collateral for interest rate exchange agreements	15,000	—	—	15,000
Other	3,949	2,210	1,422	7,581
TOTAL	**$ 31,769**	**$ 31,477**	**$ 13,012**	**$ 76,258**
Amounts drawn as of August 31, 2024	$ —	$ —	$ —	$ —
Amounts drawn as of August 31, 2023	$ —	$ —	$ —	$ —

INTEREST

Stanford's interest expense, which includes amortized bond issuance costs and amortized bond premium or discount, is recorded in "Other operating expenses". Interest expense for the years ended August 31, 2024 and 2023, in thousands of dollars, is as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Interest expense, gross	$ 178,439	$ 80,394	$ 30,830	$ 289,663
Less:				
Interest income earned on unspent bond proceeds	(6,574)	—	—	(6,574)
Interest capitalized as a cost of construction	(4,032)	(3,110)	—	(7,142)
Interest expense which is classified as an investment expense	(3,772)	—	—	(3,772)
INTEREST EXPENSE, NET	**$ 164,061**	**$ 77,284**	**$ 30,830**	**$ 272,175**
2023				
Interest expense, gross	$ 173,299	$ 74,100	$ 31,258	$ 278,657
Less:				
Interest income earned on unspent bond proceeds	(4,467)	—	—	(4,467)
Interest capitalized as a cost of construction	(7,083)	—	—	(7,083)
Interest expense which is classified as an investment expense	(3,954)	—	—	(3,954)
INTEREST EXPENSE, NET	**$ 157,795**	**$ 74,100**	**$ 31,258**	**$ 263,153**

The University and SHC use interest rate exchange agreements to manage the interest rate exposure of their debt portfolios. University net payments on interest rate exchange agreements were $27 thousand and $663 thousand for the years ended August 31, 2024 and 2023, respectively. SHC net payments on interest rate exchange agreements were $776 thousand and $5.1 million for the years ended August 31, 2024 and 2023, respectively.

PRINCIPAL PAYMENTS

At August 31, 2024, scheduled principal payments on notes and bonds, in thousands of dollars, are as follows:

	PRINCIPAL PAYMENTS			
YEAR ENDING AUGUST 31	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2025 Commercial paper	$ 280,915	$ —	$ —	$ 280,915
2025 Variable debt subject to remarketing	141,200	168,200	—	309,400
2025 Other	5,960	175,330	9,605	190,895
2026	81,527	18,480	10,085	110,092
2027	315,063	19,320	10,615	344,998
2028	6,596	20,260	11,655	38,511
2029	169,660	21,225	12,245	203,130
Thereafter	4,068,401	2,022,830	658,980	6,750,211
TOTAL	**$ 5,069,322**	**$ 2,445,645**	**$ 713,185**	**$ 8,228,152**

10. Net Assets

Net assets without donor restrictions include Board-designated funds functioning as endowment *(see Note 11)*, net investment in plant facilities and other operating funds.

Net assets with donor restrictions consist primarily of endowment gifts that are limited for long-term investment, and accumulated appreciation that may be appropriated for expenditure by the University (see *Note 11*). Net assets with donor restrictions also include gifts and pledges that are subject to donor-imposed restrictions that expire with the passage of time, payment of pledges, and/or actions of the University, and other funds including Stanford's net equity in split-interest agreements and student loans.

Net assets at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Board designated endowment - Funds functioning as endowment	$ 16,672,429	$ —	$ 152,740	$ —	$ 16,825,169
Net investment in plant facilities and other plant funds	4,763,983	2,242,153	1,028,480	—	8,034,616
Operating funds	5,635,273	5,447,334	1,357,149	(198,530)	12,241,226
Total net assets without donor restrictions	27,071,685	7,689,487	2,538,369	(198,530)	37,101,011
NET ASSETS WITH DONOR RESTRICTIONS					
Subject to expenditure for specified purpose:					
Unspent gifts and gifts with undecided purpose restrictions	897,221	—	—	—	897,221
Plant facilities	434,441	12,607	180,294	—	627,342
Total	1,331,662	12,607	180,294	—	1,524,563
Subject to passage of time:					
Pledges receivable	1,222,637	35,756	96,628	35,999	1,391,020
Other funds	380,607	44,920	82,759	—	508,286
Total	1,603,244	80,676	179,387	35,999	1,899,306
Subject to University's spending policy:					
Accumulated appreciation	11,178,886	29,063	225,464	—	11,433,413
Subject to restrictions in perpetuity:					
Endowment funds	9,603,764	15,868	280,913	—	9,900,545
Pledges receivable	1,320,985	—	5,544	—	1,326,529
Other funds	357,362	—	—	—	357,362
Total	11,282,111	15,868	286,457	—	11,584,436
Total net assets with donor restrictions	25,395,903	138,214	871,602	35,999	26,441,718
TOTAL NET ASSETS	**$52,467,588**	**$7,827,701**	**$3,409,971**	**$ (162,531)**	**$ 63,542,729**

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2023					
NET ASSETS WITHOUT DONOR RESTRICTIONS					
Board designated endowment - Funds functioning as endowment	$ 16,841,959	$ —	$ 145,276	$ —	$ 16,987,235
Net investment in plant facilities and other plant funds	4,745,919	2,392,495	939,324	—	8,077,738
Operating funds	5,605,980	4,306,411	1,341,959	(236,176)	11,018,174
Total net assets without donor restrictions	27,193,858	6,698,906	2,426,559	(236,176)	36,083,147
NET ASSETS WITH DONOR RESTRICTIONS					
Subject to expenditure for specified purpose:					
Gifts with undecided purpose restrictions	891,791	—	—	—	891,791
Plant facilities	393,541	8,356	156,411	—	558,308
Total	1,285,332	8,356	156,411	—	1,450,099
Subject to passage of time:					
Pledges receivable	1,314,014	45,182	112,932	(14,113)	1,458,015
Other funds	364,416	42,662	100,487	—	507,565
Total	1,678,430	87,844	213,419	(14,113)	1,965,580
Subject to University's spending policy:					
Accumulated appreciation	10,541,248	26,185	209,857	—	10,777,290
Subject to restrictions in perpetuity:					
Endowment funds	8,928,113	15,544	268,330	—	9,211,987
Pledges receivable	1,316,942	—	6,460	—	1,323,402
Other funds	294,381	—	—	—	294,381
Total	10,539,436	15,544	274,790	—	10,829,770
Total net assets with donor restrictions	24,044,446	137,929	854,477	(14,113)	25,022,739
TOTAL NET ASSETS	**$51,238,304**	**$6,836,835**	**$3,281,036**	**$ (250,289)**	**$ 61,105,886**

11. Endowments

The University classifies a substantial portion of its financial resources as endowment, which is invested to generate income to support operating and strategic initiatives. The endowment, which includes endowed lands, is comprised of donor-restricted endowment funds and funds functioning as endowment (FFE). Depending on the nature of the donor's stipulation, these resources are recorded as net assets with donor restrictions or net assets without donor restrictions. Term endowments are similar to other endowment funds except that, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Accordingly, term endowments are classified as net assets with donor restrictions until expiration of the term or completion of the donor restriction. FFE are University resources designated by the Board as endowment and are invested for long-term appreciation and current income. These assets, however, remain available and may be spent at the Board's discretion. Accordingly, FFE are recorded as net assets without donor restrictions.

Stanford classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment with donor restrictions and (b) accumulations to the endowment with donor restrictions made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining accumulation to the endowment funds that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument, is classified as net assets with donor restrictions until those amounts are authorized for expenditure.

Endowment funds by net asset classification at August 31, 2024 and 2023, in thousands of dollars, are as follows:

	2024	2023
University endowment		
Endowment funds without donor restrictions:		
Funds functioning as endowment	$ 16,672,429	$ 16,841,959
Endowment funds with donor restrictions:		
Original donor-restricted gift amount and gains maintained in perpetuity	9,603,764	8,928,113
Term endowment and related gains	273,665	276,442
Additional accumulated gains available for expenditure, subject to spending policy	11,081,201	10,448,379
Total endowment funds with donor restrictions	20,958,630	19,652,934
University endowment	37,631,059	36,494,893
LPCH endowment		
Endowment funds without donor restrictions:		
Funds functioning as endowment	152,740	145,276
Endowment funds with donor restrictions	509,638	482,181
LPCH endowment	662,378	627,457
SHC endowment funds with donor restrictions	44,931	41,729
TOTAL ENDOWMENT FUNDS	**$ 38,338,368**	**$ 37,164,079**

Most of Stanford's endowment is invested in the MP. The return objective for the MP is to generate optimal long-term total return while maintaining an appropriate level of risk. Investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). Portfolio asset allocation targets as well as expected risk, return and correlation among the asset classes are reevaluated regularly by Stanford Management Company.

UNIVERSITY

Changes in the University's endowment, excluding pledges, for the years ended August 31, 2024 and 2023, in thousands of dollars, are as follows:

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
2024			
Endowment, beginning of year	$ 16,841,959	$ 19,652,934	$ 36,494,893
Total investment returns, net	237,112	1,783,077	2,020,189
Amounts distributed for operations	(715,744)	(1,106,568)	(1,822,312)
Gifts, transfers and other changes in endowment:			
Current year gifts and pledge payments	911	562,906	563,817
Transfers of prior year gifts	3	42,374	42,377
Added to FFE reserves	264,509	—	264,509
Other funds added to the endowment, net	43,679	23,907	67,586
Total gifts, transfers and other changes in endowment	309,102	629,187	938,289
Total net increase (decrease) in endowment	(169,530)	1,305,696	1,136,166
ENDOWMENT, END OF YEAR	**$ 16,672,429**	**$ 20,958,630**	**$ 37,631,059**
2023			
Endowment, beginning of year	$ 16,915,950	$ 19,422,844	$ 36,338,794
Total investment returns, net	378,870	786,411	1,165,281
Amounts distributed for operations	(689,138)	(1,047,208)	(1,736,346)
Gifts, transfers and other changes in endowment:			
Current year gifts and pledge payments	822	429,025	429,847
Transfers of prior year gifts	3,488	51,998	55,486
Added to FFE reserves	199,254	—	199,254
Other funds added to the endowment, net	32,713	9,864	42,577
Total gifts, transfers and other changes in endowment	236,277	490,887	727,164
Total net increase (decrease) in endowment	(73,991)	230,090	156,099
ENDOWMENT, END OF YEAR	**$ 16,841,959**	**$ 19,652,934**	**$ 36,494,893**

Approximately 12% of the University's endowment is invested in real estate on Stanford's lands, including the Stanford Research Park. This portion of the endowment includes the present value of ground leases, and rental properties that have been developed on Stanford lands. The net operating income from these properties is distributed each year for University operations.

Through the combination of investment strategy and payout policy, the University strives to provide a reasonably consistent payout from endowment to support operations, while preserving the purchasing power of the endowment adjusted for inflation.

The Board approves the amounts to be paid out annually from endowment funds invested in the MP. Consistent with the Uniform Prudent Management of Institutional Funds Act, when determining the appropriate payout the Board considers the purposes of the University and the endowment, the duration and preservation of the endowment, general economic conditions, the possible effect of inflation or deflation, the expected return from income and the appreciation of investments, other resources of the University, and the University's investment policy.

The Board approved spending rate for fiscal year 2024 was 5.25%. The payout amount is determined by applying a smoothing rule designed to mitigate the impact of short-term market volatility on the flow of funds to support operations. The Board has the authority to override the smoothing rule and set the payout rate directly. The sources of payout are earned income on endowment assets (interest, dividends, rents and royalties), and realized capital gains, as needed and as available.

SHC

SHC's endowment is intended to generate investment income to support its current operating and strategic initiatives. SHC invests all of its endowment in the University's MP. The endowments are subject to the same investment and spending strategies that the University employs. "Amounts distributed for operations" in the table below represents SHC's current year endowment payout spent for designated purposes. All of SHC's endowment is donor restricted. Changes in SHC's endowment, excluding pledges, for the years ended August 31, 2024 and 2023, in thousands of dollars, are as follows:

	2024	2023
Endowment, beginning of year	$ 41,729	$ 41,281
Total investment returns, net	3,491	1,511
Amounts distributed for operations	(613)	(1,063)
Gifts and pledge payments	324	—
Total net increase in endowment	3,202	448
ENDOWMENT, END OF YEAR	**$ 44,931**	**$ 41,729**

LPCH

LPCH's endowment is intended to generate investment income to support its current operating and strategic initiatives. The endowment includes funds held by LPCH and Lucile Packard Foundation for Children's Health (LPFCH). LPCH is the sole member of LPFCH, a public charity, whose mission is to elevate the priority of children's health and increase the quality and accessibility of children's health care through leadership and direct investment. LPCH invests the majority of its endowment in the University's MP, and LPFCH invests its endowment in other long-term investments.

LPCH's endowment is subject to the same investment and spending strategies that the University employs for its donor-restricted and board designated funds functioning as an endowment that provide for annual amounts (payout) to be distributed to appropriate restricted funds supporting operating and strategic activities of LPCH.

LPFCH's endowment is approved as board designated funds functioning as endowment by LPFCH's Board of Directors. LPFCH has a policy of appropriating for distribution each year an amount determined annually based on budget needs. The annual distribution is expected to average no more than 5% of the endowment fund's fair value. For individual years, it is expected to fall within a target range of 4.75% to 5.25% of the endowment fund's average fair value over the prior 12 quarters. Unspent program budget may be spent in future years subject to certain limits. LPFCH's Board of Directors may also appropriate an amount outside this target range. Accordingly, depending on anticipated activity and timing of the grant opportunities, actual spending may fall outside of the range. In establishing this policy, the LPFCH considered the long term expected return on its endowment. Over the long term, the LPFCH expects the current spending policy to allow its endowment to grow at a rate of expected inflation. This is consistent with the LPFCH's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through investment return.

Changes in LPCH's endowment, excluding pledges, for the years ended August 31, 2024 and 2023, in thousands of dollars, are as follows:

	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL
2024			
Endowment, beginning of year	$ 145,276	$ 482,181	$ 627,457
Total investment returns, net	13,290	41,588	54,878
Amounts distributed for operations	(5,826)	(13,183)	(19,009)
Gifts and pledge payments	—	9,498	9,498
Other	—	(10,446)	(10,446)
Total net increase in endowment	7,464	27,457	34,921
ENDOWMENT, END OF YEAR	**$ 152,740**	**$ 509,638**	**$ 662,378**
2023			
Endowment, beginning of year	$ 144,650	$ 477,209	$ 621,859
Total investment returns, net	4,837	17,592	22,429
Amounts distributed for operations	(4,211)	(12,174)	(16,385)
Gifts and pledge payments	—	9,582	9,582
Other	—	(10,028)	(10,028)
Total net increase in endowment	626	4,972	5,598
ENDOWMENT, END OF YEAR	**$ 145,276**	**$ 482,181**	**$ 627,457**

12. Health Care Services Revenue

SHC and LPCH derive a majority of health care services revenue from contractual agreements with Medicare, Medi-Cal and other third-party payers that provide for payments at amounts different from established rates. Payments under these agreements and programs are based on a variety of payment models, including estimated retroactive audit adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are estimated and recorded in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Contracts, laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation. As a result, it is reasonably possible that recorded estimates may change by a material amount in the near term. A summary of payment arrangements with major third-party payers follows.

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Medicare reimburses hospitals for covered outpatient services rendered to its beneficiaries by way of an outpatient prospective payment system based on ambulatory payment classifications.

Inpatient non-acute services, certain outpatient services and medical education costs related to Medicare beneficiaries are paid based, in part, on a cost reimbursement methodology subject to final settlement after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The estimated amounts due to or from the program are reviewed and adjusted annually based on the status of such audits and any subsequent appeals. Differences between final settlements and amounts accrued in previous years are reported as adjustments to net health care services revenue in the year examination is substantially completed. Medicare cost reports have been audited by the Medicare administrative contractor through August 31, 2017 for SHC and August 31, 2019 for LPCH.

Professional services are reimbursed based on a fee schedule.

Medi-Cal

The State reimburses hospitals for inpatient services rendered to Medi-Cal program beneficiaries using an All Patient Refined-Diagnosis Related Group (APR-DRG) methodology. Hospital outpatient and professional services are reimbursed based upon prospectively determined fee schedules.

The California Children's Services (CCS) Program is a partnership between state and counties that provides medical case management for children in California diagnosed with serious chronic diseases. Currently, approximately 70% of CCS-eligible children are also Medi-Cal eligible. The Medi-Cal program reimburses their care.

Managed Care Organizations

SHC and LPCH have entered into agreements with numerous third-party payers to provide patient care to beneficiaries under a variety of payment arrangements. These include arrangements with:

- Commercial insurance companies which reimburse at negotiated charges.
- Managed care contracts such as those with Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs), which reimburse at contracted or per diem rates, which are usually less than full charges.
- Counties in the State of California, which reimburse for certain indigent patients covered under county contracts.

Uninsured

For uninsured patients that do not qualify for charity care, revenue is recognized on the basis of standard rates for services less an uninsured discount applied to the patient's account and an implicit pricing concession that approximates the average discount for managed care payers.

Premium Revenue

SHC has capitated agreements with various HMOs to provide medical services to enrollees. Under these agreements, monthly payments are received based on the number of health plan enrollees. Premium revenue is recognized in the month in which the member is eligible for Medicare services as "Health care services" in the *Consolidated Statements of Activities*. Costs are accrued when services are rendered under these contracts, including cost estimates of incurred but not reported ("IBNR") claims. The IBNR accrual (which is included in "Accounts payable and accrued expenses") includes an estimate of the costs of services for which SHC is responsible, including referrals to outside healthcare providers.

The following table presents health care services revenue, net of price concessions, for the years ended August 31, in thousands of dollars:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
Patient care revenue, net:					
Medicare	$ —	$ 1,519,060	$ 6,142	$ —	$ 1,525,202
Medi-Cal	—	255,202	651,888	—	907,090
Managed care	—	6,481,461	1,881,501	—	8,362,962
Self pay and other	—	376,163	202,643	—	578,806
Physician services and support (see *Note 1*)	1,844,608	49,436	—	(1,894,044)	—
Total patient care revenue, net	1,844,608	8,681,322	2,742,174	(1,894,044)	11,374,060
Premium revenue	—	56,709	—	—	56,709
Other services and support	55,200	—	—	(10,392)	44,808
HEALTH CARE SERVICES REVENUE, NET	**$1,899,808**	**$8,738,031**	**$2,742,174**	**$ (1,904,436)**	**$ 11,475,577**
2023					
Patient care revenue, net:					
Medicare	$ —	$ 1,279,346	$ 2,770	$ —	$ 1,282,116
Medi-Cal	—	175,157	542,835	—	717,992
Managed care	—	5,723,278	1,742,559	—	7,465,837
Self pay and other	—	299,241	230,261	—	529,502
Physician services and support (see *Note 1*)	1,577,976	44,013	—	(1,621,989)	—
Total patient care revenue, net	1,577,976	7,521,035	2,518,425	(1,621,989)	9,995,447
Premium revenue	—	65,386	—	—	65,386
Other services and support	47,419	—	—	(7,682)	39,737
HEALTH CARE SERVICES REVENUE, NET	**$1,625,395**	**$7,586,421**	**$2,518,425**	**$ (1,629,671)**	**$ 10,100,570**

For the years ended August 31, 2024 and 2023, SHC recognized net health care services revenue adjustments of $144.6 million and $16.5 million, respectively, as a result of prior years' favorable developments related to reimbursement and appeals. LPCH had no significant adjustments to revenue for the years ended August 31, 2024 and 2023.

Charity Care and Community Benefits

SHC and LPCH provide charity care, free of charge, to vulnerable populations. SHC's estimated cost of providing charity care was $29.1 million and $16.3 million, and LPCH's estimated cost of providing charity care was $2.7 million and $1.6 million for the years ended August 31, 2024 and 2023, respectively. This cost is estimated by calculating a ratio of total costs to gross patient service charges at established rates, and then multiplying that ratio by gross uncompensated patient service charges at established rates associated with providing care to charity patients.

