2025 Annual Financial Report

UNIVERSITY OF
NORTHERN COLORADO

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About the Cover Photo

Investing in the future of health care in Colorado: On September 28, 2024, UNC held a groundbreaking ceremony to celebrate the beginning of construction of a facility to house the proposed College of Osteopathic Medicine. Opening the College of Osteopathic Medicine will be a historic milestone in UNC's legacy of educating society's future health care professionals. This College will meet critical needs, change the lives of our neighbors and families, and open doors to students who will make a difference in Colorado communities now and for generations to come.

The celebration included participants from University leadership, the UNC Board of Trustees, the mayor of the City of Greeley, state legislators, and UNC students, faculty, staff, and alumni, as well as UNC's mascot, Klaws (below).

UNC COM is on track to welcome its inaugural class in Fall 2026.
unco.edu/college-of-osteopathic-medicine

TABLE OF CONTENTS

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UNIVERSITY OF NORTHERN COLORADO

Message from President Feinstein

Fellow Bears,

As we reflect on Fiscal Year 2025, I am proud to share that the University of Northern Colorado remains financially stable and continues to advance the priorities outlined in our ten-year strategic plan, *Rowing, Not Drifting 2030*. This year marked significant progress in Phase Three implementation of our five-phase plan, and some highlights of these accomplishments are below.

Our commitment to being a Students First university remains at the heart of everything we do. We expanded efforts to attract and support prospective students, strengthened pathways to enrollment, and enhanced programs that keep higher education accessible and affordable. Building on initiatives such as the UNC Colorado First-Year Admission Guarantee and the UNC Tuition Promise, we continue to ensure that cost is not a barrier for Colorado students seeking a UNC education.

I am especially proud to share that student success reached record levels this year:

- 85.4% of undergraduate degree-seeking students returned for the next academic year, the highest rate since 2009.
- 77.8% of first-time freshmen continued into their sophomore year, setting a record.
- Overall, 85.8% of undergraduate students returned to UNC for the following year.

These milestones reflect the dedication of our faculty and staff and the effectiveness of our student-centered strategies.

Recognizing that student success depends on the strength of our faculty and staff, we invested in strategies to recruit, retain, and reward exceptional employees, including targeted compensation adjustments and maintaining competitive benefits.

UNC introduced two new accelerated "4+1" graduate programs in public health and business. We expanded experiential learning through apprenticeships and co-op programs, while faculty integrated career readiness into curricula—ensuring graduates are prepared for meaningful careers.

As a federally designated Hispanic Serving Institution, we continued to provide support for programs and services that benefit students. With over 39% of our students identifying as a person of color, fostering an inclusive campus culture remains central to our mission, ensuring every member of our community feels welcomed and valued.

We also achieved significant progress toward establishing the UNC College of Osteopathic Medicine. Construction remains on budget and on time, supported by historic investments from the State of Colorado and generous philanthropic contributions. We recently received pre-accreditation authorization from the Commission on Osteopathic College Accreditation, allowing us to begin admitting students for our inaugural class, scheduled to start in late July 2026. These developments position UNC to address critical healthcare needs across the state and region.

As we reflect on Fiscal Year 2025 and look toward Fiscal Year 2026, I am confident in our ability to sustain momentum and deliver on the promises of *Rowing, Not Drifting 2030*. Together, we will continue to strengthen our university, support our students, and serve the communities that depend on us.

Thank you for your dedication and partnership in this important work.

Rowing, Not Drifting,

Andy Feinstein
President

UNIVERSITY OF NORTHERN COLORADO

Management's Responsibility for Financial Reporting

The accompanying financial statements of the University of Northern Colorado for the year ended June 30, 2025, were prepared by management in conformity with generally accepted accounting principles.

The management of the University is responsible for the integrity and objectivity of these financial statements, which are presented on the accrual basis of accounting and, accordingly, include some amounts based upon judgment. Other financial information in the annual financial report is consistent with that in the financial statements. The system of internal accounting controls is designed to ensure that the financial reports and the books of accounts properly reflect the transactions of the institution, in accordance with established policies and procedures as implemented by qualified personnel.

The Board of Trustees of the University of Northern Colorado monitors the financial and accounting operations of the institution, including the review and discussion of periodic financial statements, the evaluation and adoption of budgets, and the reporting of independent certified public accountants.

Dale Pratt

Dale Pratt
Vice President
for Finance & Administration
and Chief Financial Officer

Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees and Members of the Legislative Audit Committee
University of Northern Colorado
Greeley, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University of Northern Colorado ("University"), collectively as an institution of higher education of the State of Colorado, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the University of Northern Colorado Foundation, Incorporated ("Foundation"), which represent 100 percent of the assets and net position of the University's discretely presented component unit as of June 30, 2025 and 2024, and 100 percent of the revenues of the University's discretely presented component unit for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for Foundation, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis Of Matter

As discussed in Note 1, the financial statements of the University, an institution of higher education in the State of Colorado, are intended to present the financial position, the changes in financial position and cash flows of the business-type activities of only the University. Financial results for the State of Colorado are presented in separate state-wide financial statements prepared by the Office of the State Controller and audited by the Office of the State Auditor. Complete financial information for the State of Colorado is available in these statewide financial statements. Our opinions are not modified with respect to this matter.

(Continued)

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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of the University's Proportionate Share of Public Employees' Retirement Association of Colorado (PERA) Net Pension Liability and PERA Other Post-Employment Benefits (PERA OPEB) Net Liability and the Schedules of the University's Contributions to PERA Pension and PERA OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Message from President Feinstein, Management's Responsibility for Financial Reporting, and Board of Trustees and Administration but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 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.

Crowe LLP

Crowe LLP

Denver, Colorado
December 15, 2025

Overview

Management's Discussion and Analysis

We are pleased to present this financial discussion and analysis of the University of Northern Colorado (the University or UNC). It is intended to make the University's financial statements easier to understand and to communicate its financial situation in an open and accountable manner. It provides an objective analysis of the University's financial position and results of operations as of and for the fiscal years ended June 30, 2025 and 2024, with comparative information for the fiscal year 2023. University management is responsible for the completeness and fairness of this discussion and analysis, the financial statements, related footnote disclosures, and schedules of supplementary information.

The presented information relates to the financial activities of the University, a public comprehensive baccalaureate and specialized graduate research university, and focuses on the financial condition and results of operations as a whole. The financial statements for the University of Northern Colorado Foundation, Incorporated (UNC Foundation or the Foundation), a legally separate organization whose operations benefit the University, are discretely presented within the University's financial statements. Unless otherwise noted, the information and financial data included in management's discussion and analysis relate solely to the University.

Understanding the Financial Statements

Financial highlights are presented in this discussion and analysis to help your assessment of the University's financial activities. Since this presentation includes highly summarized data, it should be read in conjunction with the financial statements, which have the following parts:

- ***Independent Auditors' Report*** presents an unmodified opinion prepared by the University's auditors (an independent certified public accounting firm, Crowe, LLP) on the fairness, in all material respects, of the University and its discretely presented component unit's respective financial position.

- ***Statement of Net Position*** presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University at a point in time (June 30, 2025 and 2024). Its purpose is to present a financial snapshot of the University. This statement aids readers in determining the assets available to continue the University's operations; evaluating how much the University owes to vendors, employees, investors, and lending institutions; and understanding the University's net position and its availability for expenditure by the University.

- ***Statement of Revenues, Expenses, and Changes in Net Position*** presents the total revenues earned and expenses incurred by the University for operating, nonoperating, and other related activities during a period of time (the fiscal years ended June 30, 2025 and 2024). Its purpose is to assess the University's operating results.

- ***Statement of Cash Flows*** presents University cash receipts and payments during a period of time (the fiscal years ended June 30, 2025 and 2024). Its purpose is to assess the University's ability to generate net cash flows and meet its payment obligations as they come due.

- ***Notes to the Financial Statements*** present additional information to support the financial statements and are commonly referred to as Notes. Their purpose is to clarify and expand on the information in the financial statements. Notes are referenced in this discussion to indicate where details of the financial highlights may be found. University management suggests that the readers of this annual report combine this financial analysis with relevant nonfinancial indicators to assess the overall health of the University. Examples of nonfinancial indicators include trend and quality of applicants, freshman class size, student retention, building condition, and campus safety.

Financial Highlights

Selected financial highlights for the fiscal year ended June 30, 2025, include:

- University assets total $422.9 million, deferred outflows of resources total $8.7 million, liabilities total $239.0 million, and deferred inflows of resources total $50.7 million resulting in a net position of $141.9 million. Of the ending net position, $0.9 million is restricted for purposes for which the donor, grantor, or other external party intended and $165.7 million is related to investments in capital assets. The remaining deficit of $24.7 million, which is unrestricted net position, is comprised of a deficit of $66.2 million from the impact of *GASB 68: Accounting and Financial Reporting for Pensions* and a deficit of $2.1 million from the implementation of *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, offset by positive net position of $43.6 million, which may be used to meet the University's ongoing obligations.

- Total operating revenues of $213.8 million, less total operating expenses of $241.1 million, resulted in a net operating loss of $27.3 million. This operating loss was offset by net nonoperating revenues of $11.2 million and other changes of $42.2 million, resulting in a $26.1 million increase in net position. Other changes of $42.2 million include capital contributions of $32.1 million for the proposed College of Osteopathic Medicine, funded through state-issued Certificates of Participation. Other changes also include capital appropriations and contributions from the State of Colorado of $2.2 million, student capital fee revenue of $6.8 million, capital gifts and grants of $0.4 million, and gain on disposal of capital assets of $0.7 million.

- As part of Colorado House Bill 24-1231, *State Funding for Higher Education Projects*, which provides funding for the University's proposed College of Osteopathic Medicine, $41,250,000 was transferred from the State of Colorado to the University in fiscal year 2024 to be held in escrow for the duration of the accreditation process. In accordance with the House Bill, the University has recognized this amount, as well as interest earned on this amount, as deferred inflows of resources and restricted cash in the Statement of Net Position. As of June 30, 2025, the total amount in escrow for this purpose was $42,973,646.

The table below demonstrates the changes in net position resulting from required adjustments to pension and other postemployment benefits (OPEB) balances, as well as the changes from University operations. The increase in net position in fiscal year 2025 was largely due to the University receiving $32.1 million in capital contributions for the proposed College of Osteopathic Medicine, funded through state-issued Certificates of Participation.

Summary of Changes in Net Position
as of June 30,
(in millions)

	2025	2024	2023
Overall change in net position:			
Current year GASB 68 impact on net position	$ 4.3	$ 6.9	$ 7.8
Current year GASB 75 impact on net position	0.8	0.7	0.7
Current year impact from University operations	21.0	(4.5)	(3.4)
Total change in net position	**$ 26.1**	**$ 3.1**	**$ 5.1**
Detail of change in net position:			
Net pension liability - GASB 68			
Decrease in net pension liability	$ 8.9	$ 10.1	$ (29.2)
Net change in deferred outflows and inflows related to pension	(4.6)	(3.2)	37.0
Change in net position from GASB 68	**$ 4.3**	**$ 6.9**	**$ 7.8**
Net OPEB liability - GASB 75			
Decrease in net OPEB liability	$ 0.8	$ 0.3	$ 0.1
Net change in deferred outflows and inflows related to OPEB	-	0.4	0.6
Change in net position from GASB 75	**$ 0.8**	**$ 0.7**	**$ 0.7**
Change in net position from University operations			
Operating income (loss), excluding current year impact of GASB 68 and GASB 75	$ (31.8)	$ (28.0)	$ (23.1)
Nonoperating revenues (expenses)	11.2	12.3	7.1
Capital contributions - certificates of participation	32.1	-	-
Other changes, excluding current year impact of GASB 68	9.5	11.2	12.6
Change in net position from University operations	**$ 21.0**	**$ (4.5)**	**$ (3.4)**

Statement of Net Position

The Statement of Net Position is a financial snapshot of the University as of June 30, 2025. It presents the fiscal resources of the University (assets), the consumption of net position that applies to future periods (deferred outflows of resources), the claims against those resources (liabilities), the acquisition of net position that applies to future periods (deferred inflows of resources), and the residual available for future operations (net position). Assets and liabilities are classified by liquidity as either current or noncurrent. Net Position is classified into three categories: net investment in capital assets, restricted, and unrestricted. The Statement of Net Position presents information on all of the University's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the financial statement elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the strength of the financial position of the University.

Condensed Statements of Net Position
as of June 30,

	2025	2024	2023
Assets			
Current assets	$ 78,584,315	$ 84,723,950	$ 85,836,737
Capital assets, net	296,620,761	267,958,569	272,698,922
Other noncurrent assets	47,712,834	46,144,343	6,296,816
Total assets	422,917,910	398,826,862	364,832,475
Deferred outflows of resources			
Deferred amounts on debt refundings	1,791,948	2,010,468	2,228,989
Deferred amount on pensions (GASB 68)	6,748,338	10,265,055	14,931,782
Deferred amount on OPEB[1] (GASB 75)	170,689	228,584	319,534
Total deferred outflows of resources	8,710,975	12,504,107	17,480,305
Liabilities			
Current liabilities	40,006,125	32,966,880	31,443,639
Bonds payable, noncurrent	107,143,512	114,705,617	122,022,723
Net pension liabilities (GASB 68)	69,235,243	78,121,940	88,229,517
OPEB[1] liabilities (GASB 75)	1,181,016	1,882,082	2,226,533
Other noncurrent liabilities	21,511,749	19,684,886	15,629,509
Total liabilities	239,077,645	247,361,405	259,551,921
Deferred inflows of resources			
Deferred amounts on debt refundings	559,687	597,208	634,729
Deferred amounts on right-to-use lease assets (GASB 87 & 96)	2,279,380	2,404,685	3,589,419
Deferred amount on pensions (GASB 68)	3,708,874	2,643,398	4,110,453
Deferred amount on OPEB[1] (GASB 75)	1,128,895	1,234,891	1,692,854
Deferred inflows, other	42,973,646	41,250,000	-
Total deferred inflows of resources	50,650,482	48,130,182	10,027,455
Net Position			
Net investment in capital assets	165,659,885	131,302,044	134,620,118
Restricted - nonexpendable	307,555	307,555	307,555
Restricted - expendable	661,124	625,103	414,666
Unrestricted (GASB 68)	(66,195,779)	(70,500,283)	(77,408,188)
Unrestricted (GASB 75)	(2,139,222)	(2,888,389)	(3,599,852)
Unrestricted	43,607,195	56,993,352	58,399,105
Total net position	$ 141,900,758	$ 115,839,382	$ 112,733,404

1. OPEB - Other post employment benefits

Assets

Current Assets

Current assets decreased $6.1 million for fiscal year 2025, $1.1 million for fiscal year 2024, and $4.8 million for fiscal year 2023.

Unrestricted cash and cash equivalents and capital assets are the largest portions of the University's total assets. On June 30, 2025, 2024, and 2023, unrestricted cash and cash equivalents were $59.4, $60.6, and $71.2 million, respectively. The majority of the cash is held in the State Treasury.

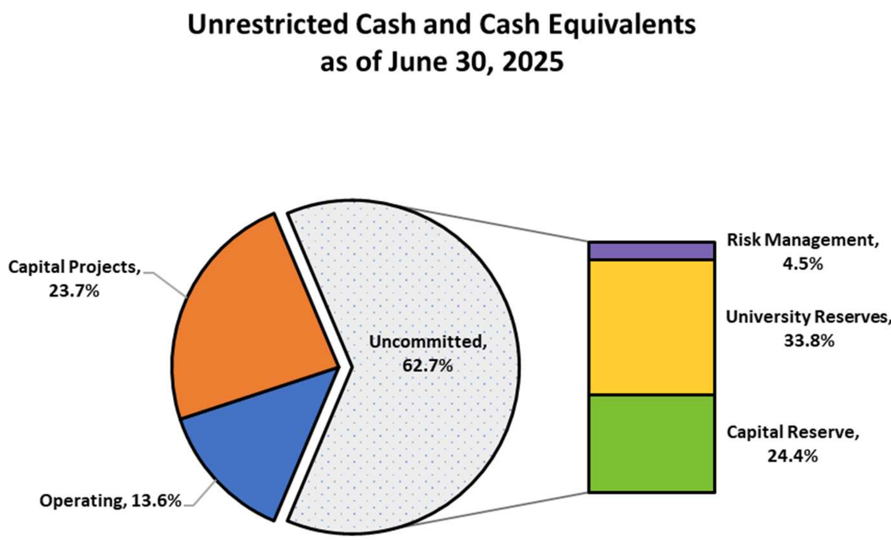
The committed capital projects cash balance as of June 30, 2025 and 2024 includes only the remaining cash expenditures expected to complete projects approved from the prior fiscal years. Funds are transferred at the beginning of each fiscal year from reserves to capital projects to fund that year's projects, as needed.

Internally, management designates the unrestricted cash into committed and uncommitted within each category of operating, capital, and restricted funds. Committed operating cash is used to support the annual operating budget and strategic investment projects. Committed capital project cash is funded annually from sources such as capital reserves, state capital appropriations, and bond proceeds. These balances carry forward until project completion. Uncommitted capital reserves are funded from University reserves, donor capital funds, student capital fees (net of debt service), and a portion of auxiliary revenues. Committed restricted cash includes Perkins loan funds and funds to cover grant-related expenses. By nature, restricted funds are committed so there is no uncommitted balance.

The following table indicates the expected uses of cash and cash equivalents:

University of Northern Colorado
Unrestricted Cash and Cash Equivalents
as of June 30,

	2025	2024	2023
Operating			
Committed Operating	$ 8,066,574	$ 14,855,702	$ 27,244,305
Uncommitted University Reserves	20,119,892	20,119,892	16,274,786
Uncommitted Risk Management Reserves	2,650,000	2,650,000	2,650,000
Total Operating Cash	30,836,466	37,625,594	46,169,091
Capital			
Committed Capital Projects	14,062,032	11,195,159	6,681,163
Uncommitted Capital Reserves	14,514,127	10,914,254	16,719,120
Total Capital Cash	28,576,159	22,109,413	23,400,283
Restricted Funds			
Committed Restricted	-	826,326	1,663,970
Total Restricted Funds Cash	-	826,326	1,663,970
Total unrestricted cash and cash equivalents	$ 59,412,625	$ 60,561,333	$ 71,233,344



Restricted cash of $413,525 included in current assets consists of unexpended proceeds from the notes payable issuance for the Arlington Park Apartments roof replacement.

Student accounts receivable is one of the largest current assets and is presented net of allowance for doubtful accounts. Net student accounts receivable as of June 30, 2025, 2024, and 2023, was $6.4, $5.5, and $4.9 million, respectively.

Other receivables consist primarily of amounts due to the University from reimbursable grants and contracts. The majority of these are federal, state, or UNC Foundation agreements that have a very high probability of collection. In most cases, these awards are spent on a cost-reimbursable basis. The University incurs the cost, then bills the sponsoring agency for reimbursement. Other receivables as of June 30, 2025, 2024, and 2023 were $10.1, $12.0, and $8.2 million, respectively.

Right-to-use leases receivable, inventories, loans to students, and prepaid expenses make up the remainder of current assets. These four categories combined were $2.2, $2.4, and $1.5 million in fiscal years 2025, 2024, and 2023, respectively.

Capital Assets

Capital assets are defined as any asset used in operations with an initial useful life extending beyond one year. The University's single largest fiscal resource is its campus facilities. As of June 30, 2025, capital assets of $723.8 million, net of $427.2 million accumulated depreciation/amortization, totaled $296.6 million.

As of June 30, 2024, capital assets of $679.6 million, net of $411.6 million accumulated depreciation/amortization, totaled $268.0 million. As of June 30, 2023, capital assets of $666.9 million, net of $394.2 million accumulated depreciation/amortization, totaled $272.7 million.

The University ended fiscal year 2025 with $51.3 million in construction in progress. Larger projects in progress at year end include the proposed College of Osteopathic Medicine at $32.1 million and the Arlington Park roof replacement at $5.2 million.

