University Technology Development Corporation (A Component Unit of the University of Nebraska)

Independent Auditor's Report and Financial Statements

March 31, 2026 and 2025

University Technology Development Corporation
(A Component Unit of the University of Nebraska)
Contents
March 31, 2026 and 2025

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Independent Auditor's Report

Board of Regents
University of Nebraska
Lincoln, Nebraska

Opinion

We have audited the financial statements of the University Technology Development Corporation (UTDC), a component unit of the University of Nebraska, as of and for the years ended March 31, 2026 and 2025, and the related notes to the financial statements, which collectively comprise UTDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the University Technology Development Corporation, as of March 31, 2026 and 2025, and the changes in financial position 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of UTDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, in 2026, the University Technology Development Corporation adopted Governmental Accounting Standards Board Statement 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UTDC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UTDC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UTDC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Forvis Mazars, LLP

Lincoln, Nebraska
August 31, 2026

University Technology Development Corporation
(A Component Unit of the University of Nebraska)
Statements of Net Position
March 31, 2026 and 2025
(in thousands)

	2026	2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 14,368	$ 14,000
Cash and cash equivalents - restricted	45	41
Accounts receivable, net	6,433	9,603
Due from related parties	866	914
Lease receivable	1,705	6,125
Prepaid expense	293	261
Total Current Assets	23,710	30,944
Noncurrent Assets		
Cash and cash equivalents - restricted	3	-
Investments - restricted	105	50
Lease receivable, net of current portion	4,973	4,904
Capital assets, net of accumulated depreciation	7,021	5,557
Right-to-use leased assets, net of accumulated amortization	8,215	9,166
Right-to-use subscription assets, net of accumulated amortization	157	278
Total Noncurrent Assets	20,474	19,955
Total Assets	44,184	50,899
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable	2,040	1,463
Accrued compensated absences	880	746
Royalties	2,016	1,983
Due to related parties	4,301	6,745
Unearned revenue	299	-
Lease liability	1,462	1,229
Subscription liability	55	68
Total Current Liabilities	11,053	12,234
Noncurrent Liabilities		
Accrued compensated absences, net of current portion	295	362
Lease liability, net of current portion	8,192	9,198
Subscription liability, net of current portion	-	55
Total Noncurrent Liabilities	8,487	9,615
Total Liabilities	19,540	21,849
Deferred Inflows of Resources		
Deferred lease arrangements	10,680	11,191
Total Deferred Inflows of Resources	10,680	11,191
Net Position		
Net investment in capital assets	5,684	4,451
Restricted for		
Expendable		
Externally restricted funds for infrastructure and maintenance	225	148
Unrestricted	8,055	13,260
Total Net Position	$ 13,964	$ 17,859

University Technology Development Corporation
(A Component Unit of the University of Nebraska)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ending March 31, 2026 and 2025
(in thousands)

	2026	2025
Operating Revenues		
License income	$ 6,055	$ 6,555
Grants and contracts - Federal	34,308	28,572
Grants and contracts - State and Local	862	369
Other operating revenues	2,620	1,987
Total Operating Revenues	43,845	37,483
Operating Expenses		
Direct operating expenses		
Compensation and benefits	18,556	16,276
Supplies and services	26,200	19,377
Depreciation of capital assets	2,042	2,237
Amortization of right-to-use assets	1,555	1,407
Total Direct Operating Expenses	48,353	39,297
Distributions to campuses and inventors		
Inventors	1,793	1,862
University colleges	873	857
University campuses	2,346	2,560
External sponsors	173	164
Total Distributions to Campuses and Inventors	5,185	5,443
Total Operating Expenses	53,538	44,740
Operating Loss	(9,693)	(7,257)
Non-capital Subsidies		
Transfers from University sources	7,000	7,919
Transfers to University sources	-	(13)
Total Non-capital Subsidies	7,000	7,906
Operating Income (Loss) and Non-capital Subsidies	(2,693)	649
Nonoperating Revenues (Expenses)		
Investment income	132	193
Interest income on leases	148	244
Interest expense on right-to-use assets	(386)	(362)
Capital transfers to University sources	(158)	(84)
Capital transfers to another governmental entity	(946)	-
Other nonoperating revenues	8	-
Nonoperating Revenues (Expenses), Net	(1,202)	(9)
Increase (Decrease) in Net Position	(3,895)	640
Net Position		
Beginning of year	17,859	17,219
End of year	$ 13,964	$ 17,859