SHC and LPCH also provide services to other patients under the Medicare, Medi-Cal and other publicly sponsored programs, which reimburse at amounts less than the cost of the services provided to the recipients. Estimated costs in excess of reimbursements for the Medicare, Medi-Cal and other publicly sponsored programs for the years ended August 31, 2024 and 2023 were $2.0 billion and $1.8 billion for SHC, respectively. For LPCH, estimated cost in excess of reimbursements for Medi-Cal and other publicly sponsored programs for the years ended August 31, 2024 and 2023 were $365.7 million and $339.0 million, respectively.

Provider Fee

The State of California enacted legislation in 2013 which established a Hospital Quality Assurance Fee (QAF) Program and a Hospital Fee Program. These programs impose a provider fee on certain California general acute care hospitals that, combined with federal matching funds, is used to provide supplemental payments to certain hospitals and support the State's effort to maintain health care coverage for children. California's participation in these programs was made permanent by a ballot initiative passed in November 2016. Specific portions of the program covering the period from January 1, 2023 to December 31, 2024 have not yet been approved by the Centers for Medicare and Medicaid Services (CMS). Accordingly, any potential activity under unapproved programs related to January 1, 2023 through August 31, 2024 have not been recognized as revenue or expense in the *Consolidated Statements of Activities*.

Provider fee revenue is recorded in "Health care services" while provider fee expense is recorded in "Other operating expenses" in the *Consolidated Statements of Activities*. Provider fee revenue, net of expense, under the approved portions of the programs for the years ended August 31, in thousands of dollars, is as follows:

	SHC	LPCH	CONSOLIDATED
2024			
Revenue	$ 206,672	$ 205,008	$ 411,680
Expense	(117,910)	(68,491)	(186,401)
TOTAL	**$ 88,762**	**$ 136,517**	**$ 225,279**
2023			
Revenue	$ 118,859	$ 136,655	$ 255,514
Expense	(65,827)	(37,598)	(103,425)
TOTAL	**$ 53,032**	**$ 99,057**	**$ 152,089**

Deferred revenue and prepaid expense associated with unapproved programs will be recognized as revenue and expense upon CMS approval. Deferred revenue and prepaid expense as of August 31, 2024 and 2023, in thousands of dollars, is as follows:

	SHC	LPCH	CONSOLIDATED
2024			
Deferred revenue	$ 12,175	$ 22,806	$ 34,981
Prepaid expense	$ 8,730	$ 5,357	$ 14,087
2023			
Deferred revenue	$ 42,713	$ 38,397	$ 81,110
Prepaid expense	$ 38,074	$ 19,927	$ 58,001

13. Gifts and Pledges

Gifts and pledges reported for financial statement purposes are recorded on the accrual basis. The Office of Development (OOD), which is the primary fundraising agent for the University and SHC, reports total gifts (including pledge payments) based on contributions received in cash or property during the fiscal year. Lucile Packard Foundation for Children's Health (LPFCH) is the primary community fundraising agent for LPCH and the pediatric faculty and programs at the University's SOM. The following summarizes gifts and pledges reported for the years ended August 31, 2024 and 2023, per the *Consolidated Statements of Activities*, in thousands of dollars:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
Current year gifts in support of operations	$ 259,879	$ 177	$ 5,312	$ —	$ 265,368
Donor advised funds, net	(64,292)	—	—	—	(64,292)
Current year gifts not included in operations	911	—	—	—	911
Gifts and pledges, net - with donor restrictions	958,312	7,145	73,509	14,650	1,053,616
TOTAL	**$ 1,154,810**	**$ 7,322**	**$ 78,821**	**$ 14,650**	**$ 1,255,603**
2023					
Current year gifts in support of operations	$ 269,096	$ 506	$ 6,028	$ —	$ 275,630
Donor advised funds, net	(41,846)	—	—	—	(41,846)
Current year gifts not included in operations	822	—	—	—	822
Gifts and pledges, net - with donor restrictions	1,521,106	20,884	90,423	4,135	1,636,548
TOTAL	**$ 1,749,178**	**$ 21,390**	**$ 96,451**	**$ 4,135**	**$ 1,871,154**

14. Functional Expenses

Expenses are presented by functional classification in alignment with Stanford's mission of teaching, research and health care.

Major functional categories consist of the following:

- **Instruction and departmental research** includes teaching and internally funded research expenses.
- **Organized research - direct costs** include sponsored support costs.
- **Health care services** include patient care provided by SHC, LPCH, SOM faculty, and other health care related activities.
- **Auxiliary activities** include housing and dining services, intercollegiate athletics, Stanford Alumni Association, and other activities.
- **SLAC construction** includes the costs associated with major projects and facilities at the SLAC National Accelerator Laboratory.

Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort. Depreciation and facility operations and maintenance expenses are allocated to the functional categories directly or based on the square footage occupancy. Salaries and benefits expenses are allocated to functional categories directly based on time and effort incurred.

Expenses by functional and natural classification for the years ended August 31, 2024 and 2023, in thousands of dollars, are as follows:

	SALARIES AND BENEFITS	DEPRECIATION	OTHER OPERATING EXPENSES	TOTAL OPERATING EXPENSES
2024				
UNIVERSITY				
Instruction and departmental research	$ 1,999,106	$ 151,917	$ 800,343	$ 2,951,366
Organized research - direct costs	1,019,035	83,162	620,853	1,723,050
Health care services	1,230,475	3,915	27,813	1,262,203
Auxiliary activities	238,190	155,984	376,154	770,328
Administration and general	473,710	52,961	250,674	777,345
Student services	246,610	7,276	183,803	437,689
Libraries	78,039	73,725	69,022	220,786
Development	119,362	4,142	20,729	144,233
SLAC construction	55,746	—	74,346	130,092
TOTAL EXPENSES	**5,460,273**	**533,082**	**2,423,737**	**8,417,092**
SHC				
Health care services	3,616,758	272,513	3,935,250	7,824,521
Administration and general	297,137	19,517	249,863	566,517
Development	1,479	—	16,148	17,627
TOTAL EXPENSES	**3,915,374**	**292,030**	**4,201,261**	**8,408,665**
LPCH				
Health care services	1,245,448	77,745	1,202,916	2,526,109
Administration and general	106,488	3,625	121,892	232,005
Development	30,095	1,431	17,279	48,805
TOTAL EXPENSES	**1,382,031**	**82,801**	**1,342,087**	**2,806,919**
ELIMINATIONS				
Health care services	—	—	(1,870,179)	(1,870,179)
Administration and general	—	—	(36,071)	(36,071)
Development	—	—	(17,436)	(17,436)
TOTAL ELIMINATIONS	**—**	**—**	**(1,923,686)**	**(1,923,686)**
CONSOLIDATED				
Instruction and departmental research	1,999,106	151,917	800,343	2,951,366
Organized research - direct costs	1,019,035	83,162	620,853	1,723,050
Health care services	6,092,681	354,173	3,295,800	9,742,654
Auxiliary activities	238,190	155,984	376,154	770,328
Administration and general	877,335	76,103	586,358	1,539,796
Student services	246,610	7,276	183,803	437,689
Libraries	78,039	73,725	69,022	220,786
Development	150,936	5,573	36,720	193,229
SLAC construction	55,746	—	74,346	130,092
TOTAL EXPENSES	**$10,757,678**	**$ 907,913**	**$ 6,043,399**	**$17,708,990**

	SALARIES AND BENEFITS	DEPRECIATION	OTHER OPERATING EXPENSES	TOTAL EXPENSES
2023				
UNIVERSITY				
Instruction and departmental research	$ 1,799,280	$ 142,171	$ 754,085	$ 2,695,536
Organized research - direct costs	937,254	78,377	567,347	1,582,978
Health care services	1,091,086	4,683	25,917	1,121,686
Auxiliary activities	219,265	137,968	365,722	722,955
Administration and general	386,500	55,269	229,610	671,379
Student services	219,170	7,218	175,802	402,190
Libraries	70,965	71,878	62,279	205,122
Development	110,538	4,527	22,598	137,663
SLAC construction	53,037	—	67,338	120,375
TOTAL EXPENSES	**4,887,095**	**502,091**	**2,270,698**	**7,659,884**
SHC				
Health care services	3,307,740	244,834	3,359,035	6,911,609
Administration and general	266,724	17,878	243,796	528,398
Development	1,335	—	15,498	16,833
TOTAL EXPENSES	**3,575,799**	**262,712**	**3,618,329**	**7,456,840**
LPCH				
Health care services	1,153,311	81,567	1,057,491	2,292,369
Administration and general	123,002	6,328	127,122	256,452
Development	21,875	1,123	11,540	34,538
TOTAL EXPENSES	**1,298,188**	**89,018**	**1,196,153**	**2,583,359**
ELIMINATIONS				
Health care services	—	—	(1,587,565)	(1,587,565)
Administration and general	—	—	(42,529)	(42,529)
Development	—	—	(16,627)	(16,627)
TOTAL ELIMINATIONS	**—**	**—**	**(1,646,721)**	**(1,646,721)**
CONSOLIDATED				
Instruction and departmental research	1,799,280	142,171	754,085	2,695,536
Organized research - direct costs	937,254	78,377	567,347	1,582,978
Health care services	5,552,137	331,084	2,854,878	8,738,099
Auxiliary activities	219,265	137,968	365,722	722,955
Administration and general	776,226	79,475	557,999	1,413,700
Student services	219,170	7,218	175,802	402,190
Libraries	70,965	71,878	62,279	205,122
Development	133,748	5,650	33,009	172,407
SLAC construction	53,037	—	67,338	120,375
TOTAL EXPENSES	**$ 9,761,082**	**$ 853,821**	**$ 5,438,459**	**$16,053,362**

15. University Retirement Plans

The University provides retirement benefits through both defined contribution and defined benefit retirement plans for substantially all of its employees.

DEFINED CONTRIBUTION PLAN

The University offers a defined contribution plan to eligible faculty and staff through the *Stanford Contributory Retirement Plan* (SCRP). Employer contributions are based on a percentage of participant annual compensation, participant contributions and years of service. University and participant contributions are primarily invested in annuities and mutual funds. University contributions under the SCRP, which are vested immediately to participants, were $259.5 million and $234.2 million for the years ended August 31, 2024 and 2023, respectively.

DEFINED BENEFIT PLANS

The University provides retirement and postretirement medical and other benefits through the *Staff Retirement Annuity Plan*, the *Faculty Retirement Incentive Program*, and the *Postretirement Benefit Plan* (the "Plans"). The obligations for the Plans, net of plan assets, are recorded in the *Consolidated Statements of Financial Position* as "Accrued pension and postretirement benefit obligations." These plans are described in more detail below.

Staff Retirement Annuity Plan

Retirement benefits for certain employees are provided through the *Staff Retirement Annuity Plan* (SRAP), a noncontributory plan. While the SRAP is closed to new participants, certain employees continue to accrue benefits. Contributions to the plan are made in accordance with the Employee Retirement Income Security Act (ERISA) based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants.

Faculty Retirement Incentive Program

The University provides a retirement incentive bonus for eligible faculty through the University *Faculty Retirement Incentive Program* (FRIP). The University's faculty may become eligible for the FRIP program if they commit to retire within a designated window of time. At August 31, 2024 and 2023, there were no program assets. The University funds benefit payouts as they are incurred.

Postretirement Benefit Plan

The University provides medical, dental, and vision benefits for retired employees through its *Postretirement Benefit Plan* (PRBP). The University's employees and their covered dependents may become eligible for the PRBP upon the employee's retirement and meeting specific years of service and age criteria. Retiree health plans are paid for, in part, by retiree contributions, which are adjusted annually. The University's subsidy varies depending on whether the retiree is covered under the legacy design or the defined dollar benefit design. The University provides Medicare and non-Medicare medical plans to eligible retirees and their dependents.

The change in the Plans' assets, the related change in benefit obligations and the amounts recognized in the financial statements, in thousands of dollars, are as follows:

	SRAP	FRIP	PRBP	TOTAL
2024				
Fair value of plan assets, beginning of year	$ 203,196	$ —	$ 261,260	$ 464,456
Change in plan assets:				
Actual return on plan assets	26,097	—	46,368	72,465
Employer contributions	—	11,155	10,805	21,960
Plan participants' contributions	—	—	21,064	21,064
Benefits and plan expenses paid	(19,210)	(11,155)	(46,578) *	(76,943)
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**210,083**	**—**	**292,919**	**503,002**
Benefit obligation, beginning of year	216,017	164,013	545,157	925,187
Change in projected benefit obligation:				
Service cost	742	8,737	17,613	27,092
Interest cost	10,731	8,349	28,636	47,716
Plan participants' contributions	—	—	21,064	21,064
Actuarial loss	3,797	2,986	55,317	62,100
Benefits and plan expenses paid	(19,210)	(11,155)	(46,578) *	(76,943)
BENEFIT OBLIGATION, END OF YEAR	**212,077**	**172,930**	**621,209**	**1,006,216**
NET LIABILITY RECOGNIZED IN THE *STATEMENTS OF FINANCIAL POSITION*	**$ (1,994)**	**$ (172,930)**	**$ (328,290)**	**$ (503,214)**

** Net of Medicare subsidy of $1.6 million*

2023				
Fair value of plan assets, beginning of year	$ 216,200	$ —	$ 256,151	$ 472,351
Change in plan assets:				
Actual return on plan assets	5,989	—	18,394	24,383
Employer contributions	—	10,889	5,348	16,237
Plan participants' contributions	—	—	21,797	21,797
Benefits and plan expenses paid	(18,993)	(10,889)	(40,430) *	(70,312)
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**203,196**	**—**	**261,260**	**464,456**
Benefit obligation, beginning of year	239,194	160,554	515,423	915,171
Change in projected benefit obligation:				
Service cost	823	8,883	16,653	26,359
Interest cost	10,421	7,212	23,486	41,119
Plan participants' contributions	—	—	21,797	21,797
Actuarial loss (gain)	(15,428)	(1,747)	8,228	(8,947)
Benefits and plan expenses paid	(18,993)	(10,889)	(40,430) *	(70,312)
BENEFIT OBLIGATION, END OF YEAR	**216,017**	**164,013**	**545,157**	**925,187**
NET LIABILITY RECOGNIZED IN THE *STATEMENTS OF FINANCIAL POSITION*	**$ (12,821)**	**$ (164,013)**	**$ (283,897)**	**$ (460,731)**

** Net of Medicare subsidy of $2.4 million*

The accumulated benefit obligation for the SRAP was $211.7 million and $215.6 million at August 31, 2024 and 2023, respectively.

Net periodic benefit expense and non-operating activities related to the Plans for the years ended August 31, 2024 and 2023, in thousands of dollars, includes the following components:

	SRAP	FRIP	PRBP	TOTAL
2024				
Service cost	$ 742	$ 8,737	$ 17,613	$ 27,092
PERIODIC BENEFIT EXPENSE	**742**	**8,737**	**17,613**	**27,092**
Non-operating:				
Interest cost	10,731	8,349	28,636	47,716
Expected return on plan assets	(11,339)	—	(16,982)	(28,321)
Amortization of:				
Prior service cost	850	—	373	1,223
Actuarial loss (gain)	433	(919)	(1,450)	(1,936)
Non-operating periodic benefit cost	675	7,430	10,577	18,682
NET PERIODIC BENEFIT COST[1]	**1,417**	**16,167**	**28,190**	**45,774**
Non-operating periodic benefit cost	675	7,430	10,577	18,682
Net actuarial loss (gain)	(10,961)	2,986	25,931	17,956
Amortization of:				
Prior service cost	(850)	—	(373)	(1,223)
Actuarial gain (loss)	(433)	919	1,450	1,936
TOTAL AMOUNTS RECOGNIZED IN NON-OPERATING ACTIVITIES	**$ (11,569)**	**$ 11,335**	**$ 37,585**	**$ 37,351**
2023				
Service cost	$ 823	$ 8,883	$ 16,653	$ 26,359
PERIODIC BENEFIT EXPENSE	**823**	**8,883**	**16,653**	**26,359**
Non-operating:				
Interest cost	10,421	7,212	23,486	41,119
Expected return on plan assets	(10,018)	—	(16,650)	(26,668)
Amortization of:				
Prior service cost	850	—	373	1,223
Actuarial loss (gain)	880	(612)	(2,372)	(2,104)
Non-operating periodic benefit cost	2,133	6,600	4,837	13,570
NET PERIODIC BENEFIT COST[1]	**2,956**	**15,483**	**21,490**	**39,929**
Non-operating periodic benefit cost	2,133	6,600	4,837	13,570
Net actuarial loss (gain)	(11,399)	(1,747)	6,484	(6,662)
Amortization of:				
Prior service cost	(850)	—	(373)	(1,223)
Actuarial gain (loss)	(880)	612	2,372	2,104
TOTAL AMOUNTS RECOGNIZED IN NON-OPERATING ACTIVITIES	**$ (10,996)**	**$ 5,465**	**$ 13,320**	**$ 7,789**

[1]The components of net periodic benefit cost other than service cost are included in "Pension and other postemployment benefit related changes other than service cost" in the Statement of Activities.

Cumulative amounts recognized in non-operating activities, but not yet recognized in net periodic benefit cost in the *Consolidated Statements of Activities*, are presented in the following table for the years ended August 31, 2024 and 2023, in thousands of dollars:

	SRAP	FRIP	PRBP	TOTAL
2024				
Prior service cost	$ 1,280	$ —	$ 1,382	$ 2,662
Net actuarial loss (gain)	19,319	(25,365)	(49,697)	(55,743)
ACCUMULATED PLAN BENEFIT COSTS NOT YET RECOGNIZED IN NET PERIODIC BENEFIT COST	**$ 20,599**	**$ (25,365)**	**$ (48,315)**	**$ (53,081)**
2023				
Prior service cost	$ 2,130	$ —	$ 1,755	$ 3,885
Net actuarial loss (gain)	30,713	(29,270)	(77,078)	(75,635)
ACCUMULATED PLAN BENEFIT COSTS NOT YET RECOGNIZED IN NET PERIODIC BENEFIT COST	**$ 32,843**	**$ (29,270)**	**$ (75,323)**	**$ (71,750)**

ACTUARIAL ASSUMPTIONS

The weighted average assumptions used to determine the benefit obligations and net periodic benefit cost for the Plans are shown below:

	SRAP		FRIP		PRBP	
	2024	2023	2024	2023	2024	2023
BENEFIT OBLIGATIONS						
Discount rate	4.94%	5.31%	5.03%	5.35%	5.16%	5.37%
Covered payroll growth rate	3.00%	3.00%	4.78%	4.80%	N/A	N/A
NET PERIODIC BENEFIT COST						
Discount rate	5.31%	4.66%	5.35%	4.71%	5.37%	4.65%
Expected returns on plan assets	6.00%	5.00%	N/A	N/A	6.50%	6.50%
Covered payroll growth rate	3.00%	3.00%	4.80%	4.80%	N/A	N/A

The expected long-term rate of return on asset assumptions for the SRAP and PRBP plans is 5.50% and 6.50%, respectively. The assumption is used in determining the expected returns on plan assets, a component of net periodic benefit expense (income), representing the expected return for the upcoming fiscal year on plan assets. This assumption is developed based on future expectations for returns in each asset class, as well as the target asset allocation of the portfolios. The use of expected long-term returns on plan assets may result in income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns, and therefore result in a pattern of income and cost recognition that more closely matches the pattern of the services provided by the employees. Differences between actual and expected returns are recognized as a component of non-operating activities and amortized as a component of net periodic benefit expense (income) over the service or life expectancy of the plan participants, depending on the plan, provided such amounts exceed the accounting standards threshold.