Additional information on additions, disposals, and transfers of capital assets can be found in *Note 5: Capital Assets*. A summary of the capital asset balances is reflected in the following table:

Capital Assets Net of Accumulated Depreciation
as of June 30,

	2025		2024		2023	
Land and improvements	$ 17,026,899	5.7%	$ 18,382,413	6.9%	$ 19,167,827	7.0%
Buildings and improvements	204,569,324	69.0%	208,424,334	77.8%	218,389,301	80.1%
Construction in progress	51,257,699	17.3%	20,110,917	7.5%	14,282,786	5.2%
Library books	9,986,138	3.4%	10,148,424	3.8%	10,190,405	3.7%
Equipment	4,156,885	1.4%	4,625,668	1.7%	3,674,936	1.3%
Art and historical treasures	1,774,684	0.6%	1,774,684	0.7%	1,774,684	0.7%
Right-to-use lease assets	1,581,368	0.5%	204,772	0.1%	691,120	0.3%
Right-to-use subscription assets	6,267,764	2.1%	4,287,357	1.5%	4,527,863	1.7%
Total capital assets net of accumulated depreciation/amortization	$ 296,620,761	100.0%	$ 267,958,569	100.0%	$ 272,698,922	100.0%

Other Noncurrent Assets

Restricted cash of $43.0 million included in noncurrent assets is in an escrow account in accordance with requirements of the Commission on Osteopathic College Accreditation, the accrediting body for the proposed University of Colorado College of Osteopathic Medicine.

Other noncurrent assets consist of loans to students, restricted investments, and right-to-use leases receivable. Restricted investments consist of $0.4 million of gifts directly donated to the University of Northern Colorado in the past that cannot be legally transferred to the UNC Foundation. The value of this donation portfolio changes minimally each year based on the market gains or losses on the investments.

Loans to students which are not expected to be received within one year are included in other noncurrent assets. These are primarily federal Perkins loans that are managed under the appropriate federal guidelines through a third-party loan processor. Loans to students, net of allowance for doubtful accounts, that are due after June 30, totaled $2.0, $2.0, and $2.3 million on June 30, 2025, 2024, and 2023, respectively.

The non-current portion of right-to-use leases receivable totaled $2.3, $2.4, and $3.6 million on June 30, 2025, 2024, and 2023, respectively. The University implemented GASB 87, *Leases*, effective July 1, 2021. More information about the lease arrangements recognized as of June 30, 2025 can be found in *Note 4: Accounts, Leases, and Loans Receivable*.

Liabilities

Non-Debt Related Liabilities

The University's non-debt obligations and commitments arising from past events that are expected to result in a consumption of resources include amounts owed to vendors, personnel commitments, and unearned revenue. *Note 6: Liabilities and Unearned Revenue* provides more detailed information for current liabilities expected to be paid within one year and noncurrent liabilities expected to be paid after one year.

The net pension liability of $69.2 million represents the University's proportionate share of the PERA State Division Trust Fund net pension liability. The liability decreased by $8.9 million from fiscal year 2024 to 2025. The University is required by GASB 68 to recognize its proportionate share of the net pension liability and its related deferred outflows and inflows of resources, but UNC is only statutorily obligated to pay the employer contribution, plus the Amortization Equalization Disbursement (AED) and Supplemental

Amortization Equalization Disbursement (SAED). Detailed information on the changes in the Plan is included in *Note 8: Defined Benefit Pension Plan*.

The net OPEB liability of $1.2 million represents the University's proportionate share of the PERA Health Care Trust Fund (HCTF). The liability decreased $0.7 million from fiscal year 2024 to 2025. The University implemented *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions* in fiscal year 2018. Under GASB 75, the University is required to recognize its proportionate share of the net OPEB liability and its related deferred outflows and inflows of resources. PERA diverts 1.02% of the basic employer contribution to fund the HCTF. Detailed information on other postemployment benefits is included in *Note 11: Other Postemployment Benefits (OPEB).*

Accounts payable and accrued liabilities of $18.7 million for fiscal year 2025 increased by $6.8 million from fiscal year 2024. These liabilities vary from year to year based on timing of invoices and payments. The largest contributing factor to the increase in fiscal year 2025 was timing of invoices and payments related to construction of the proposed College of Osteopathic Medicine, with $8.2 million included in accounts payable as of June 30, 2025.

Current unearned revenue of $7.3 million includes tuition and fees and certain auxiliary revenues received by June 30, 2025, which are for services to be provided in fiscal year 2026. It also includes revenues received from grant and contract sponsors and the UNC Foundation that have not yet been earned. These amounts will be recognized as revenue in future periods after all conditions have been satisfied.

Compensated absences are an estimate of the amounts payable to employees in the future for their vested rights under the various leave and retirement programs. This estimate is based on personnel policies that define vacation and sick leave to which the employees may be entitled (see *Note 1: Nature of Operations and Summary of Significant Accounting Policies*). The noncurrent liability for compensated absences was $7.1, $5.9, and $5.7 million as of June 30, 2025, 2024, and 2023, respectively.

University Debt

The largest liability for the University is outstanding bonds payable. The University has seven fixed rate bond issues outstanding for a total principal of $110.0 million. The carrying value of these bonds includes $4.3 million in premiums that will be amortized over the remaining life of the bonds; consequently, the combined current and noncurrent liability on the Statement of Net Position is $114.3 million.

The debt service payments on the revenue bonds are made from pledged revenues comprised of auxiliary housing, food service, parking, and other sales, plus identified pledged student fees, Extended Campus net revenues, and student tuition revenues. Extended Campus net revenues consist primarily of tuition revenues for online programs. More information on the pledged revenues available for revenue bond debt service is included in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable.*

Debt-Related Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent the future consumption of net position and deferred inflows of resources represent the acquisition of net position that applies to future periods. The University has $1.8 million of deferred outflows of resources and $0.6 million of deferred inflows of resources from the refunding activities of bonds payable.

The deferred amounts resulting from refunding bonds payable originate from the difference in the carrying value of the bonds (principal plus unamortized discount or premium) and the amount it costs to retire or refinance the bonds. A book loss on refunding is classified as a deferred outflow of resources and a book gain is classified as a deferred inflow of resources. As each is amortized, the expense or reduction of expense is recognized over the same period that the University is realizing the economic gain from reduced interest expense related to the refunding transactions.

Other Debt-Related Liabilities

Notes payable, lease obligations, and subscription obligations comprise the remaining $16.6 million of the University's debt. A more detailed schedule, including debt coverage ratios, is included in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable.*

The debt service payments on the revenue bonds are made from pledged revenues comprised of auxiliary housing, food service, parking, and other sales, plus identified pledged student fees, Extended Campus net revenues, and student tuition revenues. Extended Campus net revenues consist primarily of tuition revenues for online programs.

Deferred Inflows Related to the Proposed College of Osteopathic Medicine

As part of Colorado House Bill 24-1231, *State Funding for Higher Education Projects*, which provides funding for the University's proposed College of Osteopathic Medicine, $41,250,000 was transferred from the State to the University to be held in escrow for the duration of the accreditation process is fiscal year 2024. In accordance with the House Bill, the University has recognized this amount, and interest earned on this amount, as deferred inflows. As of June 30, 2025, the total amount in escrow for this purpose was $42,973,646.

Net Position

The University's net position may have restrictions imposed by external parties, such as donors, or it may be invested in capital assets (property, plant, and equipment). To help understand the nature of the University's net position, it is classified into the following categories:

Net Investment In Capital Assets

Net investment in capital assets is the gross cost of assets less accumulated depreciation, amortization, and outstanding debt service related to the acquisition of the assets. It represents the University's investment in campus facilities and equipment necessary to fulfill academic, student housing and food service, athletics, and other purposes related to the mission of the institution. This is the University's largest class of net position, which comprises $165.7, $131.3, and $134.6 million of the University's net position for fiscal years 2025, 2024, and 2023, respectively. The University capitalized $18.6, $8.9, and $11.9 million of new assets in fiscal years 2025, 2024, and 2023, respectively, and ended fiscal year 2025 with $51.3 million in construction in progress.

Restricted Nonexpendable

The University's restricted nonexpendable net position is comprised of endowment funds for which the donor has required that the original principal is set aside for perpetual investment. The University's restricted nonexpendable net position has remained at $0.3 million for the last three fiscal years and includes only those endowment funds that cannot be legally transferred to the University of Northern Colorado Foundation, Incorporated. The majority of the endowment assets benefiting the University are held by the Foundation, which is a discretely presented component unit in the financial statements.

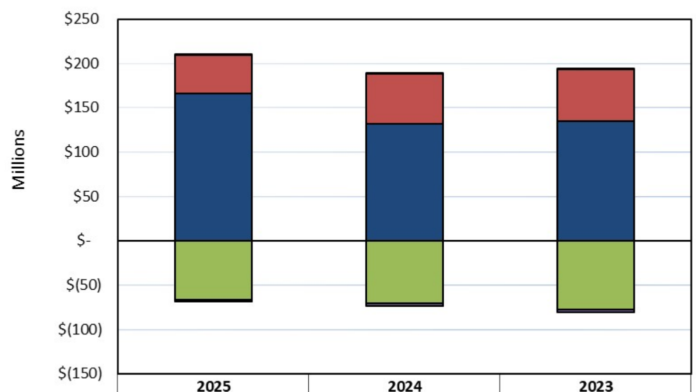
Restricted Expendable

The University's restricted expendable net position is comprised of resources that may be fully expended, but only for specific purposes identified by the donor or entity originally providing the funds. The University's restricted expendable net position as of June 30, 2025, 2024, and 2023, was $0.7, $0.6, and $0.4 million, respectively.

Unrestricted

Unrestricted net position is usually available to be used for any lawful purpose under the full discretion of management. However, the University may place some limitations on future use by designating unrestricted net position for certain purposes during the annual budget process. The unrestricted net position deficit of $24.7 million is comprised of a deficit of $66.2 million from the impact of GASB 68 and a deficit of $2.1 million from GASB 75, offset by positive net position of $43.6 million, which may be used to meet the University's ongoing obligations.

Year End Net Position



	2025	2024	2023
Total	$141,900,758	$115,839,382	$112,733,404
Restricted	968,679	932,658	722,221
Unrestricted GASB 75	(2,139,222)	(2,888,389)	(3,599,852)
Unrestricted GASB 68	(66,195,779)	(70,500,283)	(77,408,188)
Unrestricted	43,607,195	56,993,352	58,399,105
Net Investment in Capital Assets	$165,659,885	$131,302,044	$134,620,118

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the financial activity of the University over the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. A key component of this statement is the differentiation between operating and nonoperating activities. The tables and charts related to the Statement of Revenue, Expenses, and Changes in Net Position that follow have been adjusted, for comparative purposes, to include the impact of *GASB 68: Accounting and Financial Reporting of Pensions*, which was implemented in fiscal year 2015. The tables also reflect the impact of *GASB 75: Accounting and Financial Reporting for Postemployment Benefits other than Pensions* which was implemented in fiscal year 2018.

Operating revenues are earned by providing goods and services to the various customers of the University. Operating expenses are paid to acquire or produce goods and services necessary to carry out the mission of the University. They are directly related to the generation of operating revenues.

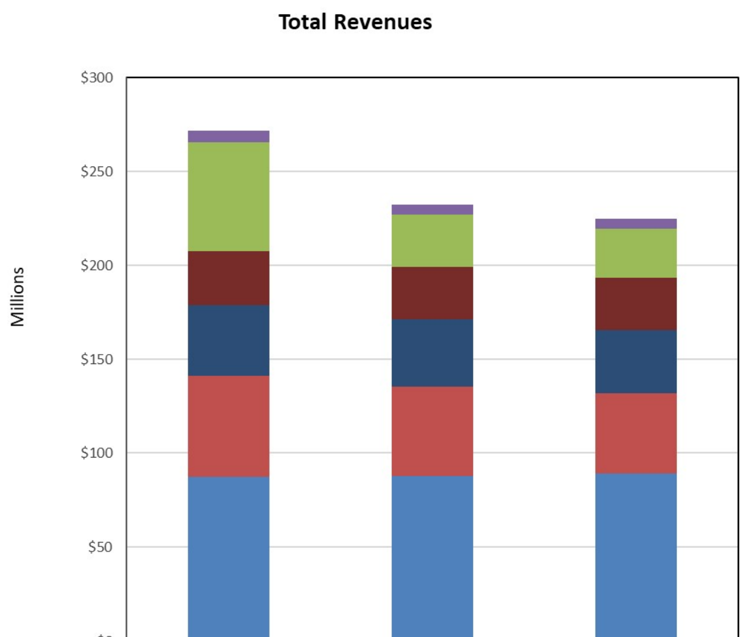
Nonoperating and other revenues include investment income, state appropriations (other than student-related COF or Fee for Service), capital contributions from State certificates of participation, student capital fee revenue, and Pell Grant revenue. These revenues are not earned from the sale of goods or services and are considered nonoperating. Nonoperating expenses include bond issue costs, interest on capital asset related debt, and closing costs on the sale of property, when applicable.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30,

	2025	2024	2023
Operating revenues			
Net tuition and fees	$ 87,277,442	$ 87,573,093	$ 89,164,599
Fee-For-Service	53,914,833	48,071,256	42,978,042
Grants and contracts	37,783,556	35,444,994	33,520,552
Auxiliary	28,798,234	27,949,954	27,978,843
Other	6,000,135	5,483,026	5,168,870
Total operating revenues	213,774,200	204,522,323	198,810,906
Operating expenses			
Education and general	186,650,111	176,767,294	168,734,033
Operating expenses (GASB 68)	(3,757,388)	(6,782,510)	(6,146,422)
Operating expenses (GASB 75)	(749,167)	(711,463)	(681,062)
Auxiliary	39,752,302	36,216,459	33,310,557
Depreciation/amortization	19,233,458	19,462,792	19,829,512
Total operating expenses	241,129,316	224,952,572	215,046,618
Operating gain (loss)	(27,355,116)	(20,430,249)	(16,235,712)
Nonoperating revenues (expenses)			
Federal grants and contracts	12,496,334	9,564,183	8,843,679
Other nonoperating revenue (expense)	3,066,472	7,048,049	2,816,274
Nonoperating capital interest expense	(4,329,492)	(4,312,427)	(4,508,849)
Net nonoperating revenue (expense)	11,233,314	12,299,805	7,151,104
Gain (Loss) before other items	(16,121,802)	(8,130,444)	(9,084,608)
State support for pensions	547,116	125,394	1,608,750
Capital appropriations	1,586,348	3,315,085	3,578,434
Capital contribution - certificates of participation	32,124,812	-	-
Capital grants and gifts	444,335	1,142,909	1,755,887
Student capital fee revenue	6,826,325	6,653,034	6,335,659
Gain on disposal of assets	654,242	-	905,762
Total other changes	42,183,178	11,236,422	14,184,492
Increase (decrease) in Net Position	26,061,376	3,105,978	5,099,884
Net Position - beginning of year	115,839,382	112,733,404	107,633,520
Net Position - end of year	$ 141,900,758	$ 115,839,382	$ 112,733,404

Total Revenues

Total University revenues of $271.5, $232.4, and $224.8 million, in fiscal years 2025, 2024, and 2023, respectively, consist of operating revenue, federal grants and contracts (including Pell grants), gifts, other nonoperating revenue, capital appropriations and contributions, capital grants and gifts, student capital fee revenue and the gain on the disposal of assets. Total revenues increased $39.1 million or 16.8% from fiscal year 2024 to 2025 and $7.6 million or 3.4% from fiscal year 2023 to 2024. The increase from 2024 to 2025 was primarily due to $32.1 million in capital contributions for the proposed College of Osteopathic Medicine, funded through state-issued Certificates of Participation, which is included in nonoperating revenue.



	2025	2024	2023
Other Revenues	$ 6,000,135	$ 5,483,026	$ 5,168,870
Nonoperating	$ 57,745,984	$ 27,848,654	$ 25,960,319
Auxiliary Revenue	$ 28,798,234	$ 27,949,954	$ 27,978,843
Grants & Contracts	$ 37,783,556	$ 35,444,994	$ 33,520,552
Fee-For-Service	$ 53,914,833	$ 48,071,256	$ 42,978,042
Tuition and Fees	$ 87,277,442	$ 87,573,093	$ 89,164,599

Operating Revenues

Operating revenue for fiscal years 2025, 2024, and 2023, of $213.8, $204.5, and $198.8 million, respectively, is derived from tuition and fees, auxiliary activity, grants and contracts, the State Fee-For-Service contract, and other operating revenues.

Tuition and fee revenue decreased $0.3 million from fiscal year 2024 to 2025 and $1.6 million from fiscal year 2023 to 2024. Information on factors affecting tuition and fee revenue is included in the following paragraphs.

The FTE enrollment and credit hours referenced in this paragraph are based on the calculations UNC uses for bond compliance. Annual credit hours are based on fall, interim, spring, and summer terms in that order.

Undergraduate:

- Undergraduate full-time equivalent headcount (FTE) is calculated using full-time headcount plus part-time credit hours divided by 12.
- Undergraduate resident tuition increased 3.0%, 6.0%, and 2.0% in fiscal years 2025, 2024, and 2023, respectively. Undergraduate non-resident tuition increased 4.0%, 6.0%, and 3.0% in fiscal years 2025, 2024, and 2023, respectively.
- UNC's fall final 2024 undergraduate FTE enrollment was down 1.0% from the prior fall. The undergraduate fall final FTE decreased 3.1% in 2023 and 9.4% in 2022.

Graduate:

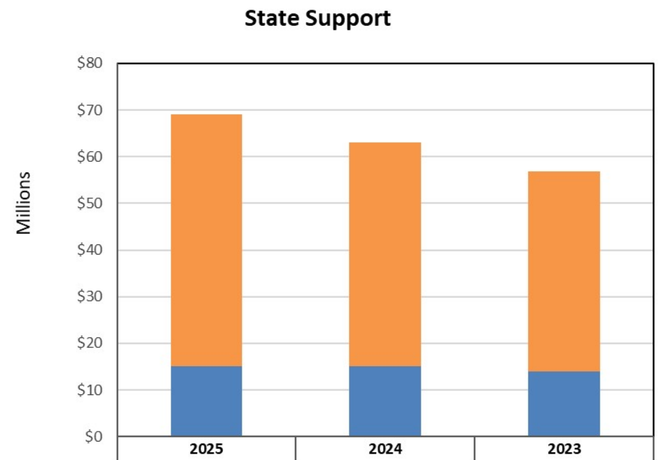
- Graduate FTE is calculated using full-time headcount plus part-time credit hours divided by 9.
- Graduate tuition is tiered by program of study. Graduate tuition increased 4.0%, 5.0%, and 2.0% in fiscal years 2025, 2024, and 2023, respectively.
- The graduate fall final 2024 FTE was down 0.9% from the prior fall. The graduate fall final FTE decreased 6.5% in 2023 and 12.0% in 2022.

Tuition and fee revenue is shown net of $30.5, $28.1, and $25.5 million in scholarship allowances for fiscal years 2025, 2024, and 2023, respectively. Auxiliary revenue for fiscal years 2025, 2024, and 2023 is net of $8.5, $7.4, and $6.1 million in scholarship allowances, respectively. Scholarship allowances are those portions of the University's tuition and fees which are paid by other revenues, primarily federal and state grants for financial aid and general institutional scholarships. The scholarship allowance calculation includes all scholarships from sources such as the Foundation, institution, state, and federal funds.

During fiscal years 2025, 2024, and 2023, the University received $69.0, $63.1, and $56.9 million, respectively, in College Opportunity Fund (COF) and Fee-For-Service (FFS) contract revenue. COF is included in tuition revenue and FFS has a separate line on the financial statements. COF and FFS are both classified as operating revenue. The total amount of COF and FFS is determined as part of the legislative process for the annual Long Appropriations Bill.