University Technology Development Corporation
(A Component Unit of the University of Nebraska)
Statements of Cash Flows
For the Years Ending March 31, 2026 and 2025
(in thousands)

	2026	2025
Cash Flows From Operating Activities		
Gifts, grants, and contracts received	$ 38,224	$ 27,536
License, patent, and research cash received	6,255	6,274
Other operating receipts	2,222	3,328
Payments to vendors	(30,052)	(21,211)
Payments to employees	(18,487)	(16,319)
Payments to campuses	(3,219)	(3,417)
Net Cash Flows Used in Operating Activities	(5,057)	(3,809)
Cash Flows From Capital and Related Financing Activities		
Transfer of assets from other University sources	6,865	7,663
Purchase of capital assets	(47)	(306)
Interest paid on capital debt	(365)	(285)
Principal paid on capital debt	(1,337)	(1,359)
Receipts from leasing arrangements	238	234
Net Cash Flows Provided by Capital and Related Financing Activities	5,354	5,947
Cash Flows From Investing Activities		
Investment income	131	193
Proceeds from sales and maturities of investments	4	49
Purchases of investments	(57)	(79)
Net Cash Flows Provided by Investing Activities	78	163
Net Change in Cash and Cash Equivalents	375	2,301
Cash and Cash Equivalents - Beginning of Year	14,041	11,740
Cash and Cash Equivalents - End of Year	$ 14,416	$ 14,041
Cash and Cash Equivalents - End of Year as Presented in Statements of Net Position		
Cash and cash equivalents	$ 14,368	$ 14,000
Cash and cash equivalents - restricted	45	41
Cash and cash equivalents - restricted (non-current)	3	-
Cash and Cash Equivalents, End of Year	$ 14,416	$ 14,041

University Technology Development Corporation
(A Component Unit of the University of Nebraska)
Statements of Cash Flows
For the Years Ending March 31, 2026 and 2025 **(Continued)**
(in thousands)

	2026	2025
Reconciliation of Operating Loss to Net Cash Flows Used in Operating Activities		
Operating income (loss)	$ (9,693)	$ (7,257)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation of capital assets	2,042	2,237
Amortization of right-to-use assets	1,555	1,407
Amortization of deferred inflow of resources - leases	(489)	(254)
Changes in assets and liabilities:		
Accounts receivable, net and due from related parties	3,033	(13)
Prepaid expenses	(38)	(64)
Accrued compensated absences	67	232
Accounts payable, royalties, and due to related parties	(1,833)	(87)
Unearned revenue	299	(10)
Net Cash Flows Used in Operating Activities	$ (5,057)	$ (3,809)

	2026	2025
Noncash Transactions		
Lease obligation incurred for lease assets	$ 655	$ 1,372
Subscription obligation incurred for subscription assets	-	322
Increase in lease receivables through deferred lease arrangements	267	779
Capital assets acquired through lease receivable arrangements	4,406	-
Capital assets transferred to another governmental entity	(946)	-

Note 1. Summary of Significant Accounting Policies

Organization

The University Technology Development Corporation (UTDC) is a public benefit corporation organized exclusively for charitable purposes within the scope of Section 501(c)(3) of the Internal Revenue Code (the Code). The purpose of UTDC is to promote, encourage, and assist research and scholarly activities of the faculty, staff, alumni, and students of the University of Nebraska (the University). UTDC is governed by a board of directors appointed by the President of the University. While UTDC is a legally separate entity, it is a blended component unit of the University. The major accounting principles and practices followed by UTDC are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The financial statements are the responsibility of the UTDC board of directors and have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The statements include the activities of UTDC and its component units. All intercompany transactions have been eliminated in combination.

Reporting Entity

The reporting entity consists of UTDC and the following six nonprofit component units. In each case, UTDC is the sole member/stockholder. The primary purpose of the component units is to support the research mission of the University and its campuses and advance academic technology transfer globally by fostering strategic collaborations with industry through licensing, research, and new venture agreements.

