UNIVERSITY OF DENVER

Financial Report

June 30, 2026



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UNIVERSITY OF DENVER

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
University of Denver
Denver, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of University of Denver (the University), which comprise the statements of financial position as of June 30, 2026 and 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2026 and 2025, 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 opinion.

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.

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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 19, 2026, 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 19, 2026

UNIVERSITY OF DENVER

Statement of Financial Position

At June 30, 2026 and 2025

Assets		2026	2025
Cash and cash equivalents	$	73,922,815	148,413,136
Short term investments		105,026,813	102,354,914
Accounts receivable, net		31,953,422	38,890,677
Pledges receivable, net		36,294,750	41,633,419
Inventories, prepaid expenses, and other assets		16,526,100	17,854,398
Notes receivable		8,122,360	8,764,405
Long term investments		1,453,835,882	1,155,415,054
Loans to students, net		936,403	1,508,954
Deposits with bond trustees		84,489,181	—
Property, plant, and equipment, net of accumulated depreciation		835,871,912	769,362,975
Total assets	$	2,646,979,638	2,284,197,931
Liabilities and Net Assets			
Accounts payable and accrued liabilities	$	110,584,732	110,716,320
Deferred revenues		22,738,531	24,464,407
Other liabilities		258,771	545,778
Annuity obligations		6,573,683	6,328,403
Long-term debt		338,373,609	189,983,662
U.S. government grants refundable		1,863,358	2,502,330
Total liabilities		480,392,684	334,540,900
Net assets:			
Without donor restrictions		1,036,664,973	984,593,416
With donor restrictions		1,129,921,981	965,063,615
Total net assets		2,166,586,954	1,949,657,031
Total liabilities and net assets	$	2,646,979,638	2,284,197,931

UNIVERSITY OF DENVER

Statement of Activities

Year ended June 30, 2026

	2026		
	Without donor restrictions	**With donor restrictions**	**Total**
Operating activity			
Operating revenues and other support:			
Tuition and fees, net	$ 330,311,255	—	330,311,255
Private gifts of cash and financial assets	13,288,037	22,192,977	35,481,014
Grants and contracts	43,716,975	—	43,716,975
Endowment investment return appropriated for operations	18,115,594	35,483,367	53,598,961
Other investment income	8,938,932	703,077	9,642,009
Net realized and unrealized gains (losses) on other investment	(24,359)	640,542	616,183
Sales and services of educational activities	13,076,632	—	13,076,632
Sales and services of auxiliary enterprise	53,388,839	—	53,388,839
Other sources of operating revenue	35,465,097	—	35,465,097
Net assets released from restrictions	54,680,724	(54,680,724)	—
Total operating revenue	570,957,726	4,339,239	575,296,965
Operating expenses:			
Salaries and wages	290,901,934	—	290,901,934
Fringe benefits	73,847,892	—	73,847,892
Services and supplies	142,060,165	—	142,060,165
Utilities and maintenance	24,033,252	—	24,033,252
Depreciation	20,883,081	—	20,883,081
Interest on indebtedness	8,891,592	—	8,891,592
Other operating expenses	34,712,214	—	34,712,214
Total operating expenses	595,330,130	—	595,330,130
Increase (decrease) in net assets from operating activity	(24,372,404)	4,339,239	(20,033,165)
Non-operating activity			
Private gifts cash and financial assets for endowment	—	20,621,416	20,621,416
Endowment investment return after amounts appropriated for operations	65,547,195	149,191,941	214,739,136
Change in value of split-interest agreements	—	1,602,536	1,602,536
Net assets released from restrictions	4,366,190	(4,366,190)	—
Reclassification of restricted net assets	6,530,576	(6,530,576)	—
Increase (decrease) in net assets from non-operating activity	76,443,961	160,519,127	236,963,088
Change in net assets	52,071,557	164,858,366	216,929,923
Net assets at beginning of year	984,593,416	965,063,615	1,949,657,031
Net assets at end of year	$ 1,036,664,973	1,129,921,981	2,166,586,954