To determine the accumulated PRBP obligation at August 31, 2024, a 8.70% and 6.30% annual rate of increase in the cost of covered health care for Medical Pre-65 and Medical Post-65, respectively, was assumed for calendar year 2024 with these rates declining gradually to 4.00% by 2049 and remaining at this rate thereafter.

EXPECTED CONTRIBUTIONS

The University expects to contribute $14.8 million to the FRIP, $26.2 million to the PRBP, and does not expect to contribute to the SRAP during the fiscal year ending August 31, 2025.

EXPECTED BENEFIT PAYMENTS

The following benefit payments, which reflect expected future service, are expected to be paid for the years ending August 31, in thousands of dollars:

			PRBP	
YEAR ENDING AUGUST 31	SRAP	FRIP	EXCLUDING MEDICARE SUBSIDY	EXPECTED MEDICARE PART D SUBSIDY
2025	$ 27,229	$ 14,806	$ 27,070	$ 891
2026	19,209	14,392	26,403	—
2027	18,129	13,149	28,135	—
2028	17,886	11,485	30,026	—
2029	16,934	11,521	31,849	—
2030 - 2034	71,261	69,845	187,575	—

INVESTMENT STRATEGY

The University's Retirement Program Investment Committee, acting in a fiduciary capacity, has established formal investment policies for the assets associated with the University's funded plans (SRAP and PRBP). The investment strategy of the plans is to preserve and enhance the value of the plans' assets within acceptable levels of risk. Investments in the plans are diversified among asset classes, striving to achieve an optimal balance between risk and return, and income and capital appreciation. Because the liabilities of each of the plans are long-term, the investment horizon is primarily long-term, with adequate liquidity to meet short-term benefit payment obligations.

CONCENTRATION OF RISK

The University manages a variety of risks, including market, credit, and liquidity risks, across its plan assets. Concentration of risk is defined as an undiversified exposure to one of the above-mentioned risks that increases the exposure of the loss of plan assets unnecessarily. Risk is minimized by predominately investing in broadly diversified index funds for public equities and fixed income. As of August 31, 2024, the University did not have concentrations of risk in any single entity, counterparty, sector, industry or country.

PLAN ASSETS AND ALLOCATIONS

Current U.S. GAAP defines a hierarchy of valuation inputs for the determination of the fair value of plan assets as described in *Note 6*. As of August 31, 2024 and 2023, all of the assets of the PRBP and substantially all of the assets of the SRAP were categorized as Level 1 investments. The fair value of plan assets by asset category, in thousands of dollars, at August 31, 2024 and 2023 and actual allocations and weighted-average target allocations at August 31, 2024 are as follows:

	2024	2023	2024 ACTUAL ALLOCATION	2024 TARGET ALLOCATION
SRAP:				
Cash and cash equivalents	$ 15,909	$ 2,147	8%	7%
Public equities	61,666	88,553	29%	30%
Fixed income	132,508	112,496	63%	63%
TOTAL	**210,083**	**203,196**	**100%**	**100%**
PRBP:				
Public equities	221,609	195,088	76%	75%
Fixed income	71,310	66,172	24%	25%
TOTAL	**292,919**	**261,260**	**100%**	**100%**
TOTAL PLAN ASSETS AT FAIR VALUE	**$ 503,002**	**$ 464,456**		

16. SHC and LPCH Retirement Plans

SHC and LPCH provide retirement benefits through defined benefit and defined contribution retirement plans covering substantially all of its regular employees.

DEFINED CONTRIBUTION PLAN

The Hospitals offer a defined contribution plan to eligible employees. Employer contributions to the defined contribution retirement plan are based on a percentage of participant annual compensation, participant contributions and years of service. SHC contributions under the plan, which are vested immediately to participants, were $225.8 million and $192.9 million, and LPCH contributed $82.9 million and $74.3 million for the years ended August 31, 2024 and 2023, respectively.

DEFINED BENEFIT PLANS

The Hospitals provide retirement and postretirement medical benefits through the SHC *Staff Pension Plan*, and the SHC *Postretirement Medical Benefit Plan*, collectively (the "Plans"). The obligations for the Plans, net of plan assets, are recorded in the *Consolidated Statements of Financial Position* as "Accrued pension and postretirement benefit obligations." These plans are described in more detail below.

Staff Pension Plan

Certain employees of SHC and LPCH are covered by the SHC *Staff Pension Plan* (the "Pension Plan"), a noncontributory, defined benefit pension plan. Benefits are based on years of service and the employee's compensation. Contributions to the plan are made in accordance with ERISA based on actuarially determined amounts sufficient to meet the benefits to be paid to plan participants. SHC and LPCH have an arrangement whereby SHC assumes the pension liability of the LPCH employees and previously leased employees. However, LPCH is required to reimburse SHC for the annual expense incurred for these employees and previously leased employees.

In April 2021, the SHC Board of Directors approved a resolution to terminate the Pension Plan. As of January 31, 2024, the Pension Plan was fully settled, and all benefit obligations released. Plan participants elected to receive either a lump-sum distribution or to transfer benefits to a third-party annuity provider. As a result of the settlement, SHC was relieved of any further obligations under the Pension Plan. During fiscal year 2024, pension settlement charges totaling $51.7 million were recognized. In addition to contributions of $3.9 million in the year ended August 31, 2024, there were contributions of $2.3 million to settle the Pension Plan.

Postretirement Medical Benefit Plan

SHC and LPCH provide health care benefits for certain retired employees through the SHC *Postretirement Medical Benefit Plan* (PRMB). The Hospitals' employees and their covered dependents may become eligible for the PRMB upon the employee's retirement as early as age 55, with years of service as defined by specific criteria. Retiree health plans are paid, in part, by retiree contributions, which are adjusted annually. The Hospitals' subsidies vary depending on whether the retiree is covered under the legacy design or the defined dollar benefit design. Medicare supplement options are provided for retirees over age 65. LPCH reimburses SHC for costs related to this plan on a periodic basis.

The change in the Plans' assets, the related change in benefit obligations and the amounts recognized in the financial statements, in thousands of dollars, are as follows:

	STAFF PENSION PLAN	PRMB
2024		
Fair value of plan assets, beginning of year	$ 151,390	$ —
Change in plan assets:		
Actual return on plan assets	6,264	—
Employer contributions	6,055	7,798
Plan participants' contributions	—	1,068
Benefits and plan expenses paid	(7,365)	(8,866) *
Plan settlements	(156,344)	—
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**—**	**—**
Benefit obligation, beginning of year	157,554	115,588
Change in projected benefit obligation:		
Service cost	1,350	5,282
Interest cost	3,448	5,949
Plan participants' contributions	—	1,068
Actuarial loss	1,357	6,071
Benefits and plan expenses paid	(7,365)	(8,866) *
Plan settlements	(156,344)	—
BENEFIT OBLIGATION, END OF YEAR	**—**	**125,092**
NET LIABILITY RECOGNIZED IN THE *STATEMENTS OF FINANCIAL POSITION*	**$ —**	**$ (125,092)**
** Net of Medicare subsidy of $64 thousand*		
2023		
Fair value of plan assets, beginning of year	$ 164,594	$ —
Change in plan assets:		
Actual return on plan assets	(1,112)	—
Employer contributions	—	5,642
Plan participants' contributions	—	1,156
Benefits and plan expenses paid	(12,092)	(6,798) *
FAIR VALUE OF PLAN ASSETS, END OF YEAR	**151,390**	**—**
Benefit obligation, beginning of year	167,017	117,266
Change in projected benefit obligation:		
Service cost	894	5,478
Interest cost	7,533	5,322
Plan participants' contributions	—	1,156
Actuarial gain	(5,829)	(7,230)
Benefits and plan expenses paid	(12,092)	(6,798) *
Plan amendments	887	394
Plan curtailments	(856)	—
BENEFIT OBLIGATION, END OF YEAR	**157,554**	**115,588**
NET LIABILITY RECOGNIZED IN THE STATEMENTS OF FINANCIAL POSITION	**$ (6,164)**	**$ (115,588)**
** Net of Medicare subsidy of $79 thousand*		

The net liability for the PRMB includes amounts for both SHC and LPCH employees and is recognized on the Hospitals' respective *Statements of Financial Position*. The table below presents the plan obligations for each entity as of August 31, 2024 and 2023, in thousands of dollars:

	2024	2023
SHC	$ 92,579	$ 85,337
LPCH	32,513	30,251
TOTAL	**$ 125,092**	**$ 115,588**

The accumulated benefit obligation for the Pension Plan was $0 and $157.6 million at August 31, 2024 and 2023, respectively.

Net periodic benefit cost and non-operating activities related to the Plans for the years ended August 31, 2024 and 2023, in thousands of dollars, includes the following components:

	STAFF PENSION PLAN	PRMB
2024		
Service cost	$ 1,350	$ 5,282
PERIODIC BENEFIT EXPENSE	**1,350**	**5,282**
Non-operating:		
Interest cost	3,448	5,949
Expected return on plan assets	(2,602)	—
Amortization of:		
Prior service cost	66	3,361
Actuarial loss (gain)	132	(1,534)
Curtailment loss	821	—
Settlement loss	51,688	—
Non-operating net periodic benefit cost	53,553	7,776
NET PERIODIC BENEFIT COST[1]	**54,903**	**13,058**
Non-operating net periodic benefit cost	53,553	7,776
Net actuarial loss (gain)	(2,305)	6,071
New prior service cost	—	—
Amortization of:		
Prior service cost	(887)	(3,361)
Actuarial gain (loss)	(51,820)	1,534
TOTAL AMOUNTS RECOGNIZED IN NON-OPERATING ACTIVITIES	**$ (1,459)**	**$ 12,020**
2023		
Service cost	$ 894	$ 5,478
PERIODIC BENEFIT EXPENSE	**894**	**5,478**
Non-operating:		
Interest cost	7,533	5,322
Expected return on plan assets	(7,370)	—
Amortization of:		
Prior service cost	—	3,553
Actuarial loss (gain)	349	(1,193)
Non-operating net periodic benefit cost	512	7,682
NET PERIODIC BENEFIT COST[1]	**1,406**	**13,160**
Non-operating net periodic benefit cost	512	7,682
Net actuarial loss (gain)	1,797	(7,230)
New prior service cost	887	394
Amortization of:		
Prior service cost	—	(3,553)
Actuarial gain (loss)	(349)	1,193
TOTAL AMOUNTS RECOGNIZED IN NON-OPERATING ACTIVITIES	**$ 2,847**	**$ (1,514)**

[1]*The components of net periodic benefit cost other than service cost are included in "Pension and other postemployment benefit related changes other than service cost" in the Statements of Activities.*

The net periodic benefit cost and amounts recognized in non-operating activities for the PRMB include amounts for both SHC and LPCH employees and is recognized on the Hospitals' respective *Statements of Activities*. The table below presents the amount for each entity as of August 31, 2024 and 2023, in thousands of dollars:

	SHC	LPCH	TOTAL
2024			
Net periodic benefit cost	$ 9,435	$ 3,623	$ 13,058
Amounts recognized in non-operating activities	2,112	2,132	4,244
TOTAL AMOUNT RECOGNIZED IN NET PERIODIC BENEFIT COST AND NON-OPERATING ACTIVITIES	**$ 11,547**	**$ 5,755**	**$ 17,302**
2023			
Net periodic benefit cost	$ 9,450	$ 3,710	$ 13,160
Amounts recognized in non-operating activities	(6,374)	(2,822)	(9,196)
TOTAL AMOUNT RECOGNIZED IN NET PERIODIC BENEFIT COST AND NON-OPERATING ACTIVITIES	**$ 3,076**	**$ 888**	**$ 3,964**

Cumulative amounts recognized in non-operating activities, but not yet recognized in net periodic benefit cost in the *Consolidated Statements of Activities*, are presented in the following table for the years ended August 31, 2024 and 2023, in thousands of dollars:

	STAFF PENSION PLAN	PRMB
2024		
Prior service cost	$ —	$ 30,626
Net actuarial gain	—	(18,949)
ACCUMULATED PLAN BENEFIT COSTS NOT YET RECOGNIZED IN NET PERIODIC BENEFIT COST	**$ —**	**$ 11,677**
2023		
Prior service cost	$ 887	$ 33,987
Net actuarial loss (gain)	54,125	(26,554)
ACCUMULATED PLAN BENEFIT COSTS NOT YET RECOGNIZED IN NET PERIODIC BENEFIT COST	**$ 55,012**	**$ 7,433**

ACTUARIAL ASSUMPTIONS

The weighted average assumptions used to determine the benefit obligations and net periodic benefit cost for the Plans are shown below:

	STAFF PENSION PLAN		PRMB	
	2024	2023	2024	2023
BENEFIT OBLIGATIONS				
Discount rate	N/A	5.33%	5.05%	5.34%
Covered payroll growth rate	N/A	3.00%	N/A	N/A
NET PERIODIC BENEFIT COST				
Discount rate	N/A	4.68%	5.34%	4.69%
Expected return on plan assets	N/A	4.00%	N/A	N/A
Covered payroll growth rate	N/A	3.00%	N/A	N/A

To determine the accumulated PRMB obligation at August 31, 2024, a 6.92% for Medical Pre-65 and 8.40% for Medical Post-65 annual rates of increase in the per capita cost of covered health care were assumed for calendar year 2024, declining gradually to 4.00% for both Pre-65 and Post 65, by 2048, and remaining at this rate thereafter.

EXPECTED CONTRIBUTIONS

SHC expects to contribute $5.7 million to the PRMB during the fiscal year ending August 31, 2025.

EXPECTED BENEFIT PAYMENTS

The following benefit payments, which reflect expected future service, are expected to be paid for the fiscal years ending August 31, in thousands of dollars:

	PRMB	
YEAR ENDING AUGUST 31	EXCLUDING MEDICARE SUBSIDY	EXPECTED MEDICARE PART D SUBSIDY
2025	$ 7,415	$ 150
2026	7,584	57
2027	7,954	50
2028	8,341	43
2029	8,833	37
2030 - 2034	53,224	112

INVESTMENT STRATEGY

Prior to settlement in 2024, the investment objective of the Pension Plan was to meet its pension obligations as promised by the plan. The Pension Plan's assets were invested in cash and fixed income to minimize investment risk during plan termination. The Pension Plan's asset allocation was revised to reflect the termination status of the plan as of January 31, 2024.

PLAN ASSETS AND ALLOCATIONS

Current U.S. GAAP defines a hierarchy of valuation inputs for the determination of the fair value of plan assets as described in *Note 6*. The Plans' assets measured at fair value at August 31, 2024 and 2023, are all categorized as Level 1 investments, in thousands of dollars, as follows:

	2024	2023
STAFF PENSION PLAN:		
Fixed income	—	151,390
PLAN ASSETS AT FAIR VALUE	**$ —**	**$ 151,390**

17. Leases

LESSEE

Stanford leases research and development facilities, office spaces, buses, and equipment under operating and finance leases expiring through November 2057. Under the accounting standard for leases, a lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. On the *Consolidated Statements of Financial Position*, "Right-of-use assets" represent Stanford's right to use an underlying asset for the lease term and "Lease liabilities" represent Stanford's obligation to make lease payments arising from the lease based on the present value of lease payments over the lease term. Lease liabilities do not include lease payments that were not fixed at commencement or lease modification. The lease terms may include options to extend or terminate the lease when it is reasonably certain that Stanford will exercise that option. The exercise of lease renewal options is at Stanford's sole discretion. Stanford uses an incremental borrowing rate for discounting leases, as applicable. Lease costs are included in "Other operating expenses" on the *Consolidated Statements of Activities.*

Supplemental information related to leases, in thousands of dollars, except lease term and discount rate, is as follows:

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2024					
Operating lease	$ 409,137	$ 381,413	$ 192,383	$ (99,801)	$ 883,132
Finance lease	213,363	—	—	—	213,363
TOTAL LEASE RIGHT-OF-USE ASSETS	**$ 622,500**	**$ 381,413**	**$ 192,383**	**$ (99,801)**	**$ 1,096,495**
Operating lease	$ 446,745	$ 396,355	$ 207,087	$ (99,801)	$ 950,386
Finance lease	232,905	—	—	—	232,905
TOTAL LEASE LIABILITY	**$ 679,650**	**$ 396,355**	**$ 207,087**	**$ (99,801)**	**$ 1,183,291**

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2023					
Operating lease	$ 429,183	$ 318,150	$ 206,915	$ (116,838)	$ 837,410
Finance lease	227,014	—	—	—	227,014
TOTAL LEASE RIGHT-OF-USE ASSETS	**$ 656,197**	**$ 318,150**	**$ 206,915**	**$ (116,838)**	**$ 1,064,424**
Operating lease	$ 459,339	$ 330,012	$ 220,386	$ (116,838)	$ 892,899
Finance lease	241,034	—	—	—	241,034
TOTAL LEASE LIABILITY	**$ 700,373**	**$ 330,012**	**$ 220,386**	**$ (116,838)**	**$ 1,133,933**

	UNIVERSITY		SHC		LPCH	
	2024	2023	2024	2023	2024	2023
WEIGHTED-AVERAGE REMAINING LEASE TERM IN YEARS:						
Operating lease	22.56	23.23	6.05	6.17	6.11	7.04
Finance lease	25.85	26.19	N/A	N/A	N/A	N/A
WEIGHTED-AVERAGE DISCOUNT RATE:						
Operating lease	3.32%	3.10%	4.49%	3.68%	2.94%	2.69%
Finance lease	2.75%	2.71%	N/A	N/A	N/A	N/A

The components of lease expenses, in thousands of dollars, are as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Operating lease cost	$ 47,915	$ 89,997	$ 38,872	$ 176,784
Finance lease cost:				
Amortization of leased assets	14,654	—	—	14,654
Interest on lease liabilities	6,097	—	—	6,097
Variable lease cost	7,130	11,877	8,876	27,883
Short-term lease cost	11,434	7,151	334	18,919
Sublease income	(7,137)	(4,114)	(2,565)	(13,816)
TOTAL LEASE COST	**$ 80,093**	**$ 104,911**	**$ 45,517**	**$ 230,521**
2023				
Operating lease cost	$ 44,248	$ 82,782	$ 38,084	$ 165,114
Finance lease cost:				
Amortization of leased assets	14,771	12	—	14,783
Interest on lease liabilities	6,238	—	—	6,238
Variable lease cost	5,399	11,338	6,360	23,097
Short-term lease cost	27,599	11,696	809	40,104
Sublease income	(7,023)	(3,949)	(4,532)	(15,504)
TOTAL LEASE COST	**$ 91,232**	**$ 101,879**	**$ 40,721**	**$ 233,832**

Supplemental cash flow information related to leases, in thousands of dollars, is as follows:

	UNIVERSITY	SHC	LPCH	CONSOLIDATED
2024				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 40,432	$ 86,900	$ 38,613	$ 165,945
Operating cash flows from finance leases	6,097	—	—	6,097
Financing cash flows from finance leases	9,131	—	—	9,131
Obtaining right-of-use assets in exchange for lease liabilities:				
Operating leases	$ 10,807	$ 138,450	$ 19,513	$ 168,770
Finance leases	1,002	—	—	1,002
2023				
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 35,806	$ 84,650	$ 37,256	$ 157,712
Operating cash flows from finance leases	6,238	—	—	6,238
Financing cash flows from finance leases	8,968	12	—	8,980
Obtaining right-of-use assets in exchange for lease liabilities:				
Operating leases	$ 316	$ 143,898	$ 33,370	$ 177,584
Finance leases	745	—	—	745

Maturities of lease liabilities for periods subsequent to August 31, 2024, in thousands of dollars, are as follows:

	MATURITY OF LEASE LIABILITIES				
YEAR ENDING AUGUST 31	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
2025	$ 63,670	$ 90,028	$ 41,684	$ (18,989)	$ 176,393
2026	55,031	83,805	39,065	(18,222)	159,679
2027	54,742	75,323	33,776	(15,900)	147,941
2028	51,063	65,493	33,253	(16,175)	133,634
2029	48,811	49,174	30,536	(15,938)	112,583
Thereafter	712,718	88,748	47,812	(29,986)	819,292
TOTAL LEASE PAYMENTS	**986,035**	**452,571**	**226,126**	**(115,210)**	**1,549,522**
LESS IMPUTED INTEREST	**(306,385)**	**(56,216)**	**(19,039)**	**15,409**	**(366,231)**
TOTAL	**$ 679,650**	**$ 396,355**	**$ 207,087**	**$ (99,801)**	**$ 1,183,291**

LESSOR

Stanford holds investment properties that it leases to external parties under non-cancellable operating leases. Stanford receives minimum rental income over the life of the lease; however, certain of the leases include variable rental payments that are based on a percentage of the tenant sales in excess of contractual amount. Certain leases include options for lessee to extend or terminate the lease. The University employs a comprehensive risk management strategy for the residual value of the leased assets. This strategy includes ground lease agreements that require the return of assets in first-class condition, regular inspections of the properties, market assessments, and the analysis of historical data to predict asset values at the end of the lease term. The University also monitors economic trends and industry forecasts to adjust our leasing terms and pricing models accordingly.