- The College Opportunity Fund provides a stipend for qualified resident undergraduate students. The students use the stipend to pay for a portion of their tuition. The COF stipend provided to students was $116, $116, and $104 per credit hour in fiscal years 2025, 2024, and 2023, respectively. In fiscal years 2025, 2024, and 2023, the University applied $15.1, $15.0, and $13.9 million of COF stipends against student tuition bills, respectively.

- State FFS contract revenue helps to support graduate and specialized undergraduate education services. These funds are in addition to tuition paid by students. During fiscal years 2025, 2024, and 2023 the University received $53.9, $48.1, and $43.0 million of contract revenue, respectively.



	2025	2024	2023
Fee-For-Service	$53,914,833	$48,071,256	$42,978,042
College Opportunity Fund	$15,089,512	$15,049,376	$13,897,857

Auxiliary revenue consists of room and board revenue, catering, conferences, parking permits, retail sales, recreation center memberships and athletic game guarantees, as well as the auxiliary scholarship allowance, a contra revenue. Auxiliary revenue was fairly consistent from fiscal year 2024 to 2025, increasing by $0.8 million or 3.0%, and decreasing from fiscal year 2023 to 2024 by less than $0.1 million.

Auxiliary revenue is a major source of support for the University's debt service payments. A schedule of net pledged revenues and bond coverage ratios for debt service is included in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable*.

Other operating revenues include the operating agreement between UNC and the UNC Foundation, accounts receivable service charges, and various other charges for services. Generally, the largest single source of revenue in this classification is the unrestricted support of University scholarships from the UNC Foundation, which was $2.0, $1.6, and $1.6 million in fiscal years 2025, 2024, and 2023, respectively.

Grants and Contracts Revenue

On June 30, 2025, 2024, and 2023, grants and contracts revenue comprised $50.3, $45.0, and $42.4 million or 18.5%, 19.4%, and 18.8% of the University's total revenues, respectively. Grants and contracts revenue is presented in the table below in two categories: restricted and financial aid. The restricted sources are from sponsored programs and UNC Foundation support. Financial aid is received by the University from federal, state, foundation, and other private sponsors. State financial aid is provided by the Colorado Department of Higher Education (CDHE). The financial aid reported as revenue is based on generally accepted accounting principles for proper financial statement recognition and is not a comprehensive measure of all financial aid available to students. It does not include amounts received by students from third parties, institutional support, or loans.

Grants and Contracts Revenue
For the Years Ended June 30,

	2025	2024	2023
Federal grants	$ 7,523,812	$ 8,068,167	$ 7,145,264
State and local grants	1,952,516	1,879,095	1,840,001
UNC Foundation grants and gifts	7,930,384	6,491,183	6,073,825
Other private grants	295,456	384,650	650,184
Total restricted grants and contracts	17,702,168	16,823,095	15,709,274
Federal financial aid	1,052,244	1,153,084	871,269
Federal Pell financial aid	12,496,334	9,564,183	8,843,679
State and non-gov't financial aid	12,108,495	11,110,550	10,912,865
UNC Foundation named and endowed	6,649,908	5,977,264	5,352,260
UNC Foundation scholarships	270,741	381,001	674,884
Total financial aid	32,577,722	28,186,082	26,654,957
Total grants, contracts and financial aid revenue	$ 50,279,890	$ 45,009,177	$ 42,364,231

Restricted Grants and Contracts

Federal grants have remained fairly consistent, decreasing $0.5 million from fiscal year 2024 to 2025 and increasing $0.9 million from fiscal year 2023 to 2024.

Amounts from the UNC Foundation include donor funds, which are generally given for program support and scholarships. Grants and program support are included in the top portion of the Grants and Contracts Revenue table and were $7.9, $6.5, and $6.1 million in fiscal years 2025, 2024, and 2023, respectively. UNC recognizes revenue and expense as the University utilizes the donor funds.

Restricted grants and contracts also include state and local funding, as well as other private grants.

Financial Aid

Federal Pell financial aid was 38.4%, 33.9%, and 33.2% of total financial aid revenue in fiscal years 2025, 2024, and 2023, respectively. Federal Pell Grant financial aid is considered nonoperating revenue but is included in this analysis of all grants and contracts revenue.

The Federal Pell Grant Program is awarded to eligible students based on financial need. All students who are eligible for the Pell Grant are awarded the money; therefore, the University is not limited to a certain amount of Pell Grant awards in an academic or fiscal year. The variance in Pell Grant revenue from academic year to academic year is based on changes in the eligibility of our students and federal legislation.

State financial aid amounts are based on state appropriations and the allocation models used to distribute resources among Colorado colleges and universities.

The UNC Foundation Named and Endowed Scholarships are from donations given by specific individuals or organizations for a specific type of scholarship, such as baseball or tennis in athletics, or programs like the Cumbres Learning Community, Early Childhood Education, Music, Chemistry, or Math. Some scholarships are from annual donations and others are funded with endowment earnings.

The UNC Foundation Scholarships line item represents annual donations that are primarily for athletic scholarships.

Operating Expenses

For fiscal year 2025, operating expenses were $241.1 million, an increase of 7.2% from fiscal year 2024. Operating expenses increased 4.6% in fiscal year 2024 and 14.3% in fiscal year 2023.

Natural Classification

Natural classification is a method of grouping expenses according to the type of costs that are incurred. The classifications tell what was purchased rather than why an expense was incurred. Natural classifications provide users additional insight into how the University expends its resources. As is common in higher education, the largest portion of expenses relate to personnel costs. The information below also highlights the impact of pension (GASB 68) and other postemployment benefits (GASB 75) on total operating expenses.

Operating Expenses by Natural Classification
For the Years Ended June 30,

	2025		2024		2023	
Personnel costs	$ 153,526,832	63.7%	$ 145,870,949	64.8%	$ 137,955,544	64.2%
Personnel costs (GASB 68)	(3,757,388)	-1.6%	(6,782,510)	-3.0%	(6,146,422)	-2.9%
Personnel costs (GASB 75)	(749,167)	-0.3%	(711,463)	-0.3%	(681,061)	-0.3%
Cost of goods sold	14,787,316	6.1%	13,023,141	5.8%	10,465,533	4.9%
Other current expenses	58,088,265	24.1%	54,089,663	24.0%	53,623,512	24.9%
Depreciation/amortization	19,233,458	8.0%	19,462,792	8.7%	19,829,512	9.2%
Total Operating expenses	$ 241,129,316	100.0%	$ 224,952,572	100.0%	$ 215,046,618	100.0%

The primary reason for the increase in operating expenses from fiscal year 2024 to 2025 was the $10.6 million increase in total personnel costs. This included compensation increases for faculty and staff, the implementation of additional state-mandated raises for classified staff, and significant increases to employer-covered health insurance premiums.

Other current expenses represent all remaining operating expenses, including software maintenance, supplies, purchased services, utilities, and travel. Other current expenses increased by $4.0 million from fiscal year 2024 to 2025 and $0.5 million from fiscal year 2023 to 2024. The increase in fiscal year 2025 was largely due to increased costs for software maintenance as well as other purchased services.

Wages and Benefits
For the Years Ended June 30,

	2025	2024	2023
Faculty	$ 41,440,277	$ 40,891,151	$ 39,883,667
Administrative	44,712,252	42,471,224	38,474,131
Graduate and Teaching Assistants	11,594,910	11,478,046	10,611,112
Classified	15,127,054	14,279,330	13,483,270
Student	6,954,433	7,131,139	6,583,787
Other	657,363	377,847	473,531
Subtotal wages	120,486,289	116,628,737	109,509,498
Fringe benefits	33,040,543	29,242,212	28,446,046
Fringe benefits (GASB 68)	(3,757,388)	(6,782,510)	(6,146,422)
Fringe benefits (GASB 75)	(749,167)	(711,463)	(681,061)
Total wages and benefits	$ 149,020,277	$ 138,376,976	$ 131,128,061

In fiscal year 2025, effective July 1, 2024, salaries were increased with an overall 3.0% salary pool for professional administrative and state classified positions. Qualifying classified employees received System Maintenance Studies (SMS) increases and/or STEP increases. Faculty received a flat annual increase ranging from $900 to $1225, with some faculty receiving additional increases for Promotion and Parity. The minimum wage for hourly employees remained at $15/hour.

In fiscal year 2024, effective July 1, 2023, salaries were increased with an overall 3.0% salary pool for professional administrative and state classified positions. After further review with the State of Colorado, the Classified positions were approved for a total of 5% in September 2023, retroactively applied effective July 1, 2023. Faculty received a 3.0% salary pool, which was distributed as flat annual increases ranging from $600 to $875, with some faculty receiving additional increases for Promotion and Parity. The minimum wage for hourly employees remained at $15/hour.

In fiscal year 2023, effective July 1, 2022, salaries were increased with an overall 3.0% salary pool for exempt and state classified positions. Faculty received a flat annual increase ranging from $1,200 to $1,750; with some receiving additional increases for Promotion and Parity. In addition, effective January 1, 2023, all full-time faculty, exempt and state classified staff received a $1,500 annual increase to their base salary. For part-time staff the increase was prorated. The minimum wage for staff remained at $15/hour and the minimum wage for student employees was increased to $14.50/hour.

In addition to salary increases, each year the University assesses human resource allocations and makes targeted investments in positions consistent with the University-wide staffing plan. The annual staffing plan is a position-by-position assessment of the most effective way to accomplish University priorities. Vacant positions may be restructured or eliminated.

The pension adjustments related to GASB 68 have a non-cash impact. This resulted in a net reduction to benefit expenses of $3.8, $6.8, and $6.1 million for fiscal years 2025, 2024, and 2023 respectively. Pursuant to generally accepted accounting principles, the University recognizes a proportionate share of the State Division Trust Fund PERA net pension liability with related deferred outflows and inflows of resources.

The expense impact of these changes to the Statement of Net Position is recognized in benefits expense. More information related to PERA is in *Note 8: Defined Benefit Pension Plan* and *Note 9: Other PERA Retirement Plans*.

Functional Classification

UNC, like many public higher education entities, reports its operating expenses by functional classification on the Statement of Revenues, Expenses, and Changes in Net Position. As defined by the National Association of College and University Business Officers (NACUBO), functional expense classification is a method of grouping expenses according to the purpose for which the costs are incurred. The classifications tell why an expense was incurred rather than what was purchased. Reporting expenses in this manner helps donors, granting agencies, creditors, and other readers of the financial statements to understand the various mission-related activities of the institution and their relative importance.

Operating Expenses by Functional Classification
For the Years Ended June 30,

	2025		2024		2023	
Instruction	$ 60,975,938	25.3%	$ 59,530,115	26.5%	$ 58,849,616	27.4%
Research	8,867,125	3.7%	8,004,722	3.6%	8,723,624	4.1%
Public service	3,890,441	1.6%	3,312,423	1.5%	2,627,910	1.2%
Academic support	31,678,473	13.1%	27,704,010	12.3%	25,446,162	11.8%
Student services	22,480,523	9.3%	21,423,177	9.5%	20,012,116	9.3%
Institutional support	23,606,999	9.8%	19,759,402	8.8%	18,936,005	8.8%
Operation of plant	13,889,241	5.8%	14,436,118	6.4%	13,821,799	6.4%
Scholarships and fellowships	16,754,816	6.9%	15,103,354	6.7%	13,489,317	6.3%
Auxiliary operating expenditures	39,752,302	16.5%	36,216,459	16.1%	33,310,557	15.5%
Depreciation/amortization	19,233,458	8.0%	19,462,792	8.6%	19,829,512	9.2%
Total operating expenses	$ 241,129,316	100.0%	$ 224,952,572	100.0%	$ 215,046,618	100.0%

The impact of GASB 68 and GASB 75 distorts the University's Operating Expenses by Functional Classification, so the following table is presented with the impact of GASB 68 and GASB 75 removed, so the true changes in expense can be examined:

Operating Expenses by Functional Classification
(without GASB 68 and GASB 75)
For the Years Ended June 30,

	2025		2024		2023	
Instruction	$ 62,495,636	25.4%	$ 62,096,968	26.7%	$ 61,691,170	27.6%
Research	8,894,790	3.6%	8,050,765	3.5%	8,774,461	3.9%
Public service	3,908,117	1.6%	3,342,008	1.4%	2,660,609	1.2%
Academic support	32,185,962	13.1%	28,567,021	12.3%	26,402,654	11.8%
Student services	22,782,590	9.3%	21,932,487	9.4%	20,575,759	9.2%
Institutional support	24,404,884	9.9%	21,108,410	9.1%	20,429,640	9.1%
Operation of plant	14,804,170	6.0%	15,983,016	6.9%	15,534,538	7.0%
Scholarships and fellowships	16,754,816	6.8%	15,103,354	6.5%	13,489,317	6.0%
Auxiliary operating expenditures	40,171,448	16.4%	36,925,118	15.9%	34,095,191	15.3%
Depreciation/amortization	19,233,458	7.9%	19,462,792	8.3%	19,829,512	8.9%
Total operating expenses	$ 245,635,871	100.0%	$ 232,571,939	100.0%	$ 223,482,851	100.0%

When looking at expenditures without the impact of GASB 68 and GASB 75, operating expenditures increased by $13.1 million or 5.6% from fiscal year 2024 to 2025 and increased by $9.1 million or 4.1% from fiscal year 2023 to 2024.

A table in *Note 13: Operating Expenses by Function Compared with Operating Expenses by Natural Classification* demonstrates how much expense by natural classification is included in each functional classification and includes the impact of GASB 68 and GASB 75.

Nonoperating Revenues and Expenses

The largest source of nonoperating revenue is federal grants and contracts revenue, which consists entirely of Pell Grant revenue, in the amounts of $12.5, $9.6, and $8.8 million in fiscal years 2025, 2024, and 2023, respectively. The amount of Pell Grant revenue is based on student need and several other factors set by the federal government. The University Office of Financial Aid works with all eligible students to help them determine if they qualify for this aid.

Investment income, net of expense, represents both realized and unrealized gains or losses on cash invested in the State Treasury Pool. *Note 2: Cash and Cash Equivalents* discusses the State Treasury Pool in more detail.

Nonoperating interest expense on capital asset related debt was $4.3, $4.3, and $4.5 million in fiscal years 2025, 2024, and 2023, respectively.

The University's other nonoperating revenues consist of activities that are not earned from the sale of goods and services, such as broadband lease revenue, purchasing card rebate revenue, oil and gas lease royalties, and utility rebate revenue from the use of the west campus generator. Total other nonoperating revenues, net of expenses, were $1.2, $4.4, and $2.1 million in fiscal years 2025, 2024, and 2023, respectively. The increased total in fiscal year 2024 was the result of a one-time catch-up payment of $2.4 million for oil and gas lease royalties.

Other Changes

Other Changes for fiscal year 2025 included $32.1 million in capital contributions for the proposed College of Osteopathic Medicine construction, funded through state-issued Certificates of Participation.

Other Changes for fiscal year 2025 also included student capital fee revenue of $6.8 million, capital appropriations of $1.6 million, capital grants and gifts of $0.4 million, gain on sale of assets of $0.7 million, and state support for pensions of $0.5 million.

Economic Outlook

The University's financial (or economic) position is impacted primarily by student enrollment and funding from the State, as well as the ways in which University leaders, faculty, and staff manage resources in response to enrollment and other operational and strategic factors. The University, like many higher education institutions, has experienced declining enrollment in recent years; however, recent data and actions indicate a turning point for enrollment at the University.

Enrollment and retention are key areas of focus for UNC. Initially launched in 2022, the University's Strategic Enrollment Management (SEM) plan and related initiatives are providing the positive impact needed for enrollment and retention. Building upon the Tuition Promise and Admissions Guarantee programs launched in previous years, in 2025 UNC announced a partnership with the local school district for a Direct Admissions pathway, making it easier for high school students to pursue their college education. High school concurrent/dual enrollment partnerships are also expanding. As a result of the programs implemented over the last few years, persistence and retention rates for undergraduate students have increased to all-time highs.

Looking forward to fiscal year 2026, UNC is navigating the impacts of changes at the state and federal level. This includes taking action to mitigate expense increases and right-size staffing levels, while maintaining vital services for the success of our students. Despite these challenges, UNC continues to forge ahead. Most notably, the construction of the proposed College of Osteopathic Medicine facility is well under way and multiple milestones have been met leading toward program accreditation. Thanks to state-issued Certificates of Participation and generous donor funding, UNC is on track to welcome the first cohort of students to the new program in fall 2026. For additional information regarding this report please contact:

Alex LeBlanc
Controller
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Greeley, CO 80639
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http://www.unco.edu/general-accounting

Financial Statements

Statement of Net Position

As of June 30, 2025

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
ASSETS		
Current Assets		
Cash and cash equivalents	$ 59,412,625	$ 5,357,566
Restricted cash and cash equivalents, current portion	413,525	-
Student accounts receivable, net	6,432,715	-
Pledges receivable, net, current portion	-	4,454,913
Right-to-use leases receivable, current portion	96,299	-
Other receivables, net	10,091,743	127,376
Inventories	1,609,873	-
Loans to students, net, current portion	97,184	-
Prepaid Expenses	430,351	-
Other assets	-	197,967
Total Current Assets	78,584,315	10,137,822
Noncurrent Assets		
Restricted cash and cash equivalents, noncurrent portion	42,973,646	-
Restricted investments	439,652	-
Pledges receivable, net, noncurrent portion	-	19,923,608
Right-to-use leases receivable, noncurrent portion	2,325,630	-
Loans to students, net, noncurrent portion	1,973,906	-
Investments, noncurrent portion	-	179,973,029
Capital assets, net	296,620,761	665,147
Total Noncurrent Assets	344,333,595	200,561,784
TOTAL ASSETS	422,917,910	210,699,606
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on debt refundings	1,791,948	-
Deferred amount on pensions	6,748,338	-
Deferred amount on other post-employment benefits	170,689	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,710,975	-
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	18,744,041	1,392,564
Unearned revenue	7,325,427	-
Bonds payable, current portion	7,185,000	-
Notes payable, current portion	1,500,921	-
Right-to-use leases payable, current portion	322,629	-
Right-to-use subscriptions payable, current portion	2,304,625	-
Funds held for the University of Northern Colorado	-	440,898
Compensated absence liabilities, current portion	606,444	-
Other current liabilities	2,017,038	-
Total Current Liabilities	40,006,125	1,833,462
Noncurrent Liabilities		
Unearned revenue	20,000	-
Bonds payable, noncurrent portion	107,143,512	-
Notes payable, noncurrent portion	7,554,758	-
Right-to-use leases payable, noncurrent portion	1,266,910	-
Right-to-use subscriptions payable, noncurrent portion	3,682,521	-
Net pension liability	69,235,243	-
Net other postemployment benefits liability	1,181,016	-
Annuity obligations	-	90,629
Compensated absence liabilities, noncurrent portion	7,051,075	-
Other noncurrent liabilities	1,936,485	-
Total Noncurrent Liabilities	199,071,520	90,629
TOTAL LIABILITIES	239,077,645	1,924,091
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on debt refundings	559,687	-
Deferred amount on right-to-use leases receivable	2,279,380	-
Deferred amount on pensions	3,708,874	-
Deferred amount on other postemployment benefits	1,128,895	-
Deferred inflows, other	42,973,646	-
TOTAL DEFERRED INFLOWS OF RESOURCES	50,650,482	-
NET POSITION		
Net investment in capital assets	165,659,885	665,147
Restricted for:		
Nonexpendable		
Scholarships and fellowships	306,155	73,849,730
Academic support	1,400	-
Other	-	57,360,270
Expendable		
Scholarships and fellowships	129,013	10,948,858
Other	532,111	44,901,210
Unrestricted	(24,727,806)	21,050,300
TOTAL NET POSITION	$ 141,900,758	$ 208,775,515

