



## University of Northern Colorado Annual Debt Report

### Summary of FY25 Debt Activity

Table 1 summarizes the overall changes in debt from FY24 to FY25, resulting in total debt outstanding on June 30, 2025 of \$131.0 million. These changes resulted in an overall net decrease in debt of \$5.7 million.

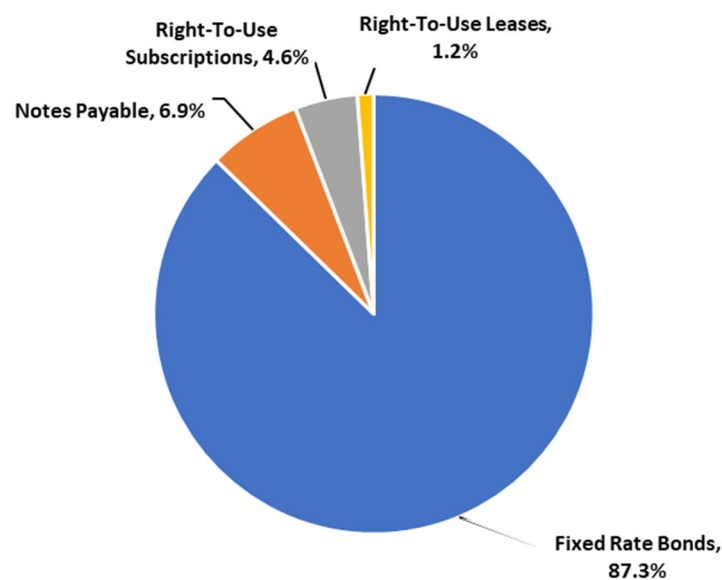
**Table 1. Fiscal Year 2024-25 Change in Total Debt Outstanding**

	Outstanding Debt			
	Beginning Balance	Additions	Deductions	Ending Balance
Bonds payable	121,645,617	-	7,317,105	114,328,512
Notes payable	10,547,826	-	1,492,147	9,055,679
Right-to-use leases payable	202,089	1,725,908	338,458	1,589,539
Right-to-use subscriptions payable	4,260,993	5,310,551	3,584,398	5,987,146
Total outstanding debt	<u>\$ 136,656,525</u>	<u>\$ 7,036,459</u>	<u>\$ 12,732,108</u>	<u>\$ 130,960,876</u>

### Current Debt Portfolio

The University's debt portfolio includes fixed rate bonds, notes payable, right-to-use subscriptions, and right-to-use leases. See Appendix A for a complete listing of the University's debt.

**Figure 1. Long Term Debt (\$131.0 million)**



## Ratio Analysis and Comparisons

Consistent with the debt policy, the following ratios provide an indication of our liquidity, leverage, and risk relative to other institutions.

**Table 2. Debt Portfolio Financial Ratio in Comparison to Peers**

Financial Ratios	UNC FY20 (a)	UNC FY21 (a)	UNC FY22 (a)	UNC FY23 (a)	UNC FY24 (a)	UNC FY25 (prelim.)	A3 Institutions (b)	A2 Institutions (b)	A1 Institutions (b)
<b>Reserves and Liquidity</b>									
Monthly Days Cash on Hand	98.9	123.2	150.3	133.6	109.0	101.3	119.0	192.0	195.0
Total Cash & Investments (in millions)	\$200,218	\$210,694	\$216,089	\$226,239	\$262,133	\$245,597	\$139,829	\$204,296	\$316,255
<b>Operating Performance</b>									
Operating Cash Flow Margin	14.00%	15.40%	19.50%	8.30%	5.30%	5.10%	5.40%	10.70%	12.10%
<b>Debt &amp; Leverage</b>									
Financial Leverage (Spendable Cash & Investments to Total Debt)	0.76x	0.70x	0.80x	0.90x	0.92x	0.90x	0.40x	0.56x	0.83x
Debt Service Coverage by Operating Cash Flow	2.80x	2.60x	4.00x	1.60x	1.00x	0.72x	1.0x	2.0x	2.8x

(a) Moody's Calculated Ratios as published. Source: MFRA as of 11/05/2025.

(b) Moody's Median Report for Public Higher Education Institutions (FY24 data and financial information). Published 06/25/2025.