Rental income is recognized over time in accordance with the contractual term of the related lease agreements. Total rental income under these leases for the years ended August 31, 2024 and 2023 was $287.6 million and $275.2 million for the University, $7.6 million and $3.9 million for SHC, and $1.2 million and $1.5 million for LPCH, respectively. See *Note 6* for future minimum rental income under non-cancellable leases.

18. Related Party Transactions

Members of the University, SHC, and LPCH boards and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with Stanford. Transactions with related parties occur in the ordinary course of Stanford's activities which do not have a material effect on Stanford's financial position. Stanford related parties may include affiliates, trusts, and investment holdings. In addition, related parties may also include board members and senior management, their family members, and any entities with which they are associated that may do business with Stanford.

The University, SHC and LPCH have separate written conflict of interest policies that require, among other items, that no member of their respective board can participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each board member is required to certify compliance with his or her respective entity's conflict of interest policy on an annual basis and indicate whether his or her respective entity does business with any entity in which the board member has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the respective entity, and in accordance with applicable conflict of interest laws and policies. No such associations are considered to be significant.

The University, SHC, and LPCH each requires its senior management to disclose annually any significant financial interests in, or employment or consulting relationships with, entities doing business with it. These annual disclosures cover both senior management and their immediate family members. When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the relevant entity. No such associations are considered to be significant.

19. Commitments and Contingencies

Management is of the opinion that none of the following commitments and contingencies will have a material adverse effect on Stanford's consolidated financial position.

LABOR AGREEMENTS

Approximately 6% of the University's, 39% of SHC's and 48% of LPCH's employees are covered under union contract arrangements and are, therefore, subject to labor stoppages when contracts expire. The University's agreement with the Service Employees International Union (SEIU) will expire in 2028 and the agreement with the Stanford Deputy Sheriffs' Association will expire in 2026. SHC's and LPCH's agreements with SEIU will expire in 2026 and the agreements with the Committee for Recognition of Nursing Achievement (CRONA) will expire in 2025. SHC's agreements with the California Nurses Association (CNA) and with the United Security Associates Union (USAU) will expire in 2027. SHC's agreement with the Committee of Interns and Residents (CIR-SEIU) will expire in 2026.

LITIGATION

The University, SHC and LPCH are defendants in a number of legal actions. While the final outcome cannot be determined at this time, management is of the opinion that the liability, if any, resulting from these legal actions will not have a material adverse effect on the consolidated financial position.

CONTRACTUAL COMMITMENTS

At August 31, 2024, the University had contractual obligations of approximately $260.1 million in connection with major construction projects. Remaining expenditures on construction in progress are estimated to be $1.3 billion, which will be financed with certain unexpended plant funds, gifts and debt. Commitments on construction contracts, including the construction and remodeling of Hospital facilities, were approximately $454.6 million for SHC and $78.9 million for LPCH at August 31, 2024. SHC had contractual obligations of approximately $858.2 million to support SHC's operations, such as maintenance, food services, software subscription related services, valet services and other purchased services at August 31, 2024.

Over the course of the next several years, SHC will complete renovations to enable the relocation of inpatient units that remain in the 1959-era portion of the hospital, and fulfill the seismic safety mandate to have all inpatient beds located in compliant structures. As of August 31, 2024, $547.0 million was recorded to property and equipment of which $129.0 million was recorded to construction in progress and $418.0 million was capitalized to property and equipment. Estimated cost of the renewal project is approximately $1.6 billion.

The University executed two 25-year agreements with two solar electricity developers and operators in 2015 and 2018 to purchase the output from their solar photovoltaic facilities and battery storage. The first facility was placed in service in December 2016 and the second facility began operation in April 2022. The University's total unpaid commitment under the agreements over the life of the agreements, undiscounted, is $284.6 million.

In addition, as described in *Note 6*, the University is obligated under certain alternative investment agreements to advance additional funding up to specified levels over a period of years.

20. Subsequent Events

Stanford has evaluated subsequent events for the period from August 31, 2024 through December 10, 2024, the date the *Consolidated Financial Statements* were issued.

21. Consolidating Entity Statements

The pages which follow present consolidating statements of financial position as of August 31, 2024 and 2023 and consolidating statements of activities and cash flows for the years then ended, in thousands of dollars. The information has been prepared in a manner consistent with GAAP and was derived from and relates directly to the underlying accounting and other records used to prepare the *Consolidated Financial Statements*. The consolidating information is presented only for purposes of additional analysis and not as a presentation of the financial position and results of the individual entities.

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

At August 31, 2024 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
ASSETS					
Cash and cash equivalents	$ 886,227	$ 446,748	$ 402,185	$ (8,169)	$ 1,726,991
Accounts receivable, net	376,483	1,355,822	777,650	—	2,509,955
Related party receivables	352,792	260,365	92,885	(706,042)	—
Prepaid expenses and other assets	111,615	490,864	138,693	(111,378)	629,794
Pledges receivable, net	2,543,622	35,756	144,268	(54,209)	2,669,437
Student loans receivable, net	33,652	—	—	—	33,652
Faculty and staff mortgages and other loans receivable, net	1,209,048	—	—	—	1,209,048
Assets limited as to use	551,352	—	8,292	—	559,644
Investments at fair value	47,954,271	5,827,932	1,406,417	8,169	55,196,789
Right-of-use assets	622,500	381,413	192,383	(99,801)	1,096,495
Plant facilities, net of accumulated depreciation	8,690,768	3,999,516	1,822,027	—	14,512,311
Works of art and special collections	—	—	—	—	—
TOTAL ASSETS	**$ 63,332,330**	**$ 12,798,416**	**$ 4,984,800**	**$ (971,430)**	**$ 80,144,116**
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 1,113,185	$ 1,465,433	$ 414,670	$ —	$ 2,993,288
Liabilities associated with investments	889,360	—	—	—	889,360
Lease liabilities	679,650	396,355	207,087	(99,801)	1,183,291
Deferred income and other obligations	1,847,946	172,979	41,767	—	2,062,692
Related party liabilities	324,008	299,844	85,246	(709,098)	—
Accrued pension and postretirement benefit obligations	503,214	92,579	32,513	—	628,306
Notes and bonds payable	5,507,379	2,543,525	793,546	—	8,844,450
TOTAL LIABILITIES	**10,864,742**	**4,970,715**	**1,574,829**	**(808,899)**	**16,601,387**
NET ASSETS:					
Without donor restrictions	27,071,685	7,689,487	2,538,369	(198,530)	37,101,011
With donor restrictions	25,395,903	138,214	871,602	35,999	26,441,718
TOTAL NET ASSETS	**52,467,588**	**7,827,701**	**3,409,971**	**(162,531)**	**63,542,729**
TOTAL LIABILITIES AND NET ASSETS	**$ 63,332,330**	**$ 12,798,416**	**$ 4,984,800**	**$ (971,430)**	**$ 80,144,116**

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

At August 31, 2023 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
ASSETS					
Cash and cash equivalents	$ 745,015	$ 611,592	$ 390,081	$ (7,744)	$ 1,738,944
Accounts receivable, net	296,435	1,184,307	695,849	—	2,176,591
Related party receivables	263,761	204,041	79,138	(546,940)	—
Prepaid expenses and other assets	104,634	519,684	126,433	(184,593)	566,158
Pledges receivable, net	2,630,956	45,182	173,837	(68,859)	2,781,116
Student loans receivable, net	37,527	—	—	—	37,527
Faculty and staff mortgages and other loans receivable, net	1,084,897	9,453	4,501	—	1,098,851
Assets limited as to use	576,510	—	75,470	—	651,980
Investments at fair value	46,856,086	4,648,525	1,313,919	7,744	52,826,274
Right of use assets	656,197	318,150	206,915	(116,838)	1,064,424
Plant facilities, net of accumulated depreciation	8,558,837	3,875,677	1,749,527	—	14,184,041
Works of art and special collections	—	—	—	—	—
TOTAL ASSETS	**$ 61,810,855**	**$ 11,416,611**	**$ 4,815,670**	**$ (917,230)**	**$ 77,125,906**
LIABILITIES AND NET ASSETS					
LIABILITIES:					
Accounts payable and accrued expenses	$ 1,028,884	$ 1,452,881	$ 373,730	$ —	$ 2,855,495
Liabilities associated with investments	878,955	—	—	—	$ 878,955
Lease liabilities	700,373	330,012	220,386	(116,838)	1,133,933
Deferred income and other obligations	1,766,039	196,159	55,813	—	2,018,011
Related party liabilities	267,074	238,778	44,251	(550,103)	—
Accrued pension and postretirement benefit obligations	460,731	91,501	30,251	—	582,483
Notes and bonds payable	5,470,495	2,270,445	810,203	—	8,551,143
TOTAL LIABILITIES	**10,572,551**	**4,579,776**	**1,534,634**	**(666,941)**	**16,020,020**
NET ASSETS:					
Without donor restrictions	27,193,858	6,698,906	2,426,559	(236,176)	36,083,147
With donor restrictions	24,044,446	137,929	854,477	(14,113)	25,022,739
TOTAL NET ASSETS	**51,238,304**	**6,836,835**	**3,281,036**	**(250,289)**	**61,105,886**
TOTAL LIABILITIES AND NET ASSETS	**$ 61,810,855**	**$ 11,416,611**	**$ 4,815,670**	**$ (917,230)**	**$ 77,125,906**

CONSOLIDATING STATEMENTS OF ACTIVITIES

For the year ended August 31, 2024 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
NET ASSETS WITHOUT DONOR RESTRICTIONS					
OPERATING REVENUES:					
TOTAL STUDENT INCOME, NET	**$ 802,484**	**$ —**	**$ —**	**$ —**	**$ 802,484**
Sponsored support:					
Direct costs - University	1,201,597	303	—	—	1,201,900
Direct costs - SLAC National Accelerator Laboratory	635,865	—	—	—	635,865
Indirect costs	369,828	—	—	—	369,828
TOTAL SPONSORED SUPPORT	**2,207,290**	**303**	**—**	**—**	**2,207,593**
Health care services:					
Net patient service revenue	—	8,681,322	2,742,174	(49,436)	11,374,060
Premium revenue	—	56,709	—	—	56,709
Physicians' services and support - SHC and LPCH, net	1,844,608	—	—	(1,844,608)	—
Physicians' services and support - other facilities, net	55,200	—	—	(10,392)	44,808
TOTAL HEALTH CARE SERVICES	**1,899,808**	**8,738,031**	**2,742,174**	**(1,904,436)**	**11,475,577**
TOTAL CURRENT YEAR GIFTS IN SUPPORT OF OPERATIONS	**259,879**	**177**	**5,312**	**—**	**265,368**
Net assets released from restrictions:					
Payments received on pledges	266,965	220	—	—	267,185
Prior year gifts released from donor restrictions	137,694	4,515	7,094	—	149,303
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**404,659**	**4,735**	**7,094**	**—**	**416,488**
Investment income distributed for operations:					
Endowment	1,822,312	613	13,183	—	1,836,108
Expendable funds pools and other investment income	388,751	1,238	—	—	389,989
TOTAL INVESTMENT INCOME DISTRIBUTED FOR OPERATIONS	**2,211,063**	**1,851**	**13,183**	**—**	**2,226,097**
TOTAL SPECIAL PROGRAM FEES AND OTHER INCOME	**622,088**	**207,327**	**110,368**	**(19,250)**	**920,533**
TOTAL OPERATING REVENUES	**8,407,271**	**8,952,424**	**2,878,131**	**(1,923,686)**	**18,314,140**
OPERATING EXPENSES:					
Salaries and benefits	5,460,273	3,915,374	1,382,031	—	10,757,678
Depreciation	533,082	292,030	82,801	—	907,913
Other operating expenses	2,423,737	4,201,261	1,342,087	(1,923,686)	6,043,399
TOTAL OPERATING EXPENSES	**8,417,092**	**8,408,665**	**2,806,919**	**(1,923,686)**	**17,708,990**
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ (9,821)**	**$ 543,759**	**$ 71,212**	**$ —**	**$ 605,150**

CONSOLIDATING STATEMENTS OF ACTIVITIES, Continued

For the year ended August 31, 2024 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)					
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ (9,821)**	**$ 543,759**	**$ 71,212**	**$ —**	**$ 605,150**
NON-OPERATING ACTIVITIES:					
Increase (decrease) in reinvested gains	(127,035)	562,033	90,348	—	525,346
Donor advised funds, net	(64,292)	—	—	—	(64,292)
Current year gifts not included in operations	911	—	—	—	911
Equity and fund transfers, net	191,096	(104,534)	(114,809)	28,247	—
Capital and other gifts released from restrictions	66,065	6,384	1,324	—	73,773
Pension and other postemployment benefit related changes other than service cost	(37,351)	(5,396)	(4,342)	—	(47,089)
Transfer from (to) net assets with donor restrictions, net	(69,381)	—	63,709	(63,709)	(69,381)
Swap interest and change in value of swap agreements	(1,870)	(2,898)	—	—	(4,768)
Other	(70,495)	(8,767)	4,368	73,108	(1,786)
NET CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	**(122,173)**	**990,581**	**111,810**	**37,646**	**1,017,864**
NET ASSETS WITH DONOR RESTRICTIONS					
Gifts and pledges, net	958,312	7,145	73,509	14,650	1,053,616
Increase in reinvested gains	704,556	5,986	41,104	—	751,646
Change in value of split-interest agreements, net	57,670	—	2,869	—	60,539
Net assets released to operations	(404,659)	(6,763)	(25,589)	—	(437,011)
Capital and other gifts released to net assets without donor restrictions	(66,065)	(6,384)	(1,324)	—	(73,773)
Gift transfers, net	37,681	301	(9,735)	(28,247)	—
Transfer from (to) net assets without donor restrictions, net	69,381	—	(63,709)	63,709	69,381
Other	(5,419)	—	—	—	(5,419)
NET CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	**1,351,457**	**285**	**17,125**	**50,112**	**1,418,979**
NET CHANGE IN TOTAL NET ASSETS	**1,229,284**	**990,866**	**128,935**	**87,758**	**2,436,843**
Total net assets, beginning of year	51,238,304	6,836,835	3,281,036	(250,289)	61,105,886
TOTAL NET ASSETS, END OF YEAR	**$ 52,467,588**	**$7,827,701**	**$3,409,971**	**$ (162,531)**	**$ 63,542,729**

CONSOLIDATING STATEMENTS OF ACTIVITIES

For the year ended August 31, 2023 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
NET ASSETS WITHOUT DONOR RESTRICTIONS					
OPERATING REVENUES:					
TOTAL STUDENT INCOME, NET	**$ 760,534**	**$ —**	**$ —**	**$ —**	**$ 760,534**
Sponsored support:					
Direct costs - University	1,059,200	32,029	2,835	—	1,094,064
Direct costs - SLAC National Accelerator Laboratory	571,654	—	—	—	571,654
Indirect costs	347,576	—	—	—	347,576
TOTAL SPONSORED SUPPORT	**1,978,430**	**32,029**	**2,835**	**—**	**2,013,294**
Health care services:					
Net patient service revenue	—	7,521,035	2,518,425	(44,013)	9,995,447
Premium revenue	—	65,386	—	—	65,386
Physicians' services and support - SHC and LPCH, net	1,577,976	—	—	(1,577,976)	—
Physicians' services and support - other facilities, net	47,419	—	—	(7,682)	39,737
TOTAL HEALTH CARE SERVICES	**1,625,395**	**7,586,421**	**2,518,425**	**(1,629,671)**	**10,100,570**
TOTAL CURRENT YEAR GIFTS IN SUPPORT OF OPERATIONS	**269,096**	**506**	**6,028**	**—**	**275,630**
Net assets released from restrictions:					
Payments received on pledges	226,255	462	—	—	226,717
Prior year gifts released from donor restrictions	137,256	6,554	4,594	—	148,404
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**363,511**	**7,016**	**4,594**	**—**	**375,121**
Investment income distributed for operations:					
Endowment	1,736,346	1,063	12,174	—	1,749,583
Expendable funds pools and other investment income	142,156	2,628	—	—	144,784
TOTAL INVESTMENT INCOME DISTRIBUTED FOR OPERATIONS	**1,878,502**	**3,691**	**12,174**	**—**	**1,894,367**
TOTAL SPECIAL PROGRAM FEES AND OTHER INCOME	**578,913**	**242,043**	**119,905**	**(17,050)**	**923,811**
TOTAL OPERATING REVENUES	**7,454,381**	**7,871,706**	**2,663,961**	**(1,646,721)**	**16,343,327**
OPERATING EXPENSES:					
Salaries and benefits	4,887,095	3,575,799	1,298,188	—	9,761,082
Depreciation	502,091	262,712	89,018	—	853,821
Other operating expenses	2,270,698	3,618,329	1,196,153	(1,646,721)	5,438,459
TOTAL OPERATING EXPENSES	**7,659,884**	**7,456,840**	**2,583,359**	**(1,646,721)**	**16,053,362**
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ (205,503)**	**$ 414,866**	**$ 80,602**	**$ —**	**$ 289,965**

CONSOLIDATING STATEMENTS OF ACTIVITIES, Continued

For the year ended August 31, 2023 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
NET ASSETS WITHOUT DONOR RESTRICTIONS (continued)					
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	**$ (205,503)**	**$ 414,866**	**$ 80,602**	**$ —**	**$ 289,965**
NON-OPERATING ACTIVITIES:					
Increase (decrease) in reinvested gains	(96,173)	326,565	38,424	—	268,816
Donor advised funds, net	(41,846)	—	—	—	(41,846)
Current year gifts not included in operations	822	—	—	—	822
Equity and fund transfers, net	165,453	(87,862)	(105,332)	27,741	—
Capital and other gifts released from restrictions	12,249	20,281	16,269	—	48,799
Pension and other postemployment benefit related changes other than service cost	(7,789)	(1,930)	623	—	(9,096)
Transfer from (to) net assets with donor restrictions, net	(57,781)	—	55,747	(55,747)	(57,781)
Swap interest and change in value of swap agreements	8,454	55,155	—	—	63,609
Other	37,527	(929)	496	(36,529)	565
NET CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	**(184,587)**	**726,146**	**86,829**	**(64,535)**	**563,853**
NET ASSETS WITH DONOR RESTRICTIONS					
Gifts and pledges, net	1,521,106	20,884	90,423	4,135	1,636,548
Increase (decrease) in reinvested gains	(252,663)	3,699	19,445	—	(229,519)
Change in value of split-interest agreements, net	29,596	—	1,562	—	31,158
Net assets released to operations	(363,511)	(11,213)	(22,796)	—	(397,520)
Capital and other gifts released to net assets without donor restrictions	(12,249)	(20,281)	(16,269)	—	(48,799)
Gift transfers, net	39,079	(258)	(11,080)	(27,741)	—
Transfer from (to) net assets without donor restrictions, net	57,781	—	(55,747)	55,747	57,781
Other	(3,085)	—	—	—	(3,085)
NET CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	**1,016,054**	**(7,169)**	**5,538**	**32,141**	**1,046,564**
NET CHANGE IN TOTAL NET ASSETS	**831,467**	**718,977**	**92,367**	**(32,394)**	**1,610,417**
Total net assets, beginning of year	50,406,837	6,117,858	3,188,669	(217,895)	59,495,469
TOTAL NET ASSETS, END OF YEAR	**$ 51,238,304**	**$6,836,835**	**$3,281,036**	**$ (250,289)**	**$ 61,105,886**