- NUtech Ventures (NUtech) is a technology transfer organization primarily serving the University of Nebraska–Lincoln (UNL) and University of Nebraska-Kearney (UNK) campuses. The management of the affairs of the corporation is vested in a board of directors appointed by the Chancellor of UNL.

- UNeMed Corporation (UNeMed) is a technology transfer organization primarily serving the University of Nebraska Medical Center (UNMC) and University of Nebraska-Omaha (UNO) campuses.

- Nebraska Innovation Campus Development Corporation (NICDC) facilitates the development of the former State Fair Park into a research park campus to promote, encourage, and assist the University in achieving its mission of education, research, and service to the State of Nebraska and its people.

- National Strategic Research Institute (NSRI) was organized as a University Affiliated Research Center (UARC) to conduct research and development in areas consistent with the educational, scientific, charitable, and service goals of the University of Nebraska and the core capabilities identified with a federally sponsored UARC.

- University Village Development Corporation of Kearney (UVDCK) provides support and oversight for the development of land near the UNK campus for residential, commercial, and recreational use to benefit the University, local community, region and State of Nebraska.

- Nebraska Defense Research Corporation (NDRC) was organized to create a nuclear command, control and communication network, collectively known as NC3, to help modernize the digital communications network utilized by the United States Government.

All of these entities are considered blended component units under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, and have been presented in a single column within these financial statements.

Basis of Presentation

The financial statements of UTDC have been prepared using the economic resources measurement focus and the accrual basis of accounting. These statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by GASB.

Classification of Revenues and Expenses

UTDC distinguishes operating revenue and expenses from nonoperating revenue and expenses according to the following criteria. Nonoperating revenues and expenses are any finance-related revenues and expenses, investment income and expenses, resources from the disposal of capital assets, and subsidies received and provided.

A subsidy represents amounts received from or provided to another party which UTDC does not provide or receive goods or services in exchange and all other transfers. Amounts received from another party are considered a subsidy if it keeps the current or future fees and charges lower than they would otherwise be if the subsidy was not received. Amounts provided to another party are considered a subsidy if it is recoverable through current or future pricing policies.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, savings accounts, and money market accounts.

Accounts Receivable, Net

Accounts receivable represent amounts resulting from business activities and are routinely cleared in the normal course of doing business. UTDC management has deemed an allowance for uncollectible accounts to be unnecessary as all amounts owed are deemed to be fully collectible.

Capital Assets

Capital assets are stated at cost at the date of acquisition or at fair value if contributed. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are 25 to 40 years for leasehold improvements and 20 to 30 years for land improvements. Equipment is generally depreciated from 2 to 10 years depending on its useful life. Leasehold improvements are depreciated over the estimated useful lives or the term of the related lease, whichever is shorter.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to the place asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

License Income

License income is recognized when earned on the accrual basis in accordance with the substance of the respective agreements and when the underlying right to receive payment has been established.

Grants and Contracts

Grants and contracts revenues are recognized as earned on an accrual basis as projects are completed and the results delivered to external sponsors.

Research Income

Research revenue is recognized when earned on an accrual basis as services are provided to clients and reflected primarily as grants and contracts in the statement of revenues, expenses, and changes in net position.

Income Distributions

Income distributions to inventors, departments, deans and directors, and research offices are determined based on established policy and agreements among NUtech Ventures and UNeMed Corporation, with their respective campuses. Distributions to campuses and inventors represent payments to the University, inventors, and research scientists for the use of or marketing of patented inventions or discoveries. UTDC and its component units undertake the identification and negotiation of nondisclosure agreements and technology licenses for technology developed by University faculty. Agreements for the marketing of technology include provisions for the distribution of revenues to the University campuses and faculty inventors.

Tax Status

UTDC and its component units qualify as nonprofit organizations under Section 501(c)(3) of the Code. Accordingly, no provision for federal or state income taxes is required on the related income pursuant to Section 501(a) of the Code.

Deferred Inflows of Resources

UTDC reports an acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statements of net position.