### Ratio Definitions

**Monthly Days Cash on Hand** measures the number of days a university is able to operate (cover its cash operating expenses) from unrestricted cash and investments that can be liquidated within one month.

**Operating Cash Flow Margin** measures net income (before non-cash expenses) relative to operating revenue to indicate the amount of cash a university generates to support its strategic and capital investments.

**Financial Leverage** measures the university's ability to repay bondholders from spendable cash and investments that can be accessed over time or for a specific purpose.

**Debt Service Coverage** measures annual debt service burden on the annual operating budget.

## Debt Service Requirements

Table 3 shows the future debt service requirements for the University's debt.

**Table 3. Future Minimum Debt Service Requirements (Principal and Interest)**

	2026	2027	2028	2029	2030	Thereafter
Fixed Rate Bonds Debt Service	10,879,702	10,887,954	10,870,841	10,883,474	10,872,613	91,171,572
Notes Payable Debt Service	1,866,035	1,866,034	1,770,205	1,699,127	1,699,128	1,400,100
Right-To-Use Leases Debt Service	365,991	373,250	384,349	388,338	190,982	0
Right-To-Use Subscriptions Debt Service	2,430,409	2,081,423	1,538,612	157,304	0	0
<b>Total Debt Service</b>	<b>15,542,137</b>	<b>15,208,661</b>	<b>14,564,007</b>	<b>13,128,243</b>	<b>12,762,723</b>	<b>92,571,672</b>

## Composite Financial Index

The Composite Financial Index (CFI) is a tool developed by KPMG and Prager, Sealy and Co., LLC to help institutions monitor their financial health relative to strategic actions over time. The CFI includes four basic ratios to address resource sufficiency (Primary Reserve), operating results (Net Operating Revenues), debt management (Viability) and asset performance (Return on Net Assets). The ratios are then translated to a “strength factor” on a 1-10 scale and then weighted to come up with a single CFI. We believe it is a useful tool, but not a definitive indicator.

There are a few notable caveats. First, the tool is intended to be used as a relative indicator over time, giving consideration to strategic intentions. As we have discussed, while we are intentionally and strategically investing in improving student success, the use of reserves necessarily results in reduced ratios. Second, the calculations include both UNC and the UNC Foundation financial results, thus financial market performance has a significant effect on the net operating revenue and return on net asset ratios. Third, we exclude the GASB68 and GASB75 non-cash pension and OPEB expense and pension and OPEB liabilities from our calculations.

As shown in table 4, our FY25 preliminary CFI of 2.67 is based upon the four raw ratios, converted to a 1-10 scale strength factor and weighted as prescribed by the developers of the CFI.

**Table 4. FY25 CFI Calculation**

2025				
RATIO	RATIO VALUE	STRENGTH FACTOR	WEIGHTING FACTOR	SCORE
Primary Reserve	0.4782	3.60	35%	1.26
Net Operating Revenues	-0.0408	-3.13	10%	(0.31)
Viability	0.9201	2.21	35%	0.77
Return on Net Assets	0.0955	4.78	20%	0.96
Composite Financial Index 2025				2.67

Table 5 and Figure 2 on the next page show a ten-year history of the CFI, with each of the four strength factors.

**Table 5. Ten-year CFI and Strength Factor History**

CFI Factor - Unweighted	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Primary Reserve 35%	2.48	2.37	1.94	1.86	2.64	3.46	3.73	3.50	4.06	3.60
Net Oper Rev 10%	-4.04	-3.98	-2.14	-1.27	0.96	3.29	5.12	-1.78	-1.70	-3.13
Viability 35%	1.23	1.08	0.97	0.96	1.27	1.54	1.83	1.84	2.25	2.21
Return on Net Asset 20%	-2.27	2.93	3.99	-0.16	1.66	5.34	1.09	1.24	3.99	4.78
<b>Composite Financial Index</b>	<b>0.44</b>	<b>1.40</b>	<b>1.60</b>	<b>0.83</b>	<b>1.80</b>	<b>3.15</b>	<b>2.68</b>	<b>1.94</b>	<b>2.84</b>	<b>2.67</b>

Figure 2.

