

**UNIVERSITY OF DENVER**

Financial Statements and Uniform Guidance Single Audit Reports

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



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# UNIVERSITY OF DENVER

## Table of Contents

	<b>Page</b>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position, June 30, 2025 and 2024	4
Statement of Activities, Year ended June 30, 2025	5
Statement of Activities, Year ended June 30, 2024	6
Statements of Cash Flows, Years ended June 30, 2025 and 2024	7
Notes to Financial Statements	8
Single Audit Reports and Schedules	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government         Auditing Standards</i>	35
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	37
Schedule of Expenditures of Federal Awards	41
Notes to the Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	46
Summary of Prior Audit Findings	49
Corrective Action Plan	50



## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
University of Denver  
Denver, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of University of Denver (the University), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University, as of June 30, 2025 and 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 the University's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the University'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 the University'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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Denver, Colorado  
November 21, 2025, except for the Related Parties Footnote (Note 19), as to which the date is March 13, 2026

**UNIVERSITY OF DENVER**

Statement of Financial Position

At June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 148,413,136	172,111,601
Short term investments	102,354,914	93,381,801
Accounts receivable, net	38,890,677	40,571,040
Pledges receivable, net	41,633,419	47,169,097
Inventories, prepaid expenses, and other assets	17,535,648	18,905,164
Notes receivable	8,764,405	9,102,559
Long term investments	1,155,415,054	1,092,353,932
Loans to students, net	1,508,954	2,202,985
Deposits with bond trustees	—	12,292
Right to use asset under operating leases	318,750	1,515,267
Property, plant, and equipment, net of accumulated depreciation	769,362,975	771,718,807
Total assets	\$ <u>2,284,197,931</u>	<u>2,249,044,545</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities	\$ 110,716,320	113,969,936
Deferred revenues	24,464,407	31,453,571
Other liabilities	227,028	571,527
Annuity obligations	6,328,403	6,385,868
Operating lease liabilities	318,750	1,515,267
Long-term debt	189,983,662	202,483,012
U.S. government grants refundable	2,502,330	3,216,908
Total liabilities	<u>334,540,900</u>	<u>359,596,089</u>
Net assets:		
Without donor restrictions	984,593,416	970,077,749
With donor restrictions	965,063,615	919,370,707
Total net assets	<u>1,949,657,031</u>	<u>1,889,448,456</u>
Total liabilities and net assets	\$ <u>2,284,197,931</u>	<u>2,249,044,545</u>

**UNIVERSITY OF DENVER**

Statement of Activities

Year ended June 30, 2025

	<b>2025</b>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Operating activity			
Operating revenues and other support:			
Tuition and fees, net	\$ 354,743,599	—	354,743,599
Private gifts of cash and financial assets	2,480,693	27,823,615	30,304,307
Contributed nonfinancial assets	22,060	—	22,060
Grants and contracts	54,478,455	—	54,478,455
Endowment investment return appropriated for operations	19,179,300	34,660,819	53,840,119
Other investment income	11,183,850	639,011	11,822,861
Net realized and unrealized gains (losses) on other investment	558,792	1,451,070	2,009,862
Sales and services of educational activities	18,335,623	—	18,335,623
Sales and services of auxiliary enterprise	56,131,088	—	56,131,088
Other sources of operating revenue	33,655,446	—	33,655,446
Net assets released from restrictions	52,594,074	(52,594,074)	—
Total operating revenue	<u>603,362,979</u>	<u>11,980,441</u>	<u>615,343,420</u>
Operating expenses:			
Salaries and wages	305,949,404	—	305,949,404
Fringe benefits	73,467,254	—	73,467,254
Services and supplies	139,262,824	—	139,262,824
Utilities and maintenance	22,547,273	—	22,547,273
Depreciation	20,281,303	—	20,281,303
Interest on indebtedness	7,501,815	—	7,501,815
Other operating expenses	40,146,001	—	40,146,001
Total operating expenses	<u>609,155,874</u>	<u>—</u>	<u>609,155,874</u>
Increase (decrease) in net assets from operating activity	<u>(5,792,895)</u>	<u>11,980,441</u>	<u>6,187,546</u>
Non-operating activity			
Private gifts cash and financial assets for endowment	—	11,752,517	11,752,517
Endowment investment return after amounts appropriated for operations	12,284,333	28,295,022	40,579,355
Change in value of split-interest agreements	—	1,689,156	1,689,156
Net assets released from restrictions	994,980	(994,980)	—
Reclassification of restricted net assets	7,029,249	(7,029,249)	—
Increase (decrease) in net assets from non-operating activity	<u>20,308,562</u>	<u>33,712,467</u>	<u>54,021,028</u>
Change in net assets	14,515,667	45,692,908	60,208,575
Net assets at beginning of year	970,077,749	919,370,707	1,889,448,456
Net assets at end of year	<u>\$ 984,593,416</u>	<u>965,063,615</u>	<u>1,949,657,031</u>

**UNIVERSITY OF DENVER**

Statement of Activities

Year ended June 30, 2024

	<b>2024</b>		
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>Operating activity</b>			
Operating revenues and other support:			
Tuition and fees, net	\$ 362,255,453	—	362,255,453
Private gifts of cash and financial assets	1,868,457	16,081,604	17,950,061
Contributed nonfinancial assets		685,963	685,963
Grants and contracts	60,022,354	—	60,022,354
Endowment investment return appropriated for operations	12,843,671	34,792,192	47,635,863
Other investment income	12,196,576	493,860	12,690,436
Net realized and unrealized gains (losses) on other investment	702,945	2,019,850	2,722,795
Sales and services of educational activities	18,344,313	—	18,344,313
Sales and services of auxiliary enterprise	54,936,807	—	54,936,807
Other sources of operating revenue	31,242,836	—	31,242,836
Net assets released from restrictions	48,852,668	(48,852,668)	—
<b>Total operating revenue</b>	<b>603,266,080</b>	<b>5,220,801</b>	<b>608,486,881</b>
<b>Operating expenses:</b>			
Salaries and wages	308,208,708	—	308,208,708
Fringe benefits	70,867,129	—	70,867,129
Services and supplies	142,348,631	—	142,348,631
Utilities and maintenance	17,862,207	—	17,862,207
Depreciation	19,415,284	—	19,415,284
Interest on indebtedness	7,903,361	—	7,903,361
Other operating expenses	44,009,746	—	44,009,746
<b>Total operating expenses</b>	<b>610,615,066</b>	<b>—</b>	<b>610,615,066</b>
Increase (decrease) in net assets from operating activity	<b>(7,348,986)</b>	<b>5,220,801</b>	<b>(2,128,185)</b>
<b>Non-operating activity</b>			
Private gifts cash and financial assets for endowment	—	16,143,834	16,143,834
Endowment investment return after amounts appropriated for operations	12,596,309	30,587,660	43,183,969
Change in value of split-interest agreements	—	758,840	758,840
Net assets released from restrictions	1,689,811	(1,689,811)	—
Reclassification of restricted net assets	(240,353)	240,353	—
<b>Increase (decrease) in net assets from non-operating activity</b>	<b>14,045,767</b>	<b>46,040,876</b>	<b>60,086,643</b>
Change in net assets	6,696,781	51,261,677	57,958,458
Net assets at beginning of year	963,380,968	868,109,030	1,831,489,998
Net assets at end of year	\$ <b>970,077,749</b>	<b>919,370,707</b>	<b>1,889,448,456</b>

**UNIVERSITY OF DENVER**  
**Statements of Cash Flows**  
**Years ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Change in net assets	\$ 60,208,575	57,958,458
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property, plant, and equipment	20,281,303	19,335,675
Disposal of property, plant, and equipment	1,289,580	79,609
Amortization of premium and cost of issuance	(704,349)	(766,213)
Decrease in accounts receivable	1,680,363	6,164,954
Decrease in pledges receivable	5,535,678	4,149,187
(Increase) decrease in inventories, prepaid expenses, and other assets	1,369,516	(4,271,348)
Decrease in notes receivable	338,154	250,416
Increase (decrease) in accounts payable and accrued liabilities	(3,489,886)	34,017,662
(Decrease) in deferred revenues	(6,989,164)	(1,376,421)
(Decrease) in other liabilities	(344,499)	(791,942)
Actuarial adjustment for annuity obligation	62,020	49,252
Contributions of real property and personal property	(22,060)	(685,963)
Contributions restricted for long term investment	(11,752,517)	(16,143,834)
Net realized and unrealized (gains) on investments	(88,070,843)	(89,689,118)
Net cash provided (used) by operating activities	(20,608,129)	8,280,374
Cash flows from investing activities:		
Proceeds from sale of investments	87,494,527	621,370,065
Purchases of investments	(71,577,404)	(601,920,897)
Purchases of property, plant, and equipment	(18,978,781)	(14,967,519)
Repayments of Perkins and University loans from students	694,031	1,353,975
Decrease in deposits with bond trustees	12,292	691,626
Net cash provided (used) in investing activities	(2,355,336)	6,527,250
Cash flows from financing activities:		
Proceeds from contributions restricted for long term investment	11,774,577	16,764,834
Payments of bonds payable	(11,795,000)	(11,030,000)
(Decrease) in refundable government loan funds, net	(714,578)	(1,674,047)
Net cash provided in financing activities	(735,001)	4,060,787
Net increase (decrease) in cash and cash equivalents	(23,698,466)	18,868,411
Cash and cash equivalents at beginning of year	172,111,601	153,243,190
Cash and cash equivalents at end of year	\$ 148,413,136	172,111,601

See accompanying notes to the financial statements

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(1) Summary of Significant Accounting Policies**

**(a) Nature of the Entity**

The University of Denver is an accredited, independent, coeducational institution located in Denver, Colorado. The University was founded as Colorado Seminary in 1864. In 1880, following the reorganization of the Colorado Seminary, the University was established as the degree-granting body. In 2020, the University and the Colorado Seminary merged, forming the surviving entity, the University of Denver. An amended charter and articles of incorporation are in place with the State of Colorado. The University offers both undergraduate and graduate programs. Enrollment currently stands at approximately 12,900 students, of which approximately 6,600 are undergraduates. The University is primarily supported by tuition and fees, private gifts, and grants and contracts.

**(b) Basis of Presentation**

The financial statements of the University have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For financial reporting purposes, resources are classified into net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Net assets that are not subject to donor-imposed stipulations. Certain portions of net assets without donor restrictions have been appropriated for specific purposes by the University.

**Net assets with donor restrictions** – Net assets subject to donor-imposed stipulations that may or will be met by either action of the University and/or the passage of time, or for which the original contribution is to be maintained in perpetuity with resulting investment earnings available for use for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Measure of operations** – The statements of activities separately report changes in net assets from operating and non-operating activity. Operating activity consists primarily of revenues and expenses related to ongoing educational and research programs, including contributions for current use and endowment return appropriated by the University to support these programs. Non-operating activity consists primarily of contributions for long-term purposes, net appreciation, or depreciation for long-term investments in excess of amounts appropriated for operations, net assets released from donor restrictions for property placed in service, and other activities not in direct support of annual operations.