See notes to the financial statements

Statement of Net Position

As of June 30, 2024

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
ASSETS		
Current Assets		
Cash and cash equivalents	$ 60,561,333	$ 1,001,086
Restricted cash and cash equivalents, current portion	4,229,286	-
Student accounts receivable, net	5,526,967	-
Pledges receivable, net, current portion	-	7,319,821
Right-to-use leases receivable, current portion	84,656	-
Other receivables, net	11,996,149	127,020
Inventories	1,709,049	-
Loans to students, net, current portion	127,117	-
Prepaid Expenses	489,393	-
Other assets	-	123,337
Total Current Assets	84,723,950	8,571,264
Noncurrent Assets		
Restricted cash and cash equivalents, noncurrent portion	41,250,000	-
Restricted investments	435,910	-
Pledges receivable, net, noncurrent portion	-	19,360,865
Right-to-use leases receivable, noncurrent portion	2,418,856	-
Loans to students, net, noncurrent portion	2,039,577	-
Investments, noncurrent portion	-	166,234,513
Capital assets, net	267,958,569	696,002
Total Noncurrent Assets	314,102,912	186,291,380
TOTAL ASSETS	398,826,862	194,862,644
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on debt refundings	2,010,468	-
Deferred amount on pensions	10,265,055	-
Deferred amount on other post-employment benefits	228,584	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,504,107	-
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	11,862,187	1,080,503
Unearned revenue	8,474,000	-
Bonds payable, current portion	6,940,000	-
Notes payable, current portion	1,492,147	-
Right-to-use leases payable, current portion	176,867	-
Right-to-use subscriptions payable, current portion	1,578,961	-
Funds held for the University of Northern Colorado	-	437,726
Compensated absence liabilities, current portion	797,151	-
Other current liabilities	1,645,567	-
Total Current Liabilities	32,966,880	1,518,229
Noncurrent Liabilities		
Unearned revenue	40,000	-
Bonds payable, noncurrent portion	114,705,617	-
Notes payable, noncurrent portion	9,055,679	-
Right-to-use leases payable, noncurrent portion	25,222	-
Right-to-use subscriptions payable, noncurrent portion	2,682,032	-
Net pension liability	78,121,940	-
Net other postemployment benefits liability	1,882,082	-
Annuity obligations	-	95,585
Compensated absence liabilities, noncurrent portion	5,944,937	-
Other noncurrent liabilities	1,937,016	-
Total Noncurrent Liabilities	214,394,525	95,585
TOTAL LIABILITIES	247,361,405	1,613,814
DEFERRED INFLOWS OF RESOURCES		
Deferred amount on debt refundings	597,208	-
Deferred amount on right-to-use leases receivable	2,404,685	-
Deferred amount on pensions	2,643,398	-
Deferred amount on other postemployment benefits	1,234,891	-
Deferred inflows, other	41,250,000	-
TOTAL DEFERRED INFLOWS OF RESOURCES	48,130,182	-
NET POSITION		
Net investment in capital assets	131,302,044	696,002
Restricted for:		
Nonexpendable		
Scholarships and fellowships	306,155	68,410,492
Academic support	1,400	-
Other	-	52,563,164
Expendable		
Scholarships and fellowships	126,107	10,350,621
Other	498,996	43,613,162
Unrestricted	(16,395,320)	17,615,389
TOTAL NET POSITION	$ 115,839,382	$ 193,248,830

See notes to the financial statements

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2025

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
Operating Revenues		
Student tuition and fees, net	$ 87,277,442	$ -
Contributions	-	14,611,660
Contributed services and donations of property	-	117,838
Federal grants and contracts	8,576,056	-
State and local grants and contracts	14,061,011	-
State Fee-For-Service contract	53,914,833	-
Nongovernmental gifts, grants and contracts	15,146,489	-
Sales and services of educational activities	276,054	-
Auxiliary operating revenue	28,798,234	-
Interest and dividends	-	4,113,168
Net realized and unrealized gain (loss)	-	14,547,019
Other operating revenue	5,724,081	118,638
Total Operating Revenues	213,774,200	33,508,323
Operating Expenses		
Educational and general		
Instruction	60,975,938	-
Research	8,867,125	-
Public service	3,890,441	-
Academic support	31,678,473	-
Student services	22,480,523	-
Institutional support	23,606,999	-
Operation of plant	13,889,241	-
Scholarships and fellowships	16,754,816	-
Program	-	16,723,475
Management and general	-	1,200,037
Pledges receivable write off	-	58,126
Auxiliary operating expenditures	39,752,302	-
Depreciation	19,233,458	-
Total Operating Expenses	241,129,316	17,981,638
Operating Income (Loss)	(27,355,116)	15,526,685
Nonoperating Revenues (Expenses)		
Investment income, net of investment expense	1,840,957	-
Interest on capital asset related debt	(4,329,492)	-
Federal grants and contracts revenue - PELL	12,496,334	-
Other nonoperating revenue (expense)	1,225,515	-
Net Nonoperating Revenues (Expenses)	11,233,314	-
Income (Loss) Before Other Revenues (Expenses) or Gains (Losses)	(16,121,802)	15,526,685
Other Changes		
State appropriations - direct distribution / on behalf to PERA	547,116	-
Capital appropriations	1,586,348	-
Capital contribution - certificates of participation	32,124,812	-
Capital grants and gifts	444,335	-
Student capital fee revenue	6,826,325	-
Gain (Loss) on disposal of capital assets	654,242	-
Total Other Changes	42,183,178	-
Increase (Decrease) in Net Position	26,061,376	15,526,685
Net Position, Beginning of year	115,839,382	193,248,830
Net Position, End of Year	$ 141,900,758	$ 208,775,515

See notes to the financial statements

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2024

	University of Northern Colorado	University of Northern Colorado Foundation, Incorporated
Operating Revenues		
Student tuition and fees, net	$ 87,573,093	$ -
Contributions	-	30,890,564
Contributed services and donations of property	-	20,300
Federal grants and contracts	9,221,250	-
State and local grants and contracts	12,989,645	-
State Fee-For-Service contract	48,071,256	-
Nongovernmental gifts, grants and contracts	13,234,099	-
Sales and services of educational activities	397,720	-
Auxiliary operating revenue	27,949,954	-
Interest and dividends	-	3,991,412
Net realized and unrealized gain (loss)	-	13,469,851
Other operating revenue	5,085,306	112,525
Total Operating Revenues	204,522,323	48,484,652
Operating Expenses		
Educational and general		
Instruction	59,530,115	-
Research	8,004,722	-
Public service	3,312,423	-
Academic support	27,704,010	-
Student services	21,423,177	-
Institutional support	19,759,402	-
Operation of plant	14,436,118	-
Scholarships and fellowships	15,103,354	-
Program	-	14,572,825
Management and general	-	1,055,091
Pledges receivable write off	-	103,425
Auxiliary operating expenditures	36,216,459	-
Depreciation	19,462,792	-
Total Operating Expenses	224,952,572	15,731,341
Operating Income (Loss)	(20,430,249)	32,753,311
Nonoperating Revenues (Expenses)		
Investment income, net of investment expense	2,628,078	-
Interest on capital asset related debt	(4,312,427)	-
Federal grants and contracts revenue - PELL	9,564,183	-
Other nonoperating revenue (expense)	4,419,971	-
Net Nonoperating Revenues (Expenses)	12,299,805	-
Income (Loss) Before Other Revenues (Expenses) or Gains (Losses)	(8,130,444)	32,753,311
Other Changes		
State appropriations - direct distribution / on behalf to PERA	125,394	-
Capital appropriations	3,315,085	-
Capital grants and gifts	1,142,909	-
Student capital fee revenue	6,653,034	-
Total Other Changes	11,236,422	-
Increase (Decrease) in Net Position	3,105,978	32,753,311
Net Position, Beginning of year	112,733,404	160,495,519
Net Position, End of Year	$ 115,839,382	$ 193,248,830

See notes to the financial statements

Statement of Cash Flows

For the Years Ended June 30,

	2025	2024
Operating Activities		
Cash Received		
Tuition and fees	$ 86,468,464	$ 87,228,177
State Fee-For-Service contract	54,991,761	44,241,807
Sales and services of educational activities	243,954	365,571
Sales and services of auxiliary activities	29,050,244	27,249,898
Grants and contracts	8,183,220	9,333,864
Federal financial aid	810,934	899,219
State financial aid	12,108,495	11,110,550
UNC Foundation grants	231,542	412,152
UNC Foundation gifts	7,698,842	6,079,031
UNC Foundation scholarships	6,920,648	6,358,265
Other receipts	6,955,109	5,253,636
Student loans collected	336,725	387,798
Cash Payments		
Payments to or for employees	(152,701,237)	(145,402,355)
Payments to suppliers	(49,147,379)	(50,856,018)
Scholarships disbursed	(16,668,913)	(15,095,047)
Student loans disbursed	(246,516)	(175,653)
Net cash provided (used) by operating activities	(4,764,107)	(12,609,105)
Noncapital Financing Activities		
Federal Pell grant nonoperating funds	12,496,334	9,564,183
Other nonoperating revenues (expenses) - rental, lease, other	1,278,822	4,000,528
Proceeds from state for College of Medicine escrow	1,723,646	41,250,000
Agency inflows - campus organizations and scholarships	9,217,563	7,845,686
Agency outflows - campus organizations and scholarships	(8,750,981)	(8,050,007)
Agency inflows - student loans	53,435,890	52,981,736
Agency outflows - student loans	(53,435,890)	(52,981,736)
Net cash provided (used) by noncapital financing activities	15,965,384	54,610,390
Capital and Related Financing Activities		
Acquisition and construction of capital assets	(42,725,441)	(12,612,755)
Proceeds from state capital appropriations	1,586,348	3,532,795
Proceeds from state capital contributions - certificates of participation	32,124,812	-
Proceeds from UNC Foundation for capital gifts	444,335	1,142,909
Proceeds from Student Capital Fee	6,826,325	6,653,034
Proceeds from sale of capital assets	1,212,842	-
Proceeds from debt issuance - Arlington Park roof project	-	5,635,000
Principal paid on bonds payable	(6,940,000)	(6,525,000)
Principal paid on notes payable	(1,492,146)	(700,117)
Principal paid on leases and subscription agreements	(2,785,735)	(2,405,187)
Interest paid on capital debt	(4,530,655)	(4,559,461)
Net cash provided (used) by capital and related financing activities	(16,279,315)	(9,838,782)
Investing Activities		
Investment and utilization of endowment proceeds	(3,742)	16,694
Investment earnings	1,840,957	2,628,078
Net cash provided (used) by investing activities	1,837,215	2,644,772
Increase (Decrease) in Cash and Cash Equivalents	(3,240,823)	34,807,275
Cash and Cash Equivalents, Beginning of Year	106,040,619	71,233,344
Cash and Cash Equivalents, End of Year	$ 102,799,796	$ 106,040,619

See notes to the financial statements

Statement of Cash Flows

For the Years Ended June 30,

	2025	2024
Reconciliation of Net Operating Income(Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income (loss)	$ (27,355,116)	$ (20,430,249)
Depreciation expense	19,233,458	19,462,792
Changes in the net pension liability and related deferred outflows and inflows	(4,506,555)	(7,493,973)
Changes in operating assets and liabilities		
Student accounts receivable, net	(905,748)	(663,428)
Other receivables, net	1,877,036	(4,008,122)
Inventories	99,176	(578,201)
Loans to students, net	95,605	218,112
Other current assets	59,042	(333,904)
Accounts payable	7,240,316	1,896,612
Accrued payroll	(340,858)	386,013
Unearned revenues	(1,168,572)	(1,383,689)
Other current liabilities	(7,322)	40,521
Accrued compensated absences	915,431	278,411
Net cash provided (used) by operating activities	$ (4,764,107)	$ (12,609,105)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and cash equivalents	$ 59,412,625	$ 60,561,333
Restricted cash and cash equivalents, current portion	413,525	4,229,286
Restricted cash and cash equivalents, noncurrent portion	42,973,646	41,250,000
	$ 102,799,796	$ 106,040,619

Notes to the Financial Statements

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Governance

The University of Northern Colorado (the University or UNC) is a public institution of higher education offering a broad general curriculum, along with preparation for selected professions within the fields of business, education, health services, and music. UNC also offers programs for pre-professions such as pre-law, pre-medicine, and others. The University is an institution of the State of Colorado with operations funded largely through student tuition, fees, and the State of Colorado College Opportunity Fund. As an institution of the State of Colorado, the University's operations and activities are funded in part through Fee-For-Service contracts with the State.

The University also engages in research, offers student financial aid, and provides other services which are funded through grants and contracts, including grants from the University of Northern Colorado Foundation, Incorporated.

The Board of Trustees is the governing body of the University and is comprised of seven members appointed by the Governor plus one faculty member elected by the faculty and one student member elected by the student body.

Reporting Entity and Component Units

The financial statements of the University include all of the integral parts of the University's operations. The University applied various criteria to determine if it is financially accountable for any organization that would require that organization to be included in the University's reporting entity. These criteria include fiscal dependency, financial benefit/burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The financial statements present the University (the primary government) and its discretely presented component unit in accordance with generally accepted accounting principles in the United States of America. The component unit is included in the University's reporting entity because of the significance of its operational and financial relationships with the University, in accordance with Statements No. 39 and 61 of the Governmental Accounting Standards Board (GASB), The Financial Reporting Entity. The University has one discretely presented component unit, the University of Northern Colorado Foundation, Incorporated (the Foundation).

The University of Northern Colorado Foundation, Incorporated

The University of Northern Colorado Foundation, Incorporated is a legally separate, tax-exempt component unit of the University, incorporated under Article 40, Title 7 of the Colorado Revised Statutes of 1973. The Foundation was established in February 1966 to promote the welfare, development, and growth of the University and to permit the Foundation to engage in activities that may be beyond the scope of the Board of Trustees of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can be used only by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. Complete financial statements of the Foundation may be obtained from its Administrative Office located at 501 20th Street, Carter Hall Suite 1002, Greeley, Colorado 80639.

Basis of Accounting and Presentation

The basic financial statements of the University have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues from exchange transactions are recognized when earned and expenses from exchange transactions are recorded when an obligation is incurred. All significant intra-agency transactions are eliminated. The University prepares its financial statements as a business-type activity in conformity with all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The Foundation reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. For presentation purposes, modifications have been made to the Foundation’s net assets, shown as net position, in the University’s financial statements.

Adoption of Accounting Pronouncements

Per GASB guidance, the University implemented GASB Statement No. 101, *Compensated Absences*, which updates the measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The implementation of GASB 101 resulted in no changes to the University's estimate of total compensated absences. The University's estimates of current and noncurrent portions were not materially changed from prior years' estimates and did not require restatement of prior periods. The University implemented GASB 101 effective July 1, 2024.

Unrestricted Cash and Cash Equivalents

For purposes of reporting cash flows, the University defines cash and cash equivalents as cash on hand, demand deposit accounts with financial institutions, pooled cash with the State Treasury, and all highly liquid investments with original maturities of three months or less. As of June 30, 2025, cash equivalents consisted primarily of funds invested through the State Treasury cash management program.

Restricted Cash and Cash Equivalents

Assets are reported as restricted when restrictions on asset use change the nature or normal understanding of the availability of the assets. For the University, restricted cash and cash equivalents include amounts restricted by bond covenants, unspent proceeds from the issuance of bonds or other debt that is issued to fund future costs of construction, or amounts held in escrow with legal or contractual restrictions.

Investments and Investment Income

Investments in equity and debt securities are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of interest and dividend income plus the current year change in unrealized gain (loss) on the fair value of investments.

The University’s investments generally include direct obligations of the U.S. government and its agencies, money market funds, mutual funds, and guaranteed investment contracts. Endowments are pooled to the extent possible under gift agreements. The Foundation manages certain endowments for the University in accordance with its investment policy.

The classification of investments as current or noncurrent is based on the underlying nature and restricted use of the asset. Current investments are those without restrictions imposed by third parties that can be used to pay current obligations of the University. Noncurrent investments include restricted investments, and those investments designated to be used for long-term obligations.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable and other receivables are recorded net of estimated uncollectible amounts.

Leasing Arrangements

For arrangements where the University is a lessee under the criteria of GASB Statement No. 87, *Leases*, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the University's right to use an underlying asset for the lease term and lease liabilities represent the University's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

For arrangements in which the University is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflows of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

The University uses an estimated incremental borrowing rate that represents the rate at which it could borrow funds for terms equivalent to the lease agreements when the rate implicit in the lease is not known. The University includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the University will exercise the option. The University has elected to combine lease and non-lease components for all lease contracts and has not recognized RTU assets and lease liabilities for leases with terms for 12 months or less.

Subscription-Based Information Technology Agreements (SBITAs)

For subscription agreements that meet the criteria of a subscription-based information technology agreement (SBITA) in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, a subscription liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the subscription term. RTU assets represent the University's right to use an underlying asset for the subscription term and subscription liabilities represent the University's obligation to make subscription payments arising from the subscription agreement. RTU assets and liabilities are recognized at the subscription commencement date based on the estimated present value of subscription payments over the subscription term.

The University uses an estimated incremental borrowing rate that represents the rate at which it could borrow funds for terms equivalent to the subscription agreements when the rate implicit in the agreement is not known. The University includes extension and termination options in the term if, after considering relevant economic factors, it is reasonably certain the University will exercise the option. The University has not recognized SBITA assets and liabilities for agreements with terms for 12 months or less.

Inventories

Inventories consisting of computer products, books, food, and other consumable supplies are carried at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) basis.

Loans to Students

The University makes loans to students under various federal and other loan programs. Such loans receivable are recorded net of estimated uncollectible amounts. The allowance for uncollectible loans netted against loans to students was $460,759 and $530,568 as of June 30, 2025, and 2024, respectively.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. The University's capitalization policy includes items with a value of $10,000 or more and an estimated useful life greater than one year.

Renovations to buildings and other improvements that significantly increase the value and extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged as expenses. Major outlays for capital assets and improvements are capitalized as construction in progress throughout the building project.

The University has capitalized collections, such as works of art and historical artifacts. The nature of certain collections is such that the value and usefulness of the collection does not change over time. These collections have not been depreciated in the University's financial statements.

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 years for buildings and improvements, 20 years for land improvements, 3 years for software, 10 years for library books, and 3-10 years for equipment and vehicles. Depreciation expense is not allocated among functional categories.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position contains a separate section for deferred outflows of resources. This separate financial statement element represents the consumption of net position that applies to future periods and so will not be recognized as an expense until that time.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until that time.

Unearned Revenue

The University prorates the summer session revenues on a 50% split between two fiscal years. Tuition, fees, and certain auxiliary revenues received before June 30, but determined by this proration to be earned in the following year, are recorded as unearned revenue. Unearned revenue also includes amounts received from grant and contract sponsors that have not met all the applicable eligibility requirements.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances; (2) sales and services of auxiliary enterprises; (3) contracts and grants for research activities; and (4) state fee-for-service contracts.

Nonoperating Revenues

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations, Pell grants, investment income, and other revenue sources that are defined as nonoperating revenues by *GASB 9: Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and *GASB 34: Basic Financial Statements and Management's Discussion and Analysis*.

Tax-Exempt Status and Income Taxes

As an Institution of Higher Education of the State of Colorado, the income of the University is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law. However, any income unrelated to the exempt purpose of the University is subject to tax under Section 511(a)(2)(B) of the Internal Revenue Code.

The University had no income tax liability related to income generated from activities unrelated to the University's exempt purpose as of June 30, 2025. These activities include the taxable portion of sponsorship agreements that are considered advertising by the Internal Revenue Service tax code definitions. It also includes taxable income related to the rental of campus facilities for weddings, conferences, and other activities unrelated to the mission of the institution.

Use of Estimates

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

Significant estimates have been made regarding compensated absences expense, scholarship allowances, and bad debt allowances for accounts receivable as described below.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform with the current year financial statement presentation. Such reclassifications had no effect on total net position or change in net position as previously reported.

Compensated Absence Liabilities

University policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Vacation and sick leave benefits taken as paid time off are recognized as an expense when the time off occurs. Accrued compensated absence liabilities are recognized based upon estimated cash payments due to employees upon termination or retirement. The limitations on such payments are defined by the rules associated with the personnel systems of the University. Employees accrue and vest in vacation and sick leave earnings based on their hire date and length of service. Vacation accruals are paid in full upon separation, whereas only a portion of sick leave is paid upon specific types of separation, such as retirement.

Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the financial statement date plus an additional amount for compensation-related payments, such as Social Security and Medicare taxes, computed using rates in effect at that date.

Scholarship Discounts and Allowances

Student tuition, fee revenues, and certain other revenues from students are reported net of scholarship allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants and other federal, state, or nongovernmental financial aid programs, are recorded as either operating or nonoperating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded scholarship allowances. The scholarship allowances on tuition and fees and auxiliary charges, for the fiscal years ended June 30, 2025 and 2024, are detailed below.

	2025		
Scholarship Allowance	**Tuition and Fees**	**Auxiliary Revenues**	**Total**
Gross revenue	$117,762,656	$37,265,861	$ 155,028,517
Scholarship allowances:			
Federal	7,293,340	2,025,811	9,319,151
State	6,578,774	1,827,332	8,406,106
Private	14,141	3,928	18,069
Institutional	16,598,959	4,610,556	21,209,515
Total allowances	30,485,214	8,467,627	38,952,841
Net revenue	$ 87,277,442	$ 28,798,234	$ 116,075,676

	2024		
Scholarship Allowance	**Tuition and Fees**	**Auxiliary Revenues**	**Total**
Gross revenue	$ 115,653,940	$ 35,305,666	$ 150,959,606
Scholarship allowances:			
Federal	6,464,840	1,693,449	8,158,289
State	5,797,081	1,518,532	7,315,613
Private	3,823	1,001	4,824
Institutional	15,815,103	4,142,730	19,957,833
Total allowances	28,080,847	7,355,712	35,436,559
Net revenue	$ 87,573,093	$ 27,949,954	$ 115,523,047

Bad Debt Allowance

Bad debt is recorded as a contra-revenue. It is estimated using information about the age of the accounts receivable balance and historical collection rates.

Note 2: Cash and Cash Equivalents

Unrestricted Cash and Cash Equivalents

For operating purposes, the University holds unrestricted cash and cash equivalent deposits in several bank accounts at U.S. financial institutions. The University also maintains unrestricted cash on hand for petty cash and change funds.

Unrestricted Cash and Cash Equivalents	2025	2024
Cash on hand	$ 10,462	$ 10,651
Cash with U.S. financial institutions	18,621,368	19,237,511
Cash with Colorado State Treasury	43,353,356	44,287,292
Unrealized gain (loss) - cash with State Treasury	(2,572,561)	(2,974,121)
Total unrestricted cash and cash equivalents	$ 59,412,625	$ 60,561,333

Restricted Cash and Cash Equivalents

The University holds restricted cash in an escrow account in accordance with requirements of the Commission on Osteopathic College Accreditation, the accrediting body for the proposed University of Colorado College of Osteopathic Medicine. This restricted cash was $42,973,646 and $41,250,000 as of June 30, 2025 and 2024, respectively.

The University also holds restricted cash in unexpended proceeds from the notes payable issuance for the Arlington Park Apartments roof replacement. This restricted cash was $413,525 and $4,229,286 as of June 30, 2025 and 2024, respectively.

State Treasury Pool

The University deposits its cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in or with the Treasury are invested until the cash is needed. As of June 30, 2025, the University had cash on deposit with the State Treasurer of $43.4 million, which represented approximately 0.25% of the total $15,918.2 million fair value of deposits in the State Treasurer’s Pool (Pool). As of June 30, 2025, the Pool’s resources included $39.1 million of cash on hand and $15,879.1 million of investments. As of June 30, 2024, the University had cash on deposit with the State Treasurer of $44.3 million, which represented approximately 0.23% of the total $18,095.0 million fair value of deposits in the State Treasurer’s Pool (Pool). As of June 30, 2024, the Pool’s resources included $38.5 million of cash on hand and $18,056.6 million of investments.

On the basis of the University’s participation in the Pool, the University reports an increase or decrease in cash for its share of the Treasurer’s unrealized gains and losses on the Pool’s underlying investments. The State Treasurer does not invest any of the Pool’s resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year.

Additional information on investments of the State Treasurer’s Pool may be obtained in the state’s Annual Comprehensive Financial Report for the year ended June 30, 2025.

Custodial Credit Risk – Cash and Cash Equivalents

Custodial credit risk for cash and cash equivalents exists when, in the event of the failure of a depository financial institution, the University may be unable to recover deposits or recover collateral securities that are in the possession of an outside party. Under *GASB 40: Deposit and Investment Risk Disclosures*, deposits are exposed to custodial credit risk if the deposits are not covered by depository insurance and the deposits are (a) uncollateralized or (b) collateralized, with securities held by the pledging financial institution or the pledging financial institution's trust department or agent, but not in the depositor government's name. To manage custodial credit risk, unrestricted cash and cash equivalents with the State Treasury and U.S. financial institutions are made in accordance with University policy and state law, including the Public Deposit Protection Act (PDPA). PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102% of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under the PDPA are considered to be collateralized with securities held by the pledging institution in the University's name.

As of June 30, 2025, all of the cash and cash equivalents held by the State Treasury and U.S. financial institutions were therefore not subject to custodial credit risk. The State Treasury Pool was not subject to foreign currency risk or concentration of credit risk in fiscal year 2025.

Interest Rate Risk

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of the investment. In addition to statutory limitations on the types of investments, the State Treasurer's investment policy mitigates interest rate risk through the use of maturity limits set to meet the needs of the individual fund if the Treasurer is investing for a specific fund rather than the pool.

The Treasurer actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs of the participating funds. The Treasurer further limits investment risk by setting a minimum/maximum range for the percentage of investments subject to interest rate risk and by laddering maturities and credit ratings.

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. This risk is assessed by national rating agencies that assign a credit quality rating for many investments. Credit quality ratings for obligations from the U.S. government or obligations explicitly guaranteed by the U.S. government are not reported; however, credit quality ratings are reported for obligations of U.S. government agencies that are not explicitly guaranteed by the U.S. government.

Note 3: Investments

University of Northern Colorado

The University's investments on June 30, 2025 include certain endowments held at the Foundation which are restricted by the donors. In fiscal year 2016, the $8.9 million of proceeds from the energy performance capital lease was invested with the escrow agent, BOKF, N.A. in the Cavanal Hill U.S. Treasury Fund, which is a money market portfolio of U.S. Government Obligations. These investments were subject to Colorado Revised Statutes Title 15, Article 1, Part 11 "Uniform Prudent Management of Institutional Funds Act" or UPMIFA.

Fair value of investments held on June 30 are detailed in the table below:

Investment Types	2025	2024	Maturity
Fixed Income U.S. Government Obligations	$ 317,707	$ 353,789	1-5 years
Fixed Income U.S. Government Obligations	98,239	48,707	Less than 1 year
Money Market Funds	23,706	33,414	N/A
Total University restricted investments	$ 439,652	$ 435,910	

Fair Value Measurements

GASB 72: Fair Value Measurement and Application, sets forth the framework for measuring fair value. That framework provides 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the University has the ability to access.
- Level 2: Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets
  - Quoted prices for similar assets or liabilities in inactive markets
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the University's assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the University's data.

When available, quoted prices are used to determine fair value by the University. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The University Level 1 investments primarily consist of investments in mutual funds and cash equivalents, which are classified as Level 1. The University's fixed income obligations are classified as Level 2.

The University investment custodians generally use a multi-dimensional relational model when determining the value of fixed-income securities (Level 2). Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Therefore, exposure arises if the securities are uninsured, are not registered in the University's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent, but not in the University's name. The University does not have a formal investment policy regarding custodial credit risk.

The University's endowment funds are managed by the Foundation according to the custodial agreement between the University and the Foundation approved on November 15, 2024. These securities are held in the Foundation's name as an agent of the University and are not subject to custodial credit risk.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes if the market rate of interest will adversely affect the value of an investment. Interest rate risk applies only to debt investments. Interest rate risk can be controlled by managing the duration to effective maturity and/or the weighted-average maturity of the investments.

The duration method uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The weighted-average maturity method measures the time to maturity in years weighted to reflect the dollar size of the individual investments within an investment type.

The University does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The duration to effective maturity and weighted-average maturity of each investment type held by the University is identified in the maturities and credit ratings table below.

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations. Credit risk applies only to debt investments. Mutual funds and certain other investments are not categorized as to credit quality risk because ownership is not evidenced by a security. The risk is assessed by national rating agencies, which assign a credit quality rating for many investments.

State law limits investments in securities, at the time of purchase, to securities with the top two ratings issued by nationally recognized statistical rating organizations. The University does not have a formal policy related to investment credit quality risk that would further limit its investment choices. All of the University's investments have a Standard & Poor's rating of AA+ or better. Credit quality risk is not available for the Foundation.

Maturities and credit ratings for the University's investments held as of June 30 are detailed below:

2025

Maturities and Credit Ratings by Investment Type	Fair Value	Duration to Maturity	Weighted - Average Maturity	S&P Credit Rating
U.S. Government Obligations	$ 415,946	2.22	2.42	Aa1
Money Market Funds	23,706	N/A	N/A	Unrated
Total University investments as of June 30	$ 439,652			

2024

Maturities and Credit Ratings by Investment Type	Fair Value	Duration to Maturity	Weighted - Average Maturity	S&P Credit Rating
U.S. Government Obligations	$ 402,496	2.61	2.83	AAA
Money Market Funds	33,414	N/A	N/A	Unrated
Total University investments as of June 30	$ 435,910			

University of Northern Colorado Foundation

Fair Value of Financial Instruments

The carrying amount reported on the Foundation's Statement of Financial Position for cash and cash equivalents, accounts payable and accrued expenses, and certain other liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments. The following methods and assumptions were used by the Foundation in estimating the fair value of its other financial instruments:

Pledges – The fair value of pledges is determined by discounting multi-year pledges to net present value using a discount rate commensurate with the payment terms of the pledge. The Foundation also takes into consideration past collection experience and other relevant factors.

Beneficial interest in long-term trusts held by others – The fair value of the beneficial interest in long-term trusts held by others is determined by the fair value of the underlying investments held by the third-party trustees, less the net present value of future cash outflows to lifetime recipients.

Life insurance policies – The fair value of life insurance policies is based upon the estimated cash surrender value of the underlying insurance policy.

Obligations under gift annuity agreements – The fair value of obligations under gift annuity agreements is based upon the payments to be made over the estimated remaining lives of the income beneficiaries and is discounted to present value using discount rates ranging from 5% to 7%.

Assets held for others – The fair value of assets held for others is determined by the fair value of the underlying investments held by the Foundation, which are securities valued as described on the next page.

Investments – The Foundation values its investments at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted in active markets but are corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest level priority to Level 3 inputs.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

The following is a description of the valuation methodologies used for assets measured at fair value:

Equity securities and mutual funds (cash, equities, fixed income, commodities) – Valued at the closing price as reported on the active market on which the individual securities or funds are traded.

Fixed income (bond funds or individual bonds) – Valued based on yields currently available on comparable securities of the issuer or other issuers with similar credit ratings.

Student-managed funds – These funds are managed by students through a class offered at the University. It comprises equity securities, mutual funds, and individual bonds, which are valued as described above.

Beneficial interest in long-term trusts held by others – Valued based on the underlying investments held by the trusts, less the net present value of future cash outflows to lifetime recipients.

Alternative Investments: low correlated hedge, real estate, illiquid credit, and private equity – Valued at net asset value (NAV) of the limited partnership investments as provided by the investment manager. The definition of NAV includes an ownership interest in partners' capital to which a proportionate share of the investment's net assets is attributed. The NAV is used as a practical expedient to estimate fair value.

There were no changes to the valuation techniques used during the period.

The UNC Foundation's investments held as of June 30 are detailed below:

University of Northern Colorado Foundation
Summary of Investments
as of June 30,

	2025	2024
Cash and cash equivalents	$ 123,549	$ 290,811
Equities	86,293,357	80,672,930
Fixed income	18,140,812	17,692,559
Alternative investments (at NAV)	52,549,658	44,669,135
Other	21,865,653	21,909,078
Total Foundation investments	$ 178,973,029	$ 165,234,513

The UNC Foundation's investments by level as of June 30, 2025 are detailed below:

University of Northern Colorado Foundation
Investments by Level
as of June 30, 2025

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
Investments					
Cash equivalent mutual funds	$ 123,549	$ -	$ -	$ -	$ 123,549
Equities					
Domestic	49,929,525	-	-	-	49,929,525
International	36,363,832	-	-	-	36,363,832
Fixed income					
Domestic	9,317,766	8,383,394	-	-	17,701,160
Opportunistic	-	439,652	-	-	439,652
Student-managed funds	-	870,307	-	-	870,307
Stock/bond mixed mutual funds	1,122,893	-	-	-	1,122,893
Alternative investments					
Low-correlated hedge	-	-	-	13,883,325	13,883,325
Private equity	-	-	-	23,947,072	23,947,072
Illiquid credit	-	-	-	11,420,509	11,420,509
Real estate	8,965,899	-	-	3,298,752	12,264,651
Beneficial interest in long-term trusts held by others	-	-	10,906,554	-	10,906,554
Total Investments	$ 105,823,464	$ 9,693,353	$ 10,906,554	$ 52,549,658	$ 178,973,029

The UNC Foundation's investments by level as of June 30, 2024 are detailed below:

University of Northern Colorado Foundation
Investments by Level
as of June 30, 2024

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
Investments					
Cash equivalent mutual funds	$ 290,811	$ -	$ -	$ -	$ 290,811
Equities					
Domestic	49,136,280	-	-	-	49,136,280
International	31,536,650	-	-	-	31,536,650
Fixed income					
Domestic	9,335,769	7,920,880	-	-	17,256,649
Opportunistic	-	435,910	-	-	435,910
Student-managed funds	-	809,818	-	-	809,818
Stock/bond mixed mutual funds	1,034,334	-	-	-	1,034,334
Alternative investments					
Low-correlated hedge	-	-	-	14,670,154	14,670,154
Private equity	-	-	-	16,728,851	16,728,851
Illiquid credit	-	-	-	9,831,234	9,831,234
Real estate	8,485,985	-	-	3,438,896	11,924,881
Beneficial interest in long-term trusts held by others	-	-	11,578,941	-	11,578,941
Total Investments	$ 99,819,829	$ 9,166,608	$ 11,578,941	$ 44,669,135	$ 165,234,513

In addition to the investments valued at fair value on a recurring basis, the University of Northern Colorado Foundation, Incorporated, holds another limited partnership investment valued on a non-recurring basis at a value of $1,000,000 as of June 30, 2025 and 2024. This investment cannot be redeemed by the Foundation. The value of the investment in this category is based on the initial partnership contribution.

Net investment earnings consist of the following for the years ended June 30, 2025 and 2024:

University of Northern Colorado Foundation
Investment Earnings

	2025	2024
Interest and dividends	$ 4,113,168	$ 3,991,412
Realized and unrealized gains (losses) on investments, net of taxes	15,214,837	11,184,967
Less investment management fees	(533,995)	(471,082)
	$ 18,794,010	$ 14,705,297

The following is the reconciliation of the beginning and ending balances for investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ending June 30, 2025 and 2024:

University of Northern Colorado Foundation
Level 3 Investment Changes

Beneficial Interest in Long-Term Trusts Held by Others

	2025	2024
Beginning balance	$ 11,578,941	$ 8,282,792
Additions (sales)	(525,058)	525,058
Unrealized/realized gains (losses)	(147,329)	2,771,091
	$ 10,906,554	$ 11,578,941

The following table includes information on investments in certain entities that calculate net asset value:

University of Northern Colorado Foundation
Investments in Certain Entities that Calculate Net Asset Value
as of June 30, 2025

Fund Description	Fair Value	Unfunded	Redemption	Redemption
Low correlated hedge - Multistrategy (a)	13,883,325	-	Quarterly, semi-annually*	95 days**
Private equity (b)	23,947,072	6,071,669	Generally illiquid***	N/A
Illiquid credit (c)	11,420,509	1,628,168	Generally illiquid***	N/A
Real estate (d)	3,298,752	819,334	Generally illiquid***	N/A
Total	$52,549,658	$ 8,519,171		

University of Northern Colorado Foundation
Investments in Certain Entities that Calculate Net Asset Value
as of June 30, 2024

Fund Description	Fair Value	Unfunded	Redemption	Redemption
Low correlated hedge - Multistrategy (a)	14,670,154	-	Quarterly, semi-annually*	95 days**
Illiquid credit (b)	9,831,234	1,628,168	Upon fund termination	N/A
Private equity (c)	16,728,851	4,623,927	Upon fund termination	N/A
Real estate (d)	3,438,896	819,334	Upon fund termination	N/A
Total	$44,669,135	$ 7,071,429		

*Subject to restrictions

**Annual one-year lock-up and then rolling 25 percent quarterly redemption

(a) The low-correlated hedge class invests in investments that pursue multiple strategies to diversify risks and reduce volatility. The investments composite portfolio for this class includes investments in public equities, private equities, public equity derivatives, Treasurys, and fixed-income derivatives. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

(b) The illiquid credit class invests in funds that pursue investment opportunities with long-term potential, including those that may be early-stage domestic private companies. The investments cannot be redeemed because the investments include holdings that are part of an illiquid market. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

(c) The private equity class includes several private equity funds that invest, either directly or indirectly, in both domestic and international private companies. The fair values of the investments in this category have been estimated using net asset value per share of the investments.

(d) The real estate class includes several real estate funds that primarily invest in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the Organization’s ownership interest in partners’ capital.

Note 4: Accounts, Leases, and Loans Receivable

Accounts and loans receivable are shown, net of allowances for doubtful accounts, in the Statement of Net Position. Net receivables as of June 30 are detailed below:

Accounts and Loans Receivable	2025	2024
Student accounts receivable - current	$ 19,436,738	$ 18,367,164
Allowance for doubtful accounts	(13,004,023)	(12,840,197)
Subtotal student accounts receivable - net	6,432,715	5,526,967
Student loans receivable - current	284,623	378,322
Allowance for doubtful accounts	(187,439)	(251,205)
Subtotal student loans receivable - net	97,184	127,117
Student loans receivable - noncurrent	2,247,226	2,318,941
Allowance for doubtful accounts	(273,320)	(279,364)
Subtotal noncurrent student loans receivable - net	1,973,906	2,039,577
Other receivables - current		
Sponsored programs - federal grants receivable	886,089	1,040,244
Sponsored programs - nonfederal grants receivable	11,885	83,936
Accounts receivable related party - the Foundation	2,306,587	1,865,185
Accounts receivable - State of Colorado	4,870,386	5,947,314
Other accounts receivable	2,016,796	3,059,470
Subtotal other receivables - current	10,091,743	11,996,149
Total University accounts, loans & other receivables	$ 18,595,548	$ 19,689,810

Right-To-Use Leases Receivable

As a result of the implementation of GASB 87, *Leases*, the University, serving in a lessor capacity, is required to recognize a lease receivable and a deferred inflow of resources for certain lease transactions. Right-to-use leases receivable as of June 30 are detailed below:

2025

Changes in Right-To-Use Leases Receivable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Right-to-use leases receivable	2,503,512	-	81,583	2,421,929	96,299
Total receivable	$ 2,503,512	$ -	$ 81,583	$ 2,421,929	$ 96,299

2024

Changes in Right-To-Use Leases Receivable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Right-to-use leases receivable	3,685,510	26,400	1,208,398	2,503,512	84,656
Total receivable	$ 3,685,510	$ 26,400	$ 1,208,398	$ 2,503,512	$ 84,656

On March 29, 2022 the University of Northern Colorado Board of Trustees entered into a lease agreement with New Cingular Wireless PCS, LLC to lease approximately one thousand one hundred twenty (1,120) square feet of land, including the air space above such rooftop space, owned by the University and located at 2310 13th Avenue, Greeley, Colorado 80639, to be used by New Cingular for the placement of a communication facility. The initial term of the lease will be five (5) years, commencing on March 29, 2022. The lease will automatically renew for five (5) additional five (5) year terms unless the tenant notifies the landlord in writing of its intention not to renew the lease agreement. The lease requires monthly lease payments to the University of $4,000, with rent payments increasing two (2) percent on an annual basis. The outstanding lease receivable was $1,394,283 and $1,419,746 as of June 30, 2025 and 2024, respectively.