Compensated Absences

NSRI and NDRC permit employees to accumulate leave that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for salary-related payments using rates in effect at that date. The estimated compensated absences liability expected to be paid more than one year after the statement of net position date is included in other long-term liabilities.

Net Position

Net position consists of three parts. One is net investment in capital assets, which comprises right-to-use lease and subscription assets, net of accumulated amortization, and leasehold improvements and equipment, net of depreciation/amortization and reduced by the outstanding balances of borrowings used to finance the purchase, use, or construction of those assets. Second, UTDC holds externally restricted funds for infrastructure, maintenance and economic development. The remaining portion includes the net amount of assets and liabilities that are not included in the determination of net investment in capital assets and restricted net position.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements, to enhance the financial reporting model's effectiveness in providing information essential to decision-making and assessing a government's accountability. The statement requires UTDC to reclassify line items on the financial statements. Material reclassifications that affected the Statements of Revenues, Expenses, and Changes in Net Position include reclassifying transfers from University sources and transfers to University sources into a new section, called Noncapital Subsidies. This statement had no impact on beginning net position or the change in net position.

Note 2. Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a bank failure, UTDC's deposits may not be returned to it. UTDC does not have a formal custodial credit risk policy. At March 31, 2026 and 2025, approximately $11,163 and $12,839, respectively, of UTDC's bank balances were uninsured and uncollateralized. Furthermore, at fiscal year end March 31, 2026 and 2025, UTDC held cash equivalents of $1,741 and $1,176, respectively, in the GS Financial Sq Government Capital Fund, a money market mutual fund rated AAAm by Standard & Poors.

Note 3. Capital Assets

Capital asset activity for the year ending March 31, 2026 is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Leasehold improvements	$ 7,696	$ 4,406	$ 946	$ 11,156
Equipment	4,245	18	-	4,263
Right-to-use lease assets - buildings	13,148	656	219	13,585
Right-to-use subscription assets	398	-	-	398
Deposits on capital assets	-	28	-	28
Total	25,487	5,108	1,165	29,430
Less accumulated depreciation for				
Leasehold improvements	3,726	992	-	4,718
Equipment	2,658	1,050	-	3,708
Less accumulated amortization for				
Right-to-use lease assets - buildings	3,982	1,432	44	5,370
Right-to-use subscription assets	120	123	2	241
Total	10,486	3,597	46	14,037
Capital assets, net	$ 15,001	$ 1,511	$ 1,119	$ 15,393

Capital asset activity for the year ending March 31, 2025 is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Leasehold improvements	$ 7,696	$ -	$ -	$ 7,696
Equipment	3,939	306	-	4,245
Right-to-use lease assets	12,429	1,372	653	13,148
Right-to-use subscription assets	339	322	263	398
Total	24,403	2,000	916	25,487
Less accumulated depreciation for:				
Leasehold improvements	2,724	1,002	-	3,726
Equipment	1,423	1,235	-	2,658
Less accumulated amortization for:				
Right-to-use lease assets	2,754	1,287	59	3,982
Right-to-use subscription assets	264	120	264	120
Total	7,165	3,644	323	10,486
Capital assets, net	$ 17,238	$ (1,644)	$ 593	$ 15,001

Certain immaterial revisions have been made to the 2025 beginning balances of the right-to-use lease assets and associated accumulated amortization for lease modifications. These revisions did not have a significant impact on the line items impacted.

Note 4. Leases

Lessee

UTDC leases office space from external parties. In accordance with GASB Statement No. 87, UTDC records right-to-use assets and lease liabilities based on the present value of expected payments over the term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University of Nebraska's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended March 31, 2026 and 2025, no variable payments were made. For leases featuring payments tied to an index or market rate, the valuation is based on the initial index or market rate. UTDC does not have any leases subject to a residual value guarantee. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life.