CONSOLIDATING STATEMENTS OF CASH FLOWS

For the year ended August 31, 2024 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
CASH FLOW FROM OPERATING ACTIVITIES					
Change in net assets	$ 1,229,284	$ 990,866	$ 128,935	$ 87,758	$ 2,436,843
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:					
Depreciation	533,082	294,687	82,801	—	910,570
Amortization of bond premiums, discounts and other	25,772	(11,199)	(2,485)	—	12,088
Accretion of discounts on bond investments	(89,050)	—	—	—	(89,050)
Net gains on investments	(2,300,614)	(413,605)	(58,537)	—	(2,772,756)
Change in fair value of interest rate swaps	1,842	2,072	—	—	3,914
Change in split-interest agreements	71,620	—	(4,888)	—	66,732
Gifts restricted for long-term investments	(559,383)	(10,612)	(31,167)	—	(601,162)
Equity and fund transfers, net	(228,777)	104,230	60,838	63,709	—
Gifts of securities, properties, and interest in trusts	(45,850)	—	—	—	(45,850)
Other	12,650	7,760	(3,629)	—	16,781
Premiums received from bond issuance	—	39,460	—	—	39,460
Changes in operating assets and liabilities:					
Accounts receivable	(78,644)	(171,515)	(81,801)	—	(331,960)
Related party receivable	(64,913)	31,863	33,050	—	—
Pledges receivable, net	31,971	9,426	(10,124)	(14,650)	16,623
Prepaid expenses and other assets	(8,996)	(30,282)	(12,035)	—	(51,313)
Accounts payable and accrued expenses	97,351	61,751	37,861	—	196,963
Accrued pension and postretirement benefit obligations	42,483	1,078	2,262	—	45,823
Lease liabilities	(28,939)	3,080	1,233	—	(24,626)
Deferred income and other obligations	64,377	(25,837)	(14,046)	—	24,494
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**(1,294,734)**	**883,223**	**128,268**	**136,817**	**(146,426)**
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to plant facilities, net	(674,190)	(499,213)	(150,051)	—	(1,323,454)
Faculty, student and other loans: new loans made	(185,990)	(49,226)	(17,410)	66,996	(185,630)
Faculty, student and other loans: principal collected	84,645	8,858	6,275	(15,502)	84,276
Purchases of investments	(17,491,794)	(1,257,431)	(31,182)	(73,533)	(18,853,940)
Sales and maturities of investments	18,563,131	573,351	24,104	—	19,160,586
Change associated with short term investments	63,854	—	—	—	63,854
Swap settlement payments, net	—	(776)	—	—	(776)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	**359,656**	**(1,224,437)**	**(168,264)**	**(22,039)**	**(1,055,084)**
CASH FLOW FROM FINANCING ACTIVITIES					
Gifts and reinvested income for long-term purposes	622,705	11,663	56,526	—	690,894
Equity and fund transfers from Hospitals	204,659	(80,112)	(60,838)	(63,709)	—
Proceeds from related party housing loans	66,996	—	—	(66,996)	—
Repayments to related party housing loans	(15,502)	—	—	15,502	—
Proceeds from borrowing	1,081,979	260,545	201,086	—	1,543,610
Repayment of notes and bonds payable	(997,272)	(13,475)	(209,570)	—	(1,220,317)
Contributions received for split-interest agreements	19,657	—	—	—	19,657
Payments made under split-interest agreements	(54,982)	—	(715)	—	(55,697)
Commercial paper and variable rate debt proceeds (repayments), net	(22,505)	—	—	—	(22,505)
Other	(8,371)	(2,251)	(1,257)	—	(11,879)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	**897,364**	**176,370**	**(14,768)**	**(115,203)**	**943,763**
DECREASE IN CASH AND CASH EQUIVALENTS	**(37,714)**	**(164,844)**	**(54,764)**	**(425)**	**(257,747)**
Cash and cash equivalents, beginning of year	1,068,564	611,592	474,803	(7,744)	2,147,215
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 1,030,850**	**$ 446,748**	**$ 420,039**	**$ (8,169)**	**$ 1,889,468**
SUPPLEMENTAL DATA:					
Cash and cash equivalents as shown in the *Statements of Financial Position*	$ 886,227	$ 446,748	$ 402,185	$ (8,169)	$ 1,726,991
Restricted cash included in assets limited as to use	53,311	—	8,292	—	61,603
Restricted cash included in other assets	6,111	—	9,562	—	15,673
Cash and restricted cash included in investments	85,201	—	—	—	85,201
TOTAL CASH AND CASH EQUIVALENTS AS SHOWN ON THE STATEMENTS OF CASH FLOWS	**$ 1,030,850**	**$ 446,748**	**$ 420,039**	**$ (8,169)**	**$ 1,889,468**
Interest paid, net of capitalized interest	$ 199,054	$ 90,398	$ 33,740	$ —	$ 323,192
Change in payables for plant facilities	$ (5,198)	$ (59,849)	$ 5,183	$ —	$ (59,864)
Right-of-use assets obtained in exchange for lease liabilities	$ 11,809	$ 138,450	$ 19,513	$ —	$ 169,772

CONSOLIDATING STATEMENTS OF CASH FLOWS

For the year ended August 31, 2023 (in thousands of dollars)

	UNIVERSITY	SHC	LPCH	ELIMINATIONS	CONSOLIDATED
CASH FLOW FROM OPERATING ACTIVITIES					
Change in net assets	$ 831,467	$ 718,977	$ 92,367	$ (32,394)	$ 1,610,417
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:					
Depreciation	502,091	262,712	89,018	—	853,821
Amortization of bond premiums, discounts and other	25,937	(4,663)	(2,957)	—	18,317
Accretion of discounts on bond investments	(630)	—	—	—	(630)
Net gains on investments	(1,133,251)	(267,513)	(19,438)	—	(1,420,202)
Change in fair value of interest rate swaps	(9,117)	(59,644)	—	—	(68,761)
Change in split-interest agreements	17,914	—	(1,915)	—	15,999
Gifts restricted for long-term investments	(980,249)	(11,491)	(15,884)	—	(1,007,624)
Equity and fund transfers, net	(204,532)	88,120	60,665	55,747	—
Gifts of securities, properties, and interest in trusts	(5,423)	—	—	—	(5,423)
Other	79,064	—	(6,897)	—	72,167
Premiums received from bond issuance	58,451	—	—	—	58,451
Changes in operating assets and liabilities:					
Accounts receivable	(4,011)	(72,394)	(96,262)	—	(172,667)
Related party receivable	(43,169)	41,447	1,722	—	—
Pledges receivable, net	(138,463)	(3,305)	25,549	(4,135)	(120,354)
Prepaid expenses and other assets	(10,307)	(62,393)	(3,702)	—	(76,402)
Accounts payable and accrued expenses	16,272	47,707	21,556	—	85,535
Accrued pension and postretirement benefit obligations	17,911	2,802	(726)	—	19,987
Lease liabilities	(23,840)	68,691	1,560	—	46,411
Deferred income and other obligations	69,524	(22,456)	(36,015)	—	11,053
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**(934,361)**	**726,597**	**108,641**	**19,218**	**(79,905)**
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to plant facilities, net	(1,120,237)	(411,295)	(90,151)	—	(1,621,683)
Faculty, student and other loans: new loans made	(157,419)	(46,968)	(11,177)	58,195	(157,369)
Faculty, student and other loans: principal collected	63,333	7,172	3,782	(10,946)	63,341
Purchases of investments	(15,139,671)	(277,162)	(11,099)	36,210	(15,391,722)
Sales and maturities of investments	15,962,058	210,276	14,022	—	16,186,356
Change associated with short term investments	(130,304)	—	—	—	(130,304)
Swap settlement payments, net	—	(5,095)	—	—	(5,095)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	**(522,240)**	**(523,072)**	**(94,623)**	**83,459**	**(1,056,476)**
CASH FLOW FROM FINANCING ACTIVITIES					
Gifts and reinvested income for long-term purposes	482,651	11,440	69,549	—	563,640
Equity and fund transfers from Hospitals	239,456	(123,044)	(60,665)	(55,747)	—
Proceeds from related party housing loans	58,195	—	—	(58,195)	—
Repayments to related party housing loans	(10,946)	—	—	10,946	—
Proceeds from borrowing	768,114	—	—	—	768,114
Repayment of notes and bonds payable	(566,252)	(17,078)	(9,110)	—	(592,440)
Contributions received for split-interest agreements	9,791	—	—	—	9,791
Payments made under split-interest agreements	(56,651)	—	(803)	—	(57,454)
Commercial paper and variable rate debt proceeds (repayments), net	(12,299)	—	—	—	(12,299)
Securities lending collateral sold, net	(2,151)	—	—	—	(2,151)
Other	(13,446)	(54)	—	—	(13,500)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	**896,462**	**(128,736)**	**(1,029)**	**(102,996)**	**663,701**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(560,139)**	**74,789**	**12,989**	**(319)**	**(472,680)**
Cash and cash equivalents, beginning of year	1,628,703	536,803	461,814	(7,425)	2,619,895
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 1,068,564**	**$ 611,592**	**$ 474,803**	**$ (7,744)**	**$ 2,147,215**
SUPPLEMENTAL DATA:					
Cash and cash equivalents as shown in the *Statements of Financial Position*	$ 745,015	$ 611,592	$ 390,081	$ (7,744)	$ 1,738,944
Restricted cash and cash equivalents included in assets limited as to use	193,732	—	75,470	—	269,202
Restricted cash included in other assets	7,473	—	9,252	—	16,725
Cash and restricted cash included in investments	122,344	—	—	—	122,344
TOTAL CASH AND CASH EQUIVALENTS AS SHOWN ON THE STATEMENTS OF CASH FLOWS	**$ 1,068,564**	**$ 611,592**	**$ 474,803**	**$ (7,744)**	**$ 2,147,215**
Interest paid, net of capitalized interest	$ 185,001	$ 81,573	$ 33,669	$ —	$ 300,243
Change in payables for plant facilities	$ 36,265	$ 13,343	$ (380)	$ —	$ 49,228
Right-of-use assets obtained in exchange for lease liabilities	$ 1,061	$ 143,898	$ 33,370	$ —	$ 178,329

Stanford University

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APPENDIX B

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a summary of certain provisions of the Indenture and the Loan Agreement that are not described elsewhere in this Official Statement. The Series V4/-V-5 Bonds are issued and secured pursuant to the Indenture and the Loan Agreement. References to the Indenture, the Loan Agreement, or a fund or account refer to the related document, fund or account with respect to the Series V-4/V-5 Bonds, as described in this Official Statement. Unless otherwise specified to the contrary in this Appendix B, all definitions and provisions summarized refer to the Indenture and the Loan Agreement. These summaries do not purport to be comprehensive and reference should be made to the Indenture and the Loan Agreement for a full and complete statement of their provisions.

DEFINITIONS OF CERTAIN TERMS

Unless the context otherwise requires, the terms defined in this summary shall, for all purposes of this summary, have the meanings herein specified, to be equally applicable to both singular and plural forms of any of the terms herein defined. Unless otherwise defined in this summary, all terms used herein or elsewhere in the Official Statement shall have the meanings assigned to such terms in the Indenture or the Act, as applicable.

"Act" means the California Educational Facilities Authority Act, constituting Chapter 2 (commencing with Section 94100) of Part 59 of Division 10 of Title 3 of the Education Code of the State, as now in effect and as it may from time to time hereafter be amended or supplemented.

"Act of Bankruptcy" of the Authority or the Borrower means any of the following with respect to such party:

(1) the commencement by such party of a voluntary case under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws;

(2) the filing of a petition with a court having jurisdiction over such party to commence an involuntary case against such party under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws, which shall not have been stayed or dismissed within 60 days;

(3) such party shall admit in writing its inability to pay its debts generally as they become due;

(4) a receiver, trustee or liquidator of such party shall be appointed in any proceeding brought against such party;

(5) the making of a general assignment by such party for the benefit of its creditors; or

(6) the entry by such party into an agreement of composition with its creditors.

"Additional Payments" means the payments to be made by the Borrower to the Trustee or the Authority in accordance with the Loan Agreement.

"Administrative Fees and Expenses" means the reasonable and necessary application, commitment, financing or similar fees and expenses charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Trustee pursuant to the Loan Agreement or the Indenture.

"Authority" means the California Educational Facilities Authority, a public instrumentality of the State established by the Act.

"Authorized Representative" means, (1) with respect to the Authority, its Chair (or any Deputy), Executive Director or any other Person or Persons designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Chair (or any Deputy) or Executive Director and (2) with respect to the Borrower, its Chief Financial Officer, its Treasurer, its Senior Associate Vice President of Finance or such other person as may be designated to sign for the Borrower by a Certificate of the Borrower signed by its Chief Financial Officer, its Treasurer or its Senior Associate Vice President of Finance and furnished to the Trustee. Such authorizations shall remain in effect until the Trustee has received a written notice to the contrary, accompanied by a new designation.

"Base Loan Payments" means the payments required to be made by the Borrower to the Trustee for the account of the Authority in accordance with the Loan Agreement for the payment of the principal (whether at maturity or upon prior redemption) of and interest to the date fixed for redemption or maturity and premium, if any, on the Bonds.

"Bonds," as the term is used in the Indenture and in this Appendix B, means the California Educational Facilities Authority Revenue Bonds (Stanford University), Series V-1, together with any additional Series of Bonds, authorized by, and at any time Outstanding pursuant to, the Indenture, including the Series V-4/V-5 Bonds.

"Borrower" means The Board of Trustees of the Leland Stanford Junior University, a body duly exercising corporate powers and privileges pursuant to the Constitution and laws of the State, and its successors or assigns or any co-obligor permitted pursuant to the Loan Agreement.

"Business Day" means any day other than a Saturday or a Sunday or a day on which banking institutions located in the city in which the Principal Corporate Trust Office of the Trustee is located are authorized or obligated by law or executive order to be closed.

"Certificate," "Statement," "Request," "Order" or "Requisition" of the Authority or the Borrower mean, respectively, a written certificate, statement, request, order or requisition signed in the name of the Authority by its Chair or a deputy thereto or its Executive Director or by any other person who is specifically authorized by a resolution of the Authority to execute such a document on its behalf, or in the name of the Borrower by an Authorized Representative of the Borrower. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by the Indenture, each such instrument shall include the statements provided for in the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor code or law and any regulations in effect or promulgated thereunder.

"Continuing Disclosure Agreement" means each Continuing Disclosure Agreement, dated the date of issuance and delivery of the Bonds, between the Borrower and the Trustee, as originally executed and as it may be amended in accordance with its terms.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry-system to record ownership of book-entry interests in Bonds, and to effect transfers of book-entry interests in Bonds in book-entry form, and includes, and means initially, The Depository Trust Company, New York, New York.

"Favorable Opinion of Bond Counsel" means an Opinion of Counsel by a nationally recognized bond counsel firm experienced in matters relating to the exclusion from gross income for federal income tax purposes of interest payable on obligations of state and political subdivisions.

"Fitch" means Fitch Ratings, Inc., and its successors or assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, any other nationally recognized statistical rating organization designated by the Authority following receipt of a Request of the Borrower.

"Fourth Supplemental Agreement" means the Fourth Supplemental Loan Agreement, dated as of March 1, 2025, between the Authority and the Borrower.

"Fourth Supplemental Indenture" means the Fourth Supplemental Indenture, dated as of March 1, 2025, between the Authority and the Trustee.

"Hard Put Long-Term Bonds" means any Series V-4/V-5 Bonds in a Long-Term Mode that, pursuant to the election of the Borrower under the provisions of the Indenture are Hard Put Long-Term Bonds during such Long-Term Mode.

"Holder" or *"Bondholder"* whenever used in the Indenture with respect to a Bond, means the person in whose name such Bond is registered.

"Indenture" means the Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture entered into pursuant to the provisions thereof.

"Investment Securities" means any of the following obligations as and to the extent that such obligations are at the time legal investments under the Act for moneys held under the Indenture and then proposed to be invested (the Trustee is entitled to rely upon any investment direction from the Borrower as a certification that such investment is a legal investment under the Act and constitutes an Investment Security):

(1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (a) U.S. Export-Import Bank ("Eximbank"), (b) Farmers Home Administration ("FmHA"), (c) Federal Financing Bank, (d) Federal Housing Administration Debentures ("FHA"), (e) General Services Administration, (f) Government National Mortgage Association ("GNMA" or "Ginnie Mae"), (g) U.S. Maritime Administration, and (h) U.S. Department of Housing and Urban Development ("HUD");

(3) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if

they have been stripped by the agency itself): (a) Federal Home Loan Bank System, (b) Federal Home Loan Mortgage Corporation ("FHLMC" or "Freddie Mac"), (c) Federal National Mortgage Association ("FNMA" or "Fannie Mae"), (d) Student Loan Marketing Association ("SLMA" or "Sallie Mae"), (e) Resolution Funding Corp. ("REFCORP") obligations, and (f) Farm Credit System;

(4) money market mutual funds have a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and retains fee from funds for services provided to the fund, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(5) certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Trustee on behalf of the Bondholders must have a perfected first security interest in collateral;

(6) certificates of deposit, savings accounts, bank deposit products, trust accounts, overnight bank deposits, interest bearing accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF;

(7) investment agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements;

(8) commercial paper rated, at the time of purchase, "Prime – 1" by Moody's and "A-1" or better by S&P;

(9) bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(10) federal funds or bankers acceptances with a maximum term of one year of any bank or bank deposit products including those with the Trustee and its affiliates, which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P;

(11) repurchase agreements ("repos"), which must meet the following criteria:

(a) repos must be between the Trustee and a dealer bank or securities firm that is: (i) a primary dealer on the Federal Reserve reporting dealer list which is rated "A" or better by S&P and Moody's, or (ii) a bank rated "A" or above by S&P and Moody's;

(b) the written repo contract must include the following: (i) securities which are acceptable for transfer are direct U.S. governments, or federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC), (ii) the term of the repo may be up to 30 days, (iii) the collateral must be delivered to the Trustee (if the Trustee is supplying the collateral) or its agent before/simultaneous with payment (perfection by possession of certificated securities), (iv) the securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the Trustee to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below

104% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are BNMA or FHLMC, then the value of collateral must equal 105%; and

(12) any other investment approved in writing by the Authority.

"Loan Agreement" means that certain loan agreement, between the Authority and the Borrower, as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Indenture.

"Long-Term Interest Rate" means, for the Series V-4/V-5 Bonds during the Initial Long-Term Mode, the Long Term Interest Rates set forth on the inside front cover of the forepart of this Official Statement.

"Long-Term Mode" means a period during which the Series V-4/V-5 Bonds bear interest at a Long-Term Interest Rate.

"Mandatory Purchase Date" means the dates upon which Series V-4/V-5 Bonds are subject to mandatory purchase, which are the dates following the end of the Initial Long-Term Modes, as set forth on the inside front cover of the forepart of this Official Statement.

"Moody's" means Moody's Investors Service, Inc., and its successors or assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, any other nationally recognized statistical rating organization designated by the Borrower by notice to the Authority and the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"Notice by Mail" or "notice" of any action or condition "by Mail" means a written notice meeting the requirements of the Indenture mailed by first-class mail to the Holders of specified registered Bonds, at the addresses shown on the registration books maintained pursuant to the Indenture.