**(c) Cash and Cash Equivalents**

The University controls cash for all activities through one operating account.

The University considers all liquid investments with original maturities of three months or less, except those relating to endowments, deposits with trustees, or annuities, to be cash equivalents.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(d) Accounts Receivable**

Accounts receivable consists primarily of amounts due from students for tuition, room, board, and fees, and amounts due to the University under federal, state, and privately sponsored program grants and contracts. An allowance for expected credit losses is provided. The University uses a combination of historical loss experience, current economic conditions and forward-looking information to estimate future credit losses.

The following table shows the University's accounts receivable balances and allowances for expected credit losses as of June 30, 2025, and June 30, 2024:

	<u>2025</u>	<u>2024</u>
Student accounts receivable	\$ 29,917,321	31,100,453
Allowance for expected credit losses	<u>(3,793,518)</u>	<u>(3,075,746)</u>
Student accounts receivable, net	26,123,803	28,024,707
Sponsored programs accounts receivable	7,169,204	6,477,833
Allowance for expected credit losses	<u>(173,669)</u>	<u>(137,724)</u>
Sponsored programs accounts receivable, net	6,995,535	6,340,109
Financial aid accounts receivables	822,402	1,297,970
Other accounts receivable	<u>4,948,937</u>	<u>4,908,254</u>
Total accounts receivable, net	<u>\$ 38,890,677</u>	<u>40,571,040</u>

Student accounts that are 120 days delinquent are reviewed to determine if they should be assigned to an outside collection agency. If a student has assets or income, has not made a payment, and has not entered into a repayment agreement with the University, account may be assigned to preselected collection agencies.

In June of each year, student tuition accounts with delinquent balances over 365 days and no payment activity for the prior 12 months, which are deemed uncollectible, are written off to bad debt reserve.

**(e) Investments**

Investments received by gift, including investments in real estate, are recorded at estimated fair value at the date of the gift and are subsequently adjusted for changes in fair value thereafter. Purchased investments are carried at fair value. Realized and unrealized gains and losses are reported in the appropriate net asset classification. The University holds shares or units in alternative investment funds involving hedge, private equity, and real estate strategies. For financial statement presentation purposes, an investment may be considered alternative if the investment does not meet the following four criteria: (1) it is registered with the Securities Exchange Commission (SEC), (2) it makes semiannual filings with the SEC, (3) it calculates a net asset value daily, and (4) purchase and redemption of shares may be done daily. Such alternative investment funds may hold securities or other financial instruments for which a ready market exists and are priced accordingly. In addition, such funds may hold assets that require the estimation of fair values in the absence of readily determinable market values.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

The University evaluates the fair value of its investments in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820-10, *Fair Value Measurements and Disclosures*, updated by Accounting Standards Update (ASU) No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This standard establishes a framework for measuring fair value, clarifies the definition of fair value for financial reporting, and expands disclosures about fair value measurements. See further discussion at note 4.

In conjunction with the provisions of FASB ASC Topic 820-10, the University evaluates the fair value of its investments in accordance with the provisions of ASU No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, for certain investments in funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds. This guidance amends FASB ASC Topic 820-10 and allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair value that would be calculated pursuant to other provisions of FASB ASC Topic 820-10.

**(f) Pledges Receivable and Contribution Revenue**

Unconditional promises to give are recorded when pledges are made by the respective donors at the estimated present value of future cash flows discounted at the prevailing interest rate as of the period in which the agreement is received. An allowance for uncollectibility is provided based on review of individually significant pledges and an estimated rate of uncollectability. All contributions are available for unrestricted use unless specifically restricted by the donor.

Donor-restricted contributions whose restrictions are met in the same reporting period are initially reported as revenue with donor restrictions, which increases net assets with donor restrictions, then reclassified (or released from restrictions), increasing net assets without donor restrictions and decreasing net assets with donor restrictions. Conditional promises to give are recognized as revenue when the conditions on which they depend are substantially met.

Net assets released from restrictions are reported in the statements of activities when the University has met the donor restrictions. Assets released from restrictions in the current year are for scholarships, plant acquisitions, and departmental operations.

See note 1(l) for discussion of grants and contracts with governments and similar agencies.

**(g) Inventories**

Inventories, which consist mainly of athletic and golf course merchandise and operating supplies, are valued at the lower of cost or net realizable value using the first-in, first-out (FIFO) method.

**(h) Notes receivable**

Notes receivable consist of one note receivable which was assigned to the University during the year ended June 30, 2023 as part of the distribution of the assets of an estate gift and a second note receivable which was made payable to the University during the year ended June 30, 2023 by a debtor to a second estate of which the University was a beneficiary. Both notes receivable are valued at the present value of the future expected cash payments.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(i) Deposits with Bond Trustees**

Deposits with bond trustees represents unspent funds from the Series 2017A and Series 2017B proceeds held in cash and U.S. government securities.

**(j) Property, Plant, and Equipment**

Property, plant, and equipment exceeding a capitalization threshold of \$5,000 are carried at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation on property, plant, and equipment is calculated on the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment and historically 10 to 80 years for buildings and improvements.

Property, plant, and equipment includes the accumulated construction costs of buildings currently being constructed that are not placed in service as of the reporting date, as shown in note 7. To the extent that buildings are constructed with contributions from donors restricted to the cost of construction, interest capitalization is not included in the cost of construction.

The University reports gifts of property, plant, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the University reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated works of art are considered collections under the University's policy. Collections held for public exhibition and education in furtherance of public service rather than financial gain are not recorded in the statements of financial position.

**(k) Revenue Recognition**

**Tuition and Fee Revenue, Scholarships, and Deferred Tuition and Fee Revenue**

The University recognizes revenue from student tuition and fees ratably over the academic term in which the related courses and programs are delivered. Registered students are generally billed on the first day of the month preceding the month in which classes begin and payment is due during the third week of that month. During terms for which classes begin late in the month, registered students are billed on the first of the month in which classes begin and payment is due during the third week of that month.

Institutional scholarships and non-institutional scholarships represent the difference between the stated charge for tuition and fees and the amount that is billed to the student. Institutional scholarships are the unfunded discount from the University's stated tuition and fee charges which is applied to the accounts of qualifying students. Non-institutional scholarships are those scholarships that are funded by gifts, endowment distribution, and research funds.

The following table shows the University's tuition and fee revenue and scholarship support for the years ended June 30, 2025, and 2024:

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

	2025	2024
Undergraduate tuition	\$ 361,085,603	347,461,253
Graduate tuition	233,144,366	240,397,248
Other tuition	11,777,681	14,159,707
Student fees	4,876,155	4,876,752
Tuition and fees	610,883,805	606,894,960
Less: institutional scholarships	(220,912,520)	(212,462,303)
Less: noninstitutional scholarships	(35,227,686)	(32,177,204)
Net tuition and fees	\$ 354,743,599	362,255,453

Summer session tuition and fee revenue not earned as of year-end is deferred and reported as Deferred Revenues on the Statement of Financial Position. Deferred tuition and fee revenue is recognized as revenue in the following fiscal year.

The following tables include a roll forward of Deferred Tuition and Fee Revenue balances for the years ended June 30, 2025, and 2024:

Balance at June 30, 2024	\$	31,453,571
Tuition and fee revenue recognized		(31,453,571)
Revenue deferred for future performance obligations		24,464,407
Balance at June 30, 2025	\$	24,464,407

Balance at June 30, 2023	\$	32,829,992
Tuition and fee revenue recognized		(32,829,992)
Revenue deferred for future performance obligations		31,453,571
Balance at June 30, 2024	\$	31,453,571

**(I) Grants and Contracts Revenue**

The University receives grants and contracts from governmental and private sources. The University considers the majority of its grants and contracts funding to be nonreciprocal transactions in which resources are provided for the benefit of the University, the funding organization's mission, or the public at large. The University considers its grants and contracts to be conditional contributions. The University recognizes revenues associated with these sponsored programs as the related costs are incurred in accordance with the terms of the grant agreements. Grant-type conditional contributions, whose conditions and restrictions have been met in the same reporting period they are initially reported, are reported as grants and contract revenue without donor restrictions.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

The following table shows the University's grants and contracts revenue from governmental and non-governmental sources for the fiscal years ended June 30, 2025 and June 30, 2024:

	2025	2024
Governmental sources of grants and contracts		
Federal sponsored programs	\$ 33,446,885	37,772,912
Other governmental sponsored programs	6,369,575	7,153,634
Federal and state student financial assistance	6,439,963	6,018,725
Total governmental sources of grants and contracts	46,256,423	50,945,271
Non-governmental sponsored programs	8,222,032	9,077,083
Total grants and contracts	\$ 54,478,455	60,022,354

Facilities and administrative costs recovered on federally sponsored programs are generally based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal facilities and administrative costs rate with the Office of Naval Research. Facilities and administrative costs recovered included in federal sponsored programs in the chart above were approximately \$7,078,000 and \$7,433,000 during fiscal years ended June 30, 2025 and 2024, respectively. Facilities and administrative costs recovered on all other grants and contracts are based on rates negotiated with respective sponsors. Facilities and administrative costs recovered from other governmental-sponsored programs and non-governmental sponsored programs were approximately \$1,832,000 and \$2,025,000 during fiscal years ended June 30, 2025, and 2024, respectively.

**(m) Sales and Services of Auxiliary Enterprise**

Sales and services of auxiliary enterprise revenue consist primarily of revenue received from students for housing and meal plan charges, health and counseling center fees, conferencing events, and performing arts center events. Revenues for housing and meal plan charges are recognized ratably over the academic term in which the housing and board plans are provided. Students are billed on the first day of the month following registration and payment is due during the third week of that month.

The following table shows the University's sales and services of auxiliary enterprise revenue disaggregated by source:

	2025	2024
Housing	\$ 28,433,955	27,692,474
Meal plans	16,052,233	16,572,195
Health and counseling services	7,808,188	6,436,060
Conferencing and events	2,420,526	2,736,780
Performing arts events	1,365,628	1,453,685
Other sales and services of auxiliary enterprises	50,558	45,613
Total sales and services of auxiliary enterprises	\$ 56,131,088	54,936,807

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(n) *Compensated Absences***

Eligible University employees earn paid vacation each month based upon their years of service with the University. Vacation time accrues and vests proportionately between July 1 and June 30 of the current year and employees can carry a maximum of 22 days to the next fiscal year. An accrual has been made for earned vacation time in the amount of \$5,287,000 and \$5,970,000 as of June 30, 2025, and 2024, respectively. It is included in accounts payable and accrued liabilities in the accompanying statements of financial position.

The University has a sick leave plan covering substantially all employees. The University provides employees approximately eight hours of paid sick leave per month depending on employment status. The University employees accumulated unused sick leave is carried over to the next year and is cumulative. Unused sick pay is forfeited by employees when they cease to be employed by the University. Therefore, no amount is accrued for sick leave.