UNIVERSITY OF DENVER

Statement of Activities

Year ended June 30, 2025

	2025		
	Without donor restrictions	**With donor restrictions**	**Total**
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	603,362,979	11,980,441	615,343,420
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	609,155,874	—	609,155,874
Increase (decrease) in net assets from operating activity	(5,792,895)	11,980,441	6,187,546
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	20,308,562	33,712,467	54,021,028
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	$ 984,593,416	965,063,615	1,949,657,031

UNIVERSITY OF DENVER
Statements of Cash Flows
Years ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Change in net assets	$ 216,929,923	60,208,575
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of property, plant, and equipment	20,883,081	20,281,303
Disposal of property, plant, and equipment	14,700	1,289,580
Amortization of premium and cost of issuance	(690,000)	(704,349)
Decrease in accounts receivable	6,937,255	1,680,363
Decrease in pledges receivable	5,338,669	5,535,678
Decrease in inventories, prepaid expenses, and other assets	1,328,298	1,369,516
Decrease in notes receivable	642,045	338,154
(Decrease) in accounts payable and accrued liabilities	(9,503,281)	(3,489,886)
(Decrease) in deferred revenues	(1,725,876)	(6,989,164)
(Decrease) in other liabilities	(287,007)	(344,499)
Actuarial adjustment for annuity obligation	173,203	62,020
Contributions of real property and personal property	—	(22,060)
Contributions restricted for long term investment	(20,621,416)	(11,752,517)
Net realized and unrealized (gains) on investments	(268,954,280)	(88,070,843)
Net cash provided (used) by operating activities	(49,534,686)	(20,608,129)
Cash flows from investing activities:		
Proceeds from sale of investments	79,101,881	87,494,527
Purchases of investments	(111,168,252)	(71,577,405)
Purchases of property, plant, and equipment	(78,035,025)	(18,978,781)
Repayments of Perkins and University loans from students	572,551	694,031
(Increase) decrease in deposits with bond trustees	(84,489,181)	12,292
Net cash provided (used) in investing activities	(194,018,026)	(2,355,336)
Cash flows from financing activities:		
Proceeds from contributions restricted for long term investment	20,621,416	11,774,577
Proceeds from bonds payable	168,864,947	—
Payments of bonds payable	(19,785,000)	(11,795,000)
(Decrease) in refundable government loan funds, net	(638,972)	(714,578)
Net cash provided in financing activities	169,062,391	(735,001)
Net increase (decrease) in cash and cash equivalents	(74,490,321)	(23,698,466)
Cash and cash equivalents at beginning of year	148,413,136	172,111,602
Cash and cash equivalents at end of year	$ 73,922,815	148,413,136

See accompanying notes to the financial statements

(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 11,500 students, of which approximately 5,800 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 are designated 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.

(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, 2026, and June 30, 2025:

		2026	2025
Student accounts receivable	$	24,811,650	29,917,321
Allowance for expected credit losses		(3,135,877)	(3,793,518)
Student accounts receivable, net		21,675,773	26,123,803
Sponsored programs accounts receivable		5,013,040	7,169,204
Allowance for expected credit losses		(182,751)	(173,669)
Sponsored programs accounts receivable, net		4,830,289	6,995,535
Financial aid accounts receivables		637,659	822,402
Other accounts receivable		4,809,701	4,948,937
Total accounts receivable, net	$	31,953,422	38,890,677

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, the 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.

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 reclassed (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 fair 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.

(i) Deposits with Bond Trustees

Deposits with bond trustees represents unspent funds from the Series 2026A 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, 2026, and 2025:

		2026	2025
Undergraduate tuition	$	338,405,262	361,085,603
Graduate tuition		229,357,472	233,144,366
Other tuition		14,369,865	11,777,681
Student fees		4,643,773	4,876,155
Tuition and fees		586,776,372	610,883,805
Less: institutional scholarships		(218,279,833)	(220,912,520)
Less: noninstitutional scholarships		(38,185,284)	(35,227,686)
Net tuition and fees	$	330,311,255	354,743,599

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, 2026, and 2025:

Balance at June 30, 2025	$	24,464,407
Tuition and fee revenue recognized		(24,464,407)
Revenue deferred for future performance obligations		22,738,531
Balance at June 30, 2026	$	22,738,531

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

(l) 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.