"Opinion of Counsel" means a written opinion of counsel (who may be counsel for the Authority) selected by the Authority and reasonably acceptable to the Borrower. If and to the extent required by the provisions of the Indenture, each Opinion of Counsel shall include the statements provided for in the Indenture.

"*Outstanding*" when used as of any particular time with reference to Bonds (subject to the provisions of the Indenture), means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) on or after any purchase date for Variable Rate Bonds, all Variable Rate Bonds (or portions of Variable Rate Bonds) which have been purchased on such date, but which have not been delivered to the tender agent, provided that funds sufficient for such purchase are on deposit with the tender agent in accordance with the provisions of the Indenture; (3) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the Indenture; and (4) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

"Person" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Principal Payment Date" means any date on which principal on the Bonds of any Series is due and payable, whether by reason of maturity or of redemption from mandatory sinking account payments, if any, established in connection with such Series of Bonds.

"Rating Agency" means Moody's, S&P or Fitch.

"Record Date" means, with respect to any Interest Payment Date for the Series V-4 Bonds, the fifteenth day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day, and, with respect to any Interest Payment Date for any additional Series of Bonds, the date or dates so indicated in the Supplemental Indenture for such Series.

"Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium, if any, payable upon the date fixed for redemption thereof pursuant to the provisions of such Bond and the Indenture.

"S&P" means S&P Global Ratings, a business unit of Standard & Poor's Rating Services, and its successors or assigns, or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a nationally recognized statistical rating organization, any other nationally recognized statistical rating organization designated by the Borrower by notice to the Authority and the Trustee.

"*Series*" when used with respect to the Bonds, means all the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, and any Bonds thereafter authenticated and delivered upon a transfer or exchange or in view of or in substitution for such Bonds.

"*Series V-4 Base Loan Payments*" means the payments required to be made by the Borrower to the Trustee for the account of the Authority in accordance with the Third Supplemental Agreement for the payment of the principal (whether at maturity or upon prior redemption) of and interest to the date fixed for redemption or maturity and premium, if any, on the Series V-4 Bonds.

"*Series V-4 Bonds*" means the California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-4, authorized to be issued pursuant to the Third Supplemental Indenture.

"*Series V-4 Event of Default*" means any of the events specified in the provisions of the Indenture summarized below under "INDENTURE – Series V-4 Events of Default; Remedies on Default."

"*Series V-4 Funds and Accounts*" means the funds and accounts held by the Trustee and established under the Indenture described below under "INDENTURE – Establishment of Series V-4 Funds and Accounts."

"*Series V-4 Loan Default Event*" means any of the events of default specified in the provisions of the Loan Agreement summarized below under "LOAN AGREEMENT – Events of Default; Remedies on Default."

"Series V-4 Rebate Account" means the account within the Rebate Fund and established under the Indenture.

"*Series V-4 Revenues*" means all payments received by the Authority or the Trustee from the Borrower related to the Series V-4 Bonds pursuant or with respect to the Loan Agreement (except Additional Payments paid by the Borrower pursuant to the Loan Agreement, any indemnification amounts paid by the Borrower pursuant to the Loan Agreement and amounts received for or on deposit in the Series V-4 Rebate Account), including, without limiting the generality of the foregoing, Series V-4 Base

Loan Payments (including both timely and delinquent payments), prepayments, and all income derived from the investment of any money in any fund or account held by the Trustee and established pursuant to the Indenture.

"*Series V-5 Base Loan Payments*" means the payments required to be made by the Borrower to the Trustee for the account of the Authority in accordance with the Fourth Supplemental Agreement for the payment of the principal (whether at maturity or upon prior redemption) of and interest to the date fixed for redemption or maturity and premium, if any, on the Series V-5 Bonds.

"*Series V-5 Bonds*" means the California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-5, authorized to be issued pursuant to the Fourth Supplemental Indenture.

"*Series V-5 Event of Default*" means any of the events specified in the provisions of the Indenture summarized below under "INDENTURE – Series V-5 Events of Default; Remedies on Default."

"*Series V-5 Funds and Accounts*" means the funds and accounts held by the Trustee and established under the Indenture described below under "INDENTURE – Establishment of Series V-5 Funds and Accounts."

"*Series V-5 Loan Default Event*" means any of the events of default specified in the provisions of the Loan Agreement summarized below under "LOAN AGREEMENT – Events of Default; Remedies on Default."

"Series V-5 Rebate Account" means the account within the Rebate Fund and established under the Indenture.

"*Series V-5 Revenues*" means all payments received by the Authority or the Trustee from the Borrower related to the Series V-5 Bonds pursuant or with respect to the Loan Agreement (except Additional Payments paid by the Borrower pursuant to the Loan Agreement, any indemnification amounts paid by the Borrower pursuant to the Loan Agreement and amounts received for or on deposit in the Series V-5 Rebate Account), including, without limiting the generality of the foregoing, Series V-5 Base Loan Payments (including both timely and delinquent payments), prepayments, and all income derived from the investment of any money in any fund or account held by the Trustee and established pursuant to the Indenture.

"*Supplemental Indenture*" means any indenture duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture.

"Tax Agreement" means that certain Tax Certificate and Agreement entered into between the Authority and the Borrower at the time of issuance and delivery of a Series of Bonds, as the same may be amended or supplemented in accordance with its terms.

"Third Supplemental Agreement" means the Third Supplemental Loan Agreement, dated as of March 1, 2025, between the Authority and the Borrower.

"Third Supplemental Indenture" means the Third Supplemental Indenture, dated as of March 1, 2025, between the Authority and the Trustee.

"Variable Rate Bonds" means Bonds that bear interest at a variable rate or rates.

INDENTURE

The Indenture sets forth the terms of the Series V-4/V-5 Bonds, the nature and extent of the security, various rights of the Bondholders, rights, duties and immunities of the Trustee and the rights and obligations of the Authority. Certain provisions of the Indenture are summarized in this Official Statement under the captions "THE SERIES V-4/V-5 BONDS" and "SECURITY FOR THE SERIES V-4/V-5 BONDS." Other provisions are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Indenture.

Pledge and Assignment of Series V-4 Revenues

The Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Series V-4 Revenues and any other amounts (including proceeds of the sale of Series V-4 Bonds) held in the Series V-4 Funds and Accounts (other than the Series V-4 Rebate Account); all of the right, title and interest of the Authority in the Loan Agreement (except for (i) the right to receive and to enforce its rights with respect to any Administrative Fees and Expenses or Additional Payments to the extent payable to the Authority, (ii) any rights of the Authority to be indemnified, held harmless and defended and rights to inspection and to receive notices, certificates and opinions, (iii) express rights to give approvals, consents or waivers, and (iv) the obligation of the Borrower to make deposits pursuant to the Tax Agreement). The Trustee shall be entitled to, and shall collect and receive all of the Series V-4 Revenues and any Series V-4 Revenues collected or received by the Authority shall be deemed to be held and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to, and shall, take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Authority and all of the obligations of the Borrower under the Loan Agreement.

Pledge and Assignment of Series V-5 Revenues

The Authority transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, all of the Series V-5 Revenues and any other amounts (including proceeds of the sale of Series V-5 Bonds) held in the Series V-5 Funds and Accounts (other than the Series V-5 Rebate Account); all of the right, title and interest of the Authority in the Loan Agreement (except for (i) the right to receive and to enforce its rights with respect to any Administrative Fees and Expenses or Additional Payments to the extent payable to the Authority, (ii) any rights of the Authority to be indemnified, held harmless and defended and rights to inspection and to receive notices, certificates and opinions, (iii) express rights to give approvals, consents or waivers, and (iv) the obligation of the Borrower to make deposits pursuant to the Tax Agreement). The Trustee shall be entitled to, and shall collect and receive all of the Series V-5 Revenues and any Series V-5 Revenues collected or received by the Authority shall be deemed to be held and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to, and shall, take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Authority and all of the obligations of the Borrower under the Loan Agreement.

Establishment of Series V-4 Funds and Accounts

The Indenture creates a Stanford University Series V-4 Project Construction Fund, a Stanford University Series V-4 TECP Repayment Fund, a Series V-4 Bond Fund (and a Series V-4 Interest Account and a Series V-4 Principal Account therein), a Series V-4 Redemption Fund (and a Series V-4 Optional Redemption Account therein) and a Series V-4 Rebate Fund, all of which are to be held by the Trustee.

Stanford University Series V-4 Project Construction Fund. The moneys, if any, in the Stanford University Series V-4 Project Construction Fund shall be transferred by the Trustee to the Borrower pursuant to the Indenture and applied by the Borrower in accordance with the Loan Agreement to pay costs of the Series V Project (which is described in the Indenture).

Stanford University Series V-4 TECP Repayment Fund. The moneys, if any, in the Stanford University Series V-4 TECP Repayment Fund shall be used, withdrawn and disbursed by the Trustee pursuant to the Indenture to repay tax-exempt commercial paper notes.

Series V-4 Bond Fund. The moneys in the Series V-4 Bond Fund shall be used, withdrawn and disbursed by the Trustee pursuant to the Indenture.

Series V-4 Interest Account. Moneys in the Series V-4 Interest Account shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall deposit the following Series V-4 Revenues in the Series V-4 Interest Account when and as such Series V-4 Revenues are received: (1) the interest component of all Series V-4 Base Loan Payments, including the interest component of all cash prepayments of Series V-4 Base Loan Payments made pursuant to the Loan Agreement; (2) all interest, profits and other income received from the investment of moneys in the Series V-4 Interest Account; and (3) any other Series V-4 Revenues not required to be deposited in any other fund or account established pursuant to the Indenture.

All amounts in the Series V-4 Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series V-4 Bonds as the same becomes due and payable (including accrued interest with respect to any Bonds purchased or redeemed prior to maturity pursuant to the Indenture).

Series V-4 Principal Account. The Trustee shall deposit the following Series V-4 Revenues in the Series V-4 Principal Account when and as such Series V-4 Revenues are received: (1) the principal component of all Series V-4 Base Loan Payments, but excluding the principal component of all cash prepayments of Series V-4 Base Loan Payments made pursuant to the Loan Agreement, which shall be deposited in the Series V-4 Redemption Fund; and (2) all interest, profits and other income received from the investment of moneys in the Series V-4 Principal Account.

Series V-4 Redemption Fund. The Trustee shall deposit the following Series V-4 Revenues in the Series V-4 Optional Redemption Account when and as such Series V-4 Revenues are received: (1) except as provided in the following paragraph, the principal component of all cash prepayments of Series V-4 Base Loan Payments made pursuant to the Loan Agreement; and (2) all interest, profits and other income received from the investment of moneys in the Series V-4 Optional Redemption Account.

All amounts deposited in the Series V-4 Optional Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Series V-4 Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given and at the Redemption Prices then applicable to redemptions from the Series V-4 Optional Redemption Account; provided, however that, at any time prior to giving of such notice of redemption, the Trustee shall, upon direction of the Borrower, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Series V-4 Interest Account) as the Borrower may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the Series V-4 Bonds (or, if the Series V-4 Bonds are not then subject to redemption, the par value of such Series V-4 Bonds); and provided further that, in the case of the Series V-4 Optional Redemption Account, in lieu of redemption at such next succeeding date of redemption, or in combination

therewith, amounts in such account may be transferred to the Series V-4 Bond Fund and credited against Series V-4 Base Loan Payments in order of their due date as set forth in a Request of the Borrower.

Series V-4 Rebate Account. The Series V-4 Rebate Account is established within the Rebate Fund. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Series V-4 Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement related to the Series V-4 Bonds), for payment to the federal government of the United States of America. Neither the Authority, the Borrower nor the Holder of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series V-4 Rebate Account shall be governed by the Indenture and by the Tax Agreement related to the Series V-4 Bonds.

Establishment of Series V-5 Funds and Accounts

The Indenture creates a Stanford University Series V-5 Project Construction Fund, a Stanford University Series V-5 TECP Repayment Fund, a Series V-5 Bond Fund (and a Series V-5 Interest Account and a Series V-5 Principal Account therein), a Series V-5 Redemption Fund (and a Series V-5 Optional Redemption Account therein) and a Series V-5 Rebate Fund, all of which are to be held by the Trustee.

Stanford University Series V-5 Project Construction Fund. The moneys, if any, in the Stanford University Series V-5 Project Construction Fund shall be transferred by the Trustee to the Borrower pursuant to the Indenture and applied by the Borrower in accordance with the Loan Agreement to pay costs of the Series V Project (which is described in the Indenture).

Stanford University Series V-5 TECP Repayment Fund. The moneys, if any, in the Stanford University Series V-5 TECP Repayment Fund shall be used, withdrawn and disbursed by the Trustee pursuant to the Indenture to repay tax-exempt commercial paper notes.

Series V-5 Bond Fund. The moneys in the Series V-5 Bond Fund shall be used, withdrawn and disbursed by the Trustee pursuant to the Indenture.

Series V-5 Interest Account. Moneys in the Series V-5 Interest Account shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall deposit the following Series V-5 Revenues in the Series V-5 Interest Account when and as such Series V-5 Revenues are received: (1) the interest component of all Series V-5 Base Loan Payments, including the interest component of all cash prepayments of Series V-5 Base Loan Payments made pursuant to the Loan Agreement; (2) all interest, profits and other income received from the investment of moneys in the Series V-5 Interest Account; and (3) any other Series V-5 Revenues not required to be deposited in any other fund or account established pursuant to the Indenture.

All amounts in the Series V-5 Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Series V-5 Bonds as the same becomes due and payable (including accrued interest with respect to any Bonds purchased or redeemed prior to maturity pursuant to the Indenture).

Series V-5 Principal Account. The Trustee shall deposit the following Series V-5 Revenues in the Series V-5 Principal Account when and as such Series V-5 Revenues are received: (1) the principal component of all Series V-5 Base Loan Payments, but excluding the principal component of all cash prepayments of Series V-5 Base Loan Payments made pursuant to the Loan Agreement, which shall be deposited in the Series V-5 Redemption Fund; and (2) all interest, profits and other income received from the investment of moneys in the Series V-5 Principal Account.

Series V-5 Redemption Fund. The Trustee shall deposit the following Series V-5 Revenues in the Series V-5 Optional Redemption Account when and as such Series V-5 Revenues are received: (1) except as provided in the following paragraph, the principal component of all cash prepayments of Series V-5 Base Loan Payments made pursuant to the Loan Agreement; and (2) all interest, profits and other income received from the investment of moneys in the Series V-5 Optional Redemption Account.

All amounts deposited in the Series V-5 Optional Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of redeeming Series V-5 Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has not been given and at the Redemption Prices then applicable to redemptions from the Series V-5 Optional Redemption Account; provided, however that, at any time prior to giving of such notice of redemption, the Trustee shall, upon direction of the Borrower, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Series V-5 Interest Account) as the Borrower may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to the Series V-5 Bonds (or, if the Series V-5 Bonds are not then subject to redemption, the par value of such Series V-5 Bonds); and provided further that, in the case of the Series V-5 Optional Redemption Account, in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Series V-5 Bond Fund and credited against Series V-5 Base Loan Payments in order of their due date as set forth in a Request of the Borrower.

Series V-5 Rebate Account. The Series V-5 Rebate Account is established within the Rebate Fund. Subject to the transfer provisions provided in the Indenture, all money at any time deposited in the Series V-5 Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Agreement related to the Series V-5 Bonds), for payment to the federal government of the United States of America. Neither the Authority, the Borrower nor the Holder of any Bonds shall have any rights in or claim to such money. All amounts deposited into or on deposit in the Series V-5 Rebate Account shall be governed by the Indenture and by the Tax Agreement related to the Series V-5 Bonds.

Issuance of Additional Series of Bonds

The Authority may issue additional Series of Bonds under the Indenture at any time at the request of the Borrower. Each such additional Series of Bonds shall be executed by the Authority for issuance and delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Authority upon its order, but only upon receipt by the Trustee of the following:

(1) An original executed copy of the Supplemental Indenture authorizing such Series of Bonds, which Supplemental Indenture shall specify (a) the purpose for which such Series of Bonds is being issued, provided, that such Series of Bonds shall be approved solely for financing or refinancing the Series V Project; (b) the authorized principal amount and denominations of such Series of Bonds; (c) whether such Bonds shall bear interest at a fixed rate or shall be Variable Rate Bonds, and, if such Bonds are to be Variable Rate Bonds, the tender, remarketing and interest rate provisions for such Series; (d) whether the interest on such Bonds shall be federally taxable or tax-exempt; (e) the Series designation of such Bonds, the date or dates, the Interest Payment Dates, the Principal Payment Dates and the maturity date or dates of such Bonds; (f) the manner of dating and numbering such Bonds; (g) the place or places of payment of the principal or redemption, tender or purchase price, and the manner of payment of interest on, such Bonds; (h) any redemption, tender or purchase provisions for such Bonds; (i) the amount and due date of each mandatory sinking account payment, if any, for such Bonds; (j) the amounts to be deposited in the funds and accounts created and established by the Indenture and the Supplemental Indenture authorizing such Bonds; (k) the form of such Bond and whether it is a replacement Bond or a newly issued, additional Bond;

and (l) any other provisions deemed advisable by the Authority or the Borrower that are not in conflict with the provisions of the Indenture;

(2) An original executed copy of the Supplemental Loan Agreement with respect to such Series of Bonds;

(3) An original executed copy of the bond purchase contract, or supplement thereto, with respect to such Series of Bonds;

(4) An official statement, or supplement thereto, with respect to such Series of Bonds;

(5) A Written Request of the Authority to the Trustee (i) requesting that the Trustee authenticate such Bonds, (ii) stating that the Authority is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Indenture and (iii) stating that the resolution of the Authority authorizing the issuance of such Bonds was duly adopted and is in full force and effect as of the date of issuance of such Bonds;

(6) A Certificate, Request and Consent of the Borrower with respect to such Bonds;

(7) A continuing disclosure agreement, or supplement thereto, for such Bonds, if required by law;

(8) A tax certificate, or supplement thereto, relating to such Bonds;

(9) Agreements with any liquidity provider or any agents for remarketing or conducting auctions with respect to Variable Rate Bonds;

(10) An opinion of counsel to the Authority with respect to such Bonds in substantially the form delivered by counsel to the Authority in connection with the issuance of the Series V-1 Bonds under the Indenture;

(11) An opinion of Bond Counsel with respect to such Bonds in substantially the form delivered by Bond Counsel in connection with the issuance of the Series V-1 Bonds under the Indenture (allowing for such changes to such opinion as are necessary or appropriate to reflect the tax treatment of such Bonds); and

(12) An opinion of Borrower's counsel with respect to such Bonds in substantially the form delivered by Borrower's counsel in connection with the issuance of the Series V-1 Bonds under the Indenture.

Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Indenture establishing the terms and provisions of such Series of Bonds.

Series V-4 Events of Default; Remedies on Default

The following events are Series V-4 Events of Default under the Indenture: (a) default in the due and punctual payment of the principal or Purchase Price of any Series V-4 Bond when and as the same shall become due and payable, whether at maturity as therein expressed, upon mandatory tender for purchase on a Mandatory Purchase Date, or by declaration of acceleration; (b) default in the due and punctual payment of any installment of interest on any Series V-4 Bond when and as such interest installment shall become due and payable; (c) default by the Authority in the observance of any of the other covenants, agreements

or conditions on its part contained in the Indenture (but only if such default is applicable to, or with respect to, the Series V-4 Bonds or in the Series V-4 Bonds, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority and the Borrower by the Trustee, or to the Authority, the Borrower and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Series V-4 Bonds at the time Outstanding; or (d) a Series V-4 Loan Default Event.