**(o) *Annuity Obligations***

Annuity obligations represent the actuarially determined present value of future payments due to beneficiaries under split-interest agreements, primarily charitable remainder trusts, based on the beneficiaries' life expectancies from actuarial tables published by the Internal Revenue Service, initially using the prevailing interest rate as of the date of each agreement.

**(p) *Taxes***

The University is recognized as an organization generally exempt from income taxes under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) and a public charity, and not as a private foundation, under Section 509(a)(1). However, income generated from activities unrelated to the University's exempt purpose is subject to tax under Section 511 of the Code. The University had no material amounts of unrelated business income for the years ended June 30, 2025 and 2024.

The University evaluates its tax position in accordance with the provisions of FASB ASC Topic 740-10, *Income Taxes*. FASB ASC Topic 740-10 clarifies the accounting for uncertainty in income tax recognized in an entity's financial statements. FASB ASC Topic 740-10 requires entities to determine whether it is more likely than not that a tax position will be sustained upon examination by the appropriate taxing authorities before any part of the benefit can be recorded in the financial statements. It also provides guidance on the recognition, measurement, and classification of income tax uncertainties, along with any related interest or penalties. A tax position is measured at the largest amount of benefit that is greater than 50% likely being realized upon settlement. The University has no uncertain income tax positions as of June 30, 2025 and 2024.

**(q) *Net Asset Reclassifications***

In 2011, the University initiated a matching program to increase endowed scholarships for undergraduates, graduates, and performing arts students. The board of trustees has designated \$66 million of the University's strategic reserves to match commitments to new and existing scholarship endowments. For the years ended June 30, 2025 and 2024, the University matched commitments to the matching program in the amount of approximately \$247,000 and \$240,000, respectively. Other reclassifications represent clarification of donor intentions.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(r) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ significantly from those estimates.

**(s) Endowment Funds**

The University presents its endowment funds in accordance with the provisions of FASB ASC Topic 958-205, *Presentation of Financial Statements*, which provides guidance about the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (the Act) and expands disclosures about endowment funds. See further discussion at note 5.

**(t) Subsequent Events**

FASB ASC Topic 855-10, *Subsequent Events*, establishes principles and requirements for subsequent events and applies to accounting for and disclosure of subsequent events not addressed in other applicable generally accepted accounting principles. The University evaluated events subsequent to June 30, 2025 and through November 21, 2025.

**(u) Reclassifications**

Certain 2024 amounts have been reclassified to conform to the current year presentation.

**(2) Financial Assets for General Expenditure**

The University's financial assets and liquidity resources available within one year of the date of the statement of financial position for general expenditure were as follows at June 30:

	2025	2024
Financial Assets:		
Cash and cash equivalents - operating	\$ 140,093,565	159,917,261
Short-term investments - operating	102,009,916	93,036,800
Long-term investment - operating	497,796	314,183
Working capital	242,601,277	253,268,244
Accounts receivable, net	38,890,677	40,571,040
Pledges receivable-operating due within one year	8,130,145	6,149,317
Board-designated endowments	349,562,474	304,792,454
Financial assets available at year end	639,184,573	604,781,055
Liquidity resources		
Estimated endowment distribution in the following year	44,594,000	45,044,000
	\$ 683,778,573	649,825,055

In addition to the financial assets on the table above, the University has available a line of credit of \$50 million with a financial institution. See note 16 for further discussion.

Resources available to the University to fund general expenditures, such as operating expenses, interest and principal payments on debt, and internally funded capital construction, have seasonal

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

variations related to the timing of tuition billings, receipt of gifts and pledge payments, and appropriations from the endowment. The University actively manages its resources, utilizing a combination of short-term and long-term investment strategies to align its cash inflows with anticipated cash outflows.

**(3) Short- and Long-Term Investments**

Investments at June 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Short-term investments:		
Fixed Income Securities	\$ 91,979,330	78,872,475
Mutual funds	9,892,832	13,926,574
Real estate	345,000	345,000
Other	137,752	237,752
	<u>102,354,914</u>	<u>93,381,801</u>
Long-term investment:		
Trustee cash and cash equivalents for endowments and annuities	19,009,797	21,414,104
Fixed Income Securities	69,298,518	70,397,884
Alternative Investments	312,193,339	283,508,741
Global Equities	230,661,219	232,523,093
Mutual Funds	15,720,852	15,041,350
Real Estate	46,256,000	67,806,001
Private Equities	450,134,567	390,494,894
Beneficial Trust Interest	11,696,311	10,949,115
Other	444,451	218,750
	<u>1,155,415,054</u>	<u>1,092,353,932</u>
Total all funds	<u>\$ 1,257,769,968</u>	<u>1,185,735,733</u>

All endowments established by various donors over the years are accounted for separately in the accounting records of the University to ensure that the purposes for which the endowments were initially created are carried out in perpetuity. For investment purposes, to maximize total investment return and administrative efficiency, the University commingles certain assets in an investment pool.

Individual endowments own shares in the pool, the value per share being determined by the pool's aggregate fair value, and the number of shares outstanding at the time contributions are made. At June 30, 2025, the pool 148,436,468 shares outstanding, with a fair value of approximately \$1,099,855,970. The University has adopted a spending policy whereby the board of trustees has authorized a stipulated percentage of the fair value of endowments participating in the investment pool to be spent for the purposes of the donors. The distribution for spending in 2025 was \$0.30 per share, which represented spending of realized and unrealized gains. At June 30, 2024, the pool had 151,546,539 shares outstanding, with a fair value of approximately \$1,023,991,747. The distribution for spending in 2024 was \$0.30 per share, which represented spending of realized and unrealized gains.

The investment pool consisted of 1,505 and 1,467 individual endowments at June 30, 2025 and 2024 respectively.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

The University has the following split-interest agreements, which are included in long-term investments and are classified as net assets with donor restrictions at June 30, 2025 and 2024:

	2025	
	Number of agreements	Market Value
Perpetual trusts held by third party	2	\$ 9,217,663
Charitable Remainder Trusts:		
University named trustee	13	13,014,003
Third-party named trustee	3	2,478,648
Charitable Annuity Agreements	33	2,683,502
	51	\$ 27,393,816

  

	2024	
	Number of agreements	Market Value
Perpetual trusts held by third party	2	\$ 8,690,733
Charitable Remainder Trusts:		
University named trustee	13	12,451,649
Third-party named trustee	3	2,258,380
Charitable Annuity Agreements	35	2,919,529
	53	\$ 26,320,291

The University is the beneficiary of certain perpetual trusts held by others. The present values of the estimated future cash receipts from the trusts are recognized as assets and contribution revenue at the date the trusts are established. Distributions from the trusts are recorded as investment income, and the carrying value of the assets is adjusted for changes in the estimates of future receipts as gains and losses on the endowment investments.

The Charitable Remainder Trusts and Charitable Annuity Agreements are split-interest agreements that are held and administered either by the University or by others. In the period when the agreement is established, the University recognizes an asset at fair value, a liability to the beneficiary for the estimated future benefits to be distributed, and contribution revenue for the difference. The annuity obligation is primarily based on the person's age at the time of the gift, their life expectancy, and the prevailing interest rate as of the date of the agreement. Annual adjustments are made to the liability for the estimated future benefits to be distributed due to changes in the actuarial assumptions and the discount rate, where applicable, over the term of the agreement.

Contribution revenue recognized for new split-interest agreements in 2025 and 2024 was approximately \$744,000 and \$216,000, respectively.

**(4) FASB ASC Topic 820-10, Fair Value Measurements and Disclosures**

FASB ASC Topic 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820-10 are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the University has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. 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. However, the determination of what constitutes "observable" requires significant judgment by the University. The University considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the University's perceived risk of that instrument.

**(a) Investments**

Investments whose values are based on quoted market prices in active markets, and are, therefore, classified within Level 1, include actively listed global equities, certain U.S. government and sovereign obligations, and certain money market securities.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs are classified within Level 2. These include certain U.S. government and sovereign obligations, certain government agency securities, investment grade corporate bonds, certain mortgage products, certain bank loans and bridge loans, less liquid listed equities, state, municipal, and provincial obligations, most physical commodities, and certain loan commitments. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or nontransferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include private equity, certain bank loans and bridge loans, less liquid corporate debt securities (including distressed debt instruments), collateralized debt obligations, investments in other funds, and less liquid mortgage securities (backed by either commercial or residential real estate).

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(b) Fair Value Hierarchy Table**

The following tables summarize the University's short- and long-term investments in the fair value hierarchy as of June 30, 2025 and 2024, as well as the liquidity of the investments. Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the short-term investments and long-term investments amounts presented in the statement of position.

Deposits with bond trustees represent unspent funds from the Series 2017A and Series 2017B proceeds held in cash and U.S. government securities as discussed in note 1(i). Fair value of U.S. government securities held as Deposits with bond trustees is the unadjusted quoted market price of the securities. Deposits with bond trustees are categorized as Level 1 investments. However, they are not included in the fair value hierarchy table.

Private equity investments in the fair value tables below as of June 30, 2025 and 2024 are liquidated in accordance with the respective fund legal documents. The timing of the liquidation of these funds as of June 30, 2025 and 2024 is unknown.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

Investment/liquidity	June 30, 2025				
	Level 1	Level 2	Level 3	NAV	Total
<b>Fixed Income Securities:</b>					
Daily	\$ 90,241,450	71,036,398	—	—	161,277,848
Total	<u>90,241,450</u>	<u>71,036,398</u>	<u>—</u>	<u>—</u>	<u>161,277,848</u>
<b>Alternative investments:</b>					
Monthly	—	—	—	58,086,227	58,086,227
Annual	—	—	—	109,166,746	109,166,746
Illiquid	—	—	—	144,940,366	144,940,366
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>312,193,339</u>	<u>312,193,339</u>
<b>Mutual funds:</b>					
Daily	25,613,684	—	—	—	25,613,684
Total	<u>25,613,684</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>25,613,684</u>
<b>Global equities:</b>					
Daily	8,513,070	—	—	—	8,513,070
Monthly	853,036	—	—	140,558,210	141,411,246
Annual	—	—	—	36,615,012	36,615,012
Illiquid	—	—	—	44,121,892	44,121,892
Total	<u>9,366,105</u>	<u>—</u>	<u>—</u>	<u>221,295,114</u>	<u>230,661,219</u>
<b>Trustee cash and cash equivalents:</b>					
Daily	19,009,797	—	—	—	19,009,797
Total	<u>19,009,797</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,009,797</u>
<b>Real estate:</b>					
Annually	—	46,601,000	—	—	46,601,000
Total	<u>—</u>	<u>46,601,000</u>	<u>—</u>	<u>—</u>	<u>46,601,000</u>
<b>Private equities:</b>					
Illiquid	—	—	—	450,134,567	450,134,567
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>450,134,567</u>	<u>450,134,567</u>
<b>Beneficial trust interest:</b>					
Illiquid	—	11,696,311	—	—	11,696,311
Total	<u>—</u>	<u>11,696,311</u>	<u>—</u>	<u>—</u>	<u>11,696,311</u>
<b>Other:</b>					
Daily	344,451	—	—	—	344,451
Illiquid	137,752	100,000	—	—	237,752
Total	<u>482,203</u>	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>582,203</u>
Grand total	<u>\$ 144,713,239</u>	<u>129,433,709</u>	<u>—</u>	<u>983,623,020</u>	<u>1,257,769,968</u>