The following table shows the University's grants and contracts revenue from governmental and non-governmental sources for the fiscal years ended June 30, 2026 and June 30, 2025:

		2026	2025
Governmental sources of grants and contracts			
Federal sponsored programs	$	24,005,386	33,446,885
Other governmental sponsored programs		5,468,930	6,369,575
Federal and state student financial assistance		6,656,573	6,439,963
Total governmental sources of grants and contracts		36,130,889	46,256,423
Non-governmental sponsored programs		7,586,086	8,222,032
Total grants and contracts	$	43,716,975	54,478,455

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 $6,037,000 and $7,078,000 during fiscal years ended June 30, 2026 and 2025, 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 $1,726,000 and $1,832,000 during fiscal years ended June 30, 2026, and 2025, 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:

		2026	2025
Housing	$	27,030,356	28,433,955
Meal plans		14,557,010	16,052,233
Health and counseling services		7,523,287	7,808,188
Conferencing and events		2,079,953	2,420,526
Performing arts events		2,146,323	1,365,628
Other sales and services of auxilary enterprises		51,910	50,558
Total sales and services of auxiliary enterprises	$	53,388,839	56,131,088

(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 $4,858,000 and $5,287,000 as of June 30, 2026, and 2025, 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, 2026 and 2025.

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, 2026 and 2025.

(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, 2026 and 2025, the University matched commitments to the matching program in the amount of approximately $181,000 and $247,000, respectively. Other reclassifications represent clarification of donor intentions.

(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, 2026 and through November 19, 2026.

(u) Reclassifications and revisions

Certain 2025 amounts have been reclassified to conform to the current year presentation. In addition, certain revisions of amounts previously reported have been made to the accompanying financial statements. In footnote 2 of the financial statements, the University's board designated endowment was removed from the table of financial assets for general expenditures. The revision had no impact on previously reported net assets.

(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:

		2026	2025
Financial Assets:			
Cash and cash equivalents - working capital	$	68,273,778	140,093,565
Short-term investments - working capital		104,681,815	102,009,916
Long-term investment - working capital		1,514,514	497,796
Total working capital		174,470,107	242,601,277
Accounts receivable, net		31,953,423	38,890,677
Pledges receivable-operating due within one year		6,424,737	8,130,145
Financial assets available at year-end		212,848,267	289,622,099
Liquidity resources			
Estimated endowment distribution in the following year		45,185,000	44,594,000
	$	258,033,267	334,216,099

In addition to the financial assets on the table above, the University's board-designated endowment consists of resources designated by the Board for long-term investment that are currently available

(not locked up due to redemption restraints). Although the University does not intend to spend from these funds other than amounts appropriated for expenditure, the Board retains the ability to remove or modify these designations. See note 5.

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 14 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 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:

		2026	2025
Short-term investments:			
Fixed Income Securities	$	94,790,118	91,979,330
Mutual funds		9,753,943	9,892,832
Real estate		345,000	345,000
Other		137,752	137,752
		105,026,813	102,354,914
Long-term investment:			
Trustee cash and cash equivalents for endowments and annuities		19,636,470	19,009,797
Fixed Income Securities		72,330,490	69,298,518
Alternative Investments		356,939,891	312,193,339
Global Equities		363,410,158	230,661,219
Mutual Funds		17,115,314	15,720,852
Real Estate		46,256,000	46,256,000
Private Equities		563,770,889	450,134,567
Beneficial Trust Interest		13,038,362	11,696,311
Other		1,338,308	444,451
		1,453,835,882	1,155,415,054
Total all funds	$	1,558,862,695	1,257,769,968

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, 2026, the pool had 151,320,411 shares outstanding, with a fair value of approximately $1,393,831,773. 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 2026 was $0.30 per share, which represented spending of realized and unrealized gains. At June 30, 2025, the pool had 148,436,468 shares outstanding, with a fair value of approximately $1,099,855,970. The distribution for spending in 2025 was $0.30 per share, which represented spending of realized and unrealized gains.