Whenever any Series V-4 Event of Default shall have occurred and be continuing, the Trustee may take the following remedial steps:

(a) In each and every such case during the continuance of such a Series V-4 Event of Default, unless the principal of all the Series V-4 Bonds has already become due and payable, the Trustee, by notice in writing to the Authority, may, and, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Series V-4 Bonds at the time Outstanding, shall, declare the principal of all the Series V-4 Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, anything in the Indenture or in the Series V-4 Bonds contained to the contrary notwithstanding;

(b) In the case of any Series V-4 Event of Default described in (c) of the first paragraph of this section, the Trustee may take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the Authority with any covenant, condition or agreement by the Authority under the Indenture applicable to, or with respect to, the Series V-4 Bonds; and

(c) In the case of a Series V-4 Event of Default described in (d) of the first paragraph of this section, the Trustee may take whatever action the Authority would be entitled to take, and shall take whatever action the Authority would be required to take, pursuant to the Loan Agreement in order to remedy the Series V-4 Loan Default Event.

The Trustee shall give notice of any declaration described in subsection (a) above to each Rating Agency then rating the Series V-4 Bonds; provided that failure to give any such Notice shall not affect the sufficiency of the proceedings for such declaration. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the Borrower shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Series V-4 Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Series V-4 Bonds, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Series V-4 Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall, on behalf of the Holders of all of the Series V-4 Bonds, annul such declaration and its consequences and waive such default; but no such annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

If one or more Series V-4 Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Holders of a majority in aggregate principal amount of the Series V-4 Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, shall proceed to protect or enforce its rights or the rights of the Holders of Series V-4 Bonds under the Act or under the Loan Agreement or the Indenture by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other

legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Indenture.

Series V-5 Events of Default; Remedies on Default

The following events are Series V-5 Events of Default under the Indenture: (a) default in the due and punctual payment of the principal or Purchase Price of any Series V-5 Bond when and as the same shall become due and payable, whether at maturity as therein expressed, upon mandatory tender for purchase on a Mandatory Purchase Date, or by declaration of acceleration; (b) default in the due and punctual payment of any installment of interest on any Series V-5 Bond when and as such interest installment shall become due and payable; (c) default by the Authority in the observance of any of the other covenants, agreements or conditions on its part contained in the Indenture (but only if such default is applicable to, or with respect to, the Series V-5 Bonds or in the Series V-5 Bonds, if such default shall have continued for a period of 30 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority and the Borrower by the Trustee, or to the Authority, the Borrower and the Trustee by the Holders of not less than a majority in aggregate principal amount of the Series V-5 Bonds at the time Outstanding; or (d) a Series V-5 Loan Default Event.

Whenever any Series V-5 Event of Default shall have occurred and be continuing, the Trustee may take the following remedial steps:

(a) In each and every such case during the continuance of such a Series V-5 Event of Default, unless the principal of all the Series V-5 Bonds has already become due and payable, the Trustee, by notice in writing to the Authority, may, and, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Series V-5 Bonds at the time Outstanding, shall, declare the principal of all the Series V-5 Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, anything in the Indenture or in the Series V-5 Bonds contained to the contrary notwithstanding;

(b) In the case of any Series V-5 Event of Default described in (c) of the first paragraph of this section, the Trustee may take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the Authority with any covenant, condition or agreement by the Authority under the Indenture applicable to, or with respect to, the Series V-5 Bonds; and

(c) In the case of a Series V-5 Event of Default described in (d) of the first paragraph of this section, the Trustee may take whatever action the Authority would be entitled to take, and shall take whatever action the Authority would be required to take, pursuant to the Loan Agreement in order to remedy the Series V-5 Loan Default Event.

The Trustee shall give notice of any declaration described in subsection (a) above to each Rating Agency then rating the Series V-5 Bonds; provided that failure to give any such Notice shall not affect the sufficiency of the proceedings for such declaration. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the Borrower shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Series V-5 Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Series V-5 Bonds, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Series V-5 Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall, on behalf of the Holders of all of the Series V-5 Bonds, annul such

declaration and its consequences and waive such default; but no such annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

If one or more Series V-5 Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Holders of a majority in aggregate principal amount of the Series V-5 Bonds then Outstanding, and upon being indemnified to its reasonable satisfaction therefor, shall proceed to protect or enforce its rights or the rights of the Holders of Series V-5 Bonds under the Act or under the Loan Agreement or the Indenture by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Indenture.

Limitation on Bondholder's Right to Sue

No Holder of any Series V-4 Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Loan Agreement, the Act or any other applicable law with respect to such Series V-4 Bond; provided, however, the Holders of at least a majority in aggregate principal amount of the Series V-4 Bonds then Outstanding may institute such a suit, action or proceeding at law or in equity, for the protection or enforcement of a right or remedy under the Indenture, the Loan Agreement, the Act or any other applicable law with respect to the Series V-4 Bonds, if (1) such Holder or said Holders shall have given to the Trustee written notice of the occurrence of a Series V-4 Event of Default; (2) such Holder or said Holders shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

No Holder of any Series V-5 Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Loan Agreement, the Act or any other applicable law with respect to such Series V-5 Bond; provided, however, the Holders of at least a majority in aggregate principal amount of the Series V-5 Bonds then Outstanding may institute such a suit, action or proceeding at law or in equity, for the protection or enforcement of a right or remedy under the Indenture, the Loan Agreement, the Act or any other applicable law with respect to the Series V-5 Bonds, if (1) such Holder or said Holders shall have given to the Trustee written notice of the occurrence of a Series V-5 Event of Default; (2) such Holder or said Holders shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name; (3) such Holder or said Holders shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Amendment of Indenture and Loan Agreement

The Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Trustee may be modified or amended from time to time and at anytime by an indenture or indentures supplemental to the Indenture, which the Authority and the Trustee may enter into when the written consent of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have been

filed with the Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof (except as may be permitted with respect to Variable Rate Bonds), without the consent of the Holder of each Bond so affected, or (2) reduce the percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Holders of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Holders of all Bonds then Outstanding.

The Indenture may also be modified or amended but without the necessity of obtaining the consent of any Bondholders, for one or more of the following purposes: (1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved to or conferred upon the Authority, provided, that no such covenant, agreement, pledge, assignment or surrender shall, as evidenced by a Certificate of the Borrower or an Opinion of Counsel described in the Indenture, materially adversely affect the interests of the Holders of the Bonds; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority or the Trustee may deem necessary or desirable and not inconsistent with the Indenture, and which shall not, as evidenced by a Certificate of the Borrower or the Opinion of Counsel described in the Indenture, materially adversely affect the interests of the Holders of the Bonds; (3) to modify, amend or supplement the Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939, as amended; as amended, or any similar federal statute after in effect, if required by such act or statute, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not, as evidenced by a Certificate of the Borrower or the Opinion of Counsel described in the Indenture, materially adversely affect the interests of the Holders of the Bonds (4) to provide any additional procedures, covenants or agreements to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds; (5) to facilitate (i) the transfer of Bonds from one Depository to another in the succession of Depositories, or (ii) the withdrawal from a Depository of Bonds held in a Book-Entry System and the issuance of replacement Bonds in fully registered form to Persons other than a Depository; (6) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to the Indenture regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature; (7) to make any amendments appropriate or necessary to provide for any insurance policy, letter of credit, guaranty, surety bond, line of credit, revolving credit agreement, standby bond purchase agreement or other agreement or security device delivered to the Trustee and providing for (i) payment of the principal, interest and redemption premium on the Bonds or a portion thereof, (ii) payment of the purchase price of Variable Rate Bonds or (iii) both (i) and (ii); (8) to make any changes required by a Rating Agency in order to obtain or maintain a rating for the Bonds; (9) to provide for the issuance of an additional Series of Bonds pursuant to the Indenture, including any amendments appropriate or necessary to provide for issuance of Variable Rate Bonds or an additional Series of Bonds the interest on which is subject to federal income taxation; provided, that no such amendment shall, as evidenced by a Certificate of the Borrower or an Opinion of Counsel described in the Indenture, materially adversely affect the interests of the Holders of the Bonds; or (10) to modify, alter, amend or supplement the Indenture in any other respect which is not, as evidenced by a Certificate of the Borrower or an Opinion of Counsel described in the Indenture, materially adverse to the Bondholders.

Except as provided in the Indenture, the Authority shall not supplement, amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if but only if (1) it has received a Certificate of the Borrower to the effect that such amendment, modification or termination will not materially and adversely affect the interests of the Holders of the Bonds (which Certificate of the Borrower may be based on certifications, opinions or representations of other parties in accordance with the provisions of the Indenture); provided that, if an Event of Default has occurred and is continuing, the Trustee rather than the Borrower shall make a determination that such amendment or modification will not materially and adversely affect the interests of the Holders of the Bonds (provided that, in making such determination, the Trustee may conclusively rely on written representations of financial consultants or advisors or the opinion or advice of counsel), or in lieu of making such determination, the Trustee may obtain the consent of the Holders holding a majority in aggregate principal amount of the Bonds, or (2) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination, provided that no such amendment, modification or termination shall reduce the amount of Base Loan Payments to be made to the Authority or the Trustee by the Borrower pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

The Loan Agreement may also be supplemented, modified or amended from time to time and at any time by the Authority without the necessity of obtaining the consent of any Bondholders, only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the Authority or the Borrower contained in the Loan Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power therein reserved to or conferred upon the Authority or the Borrower, provided, that, as evidenced by a Certificate of the Borrower, no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Loan Agreement, or in regard to matters or questions arising under the Loan Agreement, as the Authority may deem necessary or desirable and not inconsistent with the Loan Agreement or the Indenture, and, as evidenced by a Certificate of the Borrower, which shall not materially adversely affect the interests of the Holders of the Bonds; (3) in connection with the issuance of an additional Series of Bonds pursuant to the Indenture; or (4) to maintain the exclusion from gross income for federal income tax purposes of interest payable with respect to the Bonds, as evidenced by a Favorable Opinion of Bond Counsel delivered to the Trustee.

Defeasance

The Bonds may be paid by the Authority or the Trustee on behalf of the Authority in any of the following ways: (a) by paying or causing to be paid the principal or Redemption Price of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Trustee in trust, at or before maturity, moneys or securities in the necessary amount (as provided in the Indenture) to pay when due or redeem all Bonds then Outstanding; or (c) by delivering to the Trustee, for cancellation by it, all Bonds then Outstanding. If the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority and the Borrower shall have paid all Administrative Fees and Expenses payable to the Authority pursuant to the Loan Agreement, then and in that case at the election of the Authority and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied.

Governing Law

The laws of the State of California govern all matters arising out of or relating to the Indenture and the Bonds, including, without limitation, their validity, interpretation, construction, performance and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to the Indenture must bring the legal action or proceeding in Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement in writing. Each party to the Indenture has agreed that the exclusive (subject to waiver as set forth therein) choice of forum set forth as described therein does not prohibit the enforcement of any judgment obtained in that forum or any other appropriate forum. Each party to the Indenture has waived, to the fullest extent permitted by law, (a) any objection which may have to the laying of venue of any legal action or proceeding arising out of or relating to the Indenture brought in the Sacramento County Superior Court, Sacramento, California, and (b) any claim that any such action or proceeding brought in such court has been brought in an inconvenient forum.

LOAN AGREEMENT

The Loan Agreement provides the terms of the loan of proceeds of the Series V-4/V-5 Bonds to the Borrower and the repayment of and security for such loan provided by the Borrower. Certain of the provisions of the Loan Agreement are summarized below. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Loan Agreement.

Payment of the Series V-4 Bonds and Certain Other Expenses

Pursuant to the Loan Agreement, the Borrower agrees that it will pay to the Trustee all sums necessary for the payment of the debt service on the Series V-4 Bonds ("Series V-4 Base Loan Payments"). The Borrower shall make such Series V-4 Base Loan Payments (i) on each Interest Payment Date the full amount of the interest becoming due and payable on such Interest Payment Date on all Outstanding Series V-4 Bonds; and (ii) on each Principal Payment Date the aggregate amount of principal becoming due and payable on the Outstanding Series V-4 Bonds, plus the aggregate amount of mandatory sinking account payments, if any, required to be paid into the sinking accounts in connection with the Series V-4 Bonds, in each case on such Principal Payment Date. The Trustee is required under the Indenture to notify the Authority and the Borrower immediately if it has not received payment by the due date. The Borrower shall also make additional payments for expenses of the Trustee and the Authority, such additional payments to be billed to the Borrower by the Authority or the Trustee from time to time.

Any amounts held in the Series V-4 Interest Account within the Series V-4 Bond Fund (including any investment income credited to the Series V-4 Interest Account pursuant to the Indenture) for the payment of interest on the Series V-4 Bonds shall be credited against the Series V-4 Base Loan Payments of interest then required to be met by the Borrower to the extent such amounts are in excess of the amount required for the payment of interest accrued to the date fixed for redemption or maturity, where the Series V-4 Bonds have not been presented for payment. Any amounts held in the Series V-4 Principal Account within the Series V-4 Bond Fund (including any investment income credited to the Series V-4 Principal Account pursuant to the Indenture) for the payment of principal on the Series V-4 Bonds shall be credited against the Series V-4 Base Loan Payments of principal then required to be met by the Borrower to the extent such amounts are in excess of the amount required for the payment of any Series V-4 Bonds on the date fixed for redemption or maturity, where the Series V-4 Bonds have not been presented for payment.

The Loan Agreement also provides that if on any Interest Payment Date or Principal Payment Date, the balance in the Series V-4 Interest Account or Series V-4 Principal Account within the Series V-4 Bond Fund is insufficient or unavailable to make required payments of principal of (whether at maturity, by redemption or by acceleration as provided in the Indenture), premium, if any, and interest due on the Series V-4 Bonds on such date, the Borrower shall forthwith pay any such deficiency to the Trustee for deposit in the appropriate account within the Series V-4 Bond Fund. The Borrower acknowledges that the Trustee shall give notice: (1) to the Borrower in accordance with the Indenture at least five (5) Business Days before each Interest Payment Date of the amount, if any, credited or to be credited to the Series V-4 Interest Account by such next Interest Payment Date and the amount of the Series V-4 Base Loan Payment then due from the Borrower; and (2) to the Borrower and the Authority in accordance with the Indenture if the Borrower fails to make any required payment by the due date, such notice to be given by telephone, telecopy or electronic means followed by written notice.

Payment of the Series V-5 Bonds and Certain Other Expenses

Pursuant to the Loan Agreement, the Borrower agrees that it will pay to the Trustee all sums necessary for the payment of the debt service on the Series V-5 Bonds ("Series V-5 Base Loan Payments"). The Borrower shall make such Series V-5 Base Loan Payments (i) on each Interest Payment Date the full amount of the interest becoming due and payable on such Interest Payment Date on all Outstanding Series V-5 Bonds; and (ii) on each Principal Payment Date the aggregate amount of principal becoming due and payable on the Outstanding Series V-5 Bonds, plus the aggregate amount of mandatory sinking account payments, if any, required to be paid into the sinking accounts in connection with the Series V-5 Bonds, in each case on such Principal Payment Date. The Trustee is required under the Indenture to notify the Authority and the Borrower immediately if it has not received payment by the due date. The Borrower shall also make additional payments for expenses of the Trustee and the Authority, such additional payments to be billed to the Borrower by the Authority or the Trustee from time to time.

Any amounts held in the Series V-5 Interest Account within the Series V-5 Bond Fund (including any investment income credited to the Series V-5 Interest Account pursuant to the Indenture) for the payment of interest on the Series V-5 Bonds shall be credited against the Series V-5 Base Loan Payments of interest then required to be met by the Borrower to the extent such amounts are in excess of the amount required for the payment of interest accrued to the date fixed for redemption or maturity, where the Series V-5 Bonds have not been presented for payment. Any amounts held in the Series V-5 Principal Account within the Series V-5 Bond Fund (including any investment income credited to the Series V-5 Principal Account pursuant to the Indenture) for the payment of principal on the Series V-5 Bonds shall be credited against the Series V-5 Base Loan Payments of principal then required to be met by the Borrower to the extent such amounts are in excess of the amount required for the payment of any Series V-5 Bonds on the date fixed for redemption or maturity, where the Series V-5 Bonds have not been presented for payment.

The Loan Agreement also provides that if on any Interest Payment Date or Principal Payment Date, the balance in the Series V-5 Interest Account or Series V-5 Principal Account within the Series V-5 Bond Fund is insufficient or unavailable to make required payments of principal of (whether at maturity, by redemption or by acceleration as provided in the Indenture), premium, if any, and interest due on the Series V-5 Bonds on such date, the Borrower shall forthwith pay any such deficiency to the Trustee for deposit in the appropriate account within the Series V-5 Bond Fund. The Borrower acknowledges that the Trustee shall give notice: (1) to the Borrower in accordance with the Indenture at least five (5) Business Days before each Interest Payment Date of the amount, if any, credited or to be credited to the Series V-5 Interest Account by such next Interest Payment Date and the amount of the Series V-5 Base Loan Payment then due from the Borrower; and (2) to the Borrower and the Authority in accordance with the Indenture if

the Borrower fails to make any required payment by the due date, such notice to be given by telephone, telecopy or electronic means followed by written notice.

Mandatory Tender of Series V-4/V-5 Bonds

In addition to Series V-4 Base Loan Repayments, Series V-5 Base Loan Repayments and Additional Payments, the Borrower shall pay to the Tender Agent such amounts as may be required to pay the Purchase Price of Series V-4 Bonds and Series V-5 Bonds, respectively, tendered or deemed tendered pursuant to the Indenture. Such payments shall be paid by the Borrower to the Tender Agent in immediately available funds in the amount requested by the Tender Agent and at the times required pursuant to the Indenture.

Certain Covenants of the Borrower

The Borrower covenants in the Loan Agreement that, so long as any Bonds remain Outstanding:

(a) it will maintain its existence as a body duly exercising corporate powers and privileges under the Constitution and laws of the State of California and will not dissolve, sell or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, except under certain circumstances described in the Loan Agreement;

(b) it will maintain or cause to be maintained insurance of such type, against such risks and in such amounts, with insurance companies or by means of self-insurance, as are customarily carried by organizations of a nature similar to that of the Borrower, which insurance shall include property damage, fire and extended coverage, public liability and property damage liability insurance in amounts estimated to indemnify the reasonably anticipated damage, loss or liability;

(c) it will furnish to the Authority and the Trustee within 180 days after the end of each of its fiscal years certain financial information as of the end of such year; and,

(d) it will not take any action or fail to take any action, if such action or failure to take such action would result in the interest on the Bonds not being excluded from gross income for federal income tax purposes under Section 103 of the Code.

Prepayment

The Borrower shall have the right, so long as all amounts which have become due under the Loan Agreement have been paid, at any time or from time to time to prepay all or any part of the Series V-4 Base Loan Payments or Series V-5 Base Loan Payments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Prepayments may be made by payments of cash, deposit of Investment Securities or surrender of Series V-4 Bonds or Series V-5 Bonds, as applicable, as contemplated by the Loan Agreement. All such prepayments shall be deposited upon receipt in the Series V-4 Redemption Fund or the Series V-5 Redemption Fund, as applicable, and, at the request of, and as determined by, the Borrower, credited against the Series V-4 Base Loan Payments or the Series V-5 Base Loan Payments, as applicable, in the order of their due date or used for the purchase of Outstanding Series V-4 Bonds or Outstanding Series V-5 Bonds, as applicable, in the manner and subject to the terms and conditions set forth in the Indenture.

Amendment

The Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, which consent shall be given in accordance with the provisions of the Indenture. See "INDENTURE – Amendment of Indenture and Loan Agreement."

Events of Default; Remedies on Default

Series V-4 Loan Default Events include:

(a) failure by the Borrower to make any Series V-4 Base Loan Payment or Additional Payment, or Purchase Price, when due:

(b) failure by the Borrower to observe or perform any covenant, condition or agreement contained in the Loan Agreement other than paragraph (a) above, on its part to be observed or performed, for a period of 45 days after written notice thereof has been given to the Borrower by the Authority or the Trustee; provided, however, if the failure stated in the notice is correctable but cannot be corrected within 45 days, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the default is corrected;

(c) the representations or warranties of the Borrower made in the Loan Agreement or in any other document, certificate or writing furnished by the Borrower to the Authority in connection with the application for or the negotiation of the Loan Agreement or the issuance of the Series V-4 Bonds being false or incorrect in any material respect; and

(d) an Act of Bankruptcy of the Borrower.