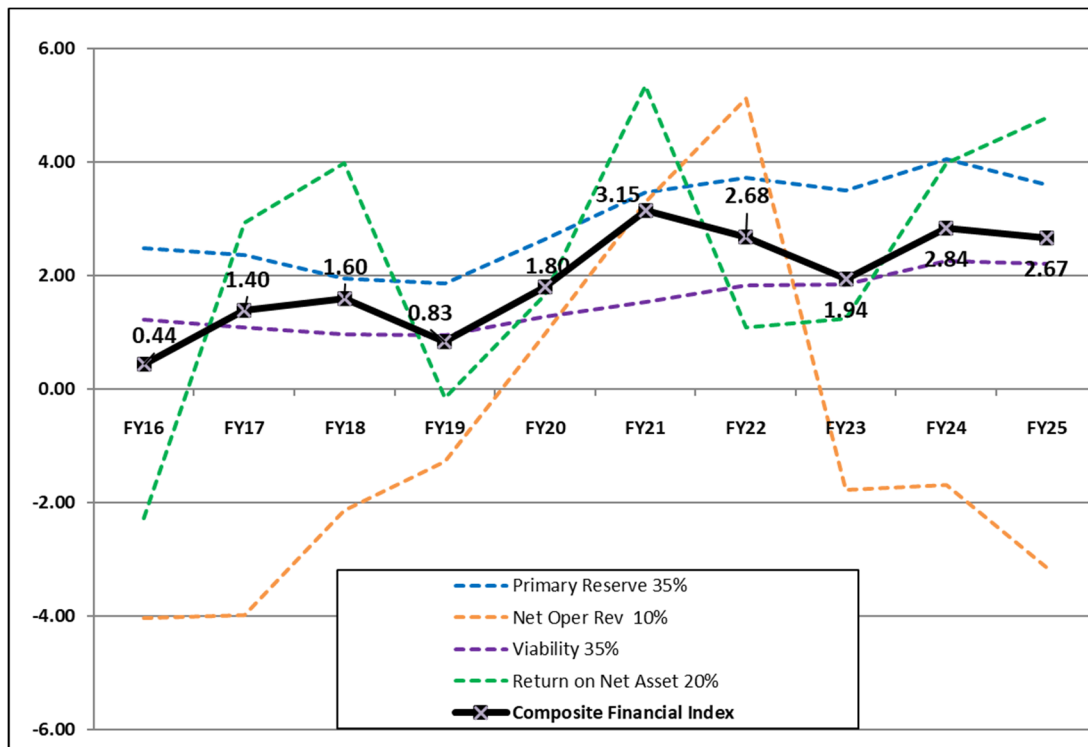
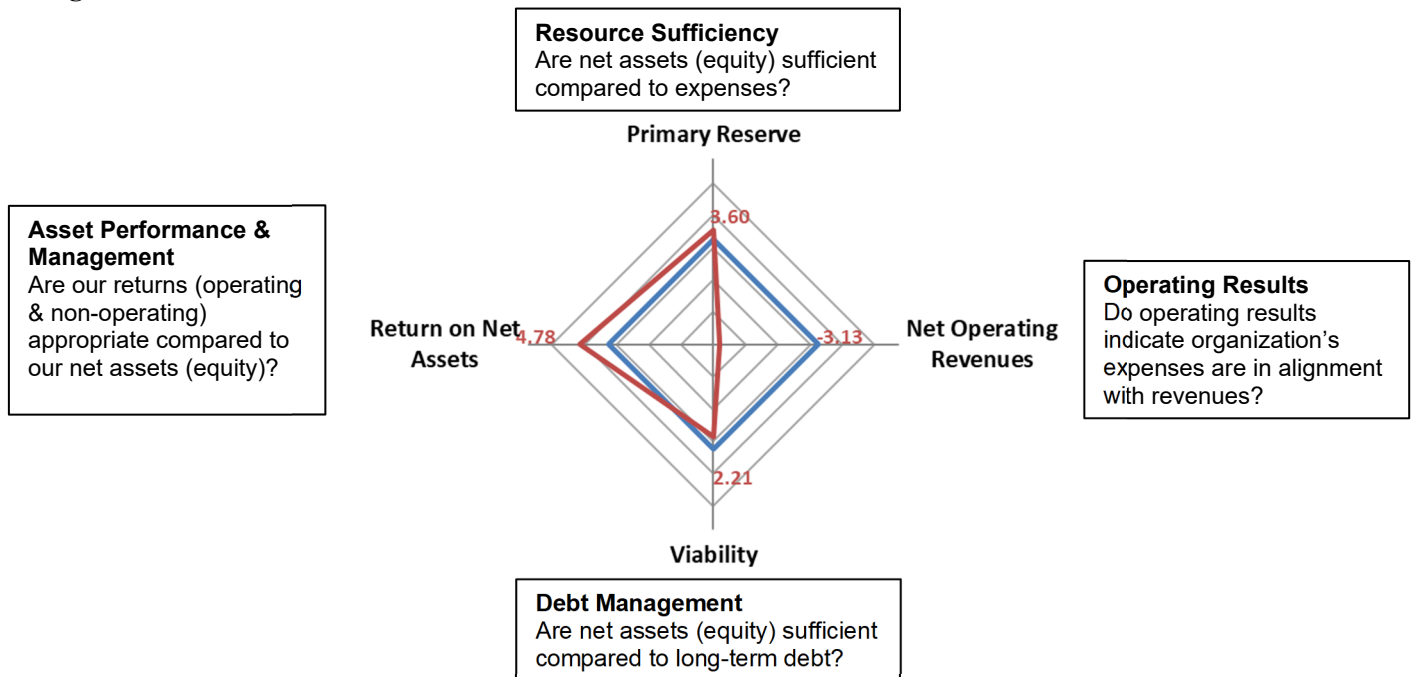