The investment pool consisted of 1,526 and 1,505 individual endowments at June 30, 2026 and 2025 respectively.

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, 2026 and 2025:

	2026	
	Number of agreements	Market Value
Perpetual trusts held by third party	2	$ 10,307,685
Charitable Remainder Trusts:		
University named trustee	12	14,117,009
Third-party named trustee	3	2,730,676
Charitable Annuity Agreements	33	2,977,097
	50	$ 30,132,467

	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

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 2026 and 2025 was approximately $0 and $744,000, 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 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.

(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, 2026 and 2025, 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 2026A 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, 2026 and 2025 are liquidated in accordance with the respective fund legal documents. The timing of the liquidation of these funds as of June 30, 2026 and 2025 is unknown.

Investment/liquidity	June 30, 2026				
	Level 1	Level 2	Level 3	NAV	Total
Fixed Income Securities:					
Daily	$ 86,954,847	80,165,761	—	—	167,120,608
Total	86,954,847	80,165,761	—	—	167,120,608
Alternative investments:					
Monthly	—	—	—	154,997	154,997
Annual	—	—	—	313,908,775	313,908,775
Illiquid	—	—	—	42,876,119	42,876,119
Total	—	—	—	356,939,891	356,939,891
Mutual funds:					
Daily	9,775,151	17,094,106	—	—	26,869,257
Total	9,775,151	17,094,106	—	—	26,869,257
Global equities:					
Daily	9,677,533	—	—	—	9,677,533
Monthly	750,126	—	—	352,982,499	353,732,625
Total	10,427,659	—	—	352,982,499	363,410,158
Trustee cash and cash equivalents:					
Daily	19,636,470	—	—	—	19,636,470
Total	19,636,470	—	—	—	19,636,470
Real estate:					
Annual	—	46,601,000	—	—	46,601,000
Total	—	46,601,000	—	—	46,601,000
Private equities:					
Annual	—	—	—	23,045,350	23,045,350
Illiquid	—	—	—	540,725,539	540,725,539
Total	—	—	—	563,770,889	563,770,889
Beneficial trust interest:					
Illiquid	—	13,038,362	—	—	13,038,362
Total	—	13,038,362	—	—	13,038,362
Other:					
Daily	1,338,308	—	—	—	1,338,308
Illiquid	137,752	—	—	—	137,752
Total	1,476,060	—	—	—	1,476,060
Grand total	$ 128,270,187	156,899,229	—	1,273,693,279	1,558,862,695

	June 30, 2025				
Investment/liquidity	Level 1	Level 2	Level 3	NAV	Total
Fixed Income Securities:					
Daily	$ 90,241,450	71,036,398	—	—	161,277,848
Total	90,241,450	71,036,398	—	—	161,277,848
Alternative investments:					
Monthly	—	—	—	129,997	129,997
Annual	—	—	—	258,110,724	258,110,724
Illiquid	—	—	—	53,952,618	53,952,618
Total	—	—	—	312,193,339	312,193,339
Mutual funds:					
Daily	12,599,681	13,014,003	—	—	25,613,684
Total	12,599,681	13,014,003	—	—	25,613,684
Global equities:					
Daily	8,513,069	—	—	—	8,513,069
Monthly	853,036	—	—	221,295,114	222,148,150
Total	9,366,105	—	—	221,295,114	230,661,219
Trustee cash and cash equivalents:					
Daily	19,009,797	—	—	—	19,009,797
Total	19,009,797	—	—	—	19,009,797
Real estate:					
Annual	—	46,601,000	—	—	46,601,000
Total	—	46,601,000	—	—	46,601,000
Private equities:					
Annual	—	—	—	19,670,213	19,670,213
Illiquid	—	—	—	430,464,354	430,464,354
Total	—	—	—	450,134,567	450,134,567
Beneficial trust interest:					
Illiquid	—	11,696,311	—	—	11,696,311
Total	—	11,696,311	—	—	11,696,311
Other:					
Daily	344,451	—	—	—	344,451
Illiquid	137,752	100,000	—	—	237,752
Total	482,203	100,000	—	—	582,203
Grand total	$ 131,699,236	142,447,712	—	983,623,020	1,257,769,968