The Authority or the Trustee, in the case of any event of default, may take any one or more of the following remedial steps:

(a) declare all installments of Series V-4 Base Loan Payments payable under the Loan Agreement for the remainder of its term to be immediately due and payable; or

(b) take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due under the Loan Agreement or to enforce the performance and observance of any obligation, condition or covenant of the Borrower under the Loan Agreement.

Series V-5 Loan Default Events include:

(a) failure by the Borrower to make any Series V-5 Base Loan Payment or Additional Payment or Purchase Price, when due:

(b) failure by the Borrower to observe or perform any covenant, condition or agreement contained in the Loan Agreement other than paragraph (a) above, on its part to be observed or performed, for a period of 45 days after written notice thereof has been given to the Borrower by the Authority or the Trustee; provided, however, if the failure stated in the notice is correctable but cannot be corrected within 45 days, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the default is corrected;

(c) the representations or warranties of the Borrower made in the Loan Agreement or in any other document, certificate or writing furnished by the Borrower to the Authority in connection with the application for or the negotiation of the Loan Agreement or the issuance of the Series V-4 Bonds being false or incorrect in any material respect; and

(d) an Act of Bankruptcy of the Borrower.

The Authority or the Trustee, in the case of any event of default, may take any one or more of the following remedial steps:

(a) declare all installments of Series V-5 Base Loan Payments payable under the Loan Agreement for the remainder of its term to be immediately due and payable; or

(b) take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due under the Loan Agreement or to enforce the performance and observance of any obligation, condition or covenant of the Borrower under the Loan Agreement.

Governing Law, Venue

The laws of the State of California govern all matters arising out of or relating to the Loan Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to the Loan Agreement must bring the legal action or proceeding in the Sacramento County Superior Court, Sacramento, California, unless the Authority waives this requirement in writing. Each party to the Loan Agreement has agreed that the exclusive (subject to waiver as set forth therein) choice of forum set forth therein does not prohibit the enforcement of any judgment obtained in that forum or any other appropriate forum. Each party to the Loan Agreement has waived, to the fullest extent permitted by law, (a) any objection that it may now or later have to the laying of venue of any legal action or proceeding arising out of or relating to the Loan Agreement brought in the Sacramento County Superior Court, Sacramento, California, and (b) any claim that any such action or proceeding brought in such court has been brought in an inconvenient forum.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book entry system has been obtained from DTC and the Authority, the University, the Underwriters and the Trustee take no responsibility for the completeness or accuracy thereof. The Authority, the University, the Underwriters and the Trustee cannot, and do not, give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Series V-4/V-5 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series V-4/V-5 Bonds, or (c) notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series V-4/V-5 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series V-4/V-5 Bonds. The Series V-4/V-5 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered security certificate will be issued for each maturity of the Series V-4/V-5 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com; nothing contained in such website is incorporated into this Official Statement.

Purchases of the Series V-4/V-5 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series V-4/V-5 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series V-4/V-5 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from

the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series V-4/V-5 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series V-4/V-5 Bonds, except in the event that use of the book-entry system for the Series V-4/V-5 Bonds is discontinued.

To facilitate subsequent transfers, all Series V-4/V-5 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series V-4/V-5 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series V-4/V-5 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series V-4/V-5 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series V-4/V-5 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series V-4/V-5 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series V-4/V-5 Bond documents. For example, Beneficial Owners of the Series V-4/V-5 Bonds may wish to ascertain that the nominee holding the Series V-4/V-5 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series V-4/V-5 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series V-4/V-5 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series V-4/V-5 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest evidenced by the Series V-4/V-5 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the University or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series V-4/V-5 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series V-4/V-5 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series V-4/V-5 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series V-4/V-5 Bond certificates will be printed and delivered.

THE AUTHORITY, THE UNIVERSITY, THE UNDERWRITERS OR THE TRUSTEE WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

None of the Authority, the University, the Underwriters or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal and interest on the Series V-4/V-5 Bonds paid to DTC or its nominee, as the registered Owner, or any notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority, the University, the Underwriters and the Trustee believe to be reliable, but the Authority, the University, the Underwriters and the Trustee take no responsibility for the accuracy thereof.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") dated March 19, 2025, by and between The Board of Trustees of the Leland Stanford Junior University (the "University") and The Bank of New York Mellon Trust Company, N.A., bond trustee (the "Trustee") under an Indenture, dated as of April 1, 2019 (the "Original Indenture"), as supplemented and amended from time to time (as supplemented and amended, the "Indenture"), each between the California Educational Facilities Authority (the "Authority") and the Trustee, the Trustee executing this Agreement both in its capacity as Trustee and in its capacity as Dissemination Agent hereunder, is executed and delivered in connection with the issuance of the Authority's California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-4 and the Authority's California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-5 (collectively, the "Bonds"). The proceeds of the Bonds are to be loaned by the Authority to the University pursuant to a Loan Agreement, dated as of April 1, 2019, as supplemented and amended from time to time (as supplemented and amended, the "Loan Agreement"), each by and between the Authority and the University. Capitalized terms used in this Agreement which are not otherwise defined in the Indenture shall have the respective meanings specified in Article IV hereof. The parties agree as follows:

ARTICLE I

The Undertaking

Section 1.1. Purpose; No Authority Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds and is being executed and delivered solely to assist the Underwriters in complying with subsection (b)(5) of the Rule. The University, the Dissemination Agent and the Trustee acknowledge that the Authority has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Agreement, and shall have no liability to any person, including any holder of the Bonds, with respect to any such reports, notices or disclosures.

Section 1.2. Annual Financial Information. (a) The University shall provide Annual Financial Information to the Dissemination Agent with respect to each fiscal year of the University, commencing with fiscal year ended August 31, 2025 by no later than one hundred and eighty (180) days after the end of the respective fiscal year. The Dissemination Agent shall provide such Annual Financial Information to the Repository and the Authority, in each case within two (2) Business Days after receipt by the Dissemination Agent, or as soon as reasonably practicable thereafter.

(b) The Dissemination Agent shall provide, in a timely manner, notice of any failure of the University or the Dissemination Agent to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to (i) the Repository, (ii) the Authority, and (iii) if such failure is of the University, the University. Such notice shall substantially be in the form attached hereto as Exhibit A.

Section 1.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the date required by Section 1.2 hereof, the University shall provide Audited Financial Statements, when and if available, to the Dissemination Agent. The Dissemination Agent shall provide any such Audited Financial Statements to the Repository and the Authority, in each case within two (2) Business Days after receipt by the Dissemination Agent, or as soon as reasonably practicable thereafter.

Section 1.4. Listed Event Notices. (a) If a Listed Event occurs, the University shall provide, in a timely manner, notice of such Listed Event to the Dissemination Agent. The Dissemination Agent shall provide notice of each such Listed Event received from the University to the Repository within one Business Day after receipt by the Dissemination Agent, or as soon as reasonably practicable thereafter, but in no case in excess of ten (10) Business Days after the occurrence of such Listed Event (provided that the Dissemination Agent receives notice of such Listed Event from the University prior to such date).

(b) Any such notice of a defeasance of the Bonds shall state whether the Bonds have been escrowed to maturity and the timing of such maturity.

(c) The Trustee shall promptly advise the University and the Authority whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual notice of an occurrence of an event described herein as a "Listed Event"; provided, however, that the failure of the Trustee so to advise the University or the Authority shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Indenture and the Trustee shall not be required to make any determination regarding materiality of any such event.

Section 1.5. Additional Disclosure Obligations. The University acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the University and that, under some circumstances, additional disclosures or other action may be required to enable the University to fully discharge all of its duties and obligations under such laws.

Section 1.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information or notice of Listed Event hereunder, in addition to that which is required by this Agreement. If the University chooses to do so, the University shall have no obligation under this Agreement to update such additional information or include it in any future Annual Financial Information or notice of a Listed Event hereunder.

Section 1.7. No Previous Non-Compliance. The University represents that since March 1, 2020, it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Reference to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the University provides Annual Financial Information by specific reference to documents (including Official Statements) available from the Repository.

Section 2.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents and at one time or in part from time to time.

Section 2.3. Listed Event Notices. Each notice of a Listed Event hereunder shall be captioned "Notice of Listed Event" and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Transmission of Information and Notices. Unless otherwise required by law and, in the Dissemination Agent's sole determination, subject to technical and economic feasibility, the

Dissemination Agent shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the University's information and notices.

Section 2.5. Fiscal Year. (a) The University's current fiscal year is September 1 to August 31, and the University shall promptly notify the Dissemination Agent in writing of each change in its fiscal year. The Trustee shall provide such notice to the Repository and the Authority, in each case within two (2) Business Days after receipt by the Dissemination Agent, or as soon as reasonably practicable thereafter.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve (12) calendar months.

ARTICLE III

Effective Date, Termination, Amendment and Enforcement

Section 3.1. Effective Date, Termination. (a) This Agreement shall be effective upon the issuance of the Bonds.

(b) The University's and the Dissemination Agent's obligations under this Agreement shall terminate upon a legal defeasance or payment in full of all of the Bonds.

(c) If the University's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Agreement in the same manner as if it were the University, and thereupon the original University shall have no further responsibility hereunder.

(d) This Agreement, or any provision hereof, shall be null and void in the event that (1) the University delivers to the Dissemination Agent and the Trustee an opinion of Counsel, addressed to the University, the Authority and the Trustee, to the effect that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) the Dissemination Agent delivers copies of such opinion to the Repository and the Authority. The Dissemination Agent shall so deliver such opinion within one Business Day after receipt by the Dissemination Agent, or as soon as reasonably practicable thereafter.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the University or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the University shall have delivered to the Dissemination Agent and the Trustee an opinion of Counsel, addressed to the University, the Authority and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the University shall have delivered to the Dissemination Agent and the Trustee an opinion of Counsel or a determination by a person, in each case unaffiliated with the Authority or the University (such as bond counsel or Dissemination Agent) and acceptable to the University, addressed to the University, the Authority and the Trustee, to the effect that the amendment does not materially impair

the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of the Bonds pursuant to Section 9.01 of the Indenture as in effect on the date of this Agreement, and (5) the Dissemination Agent shall have delivered copies of such opinion(s) and amendment to the Repository and the Authority. The Dissemination Agent shall so deliver such opinion(s) and amendment within one Business Day after receipt by the Dissemination Agent.

(b) In addition to subsection (a) above, this Agreement may be amended by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the University shall have delivered to the Dissemination Agent and the Trustee an opinion of Counsel, addressed to the University, the Authority and the Trustee, to the effect that performance by the University and the Trustee under this Agreement as so amended will not result in a violation of the Rule and (3) the Dissemination Agent shall have delivered copies of such opinion and amendment to the Repository and the Authority. The Dissemination Agent shall so deliver such opinion and amendment within one Business Day after receipt by the Dissemination Agent or as soon as reasonably practicable thereafter.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made pursuant to Section 3.2(a) hereof to the accounting principles to be followed by the University in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that Beneficial Owners of the Bonds shall be third-party beneficiaries of this Agreement and shall be deemed to be holders of the Bonds for purposes of Section 3.3(b) hereof. The provisions of this Agreement shall create no rights in any person or entity except as provided in this subsection (a).

(b) The obligations of the University to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of the outstanding Bonds or by the Trustee on behalf of the holders of the outstanding Bonds, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of the outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the University's obligations under this Agreement.

(c) Any failure by the University, the Dissemination Agent or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) the financial information and operating data with respect to the University for each fiscal year of the University ended on and after August 31, 2025 to be provided in any reasonable manner and containing, in substance, such information and data as is set forth in Appendix A to the Authority's Official Statement regarding the Bonds under the headings "PART I – GENERAL INFORMATION ABOUT STANFORD UNIVERSITY – Faculty and Staff," "– Students," and "– Capital Improvement Programs" and (ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in clause (i) above of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.

(2) "Audited Financial Statements" means the annual financial statements for each fiscal year ended on and after August 31, 2025, if any, of the University, audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited Financial Statements shall be prepared in accordance with GAAP.

(3) "Counsel" means any nationally recognized bond counsel or counsel expert in federal securities laws.

(4) "Dissemination Agent" means The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the University and which has filed with the Trustee and the University a written acceptance of such designation.

(5) "GAAP" means generally accepted accounting principles as prescribed from time to time by the Financial Accounting Standards Board or any successor to the duties or responsibilities thereof.

(6) "Listed Events" means any of the following events with respect to the Bonds, whether relating to the University or otherwise:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of Bondowners, if material;

(viii) Bond calls, if material (the giving of notice of regularly scheduled mandatory sinking fund redemption shall not be deemed material for this purpose);

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Tender offers;

(xiii) Bankruptcy, insolvency, receivership or similar event with respect to an obligated person;

(xiv) The consummation of a merger, consolidation, acquisition or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to take such an action or termination of a definitive agreement to undertake any such action, other than pursuant to its terms, if material; and

(xv) Appointment of a successor or an additional trustee or change in the name of a trustee, if material;

(xvi) Incurrence of a financial obligation, as defined in the Rule, of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the University, any of which affect security holders, if material; and

(xvii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the University, any of which reflect financial difficulties.

(7) "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(l) of the Securities Exchange Act of 1934.

(8) "Official Statement" means a "final official statement," as defined in paragraph (f)(3) of the Rule.

(9) "Repository" means the MSRB or any other information repository as recognized from time to time by the SEC for the purposes referred to in the Rule.

(10) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(11) "SEC" means the United States Securities and Exchange Commission.

(12) "State" means the State of California.

(13) "Unaudited Financial Statements" means the same as Audited Financial Statements, except that they shall not have been audited.

(14) "Underwriters" means Goldman Sachs & Co. LLC, Barclays Capital Inc. and Wells Fargo Bank, National Association.

ARTICLE V

Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Dissemination Agent and Trustee. The Dissemination Agent and the Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement and the Dissemination Agent shall not be liable except for its negligence or willful misconduct hereunder. The University agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's negligence or willful misconduct in the performance of its duties hereunder. Such indemnity shall be separate from, and in addition to, that provided to the Trustee under the Indenture. The Dissemination Agent shall be paid compensation by the University for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Authority, the University, the holders of the Bonds, or any other party. The obligations of the University under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have the same rights, protections and immunities hereunder as provided to the Trustee under the Indenture.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.3. Dissemination Agent. The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent, upon notice to the University and the Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty (30) days' written notice to the Trustee and the University. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A.

Section 5.4. Filing. The University and the Dissemination Agent may satisfy the University's disclosure obligations hereunder to file any Annual Financial Information or notices of Listed Events by filing the same with the MSRB through its Electronic Municipal Market Access system, in the format and with identifying or other information as may be required by the Securities and Exchange Commission or the MSRB, or any other Repository that may be recognized or permitted by the Securities and Exchange Commission in such manner as may be specified by the Securities and Exchange Commission or the Repository.

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY

By: _____
Karen L. Kearney
Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee and as Dissemination Agent

By: _____
Authorized Representative

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	California Educational Facilities Authority
Name of Issues:	California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-4 California Educational Facilities Authority Revenue Bonds (Stanford University) Series V-5
Name of Obligor:	The Board of Trustees of the Leland Stanford Junior University
Date of Issuance:	March 19, 2025

NOTICE IS HEREBY GIVEN that The Board of Trustees of the Leland Stanford Junior University (the "University") has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 1.2(a) of the Continuing Disclosure Agreement relating to the Bonds. The University anticipates that the Annual Financial Information will be filed by _____.

Dated: _____

The Bank of New York Mellon Trust Company, N.A.,
as Trustee and Dissemination Agent

By: _____
Authorized Officer

cc: The Board of Trustees of the Leland Stanford Junior University
California Educational Facilities Authority

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APPENDIX E

FORM OF BOND COUNSEL OPINION

[Dated Date]

California Educational Facilities Authority
Sacramento, California

California Educational Facilities Authority Revenue Bonds
(Stanford University) Series [V-4/V-5]
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the California Educational Facilities Authority (the "Authority") in connection with the issuance of $[100,000,000/171,325,000] aggregate principal amount of California Educational Facilities Authority Revenue Bonds (Stanford University) Series [V-4/V-5] (the "Series [V-4/V-5] Bonds"), issued pursuant to an Indenture, dated as of April 1, 2019, as supplemented and amended, including by the [Third/Fourth] Supplemental Indenture, dated as of March 1, 2025 (as so supplemented and amended, the "Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Indenture provides that the Series [V-4/V-5] Bonds are issued for the stated purpose of making a loan of the proceeds thereof to The Board of Trustees of the Leland Stanford Junior University (the "Borrower") pursuant to a Loan Agreement, dated as of April 1, 2019, as supplemented and amended, including by the [Third/Fourth] Supplemental Loan Agreement, dated as of March 1, 2025 (together, the "Loan Agreement"), between the Authority and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Agreement, dated the date hereof (the "Tax Agreement"), between the Authority and the Borrower, opinions of counsel to the Authority, the Borrower and the Trustee, certificates of the Authority, the Borrower, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have relied on the opinion of the Office of the General Counsel for the Leland Stanford Junior University, counsel to the Borrower, regarding, among other matters, the current qualification of the Borrower as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). We note that the opinion is subject to a number of qualifications and limitations. We have also assumed the correctness of representations of the Borrower regarding the use of the facilities financed or refinanced with the proceeds of the Series [V-4/V-5] Bonds in activities that are not considered unrelated trade or business activities of the Borrower within the meaning of Section 513 of the Code. We note that the opinion of counsel to the Borrower does not address Section 513 of the Code. Failure of the Borrower to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of the Borrower within the meaning of Section 513 of the Code, may result in interest on the Series [V-4/V-5] Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series [V-4/V-5] Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Series [V-4/V-5] Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Series [V-4/V-5] Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series [V-4/V-5] Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery of each such document by each party thereto other than the Authority and that each such document constitutes a valid and binding agreement of such party. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series [V-4/V-5] Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Series [V-4/V-5] Bonds, the Indenture, the Loan Agreement and the Tax Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Authority in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the property described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series [V-4/V-5] Bonds and express no view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series [V-4/V-5] Bonds constitute the valid and binding limited obligations of the Authority.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Authority. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Series [V-4/V-5] Bonds, of the Series [V-4/V-5] Revenues and the other assets pledged therefor under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Authority.

4. The Series [V-4/V-5] Bonds are not a lien or charge upon the funds or property of the Authority except to the extent of the aforementioned pledge. Neither the faith and credit nor the taxing power of the State of California or of any political subdivision thereof is pledged to the payment of

the principal of or interest on the Series [V-4/V-5] Bonds. The Series [V-4/V-5] Bonds are not a debt of the State of California, and said State is not liable for the payment thereof.

5. Interest on the Series [V-4/V-5] Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Interest on the Series [V-4/V-5] Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that interest on the Series [V-4/V-5] Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series [V-4/V-5] Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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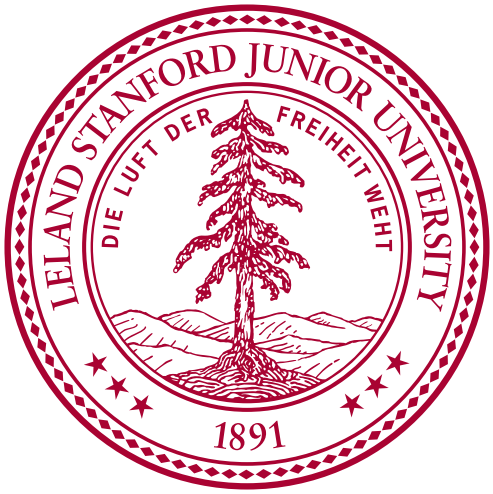

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