Figure 3 is the recommended graphical representation of UNC's CFI, showing how each of the factors (in red) on a 1-10 scale compare to a square of 3.0 strength factors (in blue). The 3.0 levels are used as threshold measures for normal levels of financial health.

Figure 3.



**Continuing Disclosure**

In association with outstanding bonds, the University is required to provide annual updates of certain financial and operating information, and other materially important information. Of particular importance, the University must provide the fiscal year 2024-25 Audited Financial Statements within 270 days of the completion of our fiscal year. We anticipate the submission for FY25 to occur in January 2026, following final completion of the audit and approval by the State. The University has complied with all other continuing disclosure requirements during FY25 on all of the University's outstanding bond issues.

**Ratings**

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.

## Appendix A - Long Term Debt Schedule

### Bonds Payable

Revenue Bond Detail	Original Issuance	Outstanding Balance 2025
<b>Series 2014A</b> - 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
<b>Series 2015A</b> - 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
<b>Series 2016A</b> - 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
<b>Series 2018A</b> - 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
<b>Series 2018B</b> - 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
<b>Series 2019A</b> - 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
<b>Series 2021A</b> - 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
Total Fixed Rate Revenue Bonds	182,465,000	110,050,000
Add unamortized premium		4,278,512
Total Outstanding Fixed Rate Revenue Bonds Payable	\$ 182,465,000	\$ 114,328,512

### Notes Payable

Notes Payable							
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	\$ 98,318
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	\$ 4,955,371
<b>Total Notes Payable Outstanding</b>							<b>\$ 9,055,679</b>

## Appendix A - Long Term Debt Schedule (continued)

### Right-to-Use Leases (per GASB 87)

Right-to-Use Leases (per GASB 87)						
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
Total Right-to-Use Leases Outstanding						\$ 1,589,539

### Right-to-Use Subscriptions (per GASB 96)

Right-to-Use Subscriptions (per GASB 96)						
Contract Date	Vendor	Purchase Description	Term and Maturity	Incremental borrowing interest rate	Regular Payment	Balance at 6/30/25
9/22/2023	Ellucian Banner	Banner ERP software	5 years ending September 2028	2.832%	Annual payments beginning at \$896,192 for the first year with a 5% increase in each of the following years	\$ 2,803,544
4/18/2022	Instructure	Cloud storage	5 years ending June 2027	2.372%	Annual payments beginning at \$230,899 for the first year with a 5% increase in each of the following years	\$ 528,905
Various	Various	In addition to the two significant agreements detailed above, there are other software agreements with various vendors, for a combined liability of \$2,654,697 at June 30, 2025.	Various	Various	Various	\$ 2,654,697
Total Right-to-Use Subscriptions Outstanding						\$ 5,987,146