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows:

Type	Description	Number	June 30, 2026	June 30, 2025	Redemption notice period
Alternative investments	Various alternative funds to provide diversified group of private investment funds. May employ leverage, sell securities short, purchase and sell optins and invest in futures contracts.	19	$ 356,939,891	312,139,339	Average 90 days
Global equities	Fund with long-term absolute returns invested in diversified group of managers. May include investment in secuities and derivative contracts and employ leverage, sell securities short, purchase and sell options and invest in futures contracts.	1	$ 352,982,499	221,295,114	100 days
Private equities	Seeks long-term capital appreciation and returns by investing primarily with a diversified group of investment managers (collectively, "Underlying Funds") that the investment manager believes to be highly skilled. Investment strategies employed by such Underlying Funds may include investments in a broad range of asset classes. Includes buyout/distressed, venture/growth equity, and real asset/natural resources.	10	$ 563,770,889	450,134,567	180 days to no redemption

(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 1,550 and 1,535 individual funds as of June 30, 2026 and 2025, 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

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

	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2026:			
Donor-restricted Perpetual endowment	$ —	533,819,123	533,819,123
Subject to future appropriations	—	461,885,773	461,885,773
Board-designated endowment funds	474,035,497	—	474,035,497
	$ 474,035,497	995,704,896	1,469,740,393

	Without Donor Restrictions	With Donor Restrictions	Total
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	349,562,474	—	349,562,474
	$ 349,562,474	829,976,060	1,179,538,534

The changes in endowment net assets for the years ended June 30, 2026 and 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2025	$ 349,562,474	829,976,060	1,179,538,534
Investment return:			
Investment income	311,398	1,858,864	2,170,262
Net realized and unrealized gains	83,351,391	182,816,444	266,167,835
Total investment return	83,662,789	184,675,308	268,338,097
Private gifts	—	20,621,416	20,621,416
Appropriation of endowment assets for expenditures	(18,115,594)	(35,483,367)	(53,598,961)
Reinvested income	—	2,003,544	2,003,544
Transfer to restricted endowments	52,395,252	442,511	52,837,763
Reclassification of restricted net assets	6,530,576	(6,530,576)	—
Changes	124,473,023	165,728,836	290,201,859
Endowment net assets, June 30, 2026	$ 474,035,497	995,704,896	1,469,740,393

	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	$ 349,562,474	829,976,060	1,179,538,534

(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). There were no underwater endowment funds at June 30, 2026. There were 2 funds considered underwater with a deficiency of approximately $1,300 at June 30, 2025. 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, 2026, and 2025, the approved percentage was 4.5% of a moving 12-quarter average of the market value of such funds.

(6) Pledges Receivable

Pledges receivable are summarized as follows at June 30:

		2026	2025
Unconditional promises expected to be collected in:			
Less than one year	$	12,786,324	15,436,221
One to five years		15,660,863	14,986,536
Greater than five years		23,771,300	29,661,839
		52,218,487	60,084,596
Less allowance for uncollectible pledges		(5,221,849)	(6,008,460)
Less present value discount (4.75% - 6.50%)		(10,701,888)	(12,442,717)
Net pledges receivable	$	36,294,750	41,633,419

Included in pledges receivable is the present value of approximately $4,119,466 and $5,004,256 as of June 30, 2026 and 2025, respectively, in pledges from related parties.

(7) Property, Plant, and Equipment

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

	2026	2025
Land	$ 12,489,547	$ 12,489,547
Land improvements	36,209,262	35,861,886
Buildings and improvements	962,055,710	938,161,545
Equipment	66,548,372	67,972,818
Library books	9,624,274	9,588,785
Construction in progress	78,181,809	17,630,220
	1,165,108,974	1,081,704,801
Less accumulated depreciation	(329,237,062)	(312,341,826)
	$ 835,871,912	$ 769,362,975

The University had approximately $20,883,000 and $20,281,000 of depreciation and disposal expense for the years ended June 30, 2026, and 2025, 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, 2026, and 2025, respectively, an asset retirement obligation of approximately $10,033,000 and $9,647,000 is included in accounts payable and accrued liabilities.