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

Investment/liquidity	June 30, 2024				
	Level 1	Level 2	Level 3	NAV	Total
<b>Fixed Income Securities:</b>					
Daily	\$ 72,342,617	76,927,742	—	—	149,270,359
Total	<u>72,342,617</u>	<u>76,927,742</u>	<u>—</u>	<u>—</u>	<u>149,270,359</u>
<b>Alternative investments:</b>					
Annual	—	—	—	226,586,225	226,586,225
Illiquid	—	—	—	56,922,516	56,922,516
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>283,508,741</u>	<u>283,508,741</u>
<b>Mutual funds:</b>					
Daily	28,967,924	—	—	—	28,967,924
Total	<u>28,967,924</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>28,967,924</u>
<b>Global equities:</b>					
Daily	7,288,298	—	—	—	7,288,298
Monthly	—	—	—	224,618,230	224,618,230
Annual	616,565	—	—	—	616,565
Total	<u>7,904,863</u>	<u>—</u>	<u>—</u>	<u>224,618,230</u>	<u>232,523,093</u>
<b>Trustee cash and cash equivalents:</b>					
Daily	21,414,104	—	—	—	21,414,104
Total	<u>21,414,104</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>21,414,104</u>
<b>Real estate:</b>					
Annual	—	68,151,001	—	—	68,151,001
Total	<u>—</u>	<u>68,151,001</u>	<u>—</u>	<u>—</u>	<u>68,151,001</u>
<b>Private equities:</b>					
Illiquid	—	—	—	390,394,894	390,394,894
Total	<u>—</u>	<u>—</u>	<u>—</u>	<u>390,394,894</u>	<u>390,394,894</u>
<b>Beneficial trust interest:</b>					
Illiquid	—	10,949,115	—	—	10,949,115
Total	<u>—</u>	<u>10,949,115</u>	<u>—</u>	<u>—</u>	<u>10,949,115</u>
<b>Other:</b>					
Daily	318,750	—	—	—	318,750
Illiquid	137,752	100,000	—	—	237,752
Total	<u>456,502</u>	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>556,502</u>
Grand total	<u>\$ 131,086,010</u>	<u>156,127,858</u>	<u>—</u>	<u>898,521,865</u>	<u>1,185,735,733</u>

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(5) Endowments**

As discussed in note 1(s), FASB ASC Topic 958-205 provides guidance about the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to the Act and expands disclosures about endowment funds. The Act was effective September 1, 2008 and provides for statutory guidance for the management, investment, and expenditure of endowment funds held by not-for-profit organizations. Amongst other provisions, the Act eliminates the “historical dollar value” rule for endowment funds in favor of guidelines regarding what constitutes prudent spending.

The University’s endowments consist of 1,535 and 1,504 individual funds as of June 30, 2025 and 2024, respectively. The endowments were established for a variety of purposes, including both donor-restricted endowment funds (true endowment) and funds designated by the board of trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the board of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**(a) Interpretation of Relevant Law**

The board of trustees of the University has interpreted the version of the Act enacted by the State of Colorado as not requiring an institution subject to the Act to implement a reclassification within its financial statements to reflect the effect of price inflation on the historic dollar value of endowment funds, bringing the current purchasing power of such funds to their original purchasing power and denominating the result as perpetual endowment.

The portion of the donor-restricted fund that is not classified as perpetual endowment net assets is classified as endowment subject to future appropriations until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by the Act. In accordance with the Act, the University considers the following factors in making determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and the preservation of the fund
2. The purposes of the University and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the University
7. The investment policies of the University

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

Net assets comprising true endowments funds and funds designated by the board of trustees to function as endowments were as follows at June 30:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2025:			
Donor-restricted			
Perpetual endowment	\$ —	516,961,351	516,961,351
Subject to future			
appropriations	—	313,014,709	313,014,709
Board-designated			
endowment funds	<u>349,562,474</u>	<u>—</u>	<u>349,562,474</u>
	<u>\$ 349,562,474</u>	<u>829,976,060</u>	<u>1,179,538,534</u>

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
June 30, 2024:			
Donor-restricted			
Perpetual endowment	\$ —	503,489,716	503,489,716
Subject to future			
appropriations	—	313,052,224	313,052,224
Board-designated			
endowment funds	<u>304,792,454</u>	<u>—</u>	<u>304,792,454</u>
	<u>\$ 304,792,454</u>	<u>816,541,940</u>	<u>1,121,334,394</u>

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

The changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2024	\$ 304,792,453	816,541,941	1,121,334,394
Investment return:			
Investment income	2,346,403	6,012,090	8,358,493
Net realized and unrealized gains	29,117,230	56,943,751	86,060,981
Total investment return	31,463,633	62,955,841	94,419,474
Private gifts	—	11,752,517	11,752,517
Appropriation of endowment assets for expenditures	(19,179,300)	(34,660,819)	(53,840,119)
Reinvested income	431,471	3,846,190	4,277,661
Transfer to restricted endowments	44,635	1,549,972	1,594,607
Reclassification of restricted net assets	32,009,582	(32,009,582)	—
Changes	44,770,021	13,434,119	58,204,140
Endowment net assets, June 30, 2025	\$ <u>349,562,474</u>	<u>829,976,060</u>	<u>1,179,538,534</u>

During 2025, the majority of the reclassification of restricted net assets related to a portion of the endowment that was originally funded by non-endowed gifts with donor restrictions now being funded by funds without donor restrictions. A small portion of the reclass includes gift matching of approximately \$247,000.

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 291,788,885	765,606,498	1,057,395,383
Investment return:			
Investment income	762,988	3,090,521	3,853,509
Net realized and unrealized gains	24,676,992	62,289,331	86,966,323
Total investment return	25,439,980	65,379,852	90,819,832
Private gifts	314,210	16,530,067	16,844,277
Appropriation of endowment assets for expenditures	(12,843,671)	(34,792,192)	(47,635,863)
Reinvested income	333,403	2,656,228	2,989,631
Transfer to restricted endowments	—	921,134	921,134
Reclassification of restricted net assets	(240,353)	240,353	—
Changes	13,003,569	50,935,442	63,939,011
Endowment net assets, June 30, 2024	\$ <u>304,792,454</u>	<u>816,541,940</u>	<u>1,121,334,394</u>

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(b) Funds with Deficiencies**

From time to time, the fair value of assets associated with individual endowment funds may fall below the level of the book value (underwater). The University had 2 funds considered underwater with a deficiency of approximately \$1,300 at June 30, 2025. There were 38 funds considered underwater with a deficiency of approximately \$536,000 at June 30, 2024. The deficiency is recorded as net unrealized losses on endowment in the change in net assets with donor restrictions within the statement of activities.

**(c) Return Objectives and Risk Parameters**

The endowment funds are managed to maximize annualized returns net of all costs over ten-year periods while adhering to the University's risk parameters. Endowment funds are deployed in a manner that seeks to avoid 25% or greater peak-to-trough declines in inflation-adjusted unit value. The endowment funds are structured to avoid annualized shortfalls exceeding 3%, relative to the mean return of endowments with greater than \$1 billion in assets reported to the NACUBO-Commonfund Study of Endowments, over rolling 10-year periods.

**(d) Strategies Employed for Achieving Objectives**

The University has entered into an agreement with Investure, LLC for investment advisory and management services. The scope of the agreement pertains to management of a portion of the University's Consolidated Endowment Fund. The University has authorized Investure, LLC to act as the University's attorney-in-fact to enter into, make, execute and perform agreements or other undertakings on behalf of the University in connection with each investment. The University, through Investure, LLC's management, targets a diversified asset allocation. Investure, LLC's long-term investment allocation guidelines include the following targets and maximum allocations by investment: global equity target of 30% and maximum allocation of 50%, alternative equity target of 30% and maximum allocation of 40%, private equity target of 30% and maximum allocation of 40%, fixed income target of 10% with no maximum allocation.

In addition to investments managed by Investure, the University holds an alternative investment and real estate investments in the Consolidated Endowment Fund which are not managed by Investure. The overall asset allocation of the Consolidated Endowment Fund is considered when investment allocation guidelines and targets are assessed. In addition to the investments held in the Consolidated Endowment Fund, the University holds investments in separate endowment funds. The investment objectives of the individual separate endowment funds may differ from the objectives of the Consolidated Endowment Fund and have asset allocation guidelines and targets specific to those funds.

**(e) Spending Policy**

The University has adopted a spending policy whereby the board of trustees has authorized a stipulated percentage of the fair value of endowments participating in the investment pool to be spent for the purposes of the donors. As of June 30, 2025, and 2024, the approved percentage was 4.5% of a moving 12-quarter average of the market value of such funds.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(6) Pledges Receivable**

Pledges receivable are summarized as follows at June 30:

	2025	2024
Unconditional promises expected to be collected in:		
Less than one year	\$ 15,436,221	20,761,025
One to five years	14,986,536	19,580,621
Greater than five years	29,661,839	26,170,200
	60,084,596	66,511,846
Less allowance for uncollectible pledges	(6,008,460)	(5,670,457)
Less present value discount (4.75% - 6.50%)	(12,442,717)	(13,672,292)
Net pledges receivable	\$ 41,633,419	47,169,097

**(7) Property, Plant, and Equipment**

Property, plant, and equipment at June 30 consist of the following:

	2025	2024
Land	\$ \$ 12,489,547	12,491,550
Land improvements	35,861,886	35,523,499
Buildings and improvements	938,161,545	933,966,696
Equipment	67,972,818	63,964,664
Library books	9,588,785	9,559,175
Construction in progress	17,630,220	11,171,291
	1,081,704,801	1,066,676,875
Less accumulated depreciation	(312,341,826)	(294,958,068)
	\$ \$ 769,362,975	771,718,808

The University had approximately \$20,281,000 and \$19,415,000 of depreciation and disposal expense for the years ended June 30, 2025, and 2024, respectively.