On April 28, 2017, the University of Northern Colorado Board of Trustees entered into the First Amendment to Rooftop Lease Agreement with T-Mobile West, LLC to lease space owned by the University and located on the roof of Lawrenson Hall, 2300 12th Avenue, Greeley, Colorado 80639, to be used by T-Mobile for the placement of an Antenna facility. The amendment extended the term of the lease by twenty-five (25) years effective July 1, 2017, to include an initial five (5) year term, and four (4) additional five (5) year renewal options at T-Mobile's sole discretion, with written notice from the tenant no later than thirty (30) days prior to expiration of the current renewal term if they are electing not to renew for another term. Subsequently, on August 11, 2022 a second amendment was executed which revised the base rent and adjusted the annual rent escalation from 3% to 2.5%, effective August 1, 2022. The lease requires monthly lease payments to the University of $4,216, with rent payments increasing two and one-half percent (2.5%) on an annual basis. The outstanding lease receivable was $994,078 and $1,033,499 as of June 30, 2025 and 2024, respectively.

On December 4, 2023, the University of Northern Colorado Board of Trustees entered into an agreement with Yetters Brewing Company to lease space owned by the University and located in Parsons Hall, 501 20th Street, Greeley, Colorado 80639, to be used as a Brewery Production space, which will be utilized regularly in the University's Brewing Sciences program. The term of the agreement began on January 1, 2024 and ends on December 31, 2026. The lease requires monthly rent payments to the University of $800 beginning in January 2025, with monthly payments increasing by $200 on a semi-annual basis. The outstanding lease receivable was $21,600 and $26,400 as of June 30, 2025 and 2024, respectively.

On October 25, 2021 the University of Northern Colorado Board of Trustees entered into a lease agreement with Wells Fargo Bank, N.A. to lease space owned by the University and located in the University Center, 2101 10th Avenue, Greeley, Colorado 80639, to be used by Wells Fargo for the placement of an ATM facility. The initial term of the lease will be five (5) years, commencing on July 1, 2021. The lease may be renewed for one (1) additional five (5) year term with written notice from the tenant no later than ninety (90) days prior to expiration of the initial term. The lease requires fixed monthly lease payments to the University of $1,000. The outstanding lease receivable was $11,968 and $23,867 as of June 30, 2025 and 2024, respectively.

Related Party Receivable

Gifts and grants receivable from the Foundation to the University were $2.3 million and $1.9 million as of June 30, 2025 and 2024, respectively.

Foundation Contributions and Pledges Receivable

Foundation gifts of cash and other assets are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the Foundation’s stand-alone financial statements.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the net present value of estimated future cash flows. The discounted rate used in this calculation is the five-year U.S. Treasury note rate as of June 30 of the fiscal year in which the commitment was made, ranging from 0.29 percent to 4.44 percent. An allowance for uncollectible contributions is established by Foundation management based on management’s analysis of specific pledge receivables.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Foundation Pledges Receivable	**2025**	**2024**
Amounts due in:		
Less than one year	$ 4,479,913	$ 7,338,696
One to five years	22,090,085	17,127,510
More than five years	10,000	5,035,000
Subtotal	26,579,998	29,501,206
Less allowance for uncollectible pledges	(25,000)	(18,875)
Less present value discounts	(2,176,477)	(2,801,645)
Total pledges receivable	$ 24,378,521	$ 26,680,686

Note 5: Capital Assets

The following is a summary of University capital asset activity as of June 30:

2025

Capital Assets and Accumulated Depreciation/Amortization	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets					
Land	$ 9,768,778	$ -	$ (637,885)	$ -	$ 9,130,893
Land improvements	24,130,989	-	-	-	24,130,989
Non-depreciable land improvements	4,264,026	-	-	-	4,264,026
Buildings and improvements	520,021,645	-	(150,000)	8,943,467	528,815,112
Equipment and vehicles	31,391,874	744,148	-	-	32,136,022
Software	5,527,600	-	-	-	5,527,600
Library materials	52,150,620	1,891,045	(2,187,764)	-	51,853,901
Non-depreciable art/historical	1,774,684	-	-	-	1,774,684
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	1,226,893	1,695,376	-	-	2,922,269
Right-to-use lease assets-equipment	430,052	30,532	(430,052)	-	30,532
Right-to-use subscription assets	7,728,355	5,310,550	(2,147,951)	-	10,890,954
Construction in progress	20,110,917	40,090,249	-	(8,943,467)	51,257,699
Total capital assets	679,586,165	49,761,900	(5,553,652)	-	723,794,413
Less accumulated depreciation/amortization					
Land improvements	19,781,380	717,629	-	-	20,499,009
Buildings and improvements	311,597,311	12,652,227	(3,750)	-	324,245,788
Equipment and vehicles	27,153,462	965,863	-	-	28,119,325
Software	5,140,344	247,068	-	-	5,387,412
Library materials	42,002,196	2,053,332	(2,187,765)	-	41,867,763
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	1,022,120	343,206	-	-	1,365,326
Right-to-use lease assets-equipment	430,053	6,106	(430,052)	-	6,107
Right-to-use subscription assets	3,440,998	2,248,027	(1,065,835)	-	4,623,190
Total accumulated depreciation/amortization	411,627,596	19,233,458	(3,687,402)	-	427,173,652
Net capital assets	$ 267,958,569	$ 30,528,442	$ (1,866,250)	$ -	$ 296,620,761

2024

Capital Assets and Accumulated Depreciation/Amortization	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital Assets					
Land	$ 9,768,778	$ -	$ -	$ -	$ 9,768,778
Land improvements	24,130,989	-	-	-	24,130,989
Non-depreciable land improvements	4,264,026	-	-	-	4,264,026
Buildings and improvements	517,182,479	-	-	2,839,166	520,021,645
Equipment and vehicles	28,981,150	1,224,437	-	1,186,287	31,391,874
Software	5,507,670	19,930	-	-	5,527,600
Library materials	52,210,322	2,005,145	(2,064,847)	-	52,150,620
Non-depreciable art/historical	1,774,684	-	-	-	1,774,684
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	1,226,893	-	-	-	1,226,893
Right-to-use lease assets-equipment	430,052	-	-	-	430,052
Right-to-use subscription assets	6,109,012	1,619,343	-	-	7,728,355
Construction in progress	14,282,786	9,853,584	-	(4,025,453)	20,110,917
Total capital assets	666,928,573	14,722,439	(2,064,847)	-	679,586,165
Less accumulated depreciation/amortization					
Land improvements	18,995,966	785,414	-	-	19,781,380
Buildings and improvements	298,793,178	12,804,133	-	-	311,597,311
Equipment and vehicles	26,105,622	1,047,840	-	-	27,153,462
Software	4,708,262	432,082	-	-	5,140,344
Library materials	42,019,917	2,047,126	(2,064,847)	-	42,002,196
Leasehold improvements	1,059,732	-	-	-	1,059,732
Right-to-use lease assets-buildings	679,123	342,997	-	-	1,022,120
Right-to-use lease assets-equipment	286,702	143,351	-	-	430,053
Right-to-use subscription assets	1,581,149	1,859,849	-	-	3,440,998
Total accumulated depreciation/amortization	394,229,651	19,462,792	(2,064,847)	-	411,627,596
Net capital assets	$ 272,698,922	$ (4,740,353)	$ -	$ -	$ 267,958,569

The following is a summary of Foundation capital asset activity for the years ended June 30:

Foundation Capital Assets	2025	2024
Capital assets		
Buildings and improvements	$ 1,310,556	$ 1,310,556
Equipment and vehicles	20,115	20,115
Total capital assets	1,330,671	1,330,671
Less accumulated depreciation	(665,524)	(634,669)
Net investment in capital assets	$ 665,147	$ 696,002

Note 6: Liabilities and Unearned Revenue

The following is a summary of liabilities as of June 30:

The University Liabilities and Unearned Revenue	2025	2024
Accounts payable and accrued liabilities		
Accounts payable	$ 10,550,970	$ 4,186,663
Accrued salaries and benefits	6,203,091	6,596,639
Accrued interest expense	425,051	405,107
Retainage payable and other liabilities	1,564,929	673,778
Total accounts payable and accrued liabilities	18,744,041	11,862,187
Current unearned revenue		
Summer tuition and other activities	5,772,683	5,909,739
Restricted grants and contracts	885,454	2,009,437
Auxiliary and housing	587,142	437,432
Other unearned revenue	80,148	117,392
Total current unearned revenue	7,325,427	8,474,000
Other current liabilities		
Deposits held	1,052,023	975,225
Insurance liability	101,000	201,000
Deposits held in custody for agency funds	535,177	41,344
Compensated absences liability	606,444	797,151
Perkins liquidation liability	257,722	362,693
Nursing loan program liability	71,116	65,305
Total other current liabilities	2,623,482	2,442,718
Other noncurrent liabilities		
Unearned revenue	20,000	40,000
Long-term deposit liabilities held	16,389	78,057
Compensated absences liability	7,051,075	5,944,937
Net pension liability	69,235,243	78,121,940
Other postemployment benefits liability	1,181,016	1,882,082
Perkins liquidation liability	383,173	545,757
Nursing loan program liability	1,536,923	1,313,202
Total other noncurrent liabilities	79,423,819	87,925,975
Bonds, notes, and right-to-use leases and subscriptions		
Current bonds, notes, and right-to-use leases and subscriptions	11,313,175	10,187,975
Noncurrent bonds, notes, and right-to-use leases and subscriptions	119,647,701	126,468,550
Total bonds and right-to-use leases	130,960,876	136,656,525
Total liabilities and unearned revenue	$ 239,077,645	$ 247,361,405

The Foundation – Liabilities and Unearned Revenue

The following is a summary of Foundation liabilities as of June 30:

The Foundation Liabilities and Unearned Revenue	2025	2024
Accounts payable and accrued liabilities	$ 1,392,564	$ 1,080,503
Funds held for the University	440,898	437,726
Annuity obligations	90,629	95,585
Total liabilities and unearned revenue	$ 1,924,091	$ 1,613,814

Charitable Gift Annuity Obligations

The Foundation has entered into several charitable gift annuity contracts. These contracts require the Foundation to make fixed payments to the beneficiaries over their lifetimes. Under a charitable gift annuity contract, the assets received by the Foundation are not held in trust separately from other investments of the Foundation. On the date each charitable gift annuity was established, the Foundation recorded a contribution equal to the difference between the amount transferred from the donor and the present value of the future cash flows expected to be paid to the specified beneficiaries, using a discount rate equal to the then current applicable federal rate. At the end of these contracts, the majority of these assets are to be endowed and are included in nonexpendable permanently restricted net position as of June 30 as follows:

Charitable Gift and Annuity Contracts	2025	2024
Assets held under gift contracts	$ 136,948	$ 138,604
Less associated liabilities	(90,629)	(95,585)
Present value of assets held under contracts	$ 46,319	$ 43,019

Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable

The following table provides a summary of bonds, notes payable, right-to-use leases payable, and right-to-use subscriptions payable as of June 30:

Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable Summary	Interest Rates	Final Maturity	Balance 2025	Balance 2024
Non-Direct Borrowings and Placements				
Fixed rate bonds	2.0% - 5.0%	2046	$ 78,150,000	$ 84,635,000
Fixed rate - unamortized premiums			4,278,512	4,655,617
Total non-direct borrowings and placements			82,428,512	89,290,617
Direct Borrowings and Placements				
Fixed rate bonds	1.77% - 2.29%	2035	31,900,000	32,355,000
Total direct borrowings and placements			31,900,000	32,355,000
Total bonds payable			114,328,512	121,645,617
Notes payable	2.69% - 6.99%	2031	9,055,679	10,547,826
Right-to-use leases payable	0.29% - 3.08%	2029	1,589,539	202,089
Right-to-use subscriptions payable	1.98% - 3.32%	2030	5,987,146	4,260,993
Total bonds, notes payable, right-to-use leases payable and right-to-use subscriptions payable			$ 130,960,876	$ 136,656,525

The table below presents the summary of changes in bonds, notes payable, right-to-use leases payable, and right-to-use subscriptions payable for the fiscal year ended June 30:

2025

Changes in Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds payable-non-direct borrowings and placements	$ 84,635,000	$ -	$ 6,485,000	$ 78,150,000	$ 4,310,000
Bonds payable-direct borrowings and placements	32,355,000	-	455,000	31,900,000	2,875,000
Plus unamortized premiums	4,655,617	-	377,105	4,278,512	-
Total revenue bonds payable	121,645,617	-	7,317,105	114,328,512	7,185,000
Notes payable	10,547,826	-	1,492,147	9,055,679	1,500,921
Right-to-use leases payable	202,089	1,725,908	338,458	1,589,539	322,629
Right-to-use subscriptions payable	4,260,993	5,310,551	3,584,398	5,987,146	2,304,625
Total bonds, notes payable, right-to-use leases payable and right-to-use subscriptions payable	$ 136,656,525	$ 7,036,459	$ 12,732,108	$ 130,960,876	$ 11,313,175

2024

Changes in Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Bonds payable-non-direct borrowings and placements	$ 90,840,000	$ -	$ 6,205,000	$ 84,635,000	$ 6,485,000
Bonds payable-direct borrowings and placements	32,675,000	-	320,000	32,355,000	455,000
Plus unamortized premiums	5,032,723	-	377,106	4,655,617	-
Total revenue bonds payable	128,547,723	-	6,902,106	121,645,617	6,940,000
Notes payable	5,122,601	6,125,341	700,116	10,547,826	1,492,147
Right-to-use leases payable	691,819	-	489,730	202,089	176,867
Right-to-use subscriptions payable	4,557,107	1,619,343	1,915,457	4,260,993	1,578,961
Total bonds, notes payable, right-to-use leases payable and right-to-use subscriptions payable	$ 138,919,250	$ 7,744,684	$ 10,007,409	$ 136,656,525	$ 10,187,975

Revenue and Refunding Bonds

A general description of each revenue bond issue, original issuance amount, and the amount outstanding as of June 30, 2025, are detailed in the table "Revenue Bond Detail". The fixed rate revenue bonds interest is payable semi-annually and principal payments are paid annually. The bonds are not secured by any encumbrance, mortgage, or other pledge of property, except pledged revenues.

Bond provisions require the University to maintain compliance with certain rate covenants related to the bonds. The Master Enterprise Bond Resolution authorizing the issuance of Institutional Enterprise Revenue Bonds, and adopted by the University's Board of Trustees, specifies debt service coverage requirements. The debt service coverage provisions require net pledged revenues to be equal to the combined principal and interest payments of the revenue bonds due during any subsequent fiscal year for the life of the associated revenue bonds. These debt service requirements are detailed in the table "Total Debt Service Requirements" in this footnote. In November 2022, the University's Board of Trustees approved a resolution to amend the University's tuition revenue pledge from 10% to 100% of tuition revenues, effective in fiscal year 2023.

The Master Enterprise Bond Resolution also includes a covenant which provides that during the period in which the bonds are outstanding and subject to applicable law, the University will continue to impose such fees and charges as are included within the gross revenue and will continue the present operation and use of the University's facilities. The University will continue to maintain reasonable fees, rental rates, and other charges for the use of all facilities and for services rendered by the University and will return annually gross revenues sufficient to pay all amounts required with respect to prior bond obligations, to pay operation and maintenance expenses, and to pay the annual debt service requirements of the bonds and any parity obligations payable from net revenues. The University believes it is in compliance with all existing pledged revenue requirements of its outstanding bonds.

The 2014A, 2015A, 2016A, 2018A, 2018B, 2019A, and 2021A bonds are also secured by a pledge of the revenues derived from net Extended Campus revenues and gross facility and administrative indirect cost recoveries. The University has pledged these revenues through 2046 to repay $84,635,000 in outstanding non-direct borrowing revenue bonds plus interest and $32,355,000 in outstanding direct borrowing revenue bonds plus interest. As of June 30, total pledged revenue and the associated debt service coverage are summarized in the table below:

Net Pledged Revenue Available for Revenue Bond Debt Service	**2025**	**2024**
Gross auxiliary facility and student fee revenues	$ 46,509,575	$ 43,815,302
Less auxiliary facility and student fee operating expenses	(30,800,067)	(28,491,618)
Net auxiliary and student fee facility revenue	15,709,508	15,323,684
Other pledged tuition and revenue		
100% of tuition revenue	62,735,181	63,740,498
Indirect cost recoveries	969,747	785,759
Extended campus net revenue	9,922,502	8,134,592
Subtotal other pledged tuition and revenue	73,627,430	72,660,849
Total Net Pledged Revenue	$ 89,336,938	$ 87,984,533
Series 2014A, 2015A, 2016A, 2018A, 2018B, 2019A and 2021A	10,884,438	10,850,765
Total Net Debt Service	$ 10,884,438	$ 10,850,765
2014A, 2015A, 2016A, 2018A, 2018B, 2019A and 2021A bond debt service coverage	8.21x	8.11x
Total net debt service as a percentage of gross auxiliary facilities and student fee revenues	23.4%	24.8%
Total net debt service as a percentage of total net pledged revenues	12.2%	12.3%

Revenue Bond Activity

On February 11, 2025, Standard & Poor's Global Ratings affirmed a stable outlook and its 'A-' underlying rating for the University's outstanding bond debt. They maintained the 'AA' long-term rating and stable outlook on the University's 2014A bonds based on the University's participation in the Colorado Higher Education State Aid Intercept Program.

On December 30, 2021, University of Northern Colorado Board of Trustees issued Institutional Enterprise Revenue Refunding Bonds Taxable Convertible to Tax-Exempt, Series 2021A for $33,035,000. Bond proceeds of $32,995,005 were used to advance refund a portion of outstanding principal balance on the Institutional Enterprise Revenue Refunding Bonds, Series 2014A, totaling $30,215,000 as of June 30, 2021. The Series 2021A Bonds were issued as a Taxable Obligation and bear interest at the taxable rate of 2.29% per annum, and converted to a Tax-Exempt Obligation bearing interest at a rate of 1.77% per annum on March 5, 2024, upon satisfaction of certain agreed upon conditions. The Series 2021A bonds are guaranteed by the State Intercept program and are set to mature on June 1, 2035. Bond proceeds were also used to pay the cost of issuance totaling $150,160.

The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $970,969 and was recorded as a loss on the refunding of the bonds. The deferred amount on refunding is reported in the accompanying statements of net position as a deferred outflow of resources and is being charged to operations through fiscal year 2035. The University completed the advanced refunding to reduce its total debt service payments by $4,576,628 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,037,656.

On August 29, 2019, University of Northern Colorado Board of Trustees issued Institutional Enterprise Revenue Refunding Bonds, Series 2019A for $32,855,000. Bond proceeds of $32,580,053 were used to refund the Auxiliary Facilities System Revenue Refunding Bonds, Series 2011A, with an outstanding principal balance of $30,590,00 as of June 30, 2019. The underwriter's discount and cost of issuance totaled $274,947. The Series 2019A bonds are guaranteed by the State Intercept program, have coupon rates of 1.9% to 2.6%, and are set to mature on June 1, 2031.

On July 18, 2019, Moody's Investors Service assigned the University an "A3" underlying and Aa2 enhanced rating to the University's proposed $32.8 million Institutional Enterprise Revenue Refunding Bonds Taxable Series 2019A (fixed rate, maturing 2031). The outlook on the underlying rating and enhanced ratings is stable.