(8) Long-Term Debt

Bonds payable at June 30 consist of the following:

	2026	2025
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2026A	$ 159,010,000	—
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2026B	7,730,000	—
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2021	7,280,000	7,855,000
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2017A	119,480,000	119,480,000
Colorado Educational and Cultural Facilities Authority Revenue Bonds, Series 2017B	13,500,000	15,655,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2013	—	10,600,000
Colorado Educational and Cultural Facilities Authority Refunding Revenue Bonds, Series 2007	19,855,000	26,310,000
	326,855,000	179,900,000
Unamortized bond premium	13,583,291	10,906,264
Unamortized bond cost of issuance	(2,064,682)	(822,602)
Total long-term debt	338,373,609	189,983,662
Less current installments	9,560,000	11,180,000
Long-term debt, excluding current installments	$ 328,813,609	178,803,662

The University had approximately $8,892,000 and $7,502,000 of interest expense net of amortization of bond premium and deferred cost of issuance for the years ended June 30, 2026, and 2025, respectively. Amortization of bond premium and deferred cost of issuance was approximately $690,000 and $704,000 for the years ended June 30, 2026, and 2025, respectively. Interest of approximately $9,581,000 and $8,206,000 was paid in cash during the years ended June 30, 2026, and 2025, respectively.

(a) Issuance of Series 2026 Bonds

In March 2026, the Colorado Educational and Cultural Facilities Authority (the Authority) issued $166,740,000 of University of Denver Revenue Bonds, Series 2026A $159,010,000 and Series 2026B $7,730,000. The proceeds from the sale of the Bonds were used to (a) finance the acquisition, construction, expansion, renovation and equipping of: (i) the Integrative Life Sciences Complex; (ii) portions of the Daniel L. Ritchie Center for Sports & Wellness; (iii) the improvements located at 2000 S Buchtel Blvd, Denver, Colorado; and (iv) certain other capital improvements to the Campus; (b) refund $8,605,000 aggregate principal amount of the Authority's Revenue Bonds Series 2013; (c) fund capitalized interest; and (d) pay certain costs of issuance of the Bonds.

The bond agreement provides principal payments of $1,795,000 in 2032, increasing to $18,575,000 in 2056. Interest is payable semiannually at rates ranging from 4.625% to 5.250%.

(b) 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%.

(c) 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 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%.

(d) 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%.

(e) 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.

(f) Aggregate Annual Maturities of Bonds Payable

At June 30, 2026, the aggregate annual maturities of bonds payable for the five succeeding years and thereafter are as follows:

2027	$ 9,560,000
2028	6,000,000
2029	6,165,000
2030	6,335,000
2031	8,860,000
Thereafter	289,935,000
	$ 326,855,000

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

(h) 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) 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 $24,500 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 $8,000 to $11,250, depending on the age of the participant. 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 $15,444,000 and $15,955,000 for the years ended June 30, 2026 and 2025, respectively, which were charged to operations expenses.

(10) Postretirement Benefits Other than Pensions

The University records postretirement benefits in accordance with the provisions of FASB ASC Topic 715-20, *Compensation – 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, 2026, the Healthcare Plan covered 324 retirees with an additional 2,408 active employees potentially eligible for coverage. At June 30, 2025, the Healthcare Plan covered 232 retirees with an additional 2,531 active employees potentially eligible for coverage. The Healthcare Plan is noncontributory.