Lease liability activity for the year ended March 31, 2026 is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2026 Lease Obligations	$ 10,427	$ 655	$ 1,428	$ 9,654	$ 1,462

Lease liability activity for the year ended March 31, 2025 is as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
2025 Lease Obligations	$ 10,699	$ 1,372	$ 1,644	$ 10,427	$ 1,229

As of March 31, 2026, the scheduled fiscal year maturities of lease liabilities and related interest expense are as follows:

Fiscal Year Ending March 31,	Principal	Interest
2027	$ 1,462	$ 351
2028	1,521	304
2029	1,579	253
2030	836	208
2031	908	170
2032-2036	3,348	259
	$ 9,654	$ 1,544

Lessor

UTDC leases land to external parties. In accordance with GASB Statement No. 87, UTDC records lease receivables and deferred inflows of resources based on the present value of remaining lease payments expected to be received during the lease term plus any payments received at or before the commencement of the lease term that relate to future periods. The expected receipts are discounted using the interest rate charged on the lease, if known, or the University of Nebraska's incremental borrowing rate. Variable receipts are excluded from the valuations unless they are fixed in substance. Future recognition of the deferred inflow of resources as revenue is performed in a systematic and rational manner over the term of the lease. Revenue recognized under the lease contracts referenced above totaled approximately $408 and $498 for the years ended March 31, 2026 and 2025, respectively, and includes both lease revenue and interest.

Note 5. Related-Party Transactions

NUtech, UNeMed, NICDC, and NSRI have established operating agreements with UNL and UNMC relating to reimbursement of overhead costs incurred. The transfers from University sources are shown as non-capital subsidies based on the nature of the transfers in the statements of revenues, expenses, and changes in net position. Amounts reimbursed during the years ended March 31, 2026 and 2025 are as follows:

	2026	2025
Reimbursement to UVDCK from University Sources	$ 110	$ 95
Reimbursement to NUtech from University Sources	1,758	1,634
Reimbursement to NICDC from University Sources	1,535	2,300
Reimbursement to UNeMed from UNMC	2,547	2,335
Reimbursement to NSRI from University Sources	800	1,305
Reimbursement to UTDC from University Sources	250	250
	$ 7,000	$ 7,919

The outstanding receivables from and payables to related parties at March 31, 2026 and 2025 are the result of the agreements described herein, are current in nature, and are routinely cleared as a matter of business with the related parties.

Note 6. Retirement Plan

NUtech, UNeMed, NICDC, and UVDCK employees also receive retirement benefits according to the University's retirement plan. The defined-contribution plan covers all academic faculty, administrative, and classified staff and provides investment options administered by Teachers Insurance and Annuity Association/College Retirement Equity Fund (TIAA/CREF) and Fidelity Investments. Under the plan, faculty and staff are required to contribute 3.5% or 5.5% if they participate in either Tier 1 or Tier 2 of the plan, respectively. The University matches faculty and staff participation by contributing 6.5% and 8.0% for Tier 1 and Tier 2, respectively. The policy is to fund costs accrued on an annual basis.

NDRC has adopted a Paychex Pooled Employer Plan. Under the plan, employee contributions are matched 100% by NDRC up to 3% of employee compensation. Employee contributions that exceed 3% but do not exceed 4% are matched 50% by NDRC. Any contributions exceeding 4% of compensation are not matched by NDRC.

NSRI has a retirement plan with Fidelity Investments. NSRI will match employee contributions up to 3.5% of employee compensation. Any contributions exceeding 3.5% of compensation are not matched by NSRI.

Contributions made by employees for the years ended March 31, 2026 and 2025 were $943 and $787, respectively. Contributions made by the component units for the years ended March 31, 2026 and 2025 were $549 and $470, respectively.

Note 7. Accrued Compensated Absences

NUtech, UNeMed, NICDC, and UVDCK pay employees through the payroll system of the University. The University is reimbursed for the salary and benefits expenses of these four UTDC component units. The remaining component units with employees, NSRI and NDRC, process payroll separately.

Accrued compensated absences for NSRI and NDRC as of March 31, 2026 and 2025:

	Beginning Balance	Net Additions and Disposals	Ending Balance	Current Portion
2026	$ 1,108	$ 67	$ 1,175	$ 880
2025	$ 876	$ 232	$ 1,108	$ 746

Note 8. Commitments and Contingencies

UTDC is a defendant in a number of lawsuits and claims in its normal course of operations. Management is currently of the opinion that the ultimate settlement of such lawsuits and claims will not have a materially adverse effect on the financial statements.