The University monitors asset retirement obligations in accordance with the provisions of FASB ASC Topic 410-20, *Asset Retirement and Environmental Obligations*. Under FASB ASC Topic 410-20, costs related to the legal obligation to perform certain activities in connection with the retirement, disposal, or abandonment of assets are required to be accrued. The University has identified asbestos abatement as a conditional retirement obligation. For the years ended June 30, 2025, and 2024, respectively, an asset retirement obligation of approximately \$9,647,000 and \$9,378,000 is included in accounts payable and accrued liabilities.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(8) Long-Term Debt**

Bonds payable at June 30 consist of the following:

	<b>2025</b>	<b>2024</b>
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2021	\$ 7,855,000	9,600,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2017A	119,480,000	119,480,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2017B	15,655,000	17,655,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2013	10,600,000	12,515,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2007	26,310,000	32,445,000
	179,900,000	191,695,000
Unamortized bond premium	10,906,264	11,667,741
Unamortized bond cost of issuance	(822,602)	(879,729)
Total long-term debt	189,983,662	202,483,012
Less current installments	11,180,000	11,795,000
Long-term debt, excluding current installments	\$ 178,803,662	190,688,012

The University had approximately \$7,502,000 and \$7,903,000 of interest expense net of amortization of bond premium and deferred cost of issuance for the years ended June 30, 2025, and 2024, respectively. Amortization of bond premium and deferred cost of issuance was approximately \$704,000 and \$766,000 for the years ended June 30, 2025, and 2024, respectively. Interest of approximately \$8,206,000 and \$8,821,000 was paid in cash during the years ended June 30, 2025, and 2024, respectively.

**(a) Issuance of Series 2021 Bonds**

In February 2021, the Colorado Educational and Cultural Facilities Authority (the Authority) issued \$18,500,000 of University of Denver Revenue Bonds, Series 2021. The proceeds from the sale of the 2021 bonds were used to (1) refund \$11,310,000 aggregate principal amount of the Authority's Revenue Bonds Series 2014A, (2) refund \$7,040,000 aggregate principal amount of the Authority's Revenue Bonds Series 2014b, and (3) pay certain costs associated with the issuance of the 2021 Bonds.

The bond agreement provides for principal payments of \$2,515,000 in 2021, decreasing to \$1,710,000 in 2031. Interest is payable semiannually at a fixed rate of 1.420%.

**(b) Issuance of Series 2017 Bonds**

In June 2017, the Colorado Educational and Cultural Facilities Authority (the Authority) issued \$144,015,000 of University of Denver Revenue Bonds, Tax-Exempt Series 2017A \$119,480,000 and Taxable Series 2017B \$24,535,000. The proceeds from the sale of 2017 bonds will be used to (1) finance a portion of the construction, improvement, renovation, and equipping of certain campus improvements including a freshman residential dormitory, the campus career center, a substantial demolition, renovation and expansion of the student center to become a community commons, and other campus improvements; (2) pay certain

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

capitalized interest on the Bonds; and (3) pay certain costs associated with the issuance of the Bonds.

The bond agreement provides principal payments of \$1,555,000 in 2021, increasing to \$9,810,000 in 2047. Interest is payable semiannually at rates ranging from 2.244% to 5.000%.

**(c) Issuance of Series 2013 Bonds**

In February 2013, the Authority issued \$22,780,000 of University of Denver Revenue Bonds, Series 2013. The proceeds from the sale of the 2013 bonds were used to (1) refund \$21,240,000 aggregate principal amount of the Authority's Revenue Bonds Series 2005B and (2) pay certain costs associated with the issuance of the 2013 Bonds.

The bond agreement provides for principal payments of \$140,000 in 2014, increasing to \$2,255,000 in 2030. Interest is payable semiannually at rates ranging from 2.00% to 4.00%.

**(d) Issuance of Series 2007 Bonds**

In December 2006, the Authority issued \$39,920,000 of University of Denver Refunding Revenue Bonds, Series 2007. The proceeds from the sale of the 2007 bonds were used to (1) (i) refund all of the Authority's Revenue Bonds (University of Denver Project) Series 2001A Bonds outstanding in the aggregate principal amount of \$27,000,000 and (ii) refund \$14,905,000 of aggregate principal amount of the Authority's Revenue Bonds (University of Denver Project) Series 2005B Bonds; (2) purchase a municipal bond insurance policy and a reserve fund surety bond for the 2007 Bonds; and (3) pay certain costs associated with the issuance of the 2007 Bonds.

The bond agreement provides for principal payments of \$1,650,000 in 2023, \$5,825,000 in 2024, \$6,135,000 in 2025, \$6,455,000 in 2026, \$6,790,000 in 2027, and ranging from \$2,365,000 in 2031 to \$2,870,000 in 2035. Interest is payable semiannually at the rate of 5.25%. Payment of principal and interest on the bonds is guaranteed by Financial Guaranty Insurance Corporation.

**(e) Aggregate Annual Maturities of Bonds Payable**

At June 30, 2025, the aggregate annual maturities of bonds payable for the five succeeding years and thereafter are as follows:

2026	\$ 11,180,000
2027	11,615,000
2028	8,115,000
2029	8,345,000
2030	8,590,000
Thereafter	132,055,000
	\$ 179,900,000

**(f) Restrictive Bond Covenants**

The University is required by bond covenants to maintain expendable resources (as defined by the Loan Agreements) of at least 75% of the outstanding principal of its long-term debt. The Loan Agreements require the calculation of a debt service coverage ratio (as defined by the Loan Agreements) annually. A debt service coverage ratio of less than 1.15 may limit the ability of the University to borrow additional amounts. The University is also required to

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

comply with various other covenants while the bonds are outstanding. Management believes the University is in compliance with the bond covenants.

**(g) Security for the Bonds**

Under all the University's bond loan agreements, the University is obligated to pay amounts sufficient to provide payment of the principal and interest on the bonds. The obligation of the University to make such payments under the loan agreements is secured by a security interest in the gross revenues of the University, as defined.

**(9) Leases**

The University leases facilities, equipment, and vehicles under operating lease agreements. The present value of the future minimum lease payments is reported on the Statement of Financial Position as a Right to Use (ROU) asset under operating leases and as an Operating lease liability.

Minimum annual lease payments are shown in the table below as of June 30, 2025:

2026	203,745
2027	<u>134,011</u>
Total minimum lease payments	337,756
Present value discount (4.25%)	<u>(19,006)</u>
	<u>\$ 318,750</u>

During the years ended June 30, 2025 and June 30, 2024, payments related to the lease agreements were approximately \$1,264,000 and \$1,170,000, respectively, and are reported in services and supplies on the statement of activities. The weighted average remaining lease term as of June 30, 2025, and June 30, 2024, was 1.7 years and 1.7 years, respectively. The University elected to use a risk-free rate of return for the calculation of the operating lease liability for all leases. The University recognizes lease expense for short-term leases on a straight-line basis over the lease term. There was no short-term lease expense for the year-ended June 30, 2025 or June 30, 2024, and no amount for short-term leases is included in right-to-use asset under operating leases or operating lease liability.

**(10) Retirement Plan**

The University of Denver Retirement Plan (the Plan) covers all employees of the University except nonresident aliens and students. The Plan is a contributory tax-deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code (the Code). Participating employees may elect to defer up to 90% of their base pay, limited by the Code to \$23,500 per employee per year. The Code allows participants who have attained age 50 before the end of the Plan year to make catch-up contributions up to an additional \$7,500. Administrators, faculty members, and staff-appointed employees are eligible to participate in employer-provided contribution matching after one year of service. Effective July 1, 2020, the Plan was amended to add a provision for a fully discretionary matching contribution. Eligible employees who contributed at least 4% of their base pay received a matching contribution of 8% for all periods after April 1, 2021. Participants have a fully vested interest in the total contributions immediately. Accounts of each employee are invested at the employee's discretion. Under the Retirement Plan, the University contributed approximately \$15,955,000 and \$15,902,000 for the years ended June 30, 2025 and 2024, respectively, which were charged to operations expenses.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(11) Postretirement Benefits Other than Pensions**

The University records postretirement benefits in accordance with the provisions of FASB ASC Topic 715-20, *Compensations – Retirement Benefits*. FASB ASC Topic 715-20 requires balance sheet recognition of the net asset or liability for the overfunded or underfunded status of defined-benefit pension and other postretirement benefit plans and recognition of changes in the funded status in the year in which the changes occur.

The University sponsors a defined-benefit healthcare plan (the Healthcare Plan) that provides postretirement medical benefits to full-time employees who have worked 10 years and attained age 55 while in service with the University if hired prior to January 1, 1992, or full-time employees who have worked 20 years and attained age 55 while in service with the University if hired after December 31, 1991. Participants receive \$60 per month toward the cost of their postretirement medical costs. At June 30, 2025, the Healthcare Plan covered 232 retirees with an additional 2,531 active employees potentially eligible for coverage. At June 30, 2024, the Healthcare Plan covered 254 retirees with an additional 2,757 active employees potentially eligible for coverage. The Healthcare Plan is noncontributory.

The changes in benefit obligations (all unfunded) were as follows:

	2025	2024
Accrued postretirement benefit obligation (APBO), beginning of year	\$ 2,419,056	2,378,749
Service cost	50,280	49,166
Interest cost	122,179	111,412
Actuarial loss (gain)	847,683	58,289
Benefits paid	(254,716)	(178,560)
APBO (all unfunded), end of year	\$ 3,184,482	2,419,056

At June 30, net periodic postretirement benefit cost included the following components:

	2025	2024
Service cost	\$ 50,280	49,166
Interest cost	122,179	111,412
Amortization of prior service cost	11,125	11,125
Recognized net actuarial gain	(26,291)	(29,622)
Net periodic postretirement benefit cost	\$ 157,293	142,081

An accrual has been made for the APBO and is included in accounts payable and accrued liabilities in the accompanying statements of financial position. The weighted average discount rate used in determining the APBO was 5.29% and 5.26% for June 30, 2025, and 2024, respectively. It is the University's policy to fund the benefit-cost with current cash balances. Under the Healthcare Plan, the University paid benefits of \$254,716 and \$178,560 for the years ended June 30, 2025, and 2024, respectively, which were charged to operating expenses.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

The estimated benefits expected to be paid in the following years are as follows:

2026		\$ 285,000
2027		303,000
2028		277,000
2029		283,000
2030		260,000
2031-2035		<u>1,044,000</u>
Total		<u>\$ 2,452,000</u>

For the years ended June 30, 2025, and 2024, all medical premiums were greater than the amount subsidized by the University. Therefore, a healthcare trend was not used as all retirees receiving the subsidy received the full \$60.

The measurement date for the Healthcare Plan was June 30, 2025.

**(12) Composition of Net Assets**

Net assets without donor restriction are comprised of the following:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 66,333,507	106,605,842
Board-designated endowments	349,562,474	304,792,454
Student loans	1,583,318	1,615,088
Net investment in plant	<u>567,114,117</u>	<u>557,064,365</u>
	<u>\$ 984,593,416</u>	<u>970,077,749</u>

Undesignated net assets included approximately \$11,242,000 and \$82,970,000 of funds appropriated by management for various purposes as of June 30, 2025 and 2024, respectively.