On May 31, 2018, Moody's Investors Service assigned the University an "A3" underlying with a stable outlook on the outstanding Series 2011A, Series 2014A, Series 2015A, Series 2016A, and Series 2018A bonds, and assigned an "Aa2" enhanced rating with a stable outlook to the University's outstanding fixed-rate bonds and for the Series 2018B bonds. The downgrade to "A3" cited the University's cash flow and debt service coverage, and declining liquidity which is constraining the University's ability to restore reserves. The enhanced rating outlook, based on the University's participation in the Colorado Higher Education Revenue Bond Intercept Program, remains at "Aa2" with a stable outlook, which is based on the State of Colorado's current "Aa1" rating and outlook. When a University qualifies to issue bonds under the state intercept program, the bonds are additionally secured by the State with a provision that the State Treasurer will pay the principal and interest on the revenue bonds if the institution of higher education is unable to make the payment on the due date.

On April 20, 2018, Standard and Poor's assigned the University an underlying rating of "A-" with a stable outlook and an enhanced rating of "AA-" with a negative outlook, citing operating deficits, declining liquidity, and weak fundraising history relative to the University's peers. This was offset by the positives of FTE enrollment increases, experienced and stable management, and a manageable debt burden. The long-term rating of "AA-/Negative" is based on the University's participation in the Colorado Higher Education Revenue Bond Intercept Program. Standard and Poor's assigned these ratings to the 2014A fixed-rate bonds.

Revenue Bond Detail	Original Issuance	Outstanding Balance 2025	Outstanding Balance 2024
Fixed Rate Revenue Bonds			
Non-Direct Borrowings and Placements			
Series 2014A 2.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued April 2, 2014, in the original amount of $52,465,000 and maturing in varying amounts through June 1, 2035. Proceeds from the sale of these bonds were used to advance refund a portion of the Auxiliary Facilities System Revenue Refunding and Improvement Bonds, Series 2005.	$ 52,465,000	$ 2,535,000	$ 4,830,000
Series 2015A 4.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued June 3, 2015, in the original amount of $21,510,000 and maturing in varying amounts from June 1, 2036 to June 1, 2040. Proceeds from the sale of these bonds were used to refund the unrefunded portion of the Auxiliary Facilities System Revenue Refunding and Improvement Bonds, Series 2005.	21,510,000	21,510,000	21,510,000
Series 2016A 3.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued November 9, 2016, in the original amount of $23,470,000 and maturing in varying amounts from June 1, 2020 to June 1, 2046. Proceeds from the sale of these bonds are being used to fund the construction of Campus Commons building.	23,470,000	20,475,000	21,020,000
Series 2018A 3.60%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued July 18, 2018, in the original amount of $7,110,000 and maturing in varying amounts from June 1, 2019 to June 1, 2041. Proceeds from the sale of these bonds were used to refund the Auxiliary Facilities System Revenue Refunding Bonds, Series 2008, as well as a portion of the Institutional Enterprise Revenue refunding Bonds, Series 2011B.	7,110,000	3,990,000	3,990,000
Series 2018B 4.00%-5.00% Institutional Enterprise Revenue Refunding Bonds, issued July 18, 2018, in the original amount of $12,020,000 and maturing in varying amounts from June 1, 2024 to June 1, 2036. Proceeds from the sale of these bonds were used to refund the Institutional Enterprise Revenue Refunding Bonds, Series 2011B.	12,020,000	10,625,000	11,340,000
Series 2019A 1.90%-2.60% Institutional Enterprise Revenue Refunding Bonds, issued August 29, 2019, in the original amount of $32,855,000 and maturing in varying amounts from June 1, 2020 to June 1, 2031. Proceeds from the sale of these bonds were used to refund the Auxiliary Facilities Refunding Bonds, Series 2011A.	32,855,000	19,015,000	21,945,000
Direct Borrowings and Placements			
Series 2021A Institutional Enterprise Revenue Refunding Bonds Taxable Convertible to Tax Exempt, issued December 30, 2021, in the original amount of $33,035,000 and maturing in varying amounts from June 1, 2022 to June 1, 2035. The taxable interest rate was 2.29%, with a tax exempt interest rate of 1.77% after the conversion date of March 4, 2024. Proceeds from the sale of these bonds were used to refund a portion of the Institutional Enterprise Revenue Refunding Bonds, Series 2014A.	33,035,000	31,900,000	32,355,000
Total Fixed Rate Revenue Bonds	182,465,000	110,050,000	116,990,000
Add unamortized premium		4,278,512	4,655,617
Total Outstanding Fixed Rate Revenue Bonds Payable	$ 182,465,000	$ 114,328,512	$ 121,645,617

Debt Service Requirements on Revenue Bonds

The future minimum revenue bonds debt service requirements as of June 30 are reported in the tables below:

Total Debt Service Requirements - Non-Direct Borrowings and Placements			
Year Ending June 30	**Principal**	**Interest**	**Total**
2026	$ 4,310,000	$ 3,130,072	$ 7,440,072
2027	6,985,000	2,994,212	9,979,212
2028	4,585,000	2,769,090	7,354,090
2029	4,740,000	2,620,000	7,360,000
2030	4,885,000	2,463,478	7,348,478
2031-2035	12,680,000	10,260,958	22,940,958
2036-2040	31,005,000	6,238,625	37,243,625
2041-2045	7,440,000	1,431,244	8,871,244
2046	1,520,000	76,000	1,596,000
Total	$ 78,150,000	$ 31,983,679	$ 110,133,679

Total Debt Service Requirements - Direct Borrowings and Placements			
Year Ending June 30	**Principal**	**Interest**	**Total**
2026	$ 2,875,000	$ 564,630	$ 3,439,630
2027	395,000	513,742	908,742
2028	3,010,000	506,751	3,516,751
2029	3,070,000	453,474	3,523,474
2030	3,125,000	399,135	3,524,135
2031-2035	19,425,000	1,094,745	20,519,745
Total	$ 31,900,000	$ 3,532,477	$ 35,432,477

Regarding terms specified in the Series 2021A direct borrowing and placement debt agreement related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses, these were not invoked because the Series 2021A bonds were issued on parity with all of the University's other outstanding non-direct debt.

Notes Payable

As of June 30, 2025, the University's notes payable consisted of the following obligations:

Contract Date	Vendor	Purchase Description	Term and Maturity	Interest Rate	Acquisition Price	Regular Payment	Balance at 6/30/25
1/29/2016	Banc of America Public Capital Corporation	Energy performance improvements in numerous buildings on campus including steam trap upgrades, control and lighting improvements, plumbing retrofitting, and a chiller replacement	15 years ending January 2031	2.69% fixed, tax-exempt	$ 8,850,000	$59,806 monthly with $1 purchase option at end of term	$ 3,716,728
9/8/2022	Dell Technologies	Computer hardware	4 years ending November 2026	3.69% fixed, tax-exempt	$ 260,477	$55,996 annually	$ 98,317
10/26/2022	Cisco Systems	Computer hardware	5 years ending June 2028	6.99% fixed, tax-exempt	$ 199,166	$39,833 annually	$ 72,029
4/26/2023	Cisco Systems	Computer hardware	5 years ending July 2028	0.0% for the entire term	$ 355,388	$71,078 annually	$ 213,233
5/1/2024	CN Financing, Inc.	Arlington Park Apartments roof replacement	7 years ending May 2031	5.521% fixed, tax-exempt	$ 5,635,000	$490,730 semi-annually	$ 4,955,372

The University's debt service payments, including interest, required for the notes payable as of June 30 are detailed below:

Fiscal Years Ending June 30,	Principal	Interest	Total
2026	$ 1,500,921	$ 365,114	$ 1,866,035
2027	1,554,830	311,204	1,866,034
2028	1,531,210	238,995	1,770,205
2029	1,522,891	176,236	1,699,127
2030	1,588,647	110,481	1,699,128
2031	1,357,180	42,920	1,400,100
Total	$ 9,055,679	$ 1,244,950	$ 10,300,629

Right-to-Use Lease Liabilities

As of June 30, 2025, the University's right-to-use lease liabilities consisted of the following obligations:

Commencement date	Vendor	Purchase Description	Term and Maturity	Incremental borrowing interest rate	Regular Payment	Balance at 6/30/25
2/1/2023	NDTCO	1,200 square feet of garage space in Greeley, Colorado	6 years ending December 2028	2.247%	$625 monthly	$ 25,221
7/1/2024	Quadient	Mail label equipment	5 years ending June 2029	3.079%	$1,640 quarterly	$ 24,605
1/1/2025	BTT, LLC	12,000 square feet of building space in Loveland, Colorado for office space and classrooms	5 years ending December 2029	3.018%	$29,330 monthly	$ 1,539,713

The University debt service payments, including interest, required for these right-to-use leases payable as of June 30, 2025 are detailed below:

Fiscal Years Ending June 30,	Principal	Interest	Total
2026	$ 322,629	$ 43,362	$ 365,991
2027	339,756	33,495	373,251
2028	361,380	22,969	384,349
2029	376,464	11,874	388,338
2030	189,310	1,670	190,980
Total	$ 1,589,539	$ 113,370	$ 1,702,909

Right-to-Use Subscription Liabilities

As of June 30, 2025, the University's right-to-use subscription liabilities consisted of $2,803,544 for Ellucian Banner ERP software, $528,905 for cloud storage, and $2,654,697 for other various software subscription agreements.

The University debt service payments, including interest, required for these right-to-use leases payable as of June 30, 2025 are detailed below:

Fiscal Years Ending June 30,	Principal	Interest	Total
2026	$ 2,304,625	$ 125,783	$ 2,430,408
2027	2,012,578	68,845	2,081,423
2028	1,514,426	24,187	1,538,613
2029	155,517	1,786	157,303
Total	$ 5,987,146	$ 220,601	$ 6,207,747

Note 8: Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions

The University of Northern Colorado participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description

Eligible employees of the University of Northern Colorado are provided with pensions through the SDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided as of December 31, 2024

PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of the member's highest average salary and also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For Safety Officers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of June 30, 2025

Eligible employees of the University of Northern Colorado and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of July 1, 2024 through June 30, 2025 are summarized in the table below:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee contribution (all employees other than Safety Officers)	11.00%	11.00%
Safety Officers	13.00%	13.00%

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employer contribution rate	11.40%	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SDTF	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.21%	0.23%
Total employer contribution rate to the SDTF	**20.59%**	**20.61%**

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the University of Northern Colorado is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the University of Northern Colorado were $6,953,719 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SDTF was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total pension liability to December 31, 2024. The University of Northern Colorado’s proportion of the net pension liability was based on its contributions to the SDTF for the calendar year 2024 relative to the total contributions of participating employers and the State as a nonemployer contributing entity for participating employers of the SDTF that are outside of the State’s financial reporting entity.

At June 30, 2025, the University of Northern Colorado reported a liability of $69,235,243 for its proportionate share of the net pension liability.

At December 31, 2024, the University of Northern Colorado proportion was 0.73 percent, which was a decrease of 0.04 percent from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the University of Northern Colorado recognized pension expense of $2,649,214 and revenue of $547,116 for support from the State as a nonemployer contributing entity.

On June 30, 2025, the University of Northern Colorado reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,032,055	$ -
Changes of assumptions or other inputs	-	536,858
Net difference between projected and actual earnings on pension plan investments	1,525,034	-
Change in Proportionate Share	-	3,172,016
Contributions subsequent to the measurement date	3,191,249	-
Total	$ 6,748,338	$ 3,708,874

$3,191,249 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2026	$ 107,513
2027	3,082,078
2028	(2,396,878)
2029	(944,498)
TOTAL	$ (151,785)

Actuarial assumptions

The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.30-10.90%
Safety Officers	3.20-12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS Benefit Structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve

[1] Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total pension liability from December 31, 2023, to December 31, 2024.

Salary increases, including wage inflation:	
Members other than Safety Officers	2.70%-13.30%
Safety Officers	3.20%-16.30%

Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

Pre-Retirement	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	**100.00%**	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, and required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million, commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the University of Northern Colorado's proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 92,251,017	$ 69,235,243	$ 49,847,648

Pension plan fiduciary net position

Detailed information about the SDTF's fiduciary net position is available in PERA's Annual Comprehensive Financial Report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Payables to the pension plan

The University of Northern Colorado did not report payables to the SDTF as of June 30, 2025.

Note 9: Other PERA Retirement Plans

Voluntary Investment Program (401(k) Defined Contribution Plan)

Plan Description

Employees of the University of Northern Colorado that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions, and investment earnings.

Defined Contribution Retirement Plan (DC Plan)

Plan Description

Employees of the State of Colorado hired on or after January 1, 2006, employees of certain community colleges hired on or after January 1, 2008, and certain classified employees of State Colleges and Universities hired on or after January 1, 2019, have the option to participate in the SDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy

All participating employees in the PERA DC Plan and the University of Northern Colorado are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period July 1, 2024 through June 30, 2025 are summarized in the tables below:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Employee Contribution Rates		
All employees other than Safety Officers	11.00%	11.00%
Safety Officers	13.00%	13.00%
Employer Contribution Rates		
On behalf of all employees other than Safety Officers	10.15%	10.15%
Safety Officers	12.85%	12.85%

Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Additionally, employers are required to contribute AED and SAED to the SDTF as follows:

	July 1, 2024 Through December 31, 2024	January 1, 2025 Through June 30, 2025
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411[1]	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411[1]	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413[1]	1.00%	1.00%
Defined Contribution statutory contribution as specified in C.R.S. § 24-51-1505[1]	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.21%	0.23%
Total employer contribution rate to the SDTF[1]	**11.46%**	**11.48%**

[1] Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed $19,201.

Note 10: University Retirement Plans

On March 1, 1993, the Board of Trustees adopted an Optional Retirement Plan (ORP) for faculty and exempt-administrative staff. On the date of adoption, eligible University employees were offered the choice of remaining in PERA or participating in the ORP. New faculty and administrative staff members are required to enroll in the ORP unless they have one year or more of service credit with PERA at the date of hire.

The ORP is a defined contribution plan with three vendors: MetLife, TIAA-CREF, and Corebridge. These vendors provide a range of investment accounts for participants. For fiscal year 2025, the employee contributed 8 percent and the University contributed 11.5 percent. The University's contributions to the ORP were $7,810,738 in fiscal year 2025. All contributions are immediately invested in the employee's account. Normal retirement age for the ORP is 65. Benefits available to the employee at retirement are not guaranteed and are determined by contributions and the decisions made by participants for their individual investment accounts.

The University provides a 403(b) deferred compensation plan to the University President. Contributions totaled $69,000 for fiscal year 2025 for the President.

Note 11: Other Postemployment Benefits (OPEB)

OPEB

The University of Northern Colorado participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Eligible employees of the University of Northern Colorado are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare health benefits program is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the University of Northern Colorado is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the University were $308,957 for the year ended June 30, 2025.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

On June 30, 2025, the University of Northern Colorado reported a liability of $1,181,016 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The University of Northern Colorado's proportion of the net OPEB liability was based on the University of Northern Colorado's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

As of December 31, 2024, the University of Northern Colorado's proportion was 0.25 percent, a decrease of .02 percent from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the University of Northern Colorado recognized negative OPEB expense of $440,210.

At June 30, 2025, the University of Northern Colorado reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 260,508
Changes of assumptions or other inputs	13,542	377,512
Net difference between projected and actual earnings on pension plan investments	4,004	-
Change in Proportionate Share	-	488,543
Difference in Total Employer Contribution and Proportionate Share Contribution	-	2,332
Contributions subsequent to the measurement date	153,143	-
Total	$ 170,689	$ 1,128,895

$153,143 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2026	$ (398,517)
2027	(243,967)
2028	(200,816)
2029	(127,914)
2030	(92,617)
Thereafter	(47,518)
TOTAL	$ (1,111,349)

Actuarial assumptions

The December 31, 2023, actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial Cost Method	Entry Age
Price Inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.30%-10.90%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

As of the December 31, 2024, measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023, actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors were then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$1,710	$1,420	$585	$486	$1,897	$1,575
70	$1,921	$1,589	$657	$544	$2,130	$1,763
75	$2,122	$1,670	$726	$571	$2,353	$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$6,536	$5,429	$4,241	$3,523	$7,063	$5,866
70	$7,341	$6,073	$4,764	$3,941	$7,933	$6,563
75	$8,110	$6,385	$5,262	$4,143	$8,763	$6,900

The 2024 Medicare Part A premium is $505 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models, and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans[1]	MAPD PPO #2[1]	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

[1] Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

Mortality assumptions used in the December 31, 2023, valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023, valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 94% of the rates prior to age 80/ 90% of the rates age 80 and older **Females**: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 112% of the rates prior to age 80/ 94% of the rates age 80 and older **Females**: 83% of the rates prior to age 80/ 106% of the rates age 80 and older
Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 97% of the rates for all ages **Females**: 105% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	99% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023, valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020, to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025, and were effective as of December 31, 2024. The following assumptions were reflected in the roll forward calculation of the total OPEB liability from December 31, 2023, to December 31, 2024.

	State Division	School Division	Local Government Division	Judicial Division
Salary increases, including wage inflation:				
Members other than Safety Officers	2.70%-13.30%	4.00%-13.40%	3.40%-13.00%	2.30%-4.70%
Safety Officers	3.20%-16.30%	N/A	3.20%-16.30%	N/A

The following health care costs assumptions were used in the roll forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

Plan	**With Medicare Part A**	**Without Medicare Part A**
MAPD PPO #1	$1,824	$6,972
MAPD PPO #2	624	4,524
MAPD HMO (Kaiser)	2,040	7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 project scale. These assumptions updated for the Division Trust Funds, were also applied in the roll forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Pre-Retirement	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Employee	N/A
Safety Officers	PubS-2010 Employee	N/A
School Division	PubT-2010 Employee	N/A
Judicial Division	PubG-2010(A) Above-Median Employee	N/A

Post-Retirement (Retiree), Non-Disabled	**Mortality Table**	**Adjustments, as Applicable**
State and Local Government Divisions (members other than Safety Officers)	PubG-2010 Healthy Retiree	**Males**: 90% of the rates for all ages **Females**: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Safety Officers	PubS-2010 Healthy Retiree	N/A
School Division	PubT-2010 Healthy Retiree	**Males**: 106% of the rates for all ages **Females**: 86% of the rates prior to age 85/ 115% of the rates age 85 and older

Judicial Division	PubG-2010(A) Above-Median Healthy Retiree	N/A

Post-Retirement (Beneficiary), Non-Disabled	Mortality Table	Adjustments, as Applicable
All Beneficiaries	Pub-2010 Contingent Survivor	**Males**: 92% of the rates for all ages **Females**: 100% of the rates for all ages

Disabled	Mortality Table	Adjustments, as Applicable
Members other than Safety Officers	PubNS-2010 Disabled Retiree	95% of the rates for all ages
Safety Officers	PubS-2010 Disabled Retiree	N/A

The actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, and again at the Board's September 20, 2024, meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

Sensitivity of the University of Northern Colorado's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO#2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO#2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$1,447,353	$1,181,016	$951,401

Discount rate

The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024, measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Based on the above assumptions and methods, the HCTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the University of Northern Colorado's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 1,447,353	$ 1,181,016	$ 951,401

OPEB plan fiduciary net position.

Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Comprehensive Financial Report which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Note 12: Deferred Outflows and Inflows of Resources

Deferred inflows and outflows result from deferred amounts on refunding bonds, right-to-use leases receivable, and transactions related to the University of Northern Colorado share of the Colorado Public Employees' Retirement Association (PERA) net pension and OPEB liabilities. Additional information on the University's debt portfolio can be found in *Note 7: Bonds, Notes Payable, Right-To-Use Leases Payable and Right-To-Use Subscriptions Payable*. Additional information related to the PERA pension plan and related net pension liability can be found in *Note 8: Defined Benefit Pension Plan,* while additional information related to other postemployment benefits and related OPEB liability can be found in *Note 11: Other Postemployment Benefits (OPEB).*

Deferred Outflows and Inflows on Debt Refundings

The deferred amounts from refunding bond issues result from the difference in the carrying value of the refunded debt and its reacquisition price. These amounts are deferred and amortized over the life of the refunding debt. As of June 30, 2025, the University had deferred outflows on debt refundings of $1,791,948 and deferred inflows related to debt refundings of $559,687.