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

		2026	2025
Accrued postretirement benefit obligation (APBO), beginning of year	$	3,184,482	2,419,056
Service cost		56,530	50,280
Interest cost		160,909	122,179
Actuarial loss (gain)		1,292,281	847,683
Benefits paid		(412,009)	(254,716)
APBO (all unfunded), end of year	$	4,282,193	3,184,482

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

		2026	2025
Service cost	$	56,530	50,280
Interest cost		160,909	122,179
Amortization of prior service cost		11,125	11,125
Recognized net actuarial gain		—	(26,291)
Net periodic postretirement benefit cost	$	228,564	157,293

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 5.40% and 5.29% for June 30, 2026, and 2025, 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 $412,009 and $254,716 for the years ended June 30, 2026, and 2025, respectively, which were charged to operating expenses.

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

2027	$ 458,000
2028	405,000
2029	409,000
2030	381,000
2031	337,000
2032-2036	1,513,000
Total	$ 3,503,000

For the years ended June 30, 2026, and 2025, 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, 2026.

(11) Composition of Net Assets

Net assets without donor restriction are comprised of the following:

	2026	2025
Undesignated	$ (6,595,930)	66,333,507
Board-designated endowments	474,035,497	349,562,474
Student loans	1,542,667	1,583,318
Net investment in plant	567,682,739	567,114,117
	$ 1,036,664,973	984,593,416

Net assets with donor restriction are comprised of the following:

	2026		
	Restricted in perpetuity	Subject to future appropriations	Total
Gifts and distributed endowment income	$ —	118,889,017	118,889,017
Student loans	2,168,672	—	2,168,672
Annuity life Income	7,168,745	5,990,651	13,159,396
Endowment funds	533,819,123	461,885,773	995,704,896
	$ 543,156,540	586,765,441	1,129,921,981

	2025		
	Restricted in perpetuity	Subject to future appropriations	Total
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	516,961,351	313,014,709	829,976,060
	$ 525,609,149	439,454,466	965,063,615

(12) Loans to Students

Student loans made through Perkins constitute substantially all of the student loans outstanding at June 30, 2026 and 2025. 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 2026 and 2025, 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, 2026 and 2025, 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, 2026 and 2025, the allowance for possible loan losses of these funds was $153,000.

(13) 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, 2026 by functional category and natural class:

	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
Salaries and wages	$ 128,857,060	18,677,104	1,789,178	54,697,319	33,924,295	42,000,415	10,956,563	290,901,934
Fringe benefits	31,825,455	3,739,475	422,141	13,884,713	8,358,300	12,717,248	2,900,560	73,847,892
Services, supplies, and other	40,741,247	7,813,426	778,407	36,047,357	41,498,389	29,000,792	20,892,761	176,772,379
Utilities and maintenance	4,420,834	898,885	112,881	3,799,619	3,737,747	1,449,826	9,613,460	24,033,252
Depreciation	8,121,436	314,091	-	645,148	2,832,310	1,608,110	7,361,986	20,883,081
Interest on indebtedness	1,598,195	-	-	167,768	1,045,658	12,816	6,067,155	8,891,592
Total	$ 215,564,227	31,442,981	3,102,607	109,241,924	91,396,699	86,789,207	57,792,485	595,330,130

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:

	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Total
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
Total	$ 231,939,300	45,072,782	2,814,462	108,771,174	77,526,277	83,435,708	59,596,170	609,155,874

The University had fundraising expenses of approximately $19,263,000 and $20,118,000 in 2026 and 2025, respectively, which were recognized in institutional support in the accompanying statements of activities.

(14) 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, 2026. There were no outstanding balances on the line of credit as of June 30, 2026 and June 30, 2025.

(15) Commitments and Contingencies

At June 30, 2026 and 2025, the University had outstanding commitments totaling approximately $42,891,000 and $92,543,000, respectively, for contracts related to various construction projects on campus.

During the 2026 fiscal year, the University invested approximately $38,601,000 in 27 long-term partnerships, 26 of which were formed prior to the 2026 fiscal year, bringing its cumulative contributions to the partnerships to approximately $538,323,000. Under the terms of the partnership agreements, the University and other investors are committed to funding additional investments. As of June 30, 2026, the University's remaining commitments to 20 partnerships total approximately $209,856,000. Commitments to investment partnerships are generally applicable until an event of dissolution, as determined by the general partner.

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.

(16) 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.



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