Net assets with donor restriction are comprised of the following:

	<u>2025</u>		
	<u>Restricted in perpetuity</u>	<u>Subject to future appropriations</u>	<u>Total</u>
Gifts and distributed endowment income	\$ —	121,177,238	121,177,238
Student loans	2,146,089	—	2,146,089
Annuity life Income	6,501,709	5,262,519	11,764,228
Endowment funds	<u>516,961,351</u>	<u>313,014,709</u>	<u>829,976,060</u>
	<u>\$ 525,609,149</u>	<u>439,454,466</u>	<u>965,063,615</u>

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

	2024		
	Restricted in perpetuity	Subject to future appropriations	Total
Gifts and distributed endowment income	\$ —	89,606,631	89,606,631
Student loans	2,135,643	—	2,135,643
Annuity life Income	6,420,425	4,666,068	11,086,493
Endowment funds	503,489,716	313,052,224	816,541,940
	\$ 512,045,784	407,324,923	919,370,707

**(13) Contributed nonfinancial assets**

The University received the following contributions of nonfinancial assets for the year ended June 30:

	2025	2024
Real estate	\$ —	621,000
Equipment	22,060	64,963
Total	\$ 22,060	685,963

For the years ended June 30, 2025, and 2024, all equipment contributed was utilized by University programs.

Real estate contributed during the year ended June 30, 2024 consisted of one property contributed by one donor. The fair market value of the property was determined by independent appraisal. The property was sold during the year ended June 30, 2024, and the proceeds were used to create a charitable remainder trust for which the University is the charitable remainder beneficiary.

**(14) Loans to Students**

Student loans made through Perkins constitute substantially all of the student loans outstanding at June 30, 2025 and 2024. Prior to 2005, contributions to the Perkins programs were funded 75% by the federal government with the University providing the remaining 25%; yet for fiscal years 2025 and 2024, no additional contributions were funded. Perkins provides for cancellation of a note at rates of 10% to 30% per year up to a maximum of 100% if the debtor complies with certain provisions of Perkins. The federal government reimburses the loan funds of the University at rates of 10% to 30% for canceled indebtedness due to certain teaching service and various types of services for the U.S. government and 100% for loans declared not collectible due to death, permanent disability, or a declaration of bankruptcy.

Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed to students, as Congress did not renew the program. No new loans were allowed after June 30, 2018. Institutions have been given the option of assigning existing Perkins loans back to the federal government or continuing to collect on these loans while returning the Federal Capital Contributions (FCC) portion as loans are repaid. The University has elected to continue to collect on Perkins loans and return the FCC portion as the loans are collected. As payments are made back to the U.S. government, the U.S. government grants refundable will be reduced. At June 30,

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

2025 and 2024, the allowance for possible loan losses of Perkins approximated \$750,000; however, due to federal regulations, no loans of Perkins have been written off since the inception of Perkins.

The University has other loan funds obtained primarily through gifts and grants from individuals, corporations, and foundations. At June 30, 2025 and 2024, the allowance for possible loan losses of these funds was \$153,000.

**(15) Expenses**

The cost of providing the various programs and supporting services has been summarized on a functional basis in the tables below. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs allocated among programs include expenses associated with the following: facilities management and planning, the depreciation and disposal expense of property, plant, and equipment, and the interest expense on long-term debt. Costs of facilities management and planning and depreciation and the disposal of property, plant, and equipment are allocated to the programs based upon square footage. Interest expense on long-term debt is allocated to the programs that benefit from the long-term financing of the University.

The table below shows the composition of the expenses of the University for the year ended June 30, 2025 by functional category and natural class:

	<u>Instruction</u>	<u>Research</u>	<u>Public service</u>	<u>Academic support</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Auxiliary enterprises</u>	<u>Total</u>
Salaries and wages	\$ 139,925,556	24,509,462	1,374,122	52,838,975	33,607,526	42,139,761	11,554,004	305,949,404
Fringe benefits	32,103,745	4,853,200	283,147	13,388,428	8,101,533	11,791,613	2,945,588	73,467,254
Services, supplies, and other	47,270,523	14,596,081	1,047,860	38,232,041	29,413,680	25,990,023	22,858,617	179,408,825
Utilities and maintenance	4,276,265	870,926	109,334	3,630,675	3,159,990	1,680,143	8,819,940	22,547,273
Depreciation	8,069,514	243,113	-	470,409	2,641,548	1,818,077	7,038,643	20,281,303
Interest on indebtedness	293,698	-	-	210,647	602,000	16,092	6,379,378	7,501,815
<b>Total</b>	<b>\$ 231,939,300</b>	<b>45,072,782</b>	<b>2,814,462</b>	<b>108,771,174</b>	<b>77,526,277</b>	<b>83,435,708</b>	<b>59,596,170</b>	<b>609,155,874</b>

The table below shows the composition of the expenses of the University for the year ended June 30, 2024 by functional category and natural class:

	<u>Instruction</u>	<u>Research</u>	<u>Public service</u>	<u>Academic support</u>	<u>Student services</u>	<u>Institutional support</u>	<u>Auxiliary enterprises</u>	<u>Total</u>
Salaries and wages	\$ 138,880,591	25,057,602	646,205	55,380,392	32,191,205	43,595,861	12,456,852	308,208,708
Fringe benefits	31,809,871	4,948,946	104,599	13,610,397	7,791,620	9,446,592	3,155,104	70,867,129
Services, supplies, and other	46,101,498	17,426,376	785,375	44,310,364	28,571,179	26,662,768	22,500,817	186,358,377
Utilities and maintenance	3,273,719	680,695	83,428	2,799,372	2,551,093	1,164,776	7,309,124	17,862,207
Depreciation	7,873,041	201,112	-	284,204	2,467,708	1,752,602	6,836,617	19,415,284
Interest on indebtedness	416,353	-	-	298,618	622,616	22,813	6,542,961	7,903,361
<b>Total</b>	<b>\$ 228,355,073</b>	<b>48,314,731</b>	<b>1,619,607</b>	<b>116,683,347</b>	<b>74,195,421</b>	<b>82,645,412</b>	<b>58,801,475</b>	<b>610,615,066</b>

The University had fundraising expenses of approximately \$20,118,000 and \$20,638,000 in 2025 and 2024, respectively, which were recognized in institutional support in the accompanying statements of activities.

**UNIVERSITY OF DENVER**  
Notes to Financial Statements  
June 30, 2025 and 2024

**(16) Line of Credit**

The University of Denver has a revolving line of credit agreement with a financial institution for its operational needs in the amount of \$50 million, amended and restated as of March 25, 2025. There were no outstanding balances on the line of credit as of June 30, 2025 and June 30, 2024.

**(17) Commitments and Contingencies**

At June 30, 2025 and 2024, the University had outstanding commitments totaling approximately \$92,543,000 and \$4,454,000, respectively, for contracts related to various construction projects on campus.

During the 2025 fiscal year, the University invested approximately \$59,192,000 in 26 long-term partnerships, all of which were formed prior to the 2025 fiscal year, bringing its cumulative contributions to the partnerships to approximately \$526,212,000. Under the terms of the partnership agreements, the University and other investors are committed to funding additional investments. As of June 30, 2025, the University's remaining commitments to 21 partnerships total approximately \$179,872,000. Commitments to investment partnerships are generally applicable until an event of dissolution, as determined by the general partner.

During the 2024 fiscal year, the University invested approximately \$51,483,000 in 26 long-term partnerships, all of which were formed prior to the 2024 fiscal year, bringing its cumulative contributions to the partnerships to approximately \$467,020,000. Under the terms of the partnership agreements, the University and other investors are committed to funding additional investments. As of June 30, 2024, the University's remaining commitments to 22 partnerships total approximately \$230,754,000. Commitments to investment partnerships are generally applicable until an event of dissolution, as determined by the general partner.

**(18) Risks and Uncertainties**

The University participates in a number of federal programs, which are subject to financial and compliance audits. The amount of expenses that may be disallowed by the granting agencies cannot be determined at this time although the University does not expect these amounts, if any, to be material to the financial statements.

The University is a party to a number of matters of litigation. It is the opinion of management, based on the advice of counsel, that the University's liability insurance is sufficient to cover the potential judgments and that the outcome of the suits will not have a material adverse effect on the financial position or operations of the University.

**(19) Related Parties**

The University received donations from trustees and from members of the Chancellor's cabinet, who are considered related parties to the University, totaling \$3,016,987 for the year ended June 30, 2025. The University has \$5,981,332 in gross pledges receivable due from trustees and members of the Chancellor's cabinet as of June 30, 2025. Pledge receivable balances on the Statement of Financial Position are reported net of a present value discount and an estimated allowance for uncollectibility. See Note 1(f). The combined present value discount and estimated allowance for uncollectibility applied to pledges receivables from related parties as of June 30, 2025 is \$977,076. Pledges receivable from related parties net of a present value discount and estimated allowance for uncollectibility are \$5,004,256 as of June 30, 2025.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

University of Denver  
Denver, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of University of Denver (the University), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2025.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered University of Denver's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of University of Denver's internal control. Accordingly, we do not express an opinion on the effectiveness of University of Denver's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Denver, Colorado  
November 21, 2025



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees  
University of Denver  
Denver, Colorado

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited University of Denver's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of University of Denver's major federal programs for the year ended June 30, 2025. University of Denver's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, University of Denver complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of University of Denver and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of University of Denver's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to University of Denver's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on University of Denver's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about University of Denver's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 University of Denver's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of University of Denver's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of University of Denver's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on University of Denver's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. University of Denver's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on University of Denver's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. University of Denver's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance**

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2025, and have issued our report thereon dated November 21, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Denver, Colorado  
March 13, 2025