Deferred Inflows Related to Leases

As a result of the implementation of GASB 87*, Leases*, the University, serving in a lessor capacity, is required to recognize a lease receivable and a deferred inflow of resources for certain lease transactions. The deferred inflows of resources on right-to-use leases receivable are amortized over the life of the lease arrangement. As of June 30, 2025, the University had deferred inflows related to leases of $2,279,380.

Deferred Outflows and Inflows Related to Pension and OPEB

The deferred outflows and deferred inflows of resources that are related to the PERA net pension liabilities and the net OPEB liabilities result from circumstances that affect the net pension liability such as:

- Changes in benefit terms
- Changes in economics and demographic assumptions
- Differences between economic and demographic assumptions and actual experience
- Differences between expected and actual investment returns

Deferred outflows and deferred inflows of resources can also result from changes in University of Northern Colorado's proportionate share of the net pension and OPEB liabilities, which is based on University of Northern Colorado's contributions as a percentage of total employer contributions during the measurement period of the Plan.

Deferred inflows of resources or deferred outflows of resources are amortized to expense over a five-year period or the average remaining service period of plan members, which changes annually. The PERA and OPEB net pension liabilities have a measurement date of December 31 annually. Each year the contributions that University of Northern Colorado makes after the Plan measurement date from January 1 to June 30 will be recorded as a deferred outflow of resources and will be recognized as a reduction of the net pension and OPEB liabilities in the following fiscal year. As of June 30, 2025, the University had deferred outflows related to pensions of $6,748,338 and deferred inflows related to pensions of $3,708,874. As of June 30, 2025, the University had deferred outflows on OPEB of $170,689 and deferred inflows on OPEB of $1,128,895.

Deferred Inflows Related to the Proposed College of Osteopathic Medicine

As part of Colorado House Bill 24-1231, *State Funding for Higher Education Projects*, which provided funding for the University's proposed College of Osteopathic Medicine, $41,250,000 was transferred from the State to the University during fiscal year 2024 to be held in escrow for the duration of the accreditation process. Interest earned on these funds is also held in escrow for the duration of the accreditation process. In accordance with the House Bill, the University has recognized these funds held in escrow as deferred inflows of resources. As of June 30, 2025, the University had deferred inflows related to the proposed College of Osteopathic Medicine of $42,973,646.

Note 13: Operating Expenses by Function Compared with Operating Expenses by Natural Classification

For the Year Ended June 30, 2025								
	Wages and Benefits	Cost of Sales	Other Current Expenses	Scholarships and Fellowships	Utilities	Travel	Depreciation	Total
Instruction	$ 56,770,515	$ (14,722)	$ 3,630,355	$ 1,065	$ -	$ 588,725	$ -	$ 60,975,938
Research	7,715,781	-	943,389	1,503	-	206,452	-	8,867,125
Public Service	2,261,425	114,537	1,436,871	-	-	77,608	-	3,890,441
Academic Support	24,720,328	15,806	6,842,995	-	-	99,344	-	31,678,473
Student Services	15,383,824	98,166	6,532,707	6,237	313,173	146,416	-	22,480,523
Institutional Support	15,942,484	1,417,754	6,012,003	-	-	234,758	-	23,606,999
Operation of Plant	9,211,581	187	1,443,183	-	3,234,252	38	-	13,889,241
Scholarships	56,832	-	37,876	16,660,108	-	-	-	16,754,816
Auxiliary	16,957,507	13,155,588	3,680,149	-	2,836,872	3,122,186	-	39,752,302
Depreciation	-	-	-	-	-	-	19,233,458	19,233,458
Total Operating Expenses	$ 149,020,277	$ 14,787,316	$ 30,559,528	$ 16,668,913	$ 6,384,297	$ 4,475,527	$ 19,233,458	$ 241,129,316

For the Year Ended June 30, 2024								
	Wages and Benefits	Cost of Sales	Other Current Expenses	Scholarships and Fellowships	Utilities	Travel	Depreciation	Total
Instruction	$ 55,171,101	$ (22,749)	$ 3,838,955	$ 4,212	$ -	$ 538,596	$ -	$ 59,530,115
Research	6,688,748	-	1,083,830	4,540	-	227,604	-	8,004,722
Public Service	2,139,677	146,620	959,715	-	-	66,411	-	3,312,423
Academic Support	21,768,590	5,209	5,837,032	1,500	-	91,679	-	27,704,010
Student Services	14,673,583	75,727	6,119,271	52,325	337,652	164,619	-	21,423,177
Institutional Support	14,389,237	1,076,512	4,166,425	-	(3,394)	130,622	-	19,759,402
Operation of Plant	8,387,024	-	2,890,618	-	3,154,842	3,634	-	14,436,118
Scholarships	54,639	-	16,360	15,032,355	-	-	-	15,103,354
Auxiliary	15,104,377	11,741,822	3,670,603	115	2,764,047	2,935,495	-	36,216,459
Depreciation	-	-	-	-	-	-	19,462,792	19,462,792
Total Operating Expenses	$ 138,376,976	$ 13,023,141	$ 28,582,809	$ 15,095,047	$ 6,253,147	$ 4,158,660	$ 19,462,792	$ 224,952,572

Summary of Wages and Benefits

Wages and Benefits For the Year Ended June 30,		
	2025	2024
Faculty	$ 41,440,277	$ 40,891,151
Administrative	44,712,252	42,471,224
Graduate and Teaching Assistants	11,594,910	11,478,046
Classified	15,127,054	14,279,330
Student	6,954,433	7,131,139
Other	657,363	377,847
Subtotal wages	120,486,289	116,628,737
Fringe benefits	33,040,543	29,242,212
Fringe benefits (GASB 68)	(3,757,388)	(6,782,510)
Fringe benefits (GASB 75)	(749,167)	(711,463)
Total wages and benefits	$ 149,020,277	$ 138,376,976

Note 14: Legislative Appropriations

Appropriated Funds

The Colorado State Legislature establishes spending authority to the University in its annual Long Appropriations Bill. The University had total non-capital appropriations of $69,004,345 and $63,120,632 for the years ended June 30, 2025 and 2024, respectively. Appropriated expenditures were within the authorized spending authority in both years.

In fiscal year 2025, the University's appropriated funds consisted of $15,089,512 received from students who qualified for stipends from the College Opportunity Fund and $53,914,833 as Fee-For-Service contract revenue. In fiscal year 2024, the University's appropriated funds consisted of $15,049,376 received from students who qualified for stipends from the College Opportunity Fund and $48,071,256 as Fee-For-Service contract revenue. All other revenues and expenses reported by the University represent non-appropriated funds and are excluded from the annual appropriations bill. Non-appropriated funds include tuition and fees, grants and contracts, gifts, indirect cost recoveries, auxiliary revenues, and other revenue sources.

State Capital Appropriations

Capital appropriations from the state generally fall into three categories: capital construction, cash-funded appropriated projects, and controlled maintenance. The revenue is recognized in the Statement of Revenues, Expenses, and Changes in Net Position to the extent of expenditures in the current year. UNC recognized $1,586,348 and $3,315,085 in capital appropriations revenue for the years ended June 30, 2025 and 2024, respectively.

Note 15: Commitments and Contingencies

Government Grants

The University is currently participating in numerous grants from various departments and agencies of the federal and state governments. The utilization of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Collateral for State Treasury Certificates of Participation

The State periodically issues certificates of participation to provide support for various capital construction and controlled maintenance projects throughout the state, including at the University. Annual debt service or lease payments are made by the State and are subject to annual appropriations by the Legislature. As a result, this liability is recognized by the State and not included in the University's financial statements. The certificates are secured by the buildings or equipment acquired with the proceeds and any unexpended lease proceeds. The underlying capitalized assets are contributed to the University from the State and are reflected in the University's financial statements. The University may capitalize certain controlled maintenance projects that extend an existing asset's useful life or add to the economic value of the underlying asset.

On November 6, 2008, the State Treasury entered into a lease purchase agreement under which a trustee issued $230,845,000 of State of Colorado Higher Education Capital Construction Lease Purchase Financing Program Certificates of Participation, Series 2008. The University's Butler-Hancock interior renovation project was funded with $11,591,235 from the lease purchase agreement as a state appropriation and Parsons Hall was provided as collateral.

In November 2017, UNC's Board of Trustees approved collateralization of the Jackson Soccer Team building (Current Replacement Value is $2.8 million) for financing UNC's Senate Bill 17-267 Controlled Maintenance projects. The State Treasury issued Certificates of Participation under the Senate Bill in late September 2018. UNC has three capital projects approved for $2.1 million.

During the 2020 legislative session, House Bill 20-1377 specified that proceeds related to Senate Bill 17-267 lease purchase agreement be credited to the capital construction fund and appropriated for controlled maintenance projects. House Bill 20-1408 appropriated $3.8 million to the University for the replacement of a boiler.

On October 10, 2024, the State Treasury entered into a lease purchase agreement under which a trustee issued $253,170,000 of State of Colorado Higher Education Health Sciences Facilities Certificates of Participation, Series 2024. $127,542,028 was allocated to UNC for the building of the proposed College of Osteopathic Medicine facility. The new facility was provided as collateral.

Note 16: Risk Management

The University is subject to risks of loss from liability for accident, property damage, and personal injury. To mitigate these risks the University has purchased the following insurance:

- General liability, including law enforcement legal liability, covered by Philadelphia for an aggregate of $3,000,000 and per occurrence of $1,000,000 with no deductible.
- Professional liability covered by Philadelphia for an aggregate of $3,000,000 with a $25,000 deductible.
- Automobile liability covered by Philadelphia for $1,000,000 with no deductible.
- Educator's errors and omissions covered by RSUI Group, Inc. for $3,000,000 with a $50,000 deductible.
- Employment practices liability covered by RSUI Group, Inc. for $3,000,000 with a $75,000 deductible.
- Worker's compensation covered by Pinnacol Assurance for $500,000/$500,000/$500,000 with a $2,500 deductible.
- Umbrella liability covered by Philadelphia for $5,000,000 with a self-insured retention of $10,000.
- Fidelity (employee dishonesty) covered by Travelers for $3,000,000 with a $25,000 deductible.
- Other property covered by Affiliated FM Insurance Company with a limit of $750,000,000, with a $100,000 deductible for most locations ($500,000 for a few exceptions), a flood deductible of $250,000, and wind/hail deductible of 3%.
- Cyber Security covered by Ace American Insurance /Westchester, $1,000,000 Policy Aggregate, Cyber Incident Response and Network Security – Includes Cyber Crime $250,000 Social Engineering , Funds Transfer, $25,000 deductible.

The University became fully insured through several insurance companies in 2006 and is covered by insurance for everything above its reserve and deductible. The coverage in fiscal year 2025 is consistent with previous years and there have been no significant reductions in coverage. There have been no settlements exceeding coverage. The University uses a fringe benefit and risk management fund to pay expenses related to workers compensation and other liability insurance. The University's liability on June 30, 2025, was $101,000 which represents deductibles based on an analysis of claims.

Note 17: Other Disclosures

Multi-Year Employment Contracts

During fiscal year 2025, the University had four multi-year employment contracts for athletic coaches. The intent of the multi-year terms (four years) is to allow the coaches sufficient time to recruit and build successful athletic teams. These contracts are subject to termination for just cause and funds availability.

Required Supplementary Information

University of Northern Colorado
Schedule of Required Supplementary Information
June 30, 2025

Schedule of University's Proportionate Share of PERA Pension Liability

Measurement Date	Proportion of Collective Net Pension Liability (A)	Proportionate Share of Collective Net Pension Liability (B)	Covered Payroll (C)	Proportionate Share of Net Pension Liability as a percentage of covered payroll (B/C)	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability
December 31, 2015	1.27%	$ 134,262,416	$ 35,609,043	377.05%	56.11%
December 31, 2016	1.26%	$ 231,167,892	$ 36,078,990	640.73%	42.59%
December 31, 2017	1.20%	$ 239,421,801	$ 35,339,262	677.50%	43.20%
December 31, 2018	1.10%	$ 127,932,022	$ 34,392,235	371.98%	55.11%
December 31, 2019	1.02%	$ 99,147,013	$ 32,633,433	303.82%	62.24%
December 31, 2020	0.91%	$ 86,476,674	$ 30,281,029	285.58%	65.34%
December 31, 2021	0.80%	$ 58,983,574	$ 26,938,570	218.96%	73.05%
December 31, 2022	0.81%	$ 88,229,517	$ 28,611,779	308.37%	60.63%
December 31, 2023	0.77%	$ 78,121,940	$ 30,178,000	258.87%	64.37%
December 31, 2024	0.73%	$ 69,235,243	$ 31,015,604	223.23%	67.44%

Schedule of University's Contributions to PERA Pension

As of June 30	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
2016	$ 6,691,529	$ 6,286,794	$ -	$ 35,566,846	17.68%
2017	$ 7,047,703	$ 6,692,426	$ -	$ 36,058,201	18.56%
2018	$ 7,006,658	$ 6,654,918	$ -	$ 35,065,038	18.98%
2019	$ 6,685,480	$ 7,237,401	$ -	$ 33,493,592	21.61%
2020	$ 6,444,633	$ 6,897,878	$ -	$ 31,925,965	21.61%
2021	$ 5,736,499	$ 5,459,922	$ -	$ 27,933,542	19.55%
2022	$ 5,751,763	$ 6,104,246	$ -	$ 27,845,563	21.92%
2023	$ 6,206,972	$ 7,523,760	$ -	$ 29,322,770	25.66%
2024	$ 6,129,368	$ 6,247,880	$ -	$ 30,334,650	20.60%
2025	$ 6,406,602	$ 6,406,602	$ -	$ 31,837,571	20.12%

Notes to Required Supplementary Information (Net Pension Liability) – Changes in actuarial assumptions or other inputs

Changes in assumptions or other input effective for the December 31, 2024 measurement period are as follows:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The Pub-2010 Public Retirement Plans Mortality base tables were retained for purposes of active, retired, disabled, and beneficiary lives, with revised adjustments for credibility and gender, where applicable. In addition, the applied generational projection scale was updated to the 2024 adjusted scale MP-2021.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.
- SB 25-310, enacted June 2, 2025, and effective immediately, allows PERA to accept a series of warrants from the State Treasurer totaling $500 million (actual dollars) on or after July 1, 2025, and before October 1, 2025. These dollars are to be proportioned over time to replace reductions to future direct distributions intended to fund the Peace Officer Training and Support Fund and, at that time, will be allocated to the appropriate Division Trust Fund(s) within PERA. SB 25-310 also allows for an alternative actuarial method to allocate the direct distribution if the allocation, based on the reported payroll of each participating division, results in an AAP assessment ratio below the 98% benchmark.

There were no changes made to actuarial methods or assumptions for the December 31, 2023 measurement period for pension compared to the prior year.

There were no changes made to actuarial methods or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

Changes in assumptions or other input effective for the December 31, 2021 measurement period are as follows:

- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent

Changes in assumptions or other input effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes in terms or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

University of Northern Colorado
Schedule of Required Supplementary Information
June 30, 2025

Schedule of University's Proportionate Share of PERA OPEB Liability*

Measurement Date*	Proportion of Collective Net OPEB Liability (A)	Proportionate Share of Collective Net OPEB Liability (B)	Covered Payroll (C)	Proportionate Share of OPEB Liability as a percentage of covered payroll (B/C)	Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability
December 31, 2016	0.45%	$ 5,857,937	$ 35,675,310	16.42%	16.84%
December 31, 2017	0.43%	$ 5,574,596	$ 34,823,924	16.01%	17.53%
December 31, 2018	0.40%	$ 5,437,725	$ 33,803,091	16.09%	17.03%
December 31, 2019	0.36%	$ 4,000,432	$ 32,002,030	12.50%	24.49%
December 31, 2020	0.32%	$ 3,031,644	$ 29,503,550	10.28%	32.78%
December 31, 2021	0.27%	$ 2,351,885	$ 26,106,609	9.01%	39.40%
December 31, 2022	0.27%	$ 2,226,533	$ 27,672,575	8.05%	38.57%
December 31, 2023	0.26%	$ 1,882,082	$ 29,139,898	6.46%	46.16%
December 31, 2024	0.25%	$ 1,181,016	$ 29,809,681	3.96%	59.83%

Schedule of University's Contributions to PERA OPEB*

As of June 30*	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
2018	$ 351,740	$ 351,740	$ -	$ 34,484,267	1.02%
2019	$ 335,242	$ 335,242	$ -	$ 32,866,862	1.02%
2020	$ 319,000	$ 319,000	$ -	$ 31,274,510	1.02%
2021	$ 276,810	$ 276,810	$ -	$ 27,138,236	1.02%
2022	$ 275,757	$ 275,757	$ -	$ 27,035,000	1.02%
2023	$ 289,250	$ 289,250	$ -	$ 28,357,843	1.02%
2024	$ 297,680	$ 297,680	$ -	$ 29,184,314	1.02%
2025	$ 308,957	$ 308,957	$ -	$ 30,289,902	1.02%

*GASB Statement No. 75 was implemented during fiscal year 2017. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

Notes to Required Supplementary Information (Other Post-Employment Benefits) – Significant Changes in Plan Provisions, Assumptions, or Other Inputs Affecting Trends in Actuarial Information

Changes in plan provisions effective for the December 31, 2024 measurement period are as follows:

- As of the December 31, 2024, measurement date, the FNP and related disclosure components for HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were $0.020 million and $0.486 million, respectively.

Changes in assumptions or other inputs effective for the December 31, 2024 measurement period are as follows:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on experience. In addition, the mortality projection scale was updated to the 2024 adjusted scale MP-2021 to reflect future improvements in mortality for all groups.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

There were no changes in assumptions or other inputs effective for the December 31, 2023 measurement period for OPEB.

Changes in assumptions or other inputs effective for the December 31, 2022 measurement period are as follows:

- The timing of the retirement decrement was adjusted to middle of year.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and the wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than Safety Officers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than Safety Officers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
  - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
  - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

University Administration

ADMINISTRATION AS OF JUNE 30, 2025

Andy Feinstein
President

Kirsty Fleming
Provost & Executive Vice President

Dale Pratt
Vice President & Chief Financial Officer
Interim Vice President of Student Affairs
Treasurer to the Board of Trustees

Tamra English
General Counsel and
Secretary to the Board of Trustees

Darren Dunn
Director of Athletics

Keith Humphrey
Vice President for Student Affairs

Allie Steg Haskett
Vice President for University Advancement

Jennifer Almquist
Chief of Staff

Britney Kyle
Faculty Senate Chair, Professor of Anthropology

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR’S 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*

The Members of the Legislative Audit Committee
University of Northern Colorado Board of Trustees
Greeley, 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 the business-type activities and the discretely presented component unit of the University of Northern Colorado (“University”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated December 15, 2025. Our report includes a reference to other auditors who audited the financial statements of the University of Northern Colorado Foundation, Incorporated (“Foundation”), as described in our report on the University’s financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’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 have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Crowe LLP

Crowe LLP

Denver, Colorado
December 15, 2025

UNIVERSITY OF
NORTHERN COLORADO

Vision

The 10-year strategic plan—Rowing, Not Drifting 2030—was developed following an extensive, collaborative process with university stakeholders. In 2019, UNC developed a comprehensive vision that will serve the university over the next decade. The vision is composed of the vision statement, five vision elements, and 2030 outcomes that serve as the foundation in support of and in service to UNC's students, faculty, staff, alumni, and extended community. It also guides the work of our five phases over the next decade, as well as the implementation of our supporting key actions and tactics.

Vision Statement

The University of Northern Colorado will be the institution that Colorado looks to as the future of higher education. Our students will experience a personalized education grounded in liberal arts and infused with critical and creative inquiry; establish relationships with faculty and staff that nurture individual development; gain the skills and knowledge that provide upward mobility among alumni; and share a commitment to the values of inclusion, equity, and diversity.

Five Vision Elements

The Five Vision Elements are the major building blocks of our vision, each of which describes an institutional priority. Each vision element outlines specific outcomes that will be achieved by 2030.

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