**University of Denver**  
 Schedule of Expenditures of Federal Awards  
 June 30, 2025

Cluster	Federal Granting Agency	Program Title	Assistance Listing Number	Pass-Through Entity	Contract/Grantor Number	Passed Through to Subrecipients	Expenditures
<b>NON-CLUSTERED PROGRAMS:</b>							
	Department of the Interior	Native American Graves Protection and Repatriation Act	15.922			-	13,016
	<i>Total Department of the Interior</i>					-	13,016
	Department of Justice	Crime Victim Assistance/Discretionary Grants	16.582	Lifespan of Greater Rochester	15POVC-22-GK-01494-NONF	-	168,226
	Department of Justice	Edward Byrne Memorial Justice Assistance Grant Program	16.738	University of Nebraska	15PJDP-21-GG-03218-JRIX	-	13,290
	<i>Total Department of Justice</i>					-	181,516
	Department of State	Public Diplomacy Programs	19.040			60,712	129,855
	<i>Total Department of State</i>					60,712	129,855
	Department of the Treasury	Low Income Taxpayer Clinics	21.008			-	104,304
	Department of the Treasury	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Adams County	SLFRP1046	-	43,495
	Department of the Treasury	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	Colorado Dept of Higher Education	SLFRP0126	-	607,966
	Department of the Treasury	CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	City and County Of Denver	SLFRF0126	-	106,782
	<i>Total Department of the Treasury</i>					-	862,547
	National Endowment for the Arts	Promotion of the Arts Partnership Agreements	45.025			-	4,500
	<i>Total National Endowment for the Arts</i>					-	4,500
	National Endowment for the Humanities	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	45.162			-	25,560
	<i>Total National Endowment for the Humanities</i>					-	25,560
	Institute of Museum and Library Services	National Leadership Grants	45.312			24,609	25,662
	<i>Total Institute of Museum and Library Services</i>					24,609	25,662
	Department of Education	Undergraduate International Studies and Foreign Language Programs	84.016			-	66,588
	Department of Education	Special Education Grants to States	84.027	State of Washington	H027A230074, H173A230074	-	111,112
	Department of Education	Special Education Grants to States	84.027	State of Washington	H027A240074	-	76,795
	Department of Education	Statewide Family Engagement Centers	84.310	Keystone Policy Center	S310A230045	-	54,146
	Department of Education	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	Colorado Department of Early Childhood	H325P210007	-	36,965
	<i>Total Department of Education</i>					-	345,606
	Department of Health and Human Services	Community Programs to Improve Minority Health	93.137	Casa Esperanza	CPIMP241386	-	28,675
	Department of Health and Human Services	Graduate Psychology Education	93.191			10,817	587,188
	Department of Health and Human Services	Community-Based Child Abuse Prevention Grants	93.590	Colorado Department of Early Childhood	2101COBCC6	7,289	174,192
	Department of Health and Human Services	Assistance for Torture Victims	93.604	International Rescue Committee Denver	90ZT0241	-	149,187
	Department of Health and Human Services	Child Abuse and Neglect Discretionary Activities	93.670	Wyoming Dept of Family Services	90CA1885	-	62,734
	Department of Health and Human Services	Mental and Behavioral Health Education and Training Grants	93.732			16,000	554,474
	<i>Total Department of Health and Human Services</i>					34,106	1,556,450
	Corporation for National and Community Service	AmeriCorps State and National 94.006	94.006			-	124,130
	<i>Total Corporation for National and Community Service</i>					-	124,130
	<b>Total Non-Clustered Programs</b>					<b>\$ 119,427</b>	<b>\$ 3,268,842</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>							
	Department of Agriculture	Agriculture and Food Research Initiative (AFRI)	10.310			-	130,208
	<i>Total Department of Agriculture</i>					-	130,208
	Department of Defense	Military Medical Research and Development	12.420			-	349,362
	Department of Defense	Military Medical Research and Development	12.420	Pennsylvania State University	W81XWH2210985	-	43,664
	Department of Defense	Basic Scientific Research	12.431			50,951	133,087
	Department of Defense	Basic Scientific Research	12.431	University of Southern California	W911NF2310354	-	41,962
	Department of Defense	Basic, Applied, and Advanced Research in Science and Engineering	12.630	Colorado School of Mines	W911NF2220238	-	52,718
	Department of Defense	Basic, Applied, and Advanced Research in Science and Engineering	12.630	RAND Corporation	HQ00342420010	-	50,825
	Department of Defense	Mathematical Sciences Grants	12.901			-	18,602
	<i>Total Department of Defense</i>					50,951	690,220
	U.S. Department of Housing and Urban Development	General Research and Technology Activity	14.506			-	22,473
	U.S. Department of Housing and Urban Development	Research, Evaluation, and Demonstrations	14.536	Center for Policy Research	H-21695CA	-	41,547
	<i>Total Department of Housing and Urban Development</i>					-	64,020
	Department of the Interior	Joint Fire Science Program	15.232			-	83
	Department of the Interior	Natural Resource Stewardship	15.944			-	5,238
	Department of the Interior	Cooperative Research and Training Programs – Resources of the National Park System	15.945			-	19,466
	<i>Total Department of the Interior</i>					-	24,787
	Department of Justice	National Center on Restorative Justice	16.030	University of Vermont	15PBJA-20-GK-00035-NCRJ	-	945
	Department of Justice	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560			1,950	130,219
	Department of Justice	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	RAND Corporation	2018-75-CX-K006	-	1,009
	Department of Justice	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Research Triangle Institute	2018-75-CX-K003	(338)	(3,274)

**University of Denver**  
**Schedule of Expenditures of Federal Awards**  
June 30, 2025

Cluster	Federal Granting Agency	Program Title	Assistance Listing Number	Pass-Through Entity	Contract/Grantor Number	Passed Through to Subrecipients	Expenditures
	Department of Justice	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	Research Triangle Institute	15PNJ-23-GK-00931-NJUB	675	18,930
	Department of Justice	National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	University of Pittsburgh	2017-MU-CX-0044	-	520
	<i>Total Department of Justice</i>					<u>2,287</u>	<u>148,349</u>
	Department of Transportation	University Transportation Centers Program	20.701	North Dakota State University	69A3551747108	-	12,613
	Department of Transportation	University Transportation Centers Program	20.701	North Dakota State University	69A3552348308	-	75,870
	<i>Total Department of Transportation</i>					<u>-</u>	<u>88,483</u>
	National Aeronautics and Space Administration	Science	43.001			-	29,066
	<i>Total National Aeronautics and Space Administration</i>					<u>-</u>	<u>29,066</u>
	National Endowment for the Humanities	Promotion of the Humanities Research	45.161			-	27,574
	<i>Total National Endowment for the Humanities</i>					<u>-</u>	<u>27,574</u>
	Institute of Museum and Library Services	Laura Bush 21st Century Librarian Program	45.313			-	49,889
	<i>Total Institute of Museum and Library Services</i>					<u>-</u>	<u>49,889</u>
	National Science Foundation	Engineering	47.041			-	263,600
	National Science Foundation	Mathematical and Physical Sciences	47.049			-	914,904
	National Science Foundation	Geosciences	47.050			-	9,837
	National Science Foundation	Computer and Information Science and Engineering	47.070	University of Pennsylvania	1931419	-	69,819
	National Science Foundation	Computer and Information Science and Engineering	47.070	Metropolitan State University of Denver	2318730	-	87,595
	National Science Foundation	Biological Sciences	47.074			160,649	1,723,321
	National Science Foundation	Biological Sciences	47.074	University of Colorado Boulder	1919541	-	894
	National Science Foundation	Social, Behavioral, and Economic Sciences	47.075			-	237,900
	National Science Foundation	Social, Behavioral, and Economic Sciences	47.075	University of Arizona	2049657	-	19,865
	National Science Foundation	Social, Behavioral, and Economic Sciences	47.075	University of California Santa Barbara	2420069	-	10,376
	National Science Foundation	STEM Education (formerly Education and Human Resources)	47.076			391,639	2,119,656
	National Science Foundation	STEM Education (formerly Education and Human Resources)	47.076	University of North Dakota	2000636	-	10,548
	National Science Foundation	STEM Education (formerly Education and Human Resources)	47.076	Vanderbilt University	2100784	-	158,938
	National Science Foundation	STEM Education (formerly Education and Human Resources)	47.076	Colorado State University	2207219	-	16,000
	National Science Foundation	Integrative Activities	47.083			-	1,360,630
	National Science Foundation	NSF Technology, Innovation, and Partnerships	47.084	American University	2331399	-	83,125
	<i>Total National Science Foundation</i>					<u>552,288</u>	<u>7,087,008</u>
	Department of Energy	Office of Science Financial Assistance Program	81.049	CloudSci LLC	DE-SC0024782	-	50,224
	<i>Total Department of Energy</i>					<u>-</u>	<u>50,224</u>
	Department of Education	School Safely National Activities	84.184			-	962,022
	Department of Education	Javits Gifted and Talented Students Education	84.206			81,250	563,643
	Department of Education	Education Research, Development and Dissemination	84.305			37,810	1,742,269
	Department of Education	Education Research, Development and Dissemination	84.305	University of North Texas	R305A200519	-	6,237
	Department of Education	Education Research, Development and Dissemination	84.305	Yale University	R305A180293	-	298,442
	Department of Education	Education Research, Development and Dissemination	84.305	University of Pennsylvania	R305N240049	-	58,437
	Department of Education	Research in Special Education	84.324			-	1,385
	Department of Education	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	University of South Florida	H326B220002	-	227,916
	Department of Education	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	University of North Carolina	H326P220002	-	305,866
	Department of Education	Special Education Educational Technology Media, and Materials for Individuals with Disabilities	84.327	University of North Carolina	H327G230002	-	354,749
	<i>Total Department of Education</i>					<u>119,060</u>	<u>4,520,966</u>
	United States Institute of Peace	Priority Grant Competition	91.005			-	30,151
	<i>Total United States Institute of Peace</i>					<u>-</u>	<u>30,151</u>
	Department of Health and Human Services	Sexual Risk Avoidance Education	93.060	Washington Park Research & Evaluation, LLC	90SR0165	-	19,607
	Department of Health and Human Services	Sexual Risk Avoidance Education	93.060	Thriving Families	90SR0191	-	43,990
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086			-	725,966
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Center for Relationship Education	90ZD0001	-	178,530
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	University of Miami	90ZB0019	-	66,068
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Washington Park Research & Evaluation, LLC	90ZB0016	-	128,185
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Colorado Department of Human Services	90ZJ0036	-	279,960
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Washington Park Research & Evaluation, LLC	90ZB0029	-	88,477
	Department of Health and Human Services	Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	Washington Park Research & Evaluation, LLC	90ZB0003	-	32,741
	Department of Health and Human Services	Environmental Health	93.113			32,157	171,509
	Department of Health and Human Services	Injury Prevention and Control Research and State and Community Based Programs	93.136	University of North Carolina	R01CE003637	-	68,073
	Department of Health and Human Services	Human Genome Research	93.172			11,110	94,361
	Department of Health and Human Services	Mental Health Research Grants	93.242			94,961	876,371
	Department of Health and Human Services	Mental Health Research Grants	93.242	Regents of University of California Irvine	P50MH096889	-	44,344
	Department of Health and Human Services	Mental Health Research Grants	93.242	Michigan State University	R01MH123716	-	48,492
	Department of Health and Human Services	Mental Health Research Grants	93.242	University of Colorado Boulder	R01MH131803	-	20,153
	Department of Health and Human Services	Mental Health Research Grants	93.242	University of Maryland	R21MH130758	-	30,164
	Department of Health and Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			133,709	545,387
	Department of Health and Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Mile High Council on Alcoholism and Drug Abuse	H79TI082480	-	70,470
	Department of Health and Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Casa Esperanza	H79SM085767	-	65,695
	Department of Health and Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Mile High Council on Alcoholism and Drug Abuse	H79SP083038	-	35,646

**University of Denver**  
**Schedule of Expenditures of Federal Awards**  
June 30, 2025

Cluster	Federal Granting Agency	Program Title	Assistance Listing Number	Pass-Through Entity	Contract/Grantor Number	Passed Through to Subrecipients	Expenditures	
	Department of Health and Human Services	Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Casa Esperanza	H79T1086419	-	75,004	
	Department of Health and Human Services	Drug Use and Addiction Research Programs	93.279	University of Colorado Denver	R01DA061228	-	51,810	
	Department of Health and Human Services	Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	Cleveland Clinic Educational Foundation	R01EB024573	-	95,819	
	Department of Health and Human Services	Minority Health and Health Disparities Research	93.307			51,378	510,612	
	Department of Health and Human Services	Minority Health and Health Disparities Research	93.307	University Of Minnesota	R21MD018469	-	35,574	
	Department of Health and Human Services	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Colorado Department of Public Health and Environment	NU50CK000552	-	395,074	
	Department of Health and Human Services	Cancer Detection and Diagnosis Research	93.394			156,800	507,755	
	Department of Health and Human Services	Cancer Treatment Research	93.395			-	62,727	
	Department of Health and Human Services	Every Student Succeeds Act/Preschool Development Grants	93.434	Colorado Department of Early Childhood	90TP0114	-	30,326	
	Department of Health and Human Services	Child Care and Development Block Grant	93.575			-	38,165	
	Department of Health and Human Services	Child Welfare Research Training or Demonstration	93.648	Research Foundation of State University of New York	90CT7008	-	357,240	
	Department of Health and Human Services	Child Welfare Research Training or Demonstration	93.648	Colorado Department of Human Services	90CT7014	87,000	96,534	
	Department of Health and Human Services	Foster Care Title IV-E	93.658			945,401	1,497,266	
	Department of Health and Human Services	Certified Community Behavioral Health Clinic Expansion Grants	93.696	Casa Esperanza	H79SM086841	-	162,507	
	Department of Health and Human Services	Cardiovascular Diseases Research	93.837			129,949	1,337,948	
	Department of Health and Human Services	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	Ortho Haus, LLC	R41AR083757	-	4,376	
	Department of Health and Human Services	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Colorado School of Public Health	P30DK092923	-	45,436	
	Department of Health and Human Services	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	University of Colorado Denver	P30DK092923	-	3,780	
	Department of Health and Human Services	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			-	338,614	
	Department of Health and Human Services	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Colorado Denver	R01AA031244	-	9,312	
	Department of Health and Human Services	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Colorado Health Sciences Center	R37NS131839	-	6,453	
	Department of Health and Human Services	Allergy and Infectious Diseases Research	93.855			-	569,655	
	Department of Health and Human Services	Biomedical Research and Research Training	93.859			-	3,460,300	
	Department of Health and Human Services	Child Health and Human Development Extramural Research	93.865			(180)	149,009	
	Department of Health and Human Services	Child Health and Human Development Extramural Research	93.865	Boston University	R01HD098167	-	338,767	
	Department of Health and Human Services	Child Health and Human Development Extramural Research	93.865	University of Colorado Boulder	P50HD027802	-	363,657	
	Department of Health and Human Services	Child Health and Human Development Extramural Research	93.865	Colorado State University	R01HD111437	-	45,219	
	Department of Health and Human Services	Child Health and Human Development Extramural Research	93.865	Harvard University	R01HD115003	-	57,682	
	Department of Health and Human Services	Aging Research	93.866	University of Colorado Denver	R01AG071228	-	228,890	
	Department of Health and Human Services	Aging Research	93.866	SilverBills	R44AG074126	-	(1,599)	
	Department of Health and Human Services	Aging Research	93.866	SilverBills	R44AG080843	-	270,737	
	Department of Health and Human Services	Medical Library Assistance	93.879			-	41,703	
	<i>Total Department of Health and Human Services</i>						<u>1,642,285</u>	<u>14,820,741</u>
	Corporation for National and Community Service	AmeriCorps National Service and Civic Engagement Research Competition 94.026	94.026			4,692	73,287	
	Corporation for National and Community Service	AmeriCorps National Service and Civic Engagement Research Competition 94.026	94.026			<u>10,450</u>	<u>176,958</u>	
	<i>Total Corporation for National and Community Service</i>						<u>15,142</u>	<u>250,245</u>
	<b>Total Research and Development Cluster</b>						<b>\$ 2,382,013</b>	<b>\$ 28,011,931</b>
	<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>							
	Dept of Education	Federal Supplemental Education Opportunity Grant Program	84.007			-	1,054,873	
	Dept of Education	Federal Work Study Program	84.033			-	2,056,083	
	Dept of Education	Federal Perkins Loan Program	84.038			-	2,427,917	
	Dept of Education	Federal Pell Grant Program	84.063			-	7,319,742	
	Dept of Education	Federal Direct Student Loan Program	84.268			-	145,369,568	
	Dept of Education	Teacher Education Assistance for College and Higher Education (TEACH) Grants	87.379			-	22,633	
	<i>Total Department of Education</i>						<u>-</u>	<u>158,250,816</u>
	<b>Total Student Financial Assistance Cluster</b>						<b>\$ -</b>	<b>\$ 158,250,816</b>
	<b>Total Federal Awards</b>						<b>\$ 2,501,440</b>	<b>\$ 189,531,589</b>

**UNIVERSITY OF DENVER**

Notes to Schedule of Expenditures of Federal Awards

June 30, 2025

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the University of Denver (Colorado Seminary) (the University) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 FEDERAL STUDENT LOAN PROGRAMS**

The federal student loan program listed subsequently is administered directly by the University, and balances and transactions relating to this program is included in the University's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2025 consists of:

<u>Program Title</u>	<u>Assistance Listing Number</u>	<u>Amount Outstanding</u>
Federal Perkins Loans	84.038	\$ 1,680,207

**NOTE 5 STUDENT FINANCIAL AID INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS**

The University is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and federal regulations under 34 CFR 668.23:

- Correspondence courses the University offers under 34 CFR 600.7(b) and (g)
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and

**UNIVERSITY OF DENVER**

Notes to Schedule of Expenditures of Federal Awards

June 30, 2025

**NOTE 5 STUDENT FINANCIAL AID INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS  
(CONTINUED)**

- University's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in nondegree programs at nonprofit institutions under 34 CFR 600(c)(3)(ii) and (g)
- University's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g)
- Placement rates for short-term programs under 34 CFR 668.8(e)(2)

**UNIVERSITY OF DENVER**  
 Schedule of Findings and Questioned Costs  
 Year ended June 30, 2025

**Section I – Summary of Auditors’ Results**

**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?  yes  no
  - Significant deficiency(ies) identified?  yes  none reported
3. Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?  yes  no
  - Significant deficiency(ies) identified?  yes  none reported
2. Type of auditors’ report issued on Compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.007, 84.003, 84.038, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
Various	Research and Development

- Dollar threshold used to distinguish between Type A and Type B programs: \$939,102
- Auditee qualified as low-risk auditee?  yes  no

**UNIVERSITY OF DENVER**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2025

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Major Federal Programs**

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**2025-001**

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistance Listing Number:

- 84.268 – Federal Direct Loans
- 84.063 – Federal Pell Grant Program

Federal Award identification Number

- P063P240063 - 2025
- P268K250063 – 2025

Award Period: July 1, 2024 – June 30, 2025

Type of Finding:

- Compliance, Other Matter
- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** Per 34 CFR 690.83(b)(2) and 685.309, an institution must report any enrollment status changes, including the date of the change per the institution’s reporting system, to the National Student Loan Data System (NSLDS) for participating students within 60 days of the change. Per the NSLDS Enrollment Reporting Guide Chapter 1.4, at a minimum, schools are required to certify enrollment every 60 days.

**Condition:** As part of the August 6, 2025, roster submission of enrollment status changes, the University reported an enrollment status change of Full-Time to Graduated with an effective date of December 18, 2024 for a student who received a Direct Student Loan during the fiscal year. We measured the results of our testing against the Department of Education's 60-day timeframe for submitting roster files. The University reported the enrollment status change for this student 231 days after the effective date, or 171 days after the 60 day timeframe for submitting roster files.

**Questioned costs:** None

**Context:** We tested 25 students that were disbursed a Federal Pell Grant and/or a Federal Direct Loan and had an enrollment status change during the fiscal year to determine the University’s compliance with enrollment reporting. We noted one student within our sample whose enrollment status change was not reported within 60 days and whose enrollment was not being certified every 60 days.

**Cause:** The University of Denver did not have adequate internal controls in place to ensure that it fully complied with federal student enrollment reporting requirements for the Student Financial Aid program.

**UNIVERSITY OF DENVER**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2025

**Effect:** Enrollment reporting assists lenders in the determination of whether a borrower should be moved into loan repayment status or if they are eligible for an in-school deferment. If an institution fails to accurately report effective enrollment status changes, a borrower's repayment responsibilities may be reported incorrectly and result in either a lack of timely repayments by the borrower or the student being inappropriately moved into loan repayment status. For recipients of Pell Grants, timely enrollment reporting by institutions assists with their eligibility, future disbursements amounts, and continued access to Student Financial Aid.

**Repeat finding:** No

**Recommendation:** We recommend that the University strengthen its internal controls over reporting student enrollment changes to NSLDS to ensure that enrollment effective dates are reported to NSLDS within 60 days of an enrollment status change and that enrollment is being properly certified every 60 days.

**Views of Responsible Officials:** The University agrees with the audit finding.



**UNIVERSITY OF DENVER  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2025**

Office of Naval Research

The University of Denver respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2025.

Audit period: July 1, 2024 to June 30, 2025

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

No financial statement audit findings reported in the prior year audit.

**FINDINGS—MAJOR FEDERAL PROGRAMS**

No Major Federal Program audit findings reported in the prior year audit.

Office of Naval Research

The University of Denver respectfully submits the following corrective action plan for the year ended June 30, 2025.

Audit Period: July 1, 2024 to June 30, 2025

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no financial statement findings in the current year that require a corrective action plan.

### **FINDINGS – FEDERAL AWARD PROGRAMS AUDIT**

#### **2025 – 001**

Federal Agency: Department of Education

Federal Program: Student Financial Assistance Cluster

Assistance Listing Numbers:

- 84.063 – Federal Pell Grant Program
- 84.268 – Federal Direct Student Loans

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

**Recommendation:** We recommend that the University strengthen its internal controls over reporting student enrollment changes to NSLDS to ensure that enrollment effective dates are reported to NSLDS within 60 days of an enrollment status change and that enrollment is being properly certified every 60 days.

**Explanation of Disagreement with Audit Finding:** The University agrees with the audit finding.

**Action in Response to Finding:** To prevent recurrence, the Office of the Registrar has implemented the following controls effective immediately:

1. Procedural Update: A mandatory coordination meeting between the College of Law and the Office of the Registrar is now scheduled to occur four weeks post-term to finalize degree verification.
2. Role Assignment: The Student Systems Analyst (Office of the Registrar) has been assigned ownership of this submission. They are responsible for proactively verifying the completion of Law awarding and executing the subsequent data submission to the Clearinghouse.

**Name of the Contact Person Responsible for Corrective Action:** Nathan Bauer, Associate Vice Chancellor for Enrollment, Director of Financial Aid.

**Planned Completion Date for Corrective Action Plan:** January 2026



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